OFFICIAL DOCUMENTS

CREDIT NUMBER 6057-GW
GRANT NUMBER D190-GW
AMENDMENT to 5467-GW and H956-GW

Agreement Providing for the Amendment and Restatement of the Financing Agreement
(Additional Financing for the Emergency Water and Electricity Services Upgrading Project)

between

REPUBLIC OF GUINEA BISSAU

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 7, 2017
FINANCING AGREEMENT

AGREEMENT dated July 7, 2017, entered into between REPUBLIC OF GUINEA BISSAU ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

WHEREAS (A) under an agreement, dated June 5, 2014, between the Recipient and the Association ("Original Financing Agreement"), the Association agreed to provide the Recipient with a credit ("Original Credit") in an amount equivalent to eleven million one hundred thousand Special Drawing Rights (SDR 11,100,000) and a grant ("Original Grant") in an amount equivalent to three million four hundred thousand Special Drawing Rights (SDR 3,400,000) (collectively, the "Original Financing") to assist in financing the project described in Schedule 1 to the Original Financing Agreement ("Original Project");

(B) the Recipient has requested the Association to provide additional financial assistance in support of scaling up activities related to the Original Project, by making available to the Recipient an additional credit ("Additional Credit") in an amount equivalent to thirteen million three hundred thousand Special Drawing Rights (SDR 13,300,000) and an additional grant ("Additional Grant") in an amount equivalent to five million two hundred thousand Special Drawing Rights (SDR 5,200,000) (collectively, the "Additional Financing"); and

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing to extend such additional assistance to the Recipient upon the terms and conditions set forth in this Agreement.

NOW THEREFORE the Recipient and the Association hereby agree to amend and restate the Original Financing Agreement, with effect from the Effective Date of this Agreement, to read as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.
ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, an Original Grant and an Original Credit (collectively, "Original Financing") and an Additional Grant and an Additional Credit (collectively, "Additional Financing") (together, the "Financing") in the following amounts to assist in financing the project described in Schedule 1 to this Agreement ("Project"):

(a) an amount equivalent to three million four hundred thousand Special Drawing Rights (SDR 3,400,000) ("Original Grant");

(b) an amount equivalent to eleven million one hundred thousand Special Drawing Rights (SDR 11,100,000) ("Original Credit");

(c) an amount equivalent to five million two hundred thousand Special Drawing Rights (SDR 5,200,000) ("Additional Grant"); and

(d) an amount equivalent to thirteen million three hundred thousand Special Drawing Rights (SDR 13,300,000) ("Additional Credit").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates for the Original Credit and the Additional Credit are April 15 and October 15 in each year.

2.06. The principal amount of the Original Credit and the Additional Credit shall be repaid in accordance with the repayment schedules set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency for the Original Credit is Dollar and for the Additional Credit is Euro.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through the PIU in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Events of Suspension consist of the following:

(a) EAGB’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of EAGB to perform any of its obligations under the Partnership Agreement;

(b) the Partnership Agreement has been amended, suspended, abrogated, repealed or waived; and

(c) the Recipient’s legal or regulatory framework has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the objective of the Project or its ability to be carried out or the implementation of the Services Contract and of the Performance Contract.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

5.02. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.
ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its Minister of Economy and Finance.

6.02. The Recipient’s Address is:

Ministério da Economia e Finanças
Avenida Amilcar Cabral
Caixa Postal No. 67
Bissau
Guinea-Bissau

Phone:

(00245)966654715

6.03. The Association’s Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INDEVAS
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391

Washington, D.C.
AGREED at ____________, ____________, as of the
day and year first above written.

REPUBLIC OF GUINEA BISSAU

By

[Signature]
Authorized Representative

Name: João Almeida Fadia
Title: Minister

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]
Authorized Representative

Name: Louis J. Good
Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to: (i) restore and increase the access of the population of the Recipient’s capital city of Bissau to safe water and improve the quality of water services; (ii) improve the reliability of electricity supply to the population of Bissau; and (iii) improve the performance of EAGB.

The Project consists of the following parts:

1. Water Supply

1.1 *Increasing the availability of water and improve the quality of water services throughout Bissau* by: (i) expanding the water production capacity through the drilling, pumping equipment and discharge lines of selected boreholes; (ii) securing the continuity of water production through the installation of selected diesel generators; (iii) expanding water storage infrastructure through the installation of four (4) elevated storage tanks and the repair and the rehabilitation of four storage tanks; (iv) financing the provision of distillate diesel oil to secure the energy supply for water production; and (v) safeguarding existing boreholes by fencing the wellfields and sealing unused boreholes.

1.2 *Increasing access to water services in peri-urban districts of Bissau* by: (i) expanding the water distribution networks; (ii) installing approximately 12,600 social household connections; (iii) constructing approximately 111 standposts.

1.3 *Reducing technical and commercial losses throughout Bissau* by: (i) replacing approximately 30 km of pipes; and (ii) installing approximately 13,000 water meters on existing connections.

1.4 *Providing consultants’ services for:* (i) design and supervision of parts 1.1 to 1.3, as well as 2.2 to 2.4 below; and (ii) technical studies of urban centers outside of Bissau.

1.5 *Facilitating maintenance* by providing goods and works for maintenance repair and rehabilitation of water facilities.

2. Electricity Supply

2.1 *Increasing the availability of electricity supply* by financing the provision of fuel in order to supply power generators.

2.2 *Improving the reliability and efficiency of overload medium and low voltage networks* by: (i) rehabilitating the output substation of the power station; (ii) replacing about 12 km of distribution cables and accessories; (iii) supplying
and installing about 16 medium voltage/low voltage transformers; and (iv) creating about 10 medium voltage/low voltage additional substations.

2.3 **Securing the electricity supply for water production** by: (i) connecting four boreholes to the medium voltage grid; and (ii) installing four medium voltage/low voltage substations.

2.4 **Improving customer management and revenue collection** by providing: (i) approximately 21,030 pre-payment meters for existing service connections; (ii) additional license fees for the pre-payment meters; and (iii) 100 electronic meters for large users.

2.5 **Supporting the rehabilitation, densification and expansion of medium and low voltage networks in selected areas, through**: (i) the construction of medium voltage lines and low voltage lines; and (ii) the provision and installation of 10 pole-mounted substations and 5 cabin substations.

2.6 **Facilitating maintenance** by providing goods and works for maintenance repair and rehabilitation of electricity facilities.

3. **Support to Project Implementation and EAGB**

3.1 **Supporting Project implementation, coordination, monitoring and evaluation**, by: (i) financing Operating Costs and consultants for the PIU; and (ii) carrying out audits for the Project.

3.2 **Strengthening the PIU implementation capacity** through the provision of: (i) one vehicle and equipment for the PIU; and (ii) Training and technical assistance to carry out institutional and technical studies.

3.3 **Strengthening EAGB’s capacity** through the provision of: (i) technical audits on EAGB’s performance including the external verification of the fuel purchase program, (ii) audits of EAGB’s financial statements; (iii) Training and technical assistance for enhanced operational management of EAGB; (iv) technical and institutional studies; (v) a strategic environmental and social assessment of the energy sector; (vi) four vehicles; (vii) a generation plan; and (viii) studies on the integration and feasibility of solar.

3.4 Supporting a sound environmental and social management of the Project as well as capacity building for the requirements under the Safeguards Documents.

3.5 **Supporting EAGB restructuring, through the provision of**: (i) the Services Contract; (ii) customer management software and hardware; (iii) enumeration of EAGB’s customers; (iv) Training; (v) audits of the Services Contract and Performance Contract; (vi) information, education and communication; and (vii) one call center.
Section 1. Implementation Arrangements

A. Institutional Arrangements

1. Project Implementation Unit

(a) The Recipient shall modify the mandate of the Project Implementation Unit no later than one month after the Effective Date, and thereafter maintain at all times during the implementation of the Project, a Project implementation unit within the administrative structure of MEF, with terms of reference and resources satisfactory to the Association, and supported by qualified and experienced personnel in adequate numbers to be responsible for coordinating the implementation of the Project.

(b) The Project Implementation Unit shall be responsible for the day-to-day management, administration, implementation, monitoring and evaluation of the Project.

2. Autoridade de Avaliação Ambiental Competente

(a) The Recipient shall maintain at all times during the implementation of the Project, the Autoridade de Avaliação Ambiental Competente within the administrative structure of the Recipient’s Ministry of Environment, with terms of reference and resources satisfactory to the Association, and supported by qualified and experienced personnel in adequate numbers.

(b) The Autoridade de Avaliação Ambiental Competente shall be responsible for the approval and supervision of the implementation of the Safeguards Documents for the Project.

3. Project Steering Committee

(a) The Recipient shall establish, not later than two (2) months after the Effective Date and thereafter maintain at all times during Project implementation, a Project Steering Committee with a mandate, composition and resources satisfactory to the Association (“Project Steering Committee”).

(b) Without limitation upon the provisions of paragraph (a) of Section I.A.1 of this Schedule 2, the Project Steering Committee shall be comprised of, inter alia, representatives of the MEF, MEI and the Recipient’s ministry at the time responsible for natural resources.
(c) The Project Steering Committee shall be responsible for reviewing and monitoring the execution of the Services Contract and the Performance Contract.

(d) The Project Steering Committee shall meet at least twice a year.

B. Project Implementation Manual and Safeguards Documents

(a) The Recipient shall carry out the Project in accordance with the Project Implementation Manual and the Safeguards Documents.

(b) The Recipient shall not amend the Project Implementation Manual or the Safeguards Documents without the prior written approval of the Association.

(c) In the event of any conflict between the provisions of the Project Implementation Manual, the Safeguards Documents and this Agreement, the provisions of this Agreement shall prevail.

C. Partnership Agreement

1. To facilitate the carrying out of Parts 1.2, 2.1 and 3.3 of the Project, the Recipient, through MEF and MEI, shall maintain, throughout Project implementation, a partnership agreement with EAGB, under terms and conditions approved by the Association ("Partnership Agreement") which shall, inter alia, include the following:

(a) for the purpose of implementing Part 1.2 of the Project, EAGB shall: (i) submit, before the commencement of works, policies and procedures satisfactory to the Association for the selection of beneficiaries for the social water service connections, including the contributions to be made by said beneficiaries; (ii) enter promptly into agreements with said beneficiaries for the provision of water service to said service connections; and (iii) report monthly to the Recipient on the number of agreements signed with said beneficiaries;

(b) EAGB shall: (i) maintain policies and procedures, adequate to monitor and evaluate in accordance with indicators acceptable to the Association, as further detailed in the Project Implementation Manual, the progress of the activities carried out under Parts 1.2, 2.1 and 3.3 of the Project and the achievement of its objectives; and (ii) report quarterly to the Recipient on said indicators;

(c) EAGB shall: (i) no later than nine (9) months after the Effective Date, establish, and thereafter maintain throughout Project implementation, a financial management system and prepare financial statements in
accordance with consistently applied accounting standards acceptable to the Association; (ii) have said financial statements audited by independent auditors for each fiscal year of EAGB in accordance with consistently applied auditing standards acceptable to the Association; and (iii) send to the Recipient and to the Association said auditing reports on the audited financial statements of EAGB for each fiscal year of EAGB not later than six months after the end of such period; and

(d) EAGB shall enable the Recipient and the Association to inspect the activities carried out under Part 1.2, 2.1 and 3.3 of the Project, their execution and any relevant records and documents; and prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

2. The Recipient shall exercise its rights under the Partnership Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Partnership Agreement or any of its provisions.

D. Management Improvement Plan, Services Contract and Performance Contract

1. Not later than four (4) months after the Effective Date, the Recipient shall approve, and shall cause EAGB to adopt, and thereafter maintain throughout Project implementation, a Management Improvement Plan.

2. Not later than six (6) months after the Recipient’s approval of the Management Improvement Plan, the Recipient shall: (a) with support of the Project Implementation Unit execute a Services Contract with the Services Provider in accordance with the provisions of Section III of Schedule 2 to this Agreement; and (b) thereafter cause the Project Implementation Unit to maintain at all times during the implementation of the Project, the Services Contract under terms and conditions satisfactory to the Association, including, inter alia:

(a) a detailed description of the services to be rendered by the Services Provider, including the proposed schedule for carrying out its mission, as well as technical standards to be complied with;

(b) a detailed list of objectives to be attained, along with expected achievement dates and performance indicators;
(c) a detailed description of personnel to be provided by the Services Provider, together with the required qualifications and experience, and to include competent staff in adequate numbers;

(d) a list of deliverables and report or strategies to be delivered by the Services Provider;

(e) the Cahier des Charges attached as an annex, as needed; and

(f) provisions with respect to the periodic review of the performance of the Services Provider.

3. Within two months from the date of signing of the Services Contract, the Recipient shall cause EAGB to: (i) proceed with any corporate nominations prescribed by the applicable laws, including, any representative from the Services Provider pursuant to the Services Contract; and (ii) submit to the Association an opinion or opinions satisfactory to the Association of counsel acceptable to the Association showing on behalf of the Recipient, that the Services Contract has been duly authorized or ratified by, and executed and delivered on behalf of, such party and that all corporate nominations required under the Services Contract are legally valid.

4. The Recipient shall no later than six (6) months after the Effective Date enter into a Performance Contract with EAGB under terms and conditions satisfactory to the Association and thereafter maintain at all times during the implementation of the Project said Performance Contract.

5. The Recipient, with the support of the PIU, shall have a semi-annual technical and financial review of the implementation of Services Contract and Performance Contract carried out by the Contract Auditors and submit its report no later than two months after the end of the relevant semester to the Services Provider, the Project Steering Committee and to the Association.

6. Unless otherwise agreed in writing with the Association, the Recipient and EAGB shall not, at any time during the Implementation of the Project, assign, amend, suspend, abrogate, repeal, waive or terminate the Services Contract or the Performance Contract.

E. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
Section II.  Project Monitoring, Reporting and Evaluation

A.  Project Reports

1.  The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators set forth in the Project Implementation Manual and found acceptable to the Association. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than forty-five days after the end of the period covered by such report.

2.  For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six months after the Closing Date.

B.  Financial Management, Financial Reports and Audits

1.  The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2.  Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty-five days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3.  The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III.  Procurement

A.  General

1.  Goods, Works and Non-consulting Services.  All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2.  Consultants’ Services.  All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consultant’s services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding (“NCB”), subject to the following additional provisions: (i) 4 (four) weeks will be provided for preparation and submission of bids, after the issuance of the invitation for bids or availability of the bidding documents, whichever is later; (ii) for all procurement of goods and works, standard bidding documents acceptable to the Association will be used; (iii) bids will be advertised in national newspapers with wide circulation and will be presented and submitted in one envelope; (iv) bid evaluation and bidder qualifications criteria will be clearly specified in the bidding documents; (v) no preference margin will be granted to domestic bidders; (vi) no eligible firm, whether foreign or domestic, will be excluded from the competition; and (vii) the results of the bid evaluation and of the award of the contract, and procedures for bidders to object, will be published; (b) Shopping; (c) Direct Contracting; and (d) Force Account.

C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Least Cost Selection; (b) Selection based on Consultants’ Qualifications; (c) Single-source Selection of consulting firms; (d) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (e) Single-source procedures for the Selection of Individual Consultants.
D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the tables in paragraphs 2 and 3 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Original Financing (“Category”), the allocations of the amounts of the Original Credit and of the Original Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Original Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed by the Original Credit (inclusive of Taxes)</th>
<th>Amount of the Original Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed by the Original Grant (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, Training and Operating Costs for the Project, except for Parts 1.5, 2.1, 2.5, 2.6 and 3.5</td>
<td>9,300,000</td>
<td>76.7%</td>
<td>2,830,000</td>
<td>23.3%</td>
</tr>
<tr>
<td>(2) Goods for Part 2.1 of the Project</td>
<td>1,800,000</td>
<td>76%</td>
<td>570,000</td>
<td>24%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>11,100,000</td>
<td></td>
<td>3,400,000</td>
<td></td>
</tr>
</tbody>
</table>
3. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Additional Financing ("Category"), the allocations of the amounts of the Additional Credit and of the Additional Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Additional Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed by the Additional Credit (inclusive of Taxes)</th>
<th>Amount of the Additional Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed by the Additional Grant (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, Training and Operating Costs for the Parts 1.1 to 1.4, Part 2.4, and Parts 3.1 to 3.4 of the Project.</td>
<td>6,833,200</td>
<td>72%</td>
<td>2,668,000</td>
<td>28%</td>
</tr>
<tr>
<td>(2) Goods and works for Parts 1.5 and 2.6 of the Project</td>
<td>372,400</td>
<td>72%</td>
<td>150,000</td>
<td>28%</td>
</tr>
<tr>
<td>(3) Goods and works for Part 2.5 of the Project</td>
<td>2,181,200</td>
<td>72%</td>
<td>850,000</td>
<td>28%</td>
</tr>
<tr>
<td>(4) Goods, works, non-consulting services, consultants' services and Training for Part 3.5 of the Project</td>
<td>3,913,200</td>
<td>72%</td>
<td>1,532,000</td>
<td>28%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>13,300,000</td>
<td></td>
<td>5,200,000</td>
<td></td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
   
   (a) for payments made prior to the date of this Agreement for Eligible Expenditures under Category (1) of the Additional Financing;
   
   (b) under Category (2) of the Additional Financing, unless and until EAGB has adopted a Maintenance, Repair and Rehabilitation Plan referred to in Section V.3 of Schedule 2 to this Agreement, in form and substance satisfactory to the Association;
   
   (c) under Category (3) of the Additional Financing unless and until the Recipient has adopted a Generation Plan referred to in Section V.5. of Schedule 2 to this Agreement; and
   
   (d) under Category (4) of the Additional Financing unless and until: (i) EAGB has adopted a Management Improvement Plan referred to in Section I.D.I. of Schedule 2 to this Agreement; (ii) the board of directors of EAGB referred to in Section V.2. of Schedule 2 to this Agreement has been established, all in form and substance satisfactory to the Association; (iii) the Project Steering Committee referred to in Section I.A.3 of Schedule 2 of this Agreement has been established, in form and substance satisfactory to the Association; and (iv) Contract Auditors have been appointed, under terms of reference satisfactory to the Association.

2. The Closing Date is December 31, 2021.

Section V. Other Undertakings

1. No later than two (2) months after the Effective Date, the Recipient shall cause EAGB to amend the company by-laws, in form and substance satisfactory to the Association, to comply with OHADA Legislation.

2. No later than three (3) months after the Effective Date, the Recipient shall appoint and thereafter maintain, at all times during Project implementation, the board of directors of EAGB, with terms of reference and composition satisfactory to the Association.

3. The Recipient shall cause EAGB to adopt, and thereafter implement a Maintenance, Repair and Rehabilitation Plan, in form and substance satisfactory to the Association.

4. The Recipient shall: (a) no later than twenty-four (24) months from the Effective Date, cause EAGB to carry out an inventory of EAGB’s assets and liabilities, and
prepare and submit to the Association for its review and written approval the financial restructuring plan; and (b) within six (6) months from its review by the Association, adopt a financial restructuring plan and take and, as the case may be, cause to be taken by EAGB or any other entity concerned by the financial restructuring plan, all necessary governmental and corporate actions required for the implementation thereof, including the debts clearance mechanism.

5. Not later than six (6) months after the Effective Date, the Recipient shall adopt a Generation Plan, in form and substance satisfactory to the Association.
# SCHEDULE 3

## Repayment Schedule for the Original Credit and Additional Credit

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Original Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 15 and October 15:</td>
<td></td>
</tr>
<tr>
<td>commencing October 15, 2024 to and including April 15, 2034</td>
<td>1%</td>
</tr>
<tr>
<td>commencing October 15, 2034 to and including April 15, 2054</td>
<td>2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Additional Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 15 and October 15:</td>
<td></td>
</tr>
<tr>
<td>commencing October 15, 2023 to and including April 15, 2055</td>
<td>1,5625%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.
APPENDIX

Section I. Definitions


2. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


5. "Contract Auditors" means the auditors satisfactory to the Association, recruited pursuant to Section IV.B.(d) of Schedule 2 to this Agreement for the purposes of auditing the performance of the Services Provider under the Services Contract and of auditing the execution of the Performance Contract.

6. "Displaced Persons" means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter, (ii) loss of assets or access to assets, or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.


9. "Environmental and Social Management Framework" or “ESMF” means the Recipient’s environmental and social management framework document, dated November 2016 and disclosed by the Recipient on February 23, 2017 and at the Association’s Infoshop on February 15, 2017, detailing: (a) the measures to be
taken during the implementation and operation of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels, and (b) the actions needed to implement these measures, including monitoring and institution strengthening.

10. “Environmental and Social Management Plan” or “ESMP” means the Recipient’s document to be prepared and disclosed in accordance with the Environmental and Social Management Framework with respect to the Project, that details: (i) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels, and (ii) the actions needed to implement these measures.


12. “Generation Plan” means the plan to be prepared and adopted by the Recipient pursuant to Section V.5 of Schedule 2 to this Agreement, setting how the sector plans to meet the country’s energy needs at the least cost to its economy.

13. “Maintenance, Repair and Rehabilitation Plan” means the plan to be prepared and adopted by the Recipient pursuant to Section V.3 of Schedule 2 to this Agreement, setting a dated and budgeted list of priority maintenance, repair and rehabilitation activities to be carried out under Parts 1.5 and 2.6 of the Project.

14. “Management Improvement Plan” means the plan to be prepared and adopted by the Recipient pursuant to Section I.D.1 of Schedule 2 to this Agreement, setting coordinated activities to be carried out by EAGB at management level to improve efficiency and enhance transparency and governance in operations in all business areas.

15. “MEF” means the Recipient’s Ministry in charge of economy and finance, and currently known as “Ministério da Economia e Finanças”, or any successor thereof satisfactory to the Association.

16. “MEI” means the Recipient’s Ministry in charge of energy and industry, and currently known as “Ministério da Energia e Indústria”, or any successor thereof satisfactory to the Association.

17. “Ministry of the Environment” means the Recipient’s Ministry in charge of the environment, and currently known as “Ministério do Ambiente e Desenvolvimento Sustentável”, or any successor thereof satisfactory to the Association.


20. "Operating Costs" means the reasonable incremental costs incurred by the Recipient on account of Project implementation, namely: (i) operation and maintenance of vehicle, repairs, fuel and spare parts; (ii) computer maintenance, including hardware and software; (iii) communication costs and shipment costs (whenever these costs are not included in the cost of goods); (iv) office supplies; (v) rent and maintenance for office facilities; (vi) utilities and insurances; (vii) travel and per diem costs for technical staff carrying out training, supervisory and quality control activities; (viii) bank fees; and (ix) salaries of support staff for the Project Implementation Unit but excluding salaries of the Recipient’s civil servants.

21. "Original Credit" means Credit No 5467-GW.

22. "Original Financing Agreement" means the financing agreement for the Original Project between the Recipient and the Association, dated June 5, 2014, as amended to the date of this Agreement (Credit No 5467-GW and Grant No. H956-GW).

23. "Original Financing" means Credit No 5467-GW and Grant No. H956-GW.

24. "Original Grant" means Grant No. H956-GW.

25. "Original Project" means the Project described in Schedule I to the Original Financing Agreement.

26. "Partnership Agreement" means the agreement, dated June 2014, as amended on September 8, 2015, executed between the Recipient and EAGB for the implementation of Parts 1.2, 2.1 and 3.3 of the Project, as referred to in Section I.C. of Schedule 2 to this Agreement.

27. "Performance Contract" means the agreement to be signed between the Recipient and EAGB, pursuant to Section I.D.4 of Schedule 2 to this Agreement, setting their respective obligations in respect of, inter alia, operational performances and services and financial support and payment of water and electricity bills.


29. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated March 29, 2017, and referred to in paragraph 1.18 of the Procurement Guidelines.
and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

30. “Project Implementation Manual” means the manual prepared and adopted by the Recipient on April 2, 2014, and updated on April 19, 2017, for the implementation of the Project, including, inter alia: (i) the terms of reference, functions and responsibilities for the members or the personnel of the Project Implementation Unit and the Autoridade de Avaliação Ambiental Competente; (ii) the procedures for procurement of goods, works, non-consulting services, consultants’ services, Operational Costs, and Training, as well as for financial management and audits under the Project; (iii) the indicators to be used in the monitoring and evaluation of the Project; (iv) the criteria, detailed rules and procedures for the grievance mechanisms; (v) the model form for the Partnership Agreement; and (vi) the flow and disbursement arrangements of Project funds; as said manual may be amended from time to time with the Association's prior approval.

31. “Project Implementation Unit” or “PIU” means a unit within the administrative structure of MEF established by the Recipient and operating under the Project Implementation Manual in charge of the day-to-day management, implementation, monitoring and evaluation of the Project as further detailed in the Project Implementation Manual.

32. “Resettlement Action Plan” or “RAP” means the Recipient’s document to be prepared and disclosed in accordance with the Resettlement Policy Framework with respect to the Project, which, inter alia, (i) contains a census survey of Displaced Persons and valuation of assets, (ii) describes compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation, and (iii) contains a timetable and budget for the implementation of such measures.

33. “Resettlement Policy Framework” or “RPF” means the resettlement policy framework document, dated January 2017 and disclosed by the Recipient on March 9, 2017 and at the Association’s Infoshop on March 6, 2017, containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons, as amended from time to time with the prior written consent of the Association.

34. “Safeguards Documents” means collectively or individually the Environmental and Social Management Framework, the Resettlement Policy Framework as well as the Environmental and Social Management Plans and the Resettlement Action Plans prepared in connection with the Project, if any.
35. "Services Contract" means the contract, in form and substance satisfactory to the Association, to be entered into between the Recipient, the Project Implementing Entity and the Services Provider, as set forth in Section I.D of Schedule 2 to this Agreement.

36. "Services Provider" means the firm, satisfactory to the Association, recruited by the Recipient in accordance with the provisions of Section III of the Schedule 2 to this Agreement for the purpose of the Services Contract, as set forth in Section I.D of Schedule 2 to this Agreement.

37. "Training" means the training of persons involved in Project-supported activities, as approved by the Association, such term including scholarships, seminars, workshops, and study tours, and costs associated with such activity including travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.