H.E.M. Christian YOKA
Minister of Finance, Budget and Public Portfolio
Intersection of Boulevard Denis Sassou N'guesso and
Avenue Cardinal Emile Biayenda,
B.P. 2083
Brazzaville, Republic of Congo

**Re: <u>2nd Amendment to the Carbon Fund of the Forest Carbon Partnership Facility Emission Reductions Payment Agreement for the Emission Reductions Program in Sangha and Likouala between the Republic of Congo and the International Bank for Reconstruction and Development, as Trustee of Tranche A of the Carbon Fund of the Forest Carbon Partnership Facility (together referred to as "Parties") (TF0B4985)</u>**

**WHEREAS**

A. The Republic of Congo ("**Program Entity**") and the International Bank for Reconstruction and Development (**"IBRD"**), as trustee of Tranche A of the Carbon Fund ("**Carbon Fund**") of the Forest Carbon Partnership Facility ("**Facility**"), entered into the Emission Reductions Payment Agreement dated April 22, 2021 (TF0B4985), as amended on October 25, 2023 ("**ERPA**"), for the Emission Reductions Program in Sangha and Likouala ("**Program**").

B. The Program Entity also entered into a separate Emission Reductions Payment Agreement with the IBRD, acting as trustee of Tranche B of the Carbon Fund of the Facility, dated April 22, 2021 (TF0B4984), as amended on October 25, 2023, for the Program.

C. The Parties intend to amend the ERPA to clarify the payment process under this ERPA.

**THEREFORE**, we propose to amend the ERPA as follows:

1. Sections 4.05 (b)-(d) of the ERPA shall be deleted in their entirety and replaced as follows:

"(b) The Program Entity, through the Ministry of Finance, Budget and Public Portfolio ("**MFBPP**", formerly known as Ministry of Economy and Finance "MEF"), shall nominate and have maintained throughout the term of this Agreement a US dollar account ("**Nominated USD Account**") at Attijariwafa Bank Europe in France ("**Nominated Bank**") that shall be authorized to receive and make any payments related to Periodic Payments and Advance Payment(s) under this Agreement in USD on behalf of the Program Entity (together referred to as "**ERPA Payments**"). The Nominated Bank shall, on behalf the Program Entity, receive and make directly from or to the Trustee all payments related to ERPA Payments under this Agreement in USD. When receiving ERPA Payments from the Trustee in USD, the Nominated Bank shall credit the received USD amounts into the Nominated USD Account and promptly, at the Program Entity's sole and exclusive risk and cost, convert any received ERPA Payments into Congolese Francs ("**Local Currency**") and transfer such converted Local Currency amount to a Local Currency account ("**Local Currency Account**") established and maintained by the Program Entity, through MFBPP, at Credit du Congo ("**Commercial Bank**"). When having to make a payment in USD to the Trustee, such as a potential repayment of an Advance Payment, the Program Entity, through MFBPP, shall instruct its Commercial Bank to transfer a

Local Currency amount to the Nominated Bank that, following conversion into USD and deduction of costs and fees, allows the Nominated Bank to make full payment to the Trustee in USD, and instruct the Nominated Bank, on behalf of the Program Entity, to promptly convert the Local Currency Amount into USD and transfer the payment in USD to the Trustee. The Parties agree that only ERPA Payments made in USD by the Trustee and received in USD by the Nominated Bank, on behalf of the Program Entity, and only payments made in USD by the Nominated Bank, on behalf of the Program Entity, and received in USD by the Trustee shall discharge either Party of its respective payment obligation under this Agreement.

(c) The Program Entity, through MFBPPP, shall enter into a Subsidiary Agreement with the Commercial Bank, in form and substance satisfactory to the Trustee, to set out the responsibilities and institutional arrangements for the payment processes described in paragraph (b) above. The role of the Commercial Bank shall be limited to, on behalf of the Program Entity, instructing and cooperating with the Nominated Bank to fulfill its role in the payment processes, receiving the converted Local Currency amount, holding such Local Currency amount in the Local Currency Account, and releasing funds in Local Currency from the Local Currency Account on behalf of the Program Entity for sharing Monetary and Non-Monetary Benefits with eligible Beneficiaries under the instruction of the PMU, and in accordance with the Benefit Sharing Plan, the PIM, and the Subsidiary Agreement. Prior to the execution of the Subsidiary Agreement, the Program Entity shall provide a draft version to the Trustee for its review and shall not execute the Subsidiary Agreement unless the Trustee has provided written approval of the draft Subsidiary Agreement as in form and substance satisfactory to the Trustee for the purposes of this Agreement.

(d) For the avoidance of doubt, despite the delegation of certain responsibilities of the Program Entity under this Agreement to the Commercial Bank and the Nominated Bank through this Agreement and the Subsidiary Agreement, the Program Entity shall remain fully responsible and accountable under this Agreement for the way such entities carry out their respective responsibilities on behalf of the Program Entity. In particular, in the event that the Commercial Bank fails to observe, implement or meet all requirements contained in the Benefit Sharing Plan, the PIM, and the Safeguards Plans provided for under this Agreement (including any feedback and grievance redress mechanism provided for under the ER Program, the Benefit Sharing Plan and/or any Safeguards Plan), such failure shall constitute an event of default by the Program Entity (Event of Default) under Section 16.01(a)(vii) of the General Conditions."

Unless otherwise defined in this letter of amendment, all capitalized terms used in this letter of amendment shall have the same meaning as given to those terms in the ERPA.

Unless expressly amended by this letter of amendment, all terms and provisions under the ERPA shall remain unchanged and in full force and effect.

This letter of amendment shall become effective and become an integral part of the ERPA upon being duly counter-signed and returned to the Trustee by the Project Entity.

Sincerely yours,

**On behalf of the International Bank for Reconstruction and Development, as Trustee of Tranche A of the Carbon Fund of the Forest Carbon Partnership Facility**

By: Cheick F Kante

Name: Cheick Fantamady Kante
Title: Division Director

Date: 23-Apr-2025

**<u>CONFIRMED AND AGREED</u>:**

**On behalf of Republic of Congo, represented by the Ministry of Finance, Budget and Public Portfolio**

By: H.E. Christian YOKA

Name: Christian YOKA
Title: Minister of Finance, Budget and Public Portfolio

Date: 24-Apr-2025