



RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
JIJI AND MULEMBWE HYDROPOWER PROJECT  
APPROVED ON APRIL 22, 2014  
TO  
REPUBLIC OF BURUNDI

ENERGY AND EXTRACTIVES GLOBAL PRACTICE

AFRICA REGION

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## ABBREVIATIONS AND ACRONYMS

AA	Administration Agreement
AfDB	African Development Bank
AREEN	Regulatory Agency ( <i>Autorité de Régulation des Secteurs de l'Eau Potable et de l'Energie</i> )
BER	Bid Evaluation Report
BIF	Burundi Franc
EIB	European Investment Bank
ESMP	Environmental and Social Management Plan
EU	European Union
FA	Financing Agreement
GA	Grant Agreement
GoB	Government of Burundi
IDA	International Development Association
ISR	Implementation Status and Result Report
kV	Kilovolt
MIS	Management Information System
MW	Megawatts
NGO	Non-government Organization
OPRC	Operational Procurement Regional Committee
PAP	Project Affected Person
PDO	Project Development Objective
PIP	Performance Improvement Plan
PPP	Public-private Partnership
RAP	Resettlement Action Plan
REGIDESO	Water and Electricity Generation and Distribution Utility ( <i>Régie de Production et de Distribution d'Eau et d'Electricité</i> )
SDR	Special Drawing Rights
TA	Technical Assistance
TEC	Technical Evaluation Committee
TF	Trust Fund



**BASIC DATA**

**Product Information**

Project ID P133610	Financing Instrument Investment Project Financing
Original EA Category Full Assessment (A)	Current EA Category Full Assessment (A)
Approval Date 22-Apr-2014	Current Closing Date 31-Dec-2019

**Organizations**

Borrower Ministry of Finance	Responsible Agency REGIDESO (Régie de Production d'Eau et d'Electricité)
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**Project Development Objective (PDO)**

Original PDO

The Project Development Objective is to increase the supply of clean and low cost hydropower electricity to Burundi's national grid.

**Summary Status of Financing**

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-H9350	22-Apr-2014	18-Jul-2014	12-Jan-2015	31-Dec-2019	100.00	12.47	76.30

**Policy Waiver(s)**

Does this restructuring trigger the need for any policy waiver(s)?

No



## 1. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

### Rationale for project restructuring

1. It is proposed to restructure the Burundi Jiji Mulembwe Project (P133610) in order to: (i) extend the closing date of the project by 48 months from December 31, 2019 to December 31, 2023, and the closing date of the Grant TFOA4223 from December 31, 2019 to July 31, 2022; (ii) introduce new activities under Component C of the project to improve the performance of the Water and Electricity Generation and Distribution Utility (*Régie de Production et de Distribution d'Eau et d'Electricité*, REGIDESO); and (iii) reallocate the funds of the project to finance the new proposed activities. If approved, this would be the first restructuring of the project.

2. Without restructuring, the project will be unable to attain its project development objective (PDO). The PDO which is to increase the supply of clean and low-cost hydropower electricity to Burundi's national grid, is still relevant to the context of the energy sector in Burundi. In fact, the installation of the two hydro power plants (Component A) would reduce generation costs by about 30 percent and increase the share of hydro in the generation mix to at least 75 percent. In addition, the project would increase generation capacity by about 96 percent from 51 megawatts (MW) to 100 MW.

3. The project supports sector reforms that will facilitate private sector participation in the sector mainly by (a) establishing a Regulatory Entity and strengthening its capacity; and (b) improving the technical, commercial, and financial viability of REGIDESO. The improvement of the performance of the utility REGIDESO which is a prerequisite for sustainable private investment in the power sector in Burundi could be reached through the implementation of the Performance Improvement Plan (PIP) which was prepared under the project. In addition, the Government of Burundi (GoB) and REGIDESO would need Technical Assistance (TA) in key areas of public-private partnership (PPP) development and management. The project is financing these activities under its Component C.

4. The restructuring will increase budget allocation for the reform of REGIDESO under Component C which is key for the financial and operational viability of the company and the sustainability of the power sector in Burundi.

5. The conditions for restructuring have been met and options have been considered regarding the project, including project cancellation. However, Burundi is a fragile country and the implementation of this project is needed for the country to build resilience. In addition, the GoB and REGIDESO put this project as high priority and have shown their commitment to the implementation of the project. In fact, the GoB changed in July 2018, the management of REGIDESO, to improve governance of the company. The GoB has also put aside in an escrow account the total amount of around BIF 18 billion (about US\$ 9.6 million) required for the payment of compensation to project affected persons (PAPs). Moreover, the GoB is committed to improve enabling environment for private sector participation in the energy sector by their ability to in place the Regulatory entity and to improve the PPP framework.

6. The Task Team confirms that requirements under World Bank's Investment Project Financing Policy and Directive will be met, namely, (i) the project objectives continue to be achievable; (ii) the performance of the Borrower remains satisfactory; (iii) the World Bank and the Borrower agree on actions that will be undertaken by the Borrower to complete the project; and (iv) there are no outstanding audits, or interim financial reports (IFRs).

### Project's components and activities

7. The PDO is to increase the supply of clean and low-cost hydropower electricity to Burundi's national grid. The project was approved by the Board on April 22, 2014 and became effective on January 12, 2015. The project is co-financed



by International Development Association (IDA), European Investment Bank (EIB), European Union (EU), African Development Bank (AfDB), GoB and the WB with a total funding of US\$270.4 million equivalent (at approval) distributed as follows: IDA (Grant) -US\$100 million; EIB – US\$95 million; AfDB – US\$22 million; EU (Grant) – US\$36.6 million; and GoB – US\$14.3 million. The EU funding is administered by the World Bank under the Administration Agreement (AA-TF072498).

8. The Grant Agreement (GA) related to the EU funding was signed in December 2017 but it is still pending because an amendment to the currency of the GA from US\$ to EURO is required to create the TF in the World Bank loan system. The proposed project restructuring includes this needed amendment. There has been no disbursement under this TF so far since the procurement processes for the construction of the transmission lines and substations are still on-going.

9. To achieve the PDO, the project is financing the construction of two hydropower facilities for a total of 48 MW, and associated infrastructure (transmission lines and substations) to transport the electricity produced at the Jiji and Mulembwe hydropower site to the consumption centers in Bujumbura and other main towns in Burundi. It will also finance infrastructure to supply electricity to local communities in the vicinity of power plants. The project will support improvement of operational performance, and sustainability of the REGIDESO and reform the electricity law with the setting up of the regulator and putting in place a framework for PPP.

10. The project has three main components: Component A - Hydropower Facilities and Electricity Services; Component B – Technical Assistance for Physical Infrastructure; and Component C – Power Sector Reform and Institutional Development.

11. Component A - Hydropower Facilities and Electricity Services (US\$248.8 million equivalent of which IDA is US\$82.6 million equivalent) with the following sub-components:

- Component A1 - Jiji hydropower scheme (US\$115 million of which IDA is US\$43.7 million). Design, supply and installation of a hydropower scheme with 31.5 MW capacity and select associated infrastructure at and around a specified site on the Recipient's Jiji River ("Jiji Hydropower Facility") including, *inter alia*, (i) a concrete dam with a height of approximately 13.5 meters ("Jiji Dam") or a concrete weir; (ii) a power plant with three Pelton turbines operating under a head of 439 meters ("Jiji Power Plant"); (iii) access roads; and (iv) an operator's village for the benefit of the Jiji Hydropower Facility and the Mulembwe Hydropower Facility.
- Component A2 - Mulembwe hydropower scheme (US\$65.4 million of which IDA is US\$24.9 million). Design, supply and installation of a hydropower facility with 16.5 megawatts capacity and select associated infrastructure at and around a specified site on the Recipient's Mulembwe River ("Mulembwe Hydropower Facility") including, *inter alia*, (i) a concrete dam with a height of approximately 14 meters ("Mulembwe Dam"); (ii) a power plant with three-Pelton turbines operating under a head of 258 meters ("Mulembwe Power Plant"); and (iii) access roads.
- Component A3 - Substations (US\$22 million of which IDA is US\$10 million and EU is US\$12 million)
  - i. Construction of a: (a) 110 kilovolt (kV) substation at the Jiji Power Plant site ("Jiji Substation"); (b) 110 kV at the Mulembwe Power Plant site ("Mulembwe Substation"); (c) 110/30 kV substation at Horezo within the Recipient's administrative locality of Muheka ("Horezo Substation"); and (d) 110/30/10kV substation in the Recipient's urban center of Kabezi ("Kabezi substation"); and



- ii. Extension of an existing: (a) 110/30/10 kV RN1 substation in the Recipient's commune of Gihosha ("RNI Substation"); (b) 30/10 kV substation in the Recipient's urban commune of Kanyosha ("Bujumbura Sud Substation"); and (c) 30/10 kV substation in the Recipient's commune of Bururi ("Itaba Substation").

- Component A4 – Transmission Lines (US\$22.9 million entirely financed by EU). Construction of:
  - i. 110 kV transmission lines of approximately 107.2 kilometers to connect: (a) the Jiji Substation and Mulembwe Substation; (b) each of the two aforementioned substations to the Horezo Substation; and (c) the Horezo Substation through the Kabezi Substation to the RN1 Substation; and
  - ii. 30 kV distribution lines of approximately 25.4 kilometers to connect: (a) the Horezo Substation to the Itaba Substation; and (b) the Kabezi Substation to the Bujumbura Sud Substation.
- Component A5 - Electricity Supply to Communities (US\$0.7 million entirely financed by GoB). Construction of 30 kV distribution lines of approximately 18 kilometers and low voltage lines of approximately 19 kilometers to provide electricity to households; public facilities such as schools, health facilities, municipal offices, courthouses; and socio-economic infrastructure such as churches, markets and coffee factories in the Recipient's municipalities located near the project hydropower facilities.
- Component A6 - Social and Environmental Impacts Mitigation (US\$14.3 million entirely financed by GoB). Carrying out of a program of activities aimed at supporting the implementation of the environmental and social mitigation measures associated with the project including, but not limited to, the measures detailed in the safeguards instruments.

12. Component B - Technical Assistance for Physical Infrastructure (US\$17.1 million equivalent of which IDA is US\$14.6 million equivalent).

- i. Technical assistance to facilitate and supervise the preparation, construction and management of the Project Hydropower Facilities and associated infrastructure and preparation for the operation and maintenance of said facilities and infrastructure; including support to the activities of the Owner's Engineer, the Dam Safety Panel and Environmental and Social Safeguards Advisory Panel;
- ii. Carrying out of a program of technical assistance activities aimed at strengthening project implementation including, *inter alia*, preparation of feasibility studies related to potential future investments in electricity distribution and generation; and
- iii. Strengthening the Project Implementing Entity's technical and fiduciary capacity to coordinate, manage and implement the project, including technical assistance, recruitment of requisite staff, purchase of equipment, and provision of trainings, audits, and monitoring and evaluation activities.

13. Component C - Power Sector Reform and Institutional Development (US\$4.4 million equivalent of which IDA is US\$2.7 million equivalent, and EU Grant is US\$1.7 million). Carrying out of a program of activities aimed at supporting the reform of the Recipient's power sector and sustainability of the Project Implementing Entity including, *inter alia*:



- i. Support to the restructuring of the Project Implementing Entity in accordance with the 2013 REGIDESO Audit Recommendations for the purposes of increasing the Project Implementing Entity's managerial accountability, financial sustainability and operational performance;
- ii. Support towards the establishment and effective functioning of a regulator for the Recipient's power sector;
- iii. Strengthening the regulatory framework of the Recipient's power sector to facilitate private sector investments, including, *inter alia*, preparation of instruments for risk management in public-private partnerships.

### Implementation progress

14. The Implementation Status and Result Report (ISR) of June 2019 rated both the progress of the project toward achievement of the PDO and its implementation progress as moderately satisfactory.

15. **Component A - Hydropower Facilities and Electricity Services:** The preparation of the activities under this component has experienced significant delay due to (i) the difficult political situation in the country in 2016 and 2017 and (ii) lengthy procurement of the main contract related two construction of the two hydropower schemes. The World Bank received early December 2017 the first Bid Evaluation Report (BER) and provided comments in January 2018. The revised BER submitted presented deviations and was requested to be revisited and endorsed by the Owner's Engineer and all members of the technical evaluation committee (TEC). Moreover, the World Bank, AfDB and EU received complaints from bidders about the process, which further impacted the project implementation timeline. A revised BER was submitted to the World Bank in July 2018 and the World Bank sent its no objection to REGIDESO on August 13, 2018 for signing the contract with the Joint-Venture COOPERATIVA MURATORI & CEMENTISTI (CMC DI RAVENA Societa Cooperativa) and ORASCOM CONSTRUCTION (JV CMC-ORASCOM). Contract effectiveness is now pending to the issuance of letters of credit (LC) from EIB and WB (the latter depending on this restructuring so that LC covers the contract's duration).

16. The project achieved a major milestone with the signing of the main contract for the construction of the two hydro plants of Jiji and Mulembwe on October 17, 2018 for an amount of approximately US\$154 million representing about 70 percent of the total funding of the project. The JV CMC-ORASCOM provided the Performance Guarantee and Advance Payment Guarantee satisfactory to the World Bank in April 2019. The payment of the advance of about US\$8 million for IDA financing was completed in June 2019. In addition, a special commitment with IDA contribution of about US\$12.7 million is being issued. Considering the progress achieved, the team has upgraded the rating of this component to MS in the ISR of June 2019.

17. Regarding the construction of transmission lines and substations, the request for expression of interest was relaunched in June 2019 because the prequalification of firms which was done initially was more than 12 months from this date. The evaluation report for the shortlisting of qualified firms is currently under review by the World Bank, and the selections of contractors is expected by June 2020. The construction of transmission lines and substations is expected to commence in July 2020 and to be completed in July 2022. The lines and substations would be ready before the completion of the two hydro power plants.

18. The 2014 Resettlement Action Plans (RAPs) related to the construction of the two hydropower schemes were updated with latest census data and with an expanded compensation package that includes livelihood restoration measures. New RAPs were approved by the World Bank in July 2019, with a total number of 1,611 affected households (including 40 households to be resettled). The US\$15 million budget allocation for the implementation of the RAPs had already been secured and implementation started in September 2019 with the support of AGAPE-Burundi, a Non-governmental Organization (NGO) that was recruited in May 2019 and that has since produced monthly reports on



implementation of Environmental and Social Management Plans (ESMPs) and RAP activities. A functional Grievance Redress Mechanism (GRM) has been in place since August 2019. At the end of October 2019, as part of the implementation of the first phase of the RAP (targeting the operator's village and associated access road), 448 households had received their compensation and all the 40 households, who were to be resettled, have received new houses. Phase A complementary Livelihood Restoration Plan for impacts after year 1 is currently under consultation with the affected communities. Second phase of RAP related to the other components of Jiji and other roads, and third phase related to the Mulembwe component, will be implemented subsequently in the coming months along and in advance of construction works. The 2014 RAP for the transmission line will be updated in 2020.

19. The Environmental and Social Impact Assessments (ESIA), associated specific ESMPs for hydropower schemes and the 110 kV transmission lines, and the ESMF for the distribution lines, have been approved by the World Bank and disclosed in 2014. The ESMP for the relocation sites has been approved by the World Bank and disclosed. This ESMP was implemented in a satisfactory manner by the selected enterprise (Alubco). The code of conduct related to staff working on the the Jiji and Mulembwe hydropower construction contract was integrated in the contractor's ESMP and approved by the World Bank in October 2019. An environmental and social panel has been established and is operational under the project to support and advise the project implementation unit. The PIU and contractor have been requested to follow World Bank guidance notes on *Managing the risks of adverse impacts om communities from temporary project induced labor influx* (which includes recommendations on preventing and mitigating Gender Based Violence). It is estimated that a maximum of 700 workers could be mobilized at construction peak, part of them being recruited locally and others from other areas.

20. **Component B - Technical Assistance for Physical Infrastructure:** The Owner's Engineer was hired in June 2017 and has been assisting REGIDESO in overall project management, and coordination of the ESMPs and RAPs. The Owner's Engineer assisted REGIDESO in the preparation of Bidding Documents and the evaluation of offers. Moreover, a dam safety panel composed of three consultants has been recruited. Overall, technical assistance on design review and supervision of works, and on safeguard aspects is ongoing with no major issue. The component was rated moderately satisfactory in the ISR of June 2019.

21. **Component C - Power Sector Reform and Institutional Development:** Even though the implementation of the activities under this component have experienced initial delay, progress has been achieved. The TA for the establishment of the regulator was completed. The Regulatory Agency (*Autorité de Régulation des Secteurs de l'Eau Potable et de l'Énergie*, AREEN), was put in place in 2016 and its key staff have been hired. The bidding documents for the installation of a Management Information System (MIS) was launched in May 2019. Proposals were received in October 2019 and the evaluation is ongoing by REGIDESO. The selection of firm is expected to be completed in January 2020. This component was rated as moderately satisfactory in the ISR of June 2019 given the progress achieved. Additional priority activities are proposed under the restructuring to strengthen the improvement of REGIDESO's performance.

22. **Project disbursement:** As of November 2019, the project disbursed US\$12.5 million equivalent representing about 14 percent of the IDA funding. Disbursement forecast has been updated in the system to reflect the proposed restructuring. The disbursement is expected to increase significantly in fiscal year (FY) 2021 when the construction works are at an advanced stage.

## DESCRIPTION OF PROPOSED CHANGES



23. The changes proposed under this restructuring include: (i) changes to project components; (ii) reallocation of funding; (iii) revision of results indicators; (iv) extension of closing date by 48 months; and (v) amendment to the GA.

24. **Changes to project components:** Component C - Sub-component C1: The current set of activities in the sub-component C1 are as follows: Support to the restructuring of the Project Implementing Entity in accordance with the 2013 REGIDESO audit recommendations for the purposes of increasing the Project Implementing Entity's managerial accountability, financial sustainability and operational performance. It is financing expert supports to ensure the sustainability of REGIDESO as partner for private investors. This component is financing three experts full time in REGIDESO to design, monitor the implementation, and train REGIDESO's staff in, a new and modern management information system, covering among others finances and accounting, procurement and stock management, outage/incident management and preventive maintenance.

25. New activities would be added under the Sub-component C1 to finance the implementation of the PIP including the installation of a MIS and the implementation of a Revenue Protection Program. The description of the activities under the Sub-component C1 would be adjusted as follows:

- C1 (a) Support to the restructuring of the Project Implementing Entity in accordance with the 2013 REGIDESO audit recommendations for the purposes of increasing the Project Implementing Entity's managerial accountability, financial sustainability and operational performance. It is financing the same activities under the initial Sub-component C1.
- C1 (b) Implementation of the PIP for REGIDESO including the installation of MIS and Geographical Information System (GIS), the implementation of the Revenue Protection Program, and the organizational restructuring of REGIDESO.

26. No activity is dropped under Component C.

27. The estimated cost of the Sub-component C1 would be adjusted from US\$3.3 million to US\$10.1 million. This increase is due to the introduction of the Sub-component C1 (b) described in the paragraph above.

28. In view of the changes to Component C, it is proposed to change the name of the component, from Power Sector Reform and Institutional Development to "Power Sector Reform, Institutional Development, and REGIDESO Performance Improvement" to reflect the importance of the implementation of the PIP for REGIDESO.

29. **Reallocation.** The SDR 64.7 million (US\$88.7 million equivalent) total amount of the Grant would not change. There is a need to reallocate among the categories in view of changes to Component C. Component A has a budget surplus as the cost of construction of the plants was lower than expected (approximately US\$154 million currently - it was estimated at US\$189 million at project appraisal). Component C budget allocation would be increased due to the need to implement the PIP. The budget for the Sub-component C1 related to sustainability of REGIDESO which was estimated at US\$3.3 million would be increased to US\$10.1 million to support new critical activities: implementation of a MIS, a Revenue Protection Program, a performance contract between REGIDESO and GoB, and urgent investments such as replacement of overloaded distribution transformers for short term operational improvement. If the proposed restructuring is approved, the team will check during the midterm review scheduled for March-April 2021 if the provision of additional financing would be needed.



30. Component A is updated with the main contract signed with CMC-ORASCOM for US\$154 million equivalent. As the procurement process is not completed for transmission lines and substations, the allocation for the Sub-component A3 remains unchanged. Then the updated amount proposed for Component A is US\$174.6 million for which IDA allocation would change from US\$82.7 million to US\$67.5 million. An amount of US\$ 2.1 million from the initial IDA allocation for Component A will be put in unallocated category.
31. Component B related to Technical Assistance and Physical Infrastructure will not change globally in SDR. The only variation is due to SDR/US\$ foreign exchange fluctuation and then the SDR 6.8 million which were approximately US\$10.5 million in 2015 are approximately US\$9.3 million as of November 2019.
32. Component C related to sector reform and institutional development and specifically the Sub-component C1 for REGIDESO sustainability has been reviewed and updated. A complete REGIDESO's restructuring is needed and a new Sub-component C1 (b) would be introduced as described above. The total amount for the Component C will be adjusted from US\$4.4 million to US\$11.8 for which total IDA will be increased from US\$2.7 million to US\$9.6 million.
33. The IDA funds reallocation will be summarized as following:



**Table 1: IDA Funds Reallocation**

#	Components	Original <i>US\$/SDR = 0.647</i>		Proposed Reallocation <i>US\$/SDR = 0.729</i>			
		SDR	US\$	SDR	% change (SDR)	US\$	% change (US\$)
1	A1 & A2	47,000,000	72,644,000	42,700,000	-9.14%	58,573,400	-19.36%
2	A3	6,500,000	10,046,000	6,500,000	0%	8,916,000	-11.24%
3	B	6,800,000	10,510,000	6,800,000	0%	9,327,000	-11.24%
4	C1 (a)	1,000,000	1,546,000	500,000	-50%	686,000	-55.62%
5	C1 (b) new	-	-	5,724,000	-	7,852,000	-
6	C2 & C3	800,000	1,236,000	800,000	0%	1,097,000	-11.24%
7	PPF	2,600,000	4,018,000	115,402	-95.56%	158,000	-96.06%
	Unallocated	-	-	1,560,598	-	2,140,600	-
	<b>TOTAL</b>	<b>64,700,000</b>	<b>100,000,000</b>	<b>64,700,000</b>	<b>0%</b>	<b>88,750,000</b>	<b>-11.24%</b>

34. The SCHEDULE 2 -Section IV.A.2 of the Financing Agreement for Grant H9350-BI regarding the categories of expenditures would be revised as follows:

**Table 2: Eligible Expenditure per Category for IDA Grant**

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (Exclusive of Taxes)
(1) Goods, works, non-consulting services, and consultants' services for Parts A.1 and A.2 of the Project	42,700,000	38%
(2) Goods, works, non-consulting services, and consultants' services for Part A.3 of the Project	6,500,000	45%
(3) Goods, non-consulting services, consultants' services, Training and Operating Costs for Part B of the Project	6,800,000	100%
(4) Goods, non-consulting services, consultants' services and Training for Part C.1 of the Project	168,950	48%
(a) Goods, non-consulting services, consultants' services and Training for Part C.1 (a) of the Project (as of the date of signature of this Amendment Letter)	331,050	100%
(b) Goods, non-consulting services, consultants' services, and Training for Part C.1 (b) of the Project (as of the date of this Amendment Letter)	5,724,000	83%
(5) Goods, non-consulting services, consultants' services and Training for Parts C.2 and C.3 of the Project	800,000	100%



Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (Exclusive of Taxes)
(6) Refund of Preparation Advance	115,402	Amount payable pursuant to Section 2.07 of the General Conditions
(7) Unallocated	1,560,598	
<b>TOTAL AMOUNT</b>	<b>64,700,000</b>	

35. The SCHEDULE 2 -Section IV.A.2 of the GA for TF0A4223 regarding the categories of expenditures will be revised as follows:

**Table 3: Eligible Expenditure per Category for the Grant TF0A4223**

Category	Amount of the Grant Allocated (expressed in EUR)	Percentage of Expenditures to be Financed (exclusive of Taxes)
(1) Goods, works, non-consulting services, and consultants' services for Part A.3 of the Project	10,200,000	55%
(2) Goods, works, non-consulting services, and consultants' services for Part A.4 of the Project	16,600,000	100%
(3) Goods, non-consulting services, consultants' services and Training for Part C.1 (b) of the Project	1,439,000	17%
<b>TOTAL AMOUNT</b>	<b>28,239,000</b>	

36. **Changes to project results indicators.** New intermediate result indicators related to the Component C of the project would be introduced to reflect the implementation of Revenue Protection Program and the installation of MIS under the Sub-component C1 (b). In addition, the end target dates of all the project indicators will be revised to reflect the new proposed closing date.

37. **Closing date extension.** Given the overall construction timeline of 42 months, timeline for payment of compensations of six months, and additional time needed for the commissioning of different installations (substations, lines, hydro plants), a 48-month extension of the project closing date is requested to ensure completion of activities and achievement of the PDO. The current project closing date is December 31, 2019. If approved, the new project closing date would be December 31, 2023 and this would be the first project closing date extension.



38. **Amendment of the GA.** This restructuring is processed together with the attached proposed amendment of the GA-TFOA4223 related to the TF from EU (which will be administered by the World Bank for this project), in order to (i) harmonize the reallocation of funding between IDA and the TF, (ii) solve a currency issue that prevented the Grant to be disbursed and (iii) to extend the closing date of the GA from December 31, 2019 to July 31, 2022. This proposed extension is enough to complete all the works financed by EU under Components A3 and A4 of the project and is in line with World Bank’s requirement of having the closing date of the GA at least six months before the disbursement closing date of the AA. Following RVP’s approval, EU and the World Bank signed on November 05, 2019 an amendment to the AA which extended the end disbursement date of the AA (TF072498) to February 09, 2023. Approval of this restructuring (and associated addendum to EU GA) will enable to integrate this TF in the portal as part of WB managed funds.

39. The proposed restructuring would not change the safeguard policies triggered under the project and would not imply additional safeguard impacts.

## 2. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Loan Closing Date(s)	✓	
Reallocation between Disbursement Categories	✓	
Disbursement Estimates	✓	
Implementation Schedule	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Cancellations Proposed		✓
Disbursements Arrangements		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓



Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

**IV. DETAILED CHANGE(S)**

**COMPONENTS**

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Component A: Hydropower Facilities and Electricity Services	82.60	Revised	Component A: Hydropower Facilities and Electricity Services	234.00
Component B: Technical Assistance for Physical Infrastructure	14.60	Revised	Component B: Technical Assistance for Physical Infrastructure	13.90
Component C: Power Sector Reform and Institutional Development	4.40	Revised	Component C: Power Sector Reform, Institutional Development and REGIDEO Performances Improvement	11.20
<b>TOTAL</b>	<b>101.60</b>			<b>259.10</b>

**LOAN CLOSING DATE(S)**

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-H9350	Effective	31-Dec-2019		31-Dec-2023	30-Apr-2024

**REALLOCATION BETWEEN DISBURSEMENT CATEGORIES**

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed



IDA-H9350-001		Currency: XDR		
iLap Category Sequence No: 1	Current Expenditure Category: GDS WRK NON-CON CONS Prt A.1&A.2			
47,000,000.00	16,235,835.54	42,700,000.00	38.00	38.00
iLap Category Sequence No: 2	Current Expenditure Category: GDS WRK NON-CON CONS Prt A.3			
6,500,000.00	0.00	6,500,000.00	45.00	45.00
iLap Category Sequence No: 3	Current Expenditure Category: GDS NON-CON CONS TRN & OP			
6,800,000.00	2,713,130.70	6,800,000.00	100.00	100.00
iLap Category Sequence No: 4	Current Expenditure Category: GDS NON-CON CONS & TRN Prt C.1.			
1,000,000.00	167,242.48	168,950.00	48.00	48
iLap Category Sequence No: 5	Current Expenditure Category: GDS NON-CON CONS TRN Prt C.2 &C.3			
800,000.00	191,728.58	800,000.00	100.00	100.00
iLap Category Sequence No: 6	Current Expenditure Category: PPF REFINANCING			
2,600,000.00	115,401.80	115,402.00		
iLap Category Sequence No: 4	Current Expenditure Category: GDS NON-CON CONS & TRN Prt C.1.(a)			
0.00	0.00	331,050.00		100
iLap Category Sequence No: 4	Current Expenditure Category: GDS NON-CON CONS & TRN Prt C.1.(b)			
0.00	0.00	5,724,000.00		83
iLap Category Sequence No: 7	Current Expenditure Category: Unallocated			
0.00	0.00	1,560,598.00		100
<b>Total</b>	<b>64,700,000.00</b>	<b>19,423,339.10</b>	<b>64,700,000.00</b>	



**DISBURSEMENT ESTIMATES**

Change in Disbursement Estimates

Yes

<b>Year</b>	<b>Current</b>	<b>Proposed</b>
2014	1,000,000.00	0.00
2015	16,000,000.00	0.00
2016	27,000,000.00	0.00
2017	27,000,000.00	1,000,000.00
2018	17,000,000.00	3,000,000.00
2019	6,000,000.00	20,000,000.00
2020	6,000,000.00	10,000,000.00
2021	0.00	22,000,000.00
2022	0.00	21,000,000.00
2023	0.00	10,000,000.00
2024	0.00	1,700,000.00





Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
compared with levelized cost of production from oil based generation (Percentage)									
<b>Action: This indicator has been Revised</b>									

**Intermediate Results Indicators by Components**

Indicator Name	DLI	Baseline	Intermediate Targets						End Target	
			1	2	3	4	5	6		
<b>Component A: Hydropower Facilities and Electricity Services</b>										
Generation Capacity of Hydropower constructed or rehabilitated under the project (Megawatt)		0.00	0.00	0.00	0.00	0.00	0.00	31.50	48.00	48.00
<b>Action: This indicator has been Revised</b>										
Generation Capacity of Hydropower constructed under the project (Megawatt)		0.00	0.00	0.00	0.00	0.00	0.00	31.50	48.00	48.00
<b>Action: This indicator has been Revised</b>										
Direct project beneficiaries (number),		0.00	0.00	0.00	0.00	0.00	0.00	900.00	900.00	50.00



Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
of which female (percentage) (Percentage)									
<b>Action: This indicator has been Revised</b>									
Percentage Female (Percentage)	0.00	0.00	0.00	0.00	0.00	0.00	50.00	50.00	50.00
<b>Action: This indicator has been Revised</b>									
Transmission lines constructed or rehabilitated under the project (Kilometers)	0.00	0.00	0.00	0.00	40.00	132.00	132.00	132.00	132.00
<b>Action: This indicator has been Revised</b>									
Transmission lines constructed under the project (Kilometers)	0.00	0.00	0.00	0.00	40.00	132.00	132.00	132.00	132.00
<b>Action: This indicator has been Revised</b>									
Distribution lines constructed or rehabilitated under the project (Kilometers)	0.00	0.00	0.00	0.00	0.00	13.00	40.00	40.00	40.00
<b>Action: This indicator has been Revised</b>									





Indicator Name	DLI	Baseline	Intermediate Targets						End Target	
			1	2	3	4	5	6		
<b>Action: This indicator has been Revised</b>										
Community electricity connections constructed –Grid (Number)		0.00								54.00
<b>Action: This indicator has been Revised</b>										
<b>Component B: Technical Assistance for Physical Infrastructure</b>										
Feasibility studies elaborated for new investments (Number)		0.00	0.00	0.00	1.00	2.00	2.00	3.00		3.00
<b>Action: This indicator has been Revised</b>										
Hydropower Plant Contract Awarded (Yes/No)		No	No	Yes	Yes	Yes	Yes	Yes		Yes
Transmission Line Contract Awarded (Yes/No)		No	No	No	Yes	Yes	Yes	Yes		Yes
<b>Action: This indicator has been Revised</b>										
Substations Contract Awarded (Yes/No)		No	No	No	Yes	Yes	Yes	Yes		Yes
<b>Action: This indicator has been Revised</b>										





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Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Program is completed (Yes/No)									
<b>Action: This indicator is New</b>									



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