Financing Agreement

(Additional Financing for the Emergency Infrastructure Renewal Project)

between

REPUBLIC OF COTE D'IVOIRE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

1 4 SEPTEMBER 2016

Dated ________________, 2016
FINANCING AGREEMENT

Agreement dated 14 SEPTEMBER 2016, 2016, entered into between
REPUBLIC OF COTE D’IVOIRE ("Recipient") and INTERNATIONAL
DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing
additional financing for the Original Project (as defined in the Appendix to this
Agreement). The Recipient and the Association hereby agree 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, a credit in an amount equivalent to fifty
three million nine hundred thousand Euros 53,900,000) (variously, "Credit" and
“Financing"), to assist in financing the project described in Schedule 1 to this
Agreement ("Project").

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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance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 the greater of: (a) the sum of three-fourths of one percent (3/4 of
1%) per annum plus the Basis Adjustment; and (b) three-fourths of one percent
(3/4 of 1%) per annum.
2.05. The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to the greater of: (a) the sum of one and a quarter percent (1.25%) per annum plus the Basis Adjustment; and (b) zero percent (0%) per annum.

2.06. The Payment Dates are May 1 and November 1 in each year.

2.07. The Payment Currency is Euro.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project and cause the following components and sub-components of the Project to be carried out through the respective implementing agencies ("Implementing Agencies") as follows, and in accordance with the provisions of Article IV of the General Conditions:

(a) Parts A.1(a), (b) and (e); and A.5 of the Project through AGEROUTE;

(b) Part A.2 of the Project through ONEP;

(c) Part A.3 of the Project through ONAD;

(d) Part A.4 of the Project through CI-Energies;

(e) Part A.1(c) of the Project through AGEROUTE and with the technical support of CI-Energies;

(f) Part A.1(d) of the Project through the DCM and in the case of health centers with the technical support of DIEM;

(g) Part B of the Project through AGEROUTE;

(h) Parts C and D of the Project through the PCU; and

(i) Part E of the Project through the Coordinating Authority.

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) Any action has been taken for the dissolution, disestablishment or suspension of operations of any of the Implementing Agencies.

(b) The legislation or other instruments governing the establishment or operations of any of the Implementing Agencies has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Implementing Agency to perform any of its obligations under this Agreement.

4.02. The Additional Events of Acceleration consist of the following:

(a) Any event specified in paragraphs (a) and (b) of Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

5.04. 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 years after the date of this Agreement.
ARTICLE VI — REPRESENTATIVE; ADDRESSES

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

6.02. The Recipient’s Address is:

Ministry of Economy and Finance
B.P. V-163
Abidjan
Côte d'Ivoire

Facsimile:
225-20-30-25-25
225-20-30-25-28

6.03. The Association’s Address is:

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

Telex: 248423 (MCI)
Facsimile: 1-202-477-6391
AGREED at Abidjan, Côte d'Ivoire as of the day and year first above written.

REPUBLIC OF CÔTE D'IVOIRE

By

Authorized Representative

Name: Adama Kone
Title: Ministre auprès du Premier Ministre chargé de l'Économie et des Finances

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Pierre Laporte
Title: Country Country Director
SCHEDULE 1

Project Description

The objectives of the Project are to improve access to basic infrastructure in Targeted Urban and Rural areas, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response to said Eligible Crisis or Emergency.

The Project consists of the following parts:

Part A: Urban Infrastructure Rehabilitation

1. **Road Rehabilitation.** Rehabilitation of approximately an additional 35 kilometers of primary and secondary roads, intersections in Abidjan, Abengourou, San Pedro, Adzope, Bondoukou, Bouna, Daloa and Divo, including, *inter alia:* (a) rehabilitation, paving of selected roads; (b) cleaning of storm water drainage and, rehabilitation and extension of road drainage system; (c) street lighting rehabilitation and extension; (d) rehabilitation of selected social facilities and public buildings in impact areas of rehabilitated roads; and (e) installation of road furniture and improvement of shoulders.


3. **Sanitation, Drainage and Flood Prevention.** Rehabilitation and extension of resilient infrastructures, including, *inter alia:* (a) Youpougon 1, Akouedo Mpouto, Akekoi – Abobo basins in Abidjan; (b) East and West Lake Bardo storm drainage systems in San Pedro; (c) primary storm drains in Daloa; (d) flooding prevention systems in Seguela and Man; and (e) a new sanitation and drainage master plan for Soubre.

4. **Electricity and Public Lighting.** Rehabilitation and extension of public lighting networks along main roads and peri-urban areas, including, *inter alia:* (a) along Boulevard Lagunaire and selected main roads in Abidjan; and (b) along selected roads in San Pedro, Abengourou and Adzopé.

5. **Local infrastructure.** Construction and rehabilitation local infrastructure, facilities and public spaces in Targeted Urban Centers, including, *inter alia:* (a) improvement of streetscapes; (b) tertiary drainage; (c) pedestrian amenities; (d) landscaping and open green space; (e) public plaza; (f) market area improvements; and (g) local infrastructure and facilities identified in the defined Communal Investment Program.
Part B: Rural Infrastructure Rehabilitation

1. Rehabilitation of Economic and Basic Social Infrastructure. Construction of a logistics platform in the Nawa Region.

Part C: Project Management and Coordination

Provision of technical advisory services, goods, training and operating costs to: (a) support the management and coordination of the Project, including safeguards supervision, M&E, technical and financial audits; and (b) to strengthen the capacity of selected institutions that are critical to the implementation of the Project and to the policy dialogue on infrastructure and urban development.

Part D: Urban and Municipal Management

Carrying out a program of activities aimed at strengthening urban and municipal management for better service delivery. Such activities to include, inter alia: (a) technical assistance for the preparation and implementation of performance-based city contracts ("Contrats de Performance") for selected beneficiary municipalities based on updated urban audits already carried out; (b) implementation of Communal Maintenance Programs identified in urban audits; (c) implementation of Communal Management Support Programs identified in urban audits; (d) technical assistance for the preparation of urban and municipal audits in other municipalities where such assistance is not currently provided; (e) targeted capacity building activities for these municipalities; and (f) institutional support and just-in-time technical assistance for national agencies and relevant institutions to support deeper engagement in the area of urban and municipal development, decentralization, intergovernmental transfers, and municipal finance, on an as-needed basis.

Part E: Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Provisions

1. The Recipient shall maintain, throughout Project implementation, a steering committee ("Steering Committee"), to be chaired by the Minister of Economic Infrastructure or his designate, and whose mandate, terms of reference and composition shall be acceptable to the Association: (i) to be responsible for overall guidance and strategic oversight of the Project; and (ii) to verify that activities are coherent with sector strategy and ensure cross-sectoral coordination with other line-ministries.

2. The Recipient shall maintain, throughout Project implementation, a unit with terms of reference and resources acceptable to the Association, headed by a Project coordinator, and supported by qualified and experienced staff in adequate number ("Project Coordination Unit" or "PCU") to be responsible, under the overall guidance and strategic oversight of the Steering Committee and in close collaboration with Implementing Agencies, for the day-to-day coordination, monitoring and evaluation as well as safeguards supervision of the Project, including: (i) preparation of Annual Work Plans and Budgets; (ii) procurement and financial management matters, and reporting; (iii) communication activities; and (iv) filing and compilation for audit purposes.

3. The Recipient shall ensure that, throughout Project implementation, the PCU is maintained with staff in sufficient number, with experience and qualifications satisfactory to the Association, including a procurement specialist, a procurement assistant, a financial management assistant, to support the Project coordinator in carrying out the day-to-day coordination of the Project, including the fiduciary aspect. To this end, the Recipient shall, no later than two (2) months after the Effective Date, recruit a municipal development specialist, an environmental safeguards specialist and a social safeguards specialist under terms of reference and with qualification and experience satisfactory to the Association.

B. Project Implementation Obligations

1. To facilitate the carrying out of the Project, the Recipient shall, not later than one month after the Effective Date, revise with the PCU the Project Management Contract ("Project Management Contract") concluded for purposes of the Original Project, vesting responsibility in the PCU for the overall management, and monitoring and supervision of the Project, and giving details of the role and responsibilities of the PCU thereunder.
2. To facilitate the carrying out of the Project, the Recipient shall, throughout Project implementation, maintain or conclude, not later than one month after the Effective Date, as the case may be, delegated management contracts (“Delegated Management Contract”), on terms and conditions acceptable to the Association, with each of the Implementing Agencies, vesting responsibility in each of the Implementing Agencies for the management of their respective Parts of the Project, and specifying their respective role and responsibilities thereunder.

3. The Recipient shall exercise its rights and carry out its obligations under the Project Management Contract and each Delegated Management Contract in such 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 Delegated Management Contracts or any of their provisions.

4. The Recipient shall ensure that, throughout Project implementation, each Implementing Agency maintains a level of institutional resources and capacity adequate and deemed satisfactory by the Association to efficiently carry out its respective Part of the Project.

C. Project Implementation Manual

1. The Recipient shall, not later than two (2) months after the Effective Date, update the Project Implementation Manual in a manner satisfactory to the Association, to reflect the specific content and design of the Project and ensure consistency with its objective.

2. The Recipient shall carry out the Project in accordance with the Project Implementation Manual. Except as the Association shall otherwise agree in writing, not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof. In the event of any inconsistency between this Agreement and the Project Implementation Manual, the provisions of this Agreement shall prevail.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

E. Annual Work Plans and Budgets

1. The Recipient shall prepare, in accordance with terms of reference acceptable to the Association, and furnish to the Association, no later than November 30 of each Fiscal Year throughout the implementation of the Project, a work plan of
activities proposed for inclusion in the Project for the next calendar year, together with a budget for such activities and a timetable for their implementation.

2. The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on such proposed work plan and budget; and, thereafter, carry out such work plan during the period covered by said plan, according to such budget, both as shall have been approved by the Association ("Annual Work Plan and Budget").

3. Only such activities as shall have been included in the Annual Work Plan and Budget shall be eligible for inclusion in the Project and for financing out of the proceeds of the Credit.

4. For purposes of any proposal for training or workshops to be included under an Annual Work Plan and Budget, the Recipient shall ensure that each such proposal shall include:

   (a) details of: (i) the objective and content of the training or workshop envisaged, (ii) the selection method of institutions or individuals conducting such training or workshop, (iii) the expected duration and an estimate of the cost of the training or workshop, and (iv) the candidates selected to attend the training or workshop; and

   (b) an undertaking on the part of such candidates to submit a brief report indicating what skills have been acquired and how these skills will contribute to enhance their performance or otherwise contribute to the attainment of the objective of the Project.

F. Contingent Emergency Response Arrangements for Part E of the Project

1. In order to ensure the proper implementation of Part E of the Project ("CERC Part"), the Recipient shall:

   (a) prepare and furnish to the Association for its review and approval, an CERC Operations Manual which shall set forth detailed implementation arrangements for the CERC Part, including: (i) designation of terms of reference for, and resources to be allocated to the entity to be responsible for coordinating and implementing the CERC Part ("Coordinating Authority"); (ii) specific activities which may be included in the CERC Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the CERC Part; (iv) procurement methods and procedures for CERC Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard management frameworks for the CERC Part, consistent with
the Association's policies on the matter; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the CERC Part;

(b) afford the Association a reasonable opportunity to review said proposed CERC Operations Manual;

(c) promptly adopt such CERC Operations Manual for the CERC Part as shall have been approved by the Association;

(d) ensure that the CERC Part is carried out in accordance with the CERC Operations Manual; provided, however, that in the event of any inconsistency between the provisions of the CERC Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and

(e) not amend, suspend, abrogate, repeal or waive any provision of the CERC Operations Manual without prior agreement by the Association.

2. The Recipient shall, throughout the implementation of the CERC Part, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Association.

3. The Recipient shall undertake no activities under the CERC Part (and no activities shall be included in the CERC Part) unless and until the following conditions have been met in respect of said activities:

(a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the CERC Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and

(b) the Recipient has prepared and disclosed all safeguards documents required for said activities, in accordance with the CERC Operations Manual, the Association has approved all such documents, and the Recipient has implemented any actions which are required to be taken under said documents.

G. Safeguards

1. The Recipient shall take, and cause to be taken, all necessary measures to ensure that the Project is implemented in accordance with the relevant Safeguard Documents, and to that end, if any activity included in an Annual Work Plan and Budget would, pursuant to the Safeguard Documents, require the adoption of any Supplemental Social and Environmental Safeguard Documents:
(a) prepare: (i) such Supplemental Social and Environmental Safeguard Documents; (ii) furnish such Supplemental Social and Environmental Safeguard Documents to the Association for review and approval; and (iii) thereafter adopt such Supplemental Social and Environmental Safeguard Documents, prior to implementation of the activity; and

(b) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such Supplemental Social and Environmental Safeguard Documents.

2. Without limitation upon the provisions of paragraph 1 above, the Recipient shall ensure that no civil works shall commence until the measures set forth in the RAP for the Abobo-Akekoi site shall have been satisfactorily implemented.

3. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the Association on a quarterly basis, reports, in form and substance satisfactory to the Association, on the status of compliance with the Safeguard Documents, including each Supplemental Social and Environmental Safeguards Documents, giving details of:

(a) measures taken in furtherance of such Safeguard Documents, including each Supplemental Social and Environmental Safeguard Document;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Documents, including each Supplemental Social and Environmental Safeguard Document; and

(c) remedial measures taken or required to be taken to address such conditions.

4. The Recipient shall afford the Association a reasonable opportunity to review the reports prepared under paragraph 3 of this Part G, and thereafter shall carry out, with due diligence, all remedial measures agreed with the Association so as to ensure the proper implementation of the Project in accordance with the Safeguard Documents, including each Supplemental Social and Environmental Safeguard Document.

Section II. **Project Monitoring, Reporting and Evaluation**

A. **Project Reports**

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 acceptable to the Association and set forth in the Project Implementation Manual. Each Project Report shall cover the
period of one calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

**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. The Recipient shall prepare and furnish to the Association not later than forty-five (45) 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 (6) 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.

3. **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 the Procurement Guidelines, or 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 table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding, subject to the following additional provisions,</td>
</tr>
<tr>
<td>namely: (i) except with the Association’s prior concurrence, the Recipient shall</td>
</tr>
<tr>
<td>not reject all bids or, if only one bid is received, the sole bid, and solicit</td>
</tr>
<tr>
<td>new bids; and (ii) the point system shall not apply, and bids shall not be</td>
</tr>
<tr>
<td>rejected on the ground that they are either too high or too low</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(b) Direct Contracting</td>
</tr>
</tbody>
</table>

**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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Least cost selection</td>
</tr>
<tr>
<td>(b) Selection based on consultants’ qualifications</td>
</tr>
<tr>
<td>(c) Single-source Selection of consulting firms</td>
</tr>
<tr>
<td>(d) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines</td>
</tr>
<tr>
<td>for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(e) Single-source procedures for the selection of individual consultants</td>
</tr>
</tbody>
</table>

**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 “World Bank Disbursement Guidelines for Projects” dated May 2006, 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 table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Credit 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 Credit Allocated (expressed in Euro)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, Operating Costs and Training under the Project, except for Part E</td>
<td>53,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Emergency Expenditures under Part E of the Project</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>53,900,000</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; or except that withdrawals up to an aggregate amount not to exceed 4,500,000 Euros may be made for payments made prior to this date, but on or after 12 months after the Date of this Agreement, for Eligible Expenditures under Category (1).

(b) under Category (2), for Emergency Expenditures under Part E of the Project, unless and until the Association is satisfied, and has notified the
Recipient of its satisfaction, that all of the following conditions have been met in respect of said activities:

(i) the Recipient has determined that Eligible Crisis or Emergency has occurred, has furnished the Association a request to include said activities in the CERC Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

(ii) the Recipient has prepared and disclosed all safeguards documents required for said activities, and the Recipient has fulfilled any actions which are required to be taken under said documents, all in accordance with the provisions of Section I. G. of Schedule 2 to this Agreement, for purposes of such activities;

(iii) the Recipient’s Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.F of Schedule 2 to this Agreement for the purposes of such activities; and

(iv) the Recipient has adopted an CERC Operations Manual in form, substance and manner acceptable to the Association and the provisions of the CERC Operations Manual remain, or have been updated in accordance with the provisions of Section I. F of Schedule 2 to this Agreement so as to be appropriate for the inclusion and implementation of said activities under the CERC Part.

2. The Closing Date is January 31, 2020.

Section V. Other Undertakings

A. Counterpart Funds Account

1. Without limitation upon its other obligations under Section 4.03 of the General Conditions, the Recipient shall:

(a) open and maintain in a commercial bank acceptable to the Association, a counterpart funds account ("Counterpart Funds Account") to be maintained and operated on terms and conditions satisfactory to the Association, and managed by the PCU, into which it shall deposit from time to time its counterpart contribution corresponding to its share of the cost of the Project for each Fiscal Year;
(b) not later than the last day of every quarter, beginning in the 1st quarter of FY17, deposit into the Counterpart Funds Account an amount corresponding to one fourth of the Recipient’s share of the cost of the Annual Work Plan and Budget for that Fiscal Year as set forth in the following table or in accordance with such other schedule as may be agreed from time to time between the Recipient and the Association:

<table>
<thead>
<tr>
<th>Fiscal Year (FY) Period</th>
<th>Amount of Counterpart Funds (in millions of Euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quarterly</td>
</tr>
<tr>
<td>FY 2017</td>
<td>4,500,000</td>
</tr>
<tr>
<td>FY 2018</td>
<td>4,500,000</td>
</tr>
<tr>
<td>FY 2019</td>
<td>4,475,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
</tr>
</tbody>
</table>

(c) ensure that funds deposited into the Counterpart Funds Account shall be used only for the purposes of defraying the cost of expenditures incurred which are part of the Annual Work Plan and Budget and consistent with the objective of the Project.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 1 and November 1, commencing November 1, 2021 to and including May 1, 2031</td>
<td>1.65%</td>
</tr>
<tr>
<td>On each May 1 and November 1, commencing November 1, 2031 to and including May 1, 2041.</td>
<td>3.35%</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. "Annual Work Plan and Budget" means an annual work plan and budget referred to in Section I.E of Schedule 2 to this Agreement.


4. "Basis Adjustment" means the Association’s standard basis adjustment for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.

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

6. "CERC Operations Manual" means the operations manual referred to in Section I.F.1 of Schedule 2 to this Agreement, to be adopted by the Recipient for the CERC Part of the Project in accordance with the provisions of said Section, as said manual may be revised from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such manual.

7. "CERC Part of the Project" and "CERC Part", each means Part E of the Project.

8. "CI-Energies" and "Société d'Energies de Côte d'Ivoire", each means the Recipient's Energies company, a parastatal established and operating according to the laws of the Recipient, and governed by Decree No. 2011-472, dated December 21, 2011, vesting responsibility for the generation, transmission and distribution of electricity in Côte d'Ivoire in the holder of the public service concession, or any successor thereto.

9. "Communal Investment Program" means an investment program designed by, or for the benefit of a selected Municipality.
10. "Communal Maintenance Program" means a maintenance program designed by, or for the benefit of a selected Municipality.

11. "Communal Management Support Program" means a program designed by, or for the benefit of, a selected Municipality containing, *inter alia*, the financial and technical measures to develop the management capacity of such Municipality.


13. "Contrat de Performance" means performance-based city contracts, including the Communal Investment Program implemented under Part A.5 of the Project, a Communal Maintenance Program with performance targets for operations and maintenance and a Communal Management Support Program with assistance to improve municipal management.

14. "Coordinating Authority" means the entity designated by the Recipient in the CERC Operations Manual and approved by the Association pursuant to Section I.F.1(a)(i) of Schedule 2 to this Agreement, to be responsible for coordinating the CERC Part of the Project.

15. "Counterpart Fund Account" means the account maintained by the Recipient for the purposes of the Project in accordance with the provisions of Section V.A of Schedule 2 to this Agreement.


18. "Displaced Persons" means one or more persons who, on account of the execution of the Project, have 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.
19. "Eligible Crisis of Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

20. "Emergency Expenditure" means any of the Eligible Expenditures set forth in the CERC Operations Manual in accordance with the provisions of Section I.F.1(a)(ii) of Schedule 2 to this Agreement and required for the activities included in the CERC Part of the Project.

21. "Environmental and Social Assessment" and "ESIA" means: (a) the Recipient’s Environmental and Social Impact Assessment for the sanitation works in San Pedro and Daloa and road rehabilitation in Abengorou, including the ESMP for said areas, disclosed in country on March 22, 24, and 29, 2016 and at the Association’s Infoshop on May 18, 2016; or (b) for a given activity included in the Project, the environmental and social impact assessment of said activity to be carried out in accordance with the ESMF pursuant to the provisions of Section I.G.1 of Schedule 2 to this Agreement; and “ESIAs” means more than one such ESIA.

22. “Environmental and Social Management Framework” or “ESMF” means the Recipient’s environmental and social management framework, disclosed in country on May 7, 2016 and at the Association’s Infoshop on May 12, 2016 giving details of the policies and procedures designed to maximize the benefits of the Project, eliminate, offset or mitigate any adverse environmental impacts, or reduce such impacts to acceptable levels, along with procedures for the protection of cultural property, as such ESMF may be amended from time to time, subject to compliance with the same approval formalities as applied to the adoption of the ESMF.

23. “Environmental Social Management Plan” or “ESMP” means the Environmental Social Management Plan for: (a) the sanitation works in San Pedro and Daloa and road rehabilitation in Abengorou, included in the ESIA and deemed consistent with the ESMF, disclosed in country on March 22, 24, 29, 2016 and at the Association’s Infoshop on May 18, 2016; or (b) for any activity included in the Project for which an environmental and social management plan is required in accordance with the ESMF, such environmental and social management plan to be prepared and implemented in accordance with the ESMF and pursuant to the provisions of Section I.G.1 of Schedule 2 to this Agreement; and “ESMPs” means more than one such ESMP.

24. "Fiscal Year" or “FY” means the Recipient’s fiscal year commencing on January 1 and ending on December 31 of the same year.
25. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.

26. “Implementing Agency” means any one of the Implementing Agencies referred to in Section 3.01 of this Agreement; namely: AGEROUTE, CI-Energies, ONAD and ONEP.

27. “M&E” means monitoring and evaluation.

28. “Municipality” and “Municipalité”, each means an administrative area of the Recipient established pursuant to the Recipient’s Law No. 95-611 of August 3, 1995, representing a designated area and population within the territory of the Recipient.

29. “ONAD” means Office National de l’Assainissement et du Drainage, the, a state-owned enterprise established pursuant to Decree No. 2011-482 dated December 28, 2011 and existing and operating pursuant to laws of Recipient, or any successor thereto.

30. “ONEP” means Office National de l’Eau Potable, the Recipient’s National Water Supply Agency, a state-owned enterprise established pursuant to Decree No. 2006-274, dated August 23, 2006, and existing and operating pursuant to laws of Recipient, or any successor thereto.

31. “Operating Costs” means incremental recurrent expenditures incurred for purposes of implementation of the Project on account of local contractual support staff salaries; travel expenditures and other travel-related allowances; equipment rental and maintenance; vehicle operation (including fuel), maintenance and repair; office rental and maintenance, materials and supplies; and utilities, media information campaigns and communications’ expenses, but excluding the salaries of officials and public servants of the Recipient’s civil service.


33. “Original Project” means the Project described in Schedule 1 to the Original Financing Agreement.


35. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated June 13, 2016 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.

36. “Project Coordination Unit” and “PCU”, each means the unit referred to in Section I.A(b) of Schedule 2 to this Agreement.

37. “Project Implementation Manual” means the manual of the Original Project made applicable thereto, as the same may be updated or adapted for purposes of this Project or otherwise amended from time to time, with the approval of the Association, and such term includes any schedules and attachments supplemental to the Project Implementation Manual.

38. “Project Management Contract” means the Project Management Contract referred to in Section I.B.1(a) of Schedule 2 to this Agreement.

39. “Resettlement Action Plan” or “RAP” means the Recipient’s Resettlement Action Plan disclosed on May 18, 2016 for: (a) the activities to be carried out in Abobo-Akekoi in accordance with the principles and guidelines of the RPF; or (b) for any activity included in the Project for which a resettlement action plan is required in accordance with the RPF, such resettlement action plan to be prepared and implemented in accordance with the RPF and pursuant to the provisions of Section I.G.1 of Schedule 2 to this Agreement; and “RAPS” means more than one RAP.

40. “Resettlement Policy Framework” or “RPF” means the Recipient’s Resettlement Policy Framework disclose in country on May 7, 2016 and at the Association’s Infoshop on May 12, 2016 giving details of the policies and procedures governing compensation, rehabilitation and resettlement assistance in favor of Displaced Persons, as such RPF may be amended from time to time, subject to compliance with the same approval formalities as applied to the adoption of the RPF.

41. “Safeguard Documents” means the ESMF, the ESAI and the RFP and any Supplemental Social and Environmental Safeguards Documents.

42. “Steering Committee” means the steering committee referred to in Section I.A.1(a) of Schedule 2 to this Agreement.

43. “Supplemental Social and Environmental Safeguard Documents” means any ESMP, RAP or any other supplemental social and environmental safeguards documents as required under the terms of any of the ESMF or RPF.

44. “Targeted Urban Centers” means the Recipient’s areas including, inter alia, Korhogo, Koumassi, Daloa, San Pedro, Port-Bouët, Yopondon and Bouaké.
45. "Training" means training and training-related activities under the Project, including seminars, workshops and study tours, together with all costs associated with travel and subsistence allowances for training participants, trainers' fees, rental of training facilities, preparation and reproduction of training materials and other activities reasonably incidental to the preparation and implementation of training activities.
Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 3.02 is modified to read as follows:

   "Section 3.02. Service Charge and Interest Charge

   (a) Service Charge. The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

   (b) Interest Charge. The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months."

2. Paragraph 28 of the Appendix ("Financing Payment") is modified by inserting the words "the Interest Charge" between the words "the Service Charge" and "the Commitment Charge".

3. The Appendix is modified by inserting a new paragraph 32 with the following definition of "Interest Charge", and renumbering the subsequent paragraphs accordingly:

   "32. "Interest Charge" means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b)."

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix ("Payment Date") is modified by inserting the words "Interest Charges" between the words "Service Charges" and "Commitment Charges".

5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix ("Service Charge") is modified by replacing the reference to Section 3.02 with Section 3.02(a).