Loan Agreement

(Fourth Phase of the Central African Backbone Program – Gabon Project)

between

THE GABONESE REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated May 21st, 2012
AGREEMENT dated 21 February 2012, between the GABONSE REPUBLIC ("Borrower") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank").

(A) By extending financial assistance: (i) in 2007 to the Republic of Cameroon, the Central African Republic and the Republic of Chad; and (ii) in 2011 to the República Democrática de São Tomé e Príncipe and the Republic of Congo, the International Development Association has provided support to precedent activities under the Central African Backbone Program ("Program") which aims to support populations, businesses and governments across the Central African region to have access to quality and affordable information and communication technology services on open, transparent and non-discriminatory terms; and

(B) the Borrower, having satisfied itself as to the feasibility and priority of the project ("Project", as described in Schedule I hereto) under the fourth phase of the Program, has requested the Bank to assist in the financing of the Project;

WHEREAS the Bank has agreed, on the basis, inter alia, of the foregoing, to extend the loan provided for in Article II of this Agreement to the Borrower upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the Borrower and the Bank 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 Preamble to this Agreement or in the Appendix to this Agreement.

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of Dollars fifty-eight million (USD 58,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement ("Loan"), to assist in financing the Project.
2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount. The Borrower shall pay the Front-end Fee not later than sixty (60) days after the Effective Date.

2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

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

2.06. The principal amount of the Loan shall be repaid in accordance with the provisions of Schedule 3 to this Agreement.

2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; and (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa, or from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall: (i) carry out Parts 1 and 3 of the Project through the CCSPFOG; (ii) pursuant to the ACE Agreement, cause Part 2.1 of the Project to be carried out by the ACE Subsidiary; and (iii) pursuant to the Backbone Agreement, cause Parts 2.2 and 2.3 of the Project to be carried out by the SPV, all 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 Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

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

(a) The ACE Subsidiary or the SPV, as the case may be, shall have failed to perform any of its obligations under, respectively, the ACE Agreement or the Backbone Agreement.

(b) As a result of events which have occurred after the date of this Agreement, an extraordinary situation shall have arisen which shall make it improbable that the ACE Subsidiary or the SPV, as the case may be, will be able to perform any of its obligations under, respectively, the ACE Agreement or the Backbone Agreement.

(c) The Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of the ACE Subsidiary or the SPV, as the case may be, or for the suspension of its operations.

(d) The CCSPFOG Legislation, the ACE Subsidiary Legislation or the SPV Legislation, as the case may be, shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the CCSPFOG, the ACE Subsidiary or the SPV, as the case may be, to perform any of its obligations under, respectively, this Agreement, the ACE Agreement or the Backbone Agreement.

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

(a) Any event specified in paragraph (a) of Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Bank to the Borrower.
(b) Any event specified in paragraphs (c) or (d) of Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) The CCSPFOG has been established and has been made operational, in form and substance satisfactory to the Bank.

(b) The Borrower shall have adopted the Project Implementation Manual in form and substance satisfactory to the Bank.

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

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower’s Representative is its Minister of Economy, Employment, and Sustainable Development.

6.02. The Borrower’s Address is:

Ministry of Economy, Employment, and Sustainable Development
B.P. 747
Libreville
Gabonese Republic

Cable:      Telex:      Facsimile:
           (241) 79-57-98

6.03. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:  Telex:      Facsimile:
                INTBAFRA(D 248423(MCI) or (1) 202-477-6391
Washington, D.C.  64145(MCI)
AGREED at Libreville, GABON, as of the day and year first above written.

GABONESE REPUBLIC

By

Authorized Representative

Name: OYO
Title: 

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: Zouega
Title: Country
SCHEDULE 1

Project Description

The objectives of the Project are to contribute to increase geographical reach and usage of regional broadband network services and to reduce their prices in the territory of the Borrower.

The Project constitutes the fourth phase of the Program, and consists of the following parts:

Part 1: Enabling Environment

Carrying out of a comprehensive program of technical assistance, including the provision of goods, required for:

1. The promotion and implementation of the Open Access regime and PPP for the Borrower's international and national connectivity, consisting of the hiring of legal/transaction, regulatory and business advisors to advise the Borrower on the negotiations with private sector operators, and including the carrying out of technical and financial audits of the structures to be setup, the delivery of workshops for the promotion of PPP investment in the telecommunications sector, the design of the tender and audit documents for the national backbone under Part 2.2 of the Project and the design of the tender and audit documents for the setting up of the Internet Exchange Point and a Carrier Hotel under Part 2.3 of the Project.

2. The review, improvement and development of the Borrower's telecommunications and information laws with a view to ensure, inter alia, their coherence and harmonization with the pertinent CEMAC regional directives.

3. The strengthening of the Borrower's key stakeholders' (the MENCP, the ANINF and the ARCEP) capacity to provide policy and regulatory capacity building, including regulatory tools, cost models, monitoring and evaluation capacity, and encompassing a range of activities, focused studies and training designed to assist the MENCP, the ANINF and the ARCEP in improving the overall policy, competitive and regulatory environment for the Borrower's ICT sector.

4. The provision of increased broadband access, including rural access, as well as further liberalization in the Borrower's territory, encompassing the development of a comprehensive policy to promote broadband use in the Borrower's territory with the aim to facilitate uptake of demand and applications available following the improved access to connectivity, in particular though ISPs and local content providers as well as increased geographical reach of broadband in the Borrower's territory by a revised universal access strategy.
5. The implementation of a management policy for Internet domain names, subject to existing international agreements and arrangements, with the objective of enabling the Gabonese stakeholders to determine the most appropriate technical and institutional management structure for future growth and long-term sustainability, the carrying out of a diagnosis summary of the current status of the use of “.ga”, and the provision of recommendations to develop a national management policy for the “.ga” domain as well as a communication plan around the “.ga” domain at the national and international level.

6. The scaling up of the e-government strategy to leverage new connectivity, encompassing the assessment of the status of the actions undertaken to date in the implementation of e-government applications, the analysis of the progress and delays in connection thereto, and the preparation of detailed recommendations to update and reutilize the Borrower’s e-government strategy, including an action plan thereon.

Part 2: Connectivity

1. Membership and participation of the ACE Subsidiary on behalf of the Borrower in the ACE Consortium on the basis of an Open Access basis and PPP structure, through the financing of the Consortium Fee to allow the Borrower to leverage private sector investment.

2. Construction by the SPV of a terrestrial fiber optic link of approximately 800 kilometers between Libreville - Franceville - Bakumba - Lekoko / Border with Congo to interconnect with the Congolese link Dolisie - Mbinda and thereby ensure interconnection with the neighboring country and of additional terrestrial fiber optic links of approximately 340 kilometers from Lekoni to Koulamoutou via Franceville to connect two main secondary cities (Lekoni, Koulamoutou) and commence the building of a south loop to back up the Libreville-Franceville link, thus contributing to increase geographical reach and usage of broadband network services, through the provision of works, goods and services required for the purpose.

3. The setting up of an Internet Exchange Point (IXP) and of a Carrier Hotel to access the international and national backbone capacity, through the provision of works, goods and services required to construct the point of access and collocation center to allow networks to interconnect directly.
Part 3: Project Management

Strengthening of the Borrower's capacity to implement the Project, encompassing the technical assistance required for: (i) the upgrading and operation of the CCSPFOG and the CN-TIPPEE to ensure suitable staffing, dedicated staff for the Project, the provision of office space and equipment and the financing of Operational Costs required for the purpose; (ii) the carrying out of the environmental and social studies required by the ESMF, the RPF and the IPPF and monitoring and capacity building activities under the Project; and (iii) the fulfillment of the Borrower's obligations under this Agreement for auditing, monitoring and evaluation, data collection and communication.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The CCSPFOG

(a) The Borrower shall lead the overall implementation of the Project through the CCSPFOG. To that end, the Borrower shall maintain throughout Project implementation the CCSPFOG, at all times under terms of reference satisfactory to the Bank and with staff and resources adequate to enable it to carry out its responsibilities under the Project and shall through the CCSPFOG: (i) provide overall technical and operative guidance, direction and coordination during Project implementation; and (ii) carry out the fiduciary and governance oversight of the Project and the overall responsibility for the compliance of safeguard activities pursuant to the Borrower’s and the Bank’s policies. The CCSPFOG structure shall consist of a Steering Committee and a Project Coordination Team.

(b) The Steering Committee shall be comprised at all times of the Minister of the MEEDD, the Minister of the MENCP, the Director General of ANINF, and the President of ARCEP, and may include other representatives as the Borrower and the Bank may agree from time to time. The Steering Committee shall meet at least once every quarter (or exceptionally if so required). The permanent secretary of the CN-TIPPEE can be invited as an observer to the Steering Committee’s meetings.

(c) The Project Coordination Team shall include at all times the representatives of the institutions in the Steering Committee and from the MPITPTHTAT and SETRAG. Furthermore, it shall designate one of its members as the Program focal point to ensure smooth coordination with the Project Implementation Unit and the Bank, the Program focal point being appointed also as the secretary of the Steering Committee.
2. The CN-TIPPEE

(a) The CN-TIPPEE, acting as the PIU and reporting to the CCSPFOG for overall guidance, direction and coordination as well as for fiduciary and governance oversight, shall be vested responsibility for Project fiduciary management, including procurement, financial management, monitoring and evaluation, communications and environmental support. To this end, the Borrower, through the MEEDD, shall: (i) maintain the CN-TIPPEE throughout Project implementation at all times under terms of reference satisfactory to the Bank and with staff and resources adequate to enable it to carry out its responsibilities under the Project; and (ii) deposit into the CN-TIPPEE’s support account in a manner satisfactory to the Bank: (A) not later than June 30, 2012, an amount of not less than XAF 235,694,379; (B) not later than May 31, 2013, an amount of not less than XAF 302,392,773; (C) not later than May 31, 2014, an amount of not less than XAF 302,392,773; and (D) not later than May 31, 2015, an amount of not less than XAF 168,353,128.

(b) The CN-TIPPEE shall be directed by its permanent secretary and its composition shall include at a minimum the following key staff: financial and administration specialist, procurement specialist, and monitoring, evaluation and environmental specialist. The said staff shall work closely with the MENCP and ANINF as well as with the Program focal point of the Project Coordination Team.

B. ACE Agreement

1. To facilitate the carrying out of Part 2.1 of the Project, the Borrower shall take all action required: (i) to ensure the proceeds of the Loan allocated from time to time to Category (2) are transferred to the ACE Subsidiary in an efficient and timely manner; and (ii) to have in place a suitable legal framework to ensure the Loan is used for the intended purposes. To that end, the Borrower shall conclude a contractual arrangement ("ACE Agreement") with the ACE Subsidiary whereby the Borrower shall:

(a) transfer the proceeds of the Loan allocated from time to time to Category (2) to the ACE Subsidiary, on a non-reimbursable basis, in consideration of the undertaking by the ACE Subsidiary that such amount shall be transferred by the ACE Subsidiary to the ACE Consortium for the purposes of payment of the membership and participation of the ACE Subsidiary on behalf of the Borrower in the ACE Consortium;

(b) require the ACE Subsidiary: (A) to carry out the infrastructure partially financed through the Consortium Fee with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial,
environmental, marine and social standards and practices satisfactory to the Bank, including in accordance with the provisions of the ACE ESIA, the ACE ESMP and the ARAP, the Project Implementation Manual, and the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Borrower; and (B) to provide, promptly as needed, the resources required for the purpose; and

(c) obtain rights and specify the ACE Subsidiary obligations adequate to protect the interests of the Borrower and those of the Bank, including: (i) subrogation rights against the ACE Consortium upon the failure of the ACE Consortium, any of the parties thereto, or the Management Committee established under the C&MA, to perform any of its obligations under the Construction and Maintenance Agreement; (ii) the right to suspend or terminate the right of the ACE Subsidiary to use the proceeds of the Loan or to obtain a repayment of all or any part of the amount of the Loan then withdrawn, upon the ACE Subsidiary’s failure to perform any of its obligations under the ACE Agreement; (iii) the ACE Subsidiary’s obligation to maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with the Monitoring and Evaluation Indicators, the progress of Part 2.1 of the Project and the achievement of its objectives; (iv) the ACE Subsidiary’s obligation: (A) to maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to Part 2.1 of the Project; and (B) at the Borrower’s or the Bank’s request, to have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Bank and the Borrower; (v) the right to enable the Borrower and the Bank to inspect the infrastructure partially financed through the Consortium Fee, its operation and any relevant records and documents; and (vi) the ACE Subsidiary’s obligation to prepare and furnish to the Borrower and the Bank all such information as the Borrower or the Bank shall reasonably request relating to the foregoing.

2. The ACE Agreement shall contain provisions whereby the ACE Subsidiary is obligated to abide by the relevant provisions of the Anti-Corruption Guidelines. The Borrower shall exercise its rights and carry out its obligations under the ACE Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the ACE Agreement or any of their provisions. Notwithstanding the foregoing, if any of the provisions of the ACE Agreement is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail and govern.
C. **ACE Wholesale Contract**

The Borrower shall, not later than December 31, 2012, cause the ACE Subsidiary to execute a wholesale agreement ("ACE Wholesale Contract"), in form satisfactory to the Bank and in accordance with the PPP Guidelines, with a suitable Operator and which shall include subrogation rights for the Borrower against the Operator party to the ACE Wholesale Contract upon the failure of the Operator to perform any of its obligations under the ACE Wholesale Contract.

D. **Backbone Agreement and SPV Wholesale Contract**

1. To facilitate the carrying out of Parts 2.2 and 2.3 of the Project, the Borrower shall take all action required: (i) to ensure the proceeds of the Loan allocated from time to time to Category (3) are transferred to the SPV in an efficient and timely manner; and (ii) to have in place a suitable legal framework to ensure the Loan is used for the intended purposes. To that end, the Borrower shall conclude a contractual arrangement ("Backbone Agreement") with the SPV whereby the Bank shall:

   (a) transfer the proceeds of the Loan allocated from time to time to Category (3) to the SPV, on a non-reimbursable basis, for the purposes of carrying out Parts 2.2 and 2.3 of the Project;

   (b) require the SPV: (A) to carry out Parts 2.2 and 2.3 of the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental, social standards and practices satisfactory to the Bank, including in accordance with the provisions of the ESIA, ESMP, RAP and/or the IPP, as the case may be, the Project Implementation Manual, and the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Borrower; and (B) to provide, promptly as needed, the resources required for the purpose;

   (c) obtain rights and specify the SPV’s obligations adequate to protect the interests of the Borrower and those of the Bank, including: (i) subrogation rights against the Operator party to the SPV Wholesale Contract upon the failure of the Operator to perform any of its obligations under the SPV Wholesale Contract; (ii) the right to suspend or terminate the right of the SPV to use the proceeds of the Loan or to obtain a repayment of all or any part of the amount of the Loan then withdrawn, upon the SPV’s failure to perform any of its obligations under the Backbone Agreement; (iii) the SPV’s obligation to maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with the Monitoring and Evaluation Indicators, the progress of Parts 2.2 and 2.3 of the Project and the achievement of its objectives;
(iv) the SPV's obligation: (A) to maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to Parts 2.2 and 2.3 of the Project; and (B) at the Borrower's or the Bank's request, to have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Borrower and the Bank; (v) the right to enable the Borrower and the Bank to inspect Parts 2.2 and 2.3 of the Project, its operation and any relevant records and documents; and (vi) the SPV's obligation to prepare and furnish to the Borrower and the Bank all such information as the Borrower or the Bank shall reasonably request relating to the foregoing; and

(d) require the SPV to execute a wholesale agreement ("SPV Wholesale Contract"), in form satisfactory to the Bank and in accordance with the PPP Guidelines, with a suitable Operator which shall include subrogation rights for the SPV against the Operator party to the SPV Wholesale Contract upon the failure of the Operator to perform any of its obligations under the SPV Wholesale Contract.

2. The Backbone Agreement shall contain provisions whereby the SPV is obligated to abide by the relevant provisions of the Anti-Corruption Guidelines. The Borrower shall exercise its rights and carry out its obligations under the Backbone Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Backbone Agreement or any of their provisions. Notwithstanding the foregoing, if any of the provisions of the Backbone Agreement is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail and govern.

E. Anti-Corruption

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
F. **Safeguards**

1. **ACE Environmental and Social Impact Assessment, ACE Environmental and Social Management Plan, and Abbreviated Resettlement Action Plan**

   The Borrower shall cause the ACE Subsidiary to take all action necessary on its behalf:

   (i) to carry out the ARAP with due diligence and efficiency and at all times provide the funds necessary therefor; (ii) to adequately monitor and evaluate the carrying out of the activities provided in the ARAP in the carrying out of the infrastructure partially financed through the Consortium Fee; and (iii) to maintain the Borrower and Bank suitably informed of the progress in the implementation of the ARAP through the information to be prepared and furnished to the Borrower pursuant to the provisions of paragraph (c)(vi) of Section I.B.1 of this Schedule; and

   (ii) to carry out the ACE ESIA and the ACE ESMP with due diligence and efficiency; (ii) to ensure that the relevant mitigation and monitoring provisions of the ACE ESIA and the ACE ESMP are appropriately included in the works, goods and services contracts to be concluded for the infrastructure partially financed through the Consortium Fee and that they are implemented in the carrying out of said infrastructure; and (iii) to maintain the Borrower and the Bank suitably informed of the progress in the implementation of the ACE ESIA and the ACE ESMP through the information to be prepared and furnished to the Borrower pursuant to the provisions of paragraph (c)(vi) of Section I.B.1 of this Schedule.


   The Borrower shall cause the SPV to take all action necessary on its behalf:

   (i) to comply with the ESMF and to carry out the ESIA and the ESMP, as the case may be, with due diligence and efficiency; (ii) to ensure that the relevant mitigation and monitoring provisions of the ESIA and the ESMP, as the case may be, are appropriately included in the works, goods and services contracts to be concluded under Parts 2.2 and 2.3 of the Project and that they are implemented in the carrying out of said Parts 2.2 and 2.3; and (iii) to maintain the Borrower and the Bank suitably informed of the progress in the implementation of the ESIA and the ESMP, as the case may be, through the information to be prepared and furnished to the Borrower pursuant to the provisions of paragraph (c)(vi) of Section I.D.1 of this Schedule; and
(ii) to comply with the RPF and the IPPF and to carry out the RAP and the IPP, as the case may be, with due diligence and efficiency and at all times provide the funds necessary therefor; (ii) to adequately monitor and evaluate the carrying out of the activities provided in the RAP and in the IPP, as the case may be, in the carrying out of Parts 2.2 and 2.3 of the Project; and (iii) to maintain the Borrower and the Bank suitably informed of the progress in the implementation of the RAP and the IPP, as the case may be, through the information to be prepared and furnished to the Borrower pursuant to the provisions of paragraph (c)(vi) of Section I.D.1 of this Schedule.

G. Project Implementation Manual

The Borrower shall: (i) take all action required to carry out the Project in accordance with the provisions and requirements set forth or referred to in the Project Implementation Manual; (ii) submit recommendations to the Bank for its consideration for changes and updates of the Project Implementation Manual as they may become necessary or advisable during Project implementation in order to achieve the objectives of the Project; and (iii) not assign, amend, abrogate or waive the Project Implementation Manual or any of its provisions without the Bank’s prior agreement. Notwithstanding the foregoing, if any of the provisions of the Project Implementation Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail and govern.

H. Training

For the purposes of the training to be provided under the Project and to be delivered through study tours and workshops, the Borrower shall:

(a) furnish to the Bank for its approval, not later than November 30 of each year, a training program including an explanation of how such training is consistent and conducive to the objectives of the Project and whether it offers the best price/quality ratio, as well as the schedule for its implementation;

(b) select the trainees in accordance with a transparent process and criteria satisfactory to the Bank; and

(c) furnish to the Bank a report of such scope and detail as the Bank shall reasonably request, on the results of each training and the benefits to be derived therefrom.
Section II. **Project Monitoring Reporting and Evaluation**

A. **Project Reports**

1. The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the Monitoring and Evaluation Indicators. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Bank not later than one (1) month after the end of the period covered by such report.

2. For purposes of Section 5.08 (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 Bank not later than four (4) months after the Closing Date.

B. **Mid-Term Review**

The Borrower shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the Monitoring and Evaluation Indicators, the carrying out of the Project and the achievement of the objectives thereof;

(b) prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank, on or about August 31, 2014, a report integrating the results of the monitoring and evaluation activities and setting out the measures recommended to ensure the efficient carrying out of the Project and achievement of the objectives thereof during the period following such date; and

(c) review with the Bank, on or about October 31, 2014, or such later date as the Bank shall request, the report referred to in the preceding paragraph (b), and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Bank’s views on the matter.

C. **Financial Management, Financial Reports and Audits**

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower shall prepare and furnish to the Bank as part of the Project Report not later than one (1) month after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.

3. The Borrower shall have its Financial Statements, those of the ACE Subsidiary and those of the SPV, audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) Fiscal Year of the Borrower, commencing with the Fiscal Year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

4. In furtherance of the precedent paragraphs of this Section C, the Borrower shall, not later than three (3) months after the Effective Date, employ the existing external auditor of the PIU on the basis of terms of reference satisfactory to the Bank.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for Parts 1, 2.2, 2.3 and 3 of the Project and to be financed out of the proceeds of the Loan 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 Parts 1, 2.2, 2.3 and 3 of the Project and to be financed out of the proceeds of the Loan 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 Bank 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 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: (i) National Competitive Bidding, and (ii) Shopping.

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 the 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: (i) Quality-based Selection; (ii) Selection based on Consultants' Qualifications; (iii) Single-source Selection of consulting firms; (iv) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (v) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Bank of Procurement Decisions

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

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank may specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to: (i) repay the Preparation Advance...
in accordance with Section 2.07 (a) of the General Conditions; and (ii) 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 Loan ("Category"), the allocation of the amounts of the Loan 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 Loan Allocated (expressed in USD)</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 and Operational Costs for the Project, except works and goods under Parts 2.2 and 2.3 thereof</td>
<td>8,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consortium Fee under Part 2.1 of the Project:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Due December 22, 2011</td>
<td>2,000,000</td>
<td>44%</td>
</tr>
<tr>
<td>(b) Due February 23, 2012</td>
<td>2,392,179</td>
<td>64%</td>
</tr>
<tr>
<td>(c) Due June 23, 2012</td>
<td>1,250,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods and works under Parts 2.2 and 2.3 of the Project</td>
<td>40,857,821</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Refund of the Preparation Advance No. P4620-GB</td>
<td>3,000,000</td>
<td>Amount payable pursuant to Section 2.07 (a) of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>58,000,000</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) from the Loan Account (other than to repay the Preparation Advance) until the Bank has received payment in full of the Front-end Fee; or

   (b) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $4,400,000 may be made for payments made prior to this date but on or after August 30, 2011, for Eligible Expenditures under Category (2); or

   (c) under Category (2), until and unless:

      (i) (A) the ACE Subsidiary has been duly created pursuant to PPP guidelines acceptable to the Bank, registered and made operational in the Borrower's territory, including through the appointment of its managers and the adoption of the shareholders' agreement and by-laws, all in form and substance satisfactory to the Bank; and (B) there shall be furnished to the Bank an opinion satisfactory to the Bank of counsel acceptable to the Bank showing that the ACE Subsidiary has been duly created, registered and made operational in the Borrower's territory and is legally authorized to operate in accordance with the Borrower's laws;

      (ii) (A) the ACE Agreement, in form and substance satisfactory to the Bank, has been entered into between the Borrower and the ACE Subsidiary; and (B) there shall be furnished to the Bank an opinion satisfactory to the Bank of counsel acceptable to the Bank showing that the ACE Agreement has been duly authorized or ratified on behalf of the Borrower and the ACE Subsidiary, and executed and delivered on their behalf, and is legally binding upon the Borrower the ACE Subsidiary in accordance with its terms; and

      (iii) upon its concurrence, the ACE Consortium has transferred to the ACE Subsidiary all the rights and obligations of the Borrower in the Construction and Maintenance Agreement and has fully substituted the Borrower with the ACE Subsidiary as the member of the ACE Consortium; or
(d) under Category (3), until and unless:

(i) (A) the SPV has been duly created pursuant to PPP Guidelines, registered and made operational in the Borrower's territory, including through the appointment of its managers and the adoption of the shareholders' agreement and by-laws, all in form and substance satisfactory to the Bank; and (B) there shall be furnished to the Bank an opinion satisfactory to the Bank of counsel acceptable to the Bank showing that the SPV has been duly created, registered and made operational in the Borrower's territory and is legally authorized to operate in accordance with the Borrower's laws;

(ii) (A) the Backbone Agreement, in form and substance satisfactory to the Bank, has been entered into between the Borrower and the SPV; and (B) there shall be furnished to the Bank an opinion satisfactory to the Bank of counsel acceptable to the Bank showing that the Backbone Agreement has been duly authorized or ratified on behalf of the Borrower and the SPV, and executed and delivered on its behalf, and is legally binding upon the Borrower and the SPV in accordance with its terms;

(iii) the SPV Wholesale Agreement, in form satisfactory to the Bank and pursuant to the PPP Guidelines, has been entered into between the SPV and an Operator acceptable to the Bank and which shall include subrogation rights for the Borrower against the Operator party to the SPV Wholesale Contract upon the failure of the Operator to perform any of its obligations under the SPV Wholesale Contract; and

(iv) the Borrower: (i) shall have adopted the ESIA, ESMP, RAP and/or the IPP, as the case may be, and the same documents have been consulted upon and disclosed as approved by the Bank; and (ii) shall have verified, through its own staff, outside experts, or existing environmental/social institutions, that the activities under Parts 2.2 and 2.3 of the Project meet the environmental and social requirements of appropriate national and local authorities and that they are consistent with the Bank's applicable environmental and social assessment and safeguard policies and comply with the environmental and social review procedures set forth in the ESMF, RPF and IPPF, as the case may be, and the Project Implementation Manual.

2. The Closing Date is December 31, 2016.
ANNEX to Schedule 2

PPP Guidelines

The purpose of these PPP Guidelines is to describe the specific arrangements for implementing the PPP and Open Access model desired by the Recipient authorities in order to: (i) meet scheduling requirements (in order to select the Operator) as soon as possible for the establishment of the ACE cable and Libreville-Port Gentil connectivity; (ii) construct and operate the digital infrastructure which the country needs in order to support the diversification of its economy; and (iii) achieve the final goals of the Project within five years (increased geographical coverage of high-bandwidth networks and lower cost of communication services in Gabon). As such, these arrangements shall serve as a reference for all Project activities.

- The concept of “Public-Private Partnership” refers to various possible types of long-term contractual relationships between the authorities and the private sector, for the design, execution, operation, maintenance and financing of equipment or infrastructure and/or the organization of services to the public. Public-Private Partnerships enable a government to leverage the management skills of private enterprises, the productivity gains and cost savings which they will achieve, the innovations which they will provide and the possibility of using private investments instead of public financing, which can then be used for other projects.

- The concept of “Open Access” refers to access to terrestrial or submarine fiber optic systems by operators or service providers (holders of a telecommunications operating license or permit to engage in the provision of telecommunications infrastructure or services) on non-discriminatory, transparent terms (for pricing and non-pricing aspects) and cost-based pricing.

- Under these guidelines, the “private sector” means any private economic operator (including those possessing a telecommunications operating license or a permit to engage in the provision of telecommunications infrastructure or services in Gabon).

1. A joint stock company under Gabonese law (ad hoc holding company (“HoldCo”, the SPV) to be established by the Recipient to be the owner of all terrestrial and submarine fiber optic infrastructure constructed by the Gabonese Republic. At the time of its establishment, all shares of HoldCo will be owned by the Recipient and the principle of offering shares to the private sector and the principle of Open Access shall be reflected in all relevant official and constituent documents relating to HoldCo (“HoldCo Corporate Documents”).
a. Selection of service providers and consultants for the construction of the fiber optic infrastructures (excluding Part 2.1 of the Project) financed by the Loan shall be done in accordance with applicable Bank’s policies, procedures, rules and guidelines concerning procurement, financial management and anti-corruption measures and environmental and social safeguards.

b. Disbursements in relation to contracts for works relating to the construction of fiber optic infrastructure (excluding Part 2.1 of the Project) shall commence as soon as the private infrastructure operator is in place in accordance with the arrangements described in paragraph 3 below. Subsequent disbursements shall be made in installments at key stages in the construction to be defined with the Recipient (for example, completion of civil engineering works, installation of transmission equipment, etc.). Disbursements shall be based on a detailed certified statement of expenditure, after confirmation by an independent engineer that the key construction phase has indeed been reached.

2. HoldCo shall establish a wholly-owned subsidiary (the ACE Subsidiary). The ACE Subsidiary shall be the owner of the ACE submarine cable and of its land leg and its landing station (assets covered by the Construction and Maintenance Agreement). Subject to the approval by the ACE Consortium and in accordance with the C&MA, the Recipient shall transfer its rights and obligations under the C&MA to the ACE Subsidiary.

a. Since these assets are the ones most likely to attract private sector investment, all the HoldCo Corporate Documents shall be worded so as to allow the use of private sector capital whenever this is considered appropriate by the Recipient in compliance with the principles of Open Access (for example, if it should prove necessary to resort to private financing to finance upgrades of international capacity needed to meet expressed demand in order to avoid artificial rationing of ACE capacity).

b. To this end, the HoldCo Corporate Documents shall include the following provisions:

i. ACE capacity shall be officially attached to shares and automatically transferred to shareholders when possessing a valid telecommunications operators license. In the case of telecommunications operators, acquisition of shares shall result in acquisition of corresponding capacity, since possession of capacity becomes an ownership right inseparable from the right to dividends and the right to vote.
ii. The share transfer price shall be fixed by a valuation method usually adopted by businesses in the ICT sector, such as the discounted cash flow method, the comparable transactions method, the market multiples method or a suitable combination of these methods. The feasibility of converting indefeasible rights of use ("IRUs") (see below) into shares of the ACE Subsidiary shall also be analyzed.

iii. The principle of prohibiting warehousing of capacity shall be embodied in all relevant official and constituent documents relating to the ACE Subsidiary. This means that no shareholder may retain shares and capacity without using such capacity nor refuse to transfer such capacity (and shares associated with such capacity) to another shareholder that would be in a position to use them.

iv. HoldCo shall have a "golden share" in the ACE Subsidiary granting HoldCo specific rights such as the right to a seat on the board of directors of the ACE Subsidiary, the right not to have its shares in the ACE Subsidiary diluted and the right to veto any decisions taken by the ACE Subsidiary that might undermine the principle of Open Access.

v. Use of a precise mathematical valuation formula to calculate IRU prices with a demand scenario that is both voluntary (aimed at fully satisfying potential demand) and realistic.

c. Disbursements by the Bank in respect of participation in the ACE Consortium shall be made only after the Recipient has established HoldCo and the ACE Subsidiary.

3. HoldCo and the ACE Subsidiary shall delegate the operation, maintenance and commercialization of its assets to an Operator with proven experience, selected by means of an international, open, transparent and non-discriminatory competitive tender. The Operator shall contribute its technical expertise and a commercial interest in operating the infrastructure efficiently because it is free to commercialize the capacity of the backbone network (subject to the provisions of its license and its agreement). Preparation of the tender documentation, including drafting of the operation, maintenance and commercialization contract and of the draft license, as well as assistance to the Gabonese Republic in the negotiations to select the Operator, shall be done through an international firm financed under the Project.
a. The Operator shall be granted a telecommunications license authorizing it to engage in the provision of telecommunications infrastructure and services in the Gabonese Republic. This authorization shall be limited to wholesale markets for operators and service providers holding a valid telecommunications license or permit to engage in the provision of telecommunications infrastructure or services within or outside the Gabonese Republic.

b. The relationship between the Operator and ANINF or any other entity duly authorized for the communication requirements of the Gabonese Republic shall be clearly defined in the operation and commercialization contract, after the Recipient’s authorities have reviewed the various options available.

c. The operation and commercialization contract ("ACE Wholesale Contract") between HoldCo and the Operator shall have a maximum validity of three years.

d. The ACE Wholesale Contract shall provide a reference offer containing provisions detailing (including a list of standard speeds), pricing (cost basis, price revision clause), service levels and quality commitments, co-location of equipment at the Operator’s technical sites, etc., guaranteeing respect for the principles of Open Access (neutrality, non-discrimination, transparency). The reference offer should allow a maximum number of operators and suppliers to access fiber optic infrastructure capacity, ensuring that they all receive the best possible rates, thanks to a better fiber filling rate. When arrangements are being made concerning specific terms, the advisability of proposing dark fiber on segments of the national backbone shall be considered.

e. In order to allow for resale to operators and service providers on retail markets, the Operator shall be required to limit its service offerings to offerings of capacity. In particular, this precludes managed bandwidth services such as virtual private networks (VPNs) and provision of installation and maintenance services.

f. The ACE Wholesale Contract shall also include specific pricing and non-pricing provisions for transborder interconnection with the Congolese backbone financed by the Bank in the context of the Third Phase of the Central African Backbone Program - Republic of Congo Project (Credit No.4974-CG).
4. In order to accelerate high-speed Internet access for the benefit of consumers and businesses in Gabon and to develop transborder traffic (particularly via the Gabon – Congo interconnection), the Operator shall charge its customers more attractive prices than the reference offer through purchase of IRUs for bandwidth connectivity, so that customers can formulate business plans and create a virtuous cycle on retail markets: lower prices -> higher volumes -> lower unit costs for international connectivity as a result of upgrades -> lower prices, etc.

a. Any operator or telecommunications service provider possessing a valid telecommunications license or permit to provide infrastructure or services in the Gabonese Republic may acquire IRUs from the Operator under the Open Access terms.

b. Several types of IRU shall be granted by the Operator:

i. Packets of STM1/8000 km for the ACE component, or a slightly greater capacity than a link to Europe (STM1 x km is a unit of measurement for links between landing points of the ACE cable. It corresponds to transmission at a speed of 1 STM1 (155 Mbps) over 1 km. The distance to Penmarch (France) is 7,208 km, compared with 6,324 to Sesimbra (Portugal). The additional 8,000 can be used for shorter links (Abidjan 1,980 km away and Bata 176 km away) for an initial period of eight years. Since the lifetime of the cable is between 20 and 25 years, the initial duration of the IRU could be extended automatically if the cable is still being operated after eight years, provided that additional IRUs are purchased for a further period, at prices to be determined by a valuation formula.

ii. Packets of STM1/180 km for the Libreville – Port Gentil component, for an initial period of eight years. Since the lifetime of the cable is between 20 and 25 years, the initial duration of the IRU could be extended automatically if the cable is still being operated after eight years, provided that additional IRUs are purchased for a further period, at prices to be determined by a valuation formula.

iii. Packets of STM1/km to be determined for the other national backbone segments.
c. All IRU prices (ACE, Libreville – Port Gentil, other national backbone segments) shall be established by a precise valuation formula ensuring that they are based on costs and shall be specified in the operation and commercialization contract. In the case of the ACE component, the IRU for STM1/8000 km, the model business plan prepared for the Project indicates that the IRU price should be less than US$1 million (scenario 2) for the ACE component.

d. The Recipient authorities are establishing a shared local fiber optic infrastructure for access to national and international connectivity in order to reduce local access costs (backhaul). Any operator purchasing IRUs shall nevertheless be able to access the landing station through its own infrastructure, subject to the statutory arrangements, and to co-locate its equipment there for access to international connectivity, if so desired.

5. Since the Project is designed to expand the geographical coverage of high-capacity bandwidth and to reduce the cost of communication services in the Gabonese Republic, the operation and commercialization contract drawn up by the Recipient shall specify a series of key performance indicators (KPIs), including maximum prices, minimum levels of service quality and of profitability, on which the Operator shall be required to report publicly each year. The performance of the Operator in the light of these KPIs shall be analyzed jointly with the Recipient authorities each year and, if there are problems, the Recipient and the Bank shall identify possible options for solving them and shall recommend the solution to be adopted in order to attain the Project goals.
SCHEDULE 3

Amortization Schedule

1. Subject to the provisions of paragraph 2 of this Schedule, the Borrower shall repay each Disbursed Amount in semiannual installments payable on each May 1 and November 1, the first installment to be payable on the thirteenth (13th) Interest Payment Date following the Maturity Fixing Date for the Disbursed Amount and the last installment to be payable on the thirty-sixth (36th) Interest Payment Date following the Maturity Fixing Date for the Disbursed Amount. Each installment except for the last one shall be equal to one-twenty fourth (1/24) of the Disbursed Amount. The last installment shall be equal to the remaining outstanding amount of the Disbursed Amount.

2. If any one or more installments of principal of the Disbursed Amount would, pursuant to the provisions of paragraph 1 of this Schedule, be payable after November 1, 2034, the Borrower shall also pay on such date the aggregate amount of all such installments.

3. The Bank shall notify the Loan Parties of the amortization schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.

4. Notwithstanding the provisions of paragraphs 1 through 3 of this Schedule, in the event of a Currency Conversion of all or any portion of a Disbursed Amount to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency.
APPENDIX

Definitions

1. "Abbreviated Resettlement Action Plan" or "ARAP" means the Borrower’s resettlement and rehabilitation plan dated January 4, 2012, setting forth the measures necessary to ensure that a Displaced Person (as hereinafter defined) by the infrastructure partially financed through the Consortium Fee is: (i) informed about his or her options and rights pertaining to Resettlement; (ii) consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; (iii) provided: (A) prompt and effective compensation at full replacement cost for losses of assets attributable directly to the Project; (B) assistance (such as moving allowances) during relocation; and (C) with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site; (iv) offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore his or her livelihood and standards of living; and (v) provided with development assistance in addition to the aforementioned compensation measures, such as land preparation, credit facilities, training, or job opportunities.

2. "ACE Agreement" means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Borrower shall make a portion of the proceeds of the Loan available to the ACE Subsidiary (as hereinafter defined) for the purposes of carrying the infrastructure partially financed through the Consortium Fee (as hereinafter defined).

3. "ACE Consortium" means the Africa Coast to Europe telecommunications undersea cable consortium created for international connectivity to connect South Africa to Europe through a submarine cable system of approximately 17,000 km, and which will potentially connect up to twenty-three countries, either directly for coastal countries or indirectly through terrestrial links for landlocked countries.

4. "ACE Environmental and Social Impact Assessment" or "ACE ESIA" means the Borrower’s report dated January 4, 2012, identifying and assessing the potential environmental and social impacts of the infrastructure partially financed through the Consortium Fee (as hereinafter defined), evaluating alternatives, and designing appropriate mitigation, management, and monitoring measures, and including the actions needed to implement these measures.

5. "ACE Environmental and Social Management Plan" or "ACE ESMP" means the Borrower’s environmental and social management plan dated January 4, 2012, setting forth a set of mitigation, monitoring, and institutional measures to be
taken during the implementation and operation of the infrastructure partially financed through the Consortium Fee (as hereinafter defined) to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, and including the actions needed to implement these measures.

6. "ACE Subsidiary" means the company subsidiary to the SPV (as hereinafter defined) to be established by the Borrower for the purposes of transferring to such subsidiary all its rights and obligations in the ACE Consortium and be substituted as the member in the ACE Consortium.

7. "ACE Subsidiary Legislation" means, collectively, the laws, any implementation decree, resolutions and/or decisions of the Borrower that have been adopted and approved for the purposes of creating, registering and making the ACE Subsidiary operational, and the ACE Subsidiary’s articles of incorporation, by-laws and charter.

8. "ACE Wholesale Contract" means the agreement referred to in Section I.C of Schedule 2 to this Agreement to be entered into between the ACE Subsidiary and the Operator (as hereinafter defined), acceptable to the Bank, for the operation, maintenance and commercialization of bandwidth on the ACE Consortium, on a wholesale basis, to licensed operators in the Borrower’s territory and in third countries.


10. "ANINF" means the Borrower’s National Agency for Digital Infrastructure and Frequencies ("Agence Nationale des Infrastructures Numériques et des Fréquences"), the agency responsible for the installation and management of the infrastructure and national resources shared telecommunications, audiovisual and informatics, established and operating pursuant to the Borrower’s Decree No. 0212 dated January 27, 2011, or any successor thereto acceptable to the Bank.

11. "ARCEP" means the Borrower’s Posts and Electronic Communications Regulatory Agency ("Agence de Régulation des Communications Electroniques et des Poste"), the agency responsible for the good functioning of the telecommunications sector, established and operating pursuant to the Order of the Borrower’s President No. 0000008/PR/2012 dated February 13, 2012, or any successor thereto acceptable to the Bank.

12. "Backbone Agreement" means the agreement referred to in Section I.D of Schedule 2 to this Agreement pursuant to which the Borrower shall make a portion of the proceeds of the Loan available to the SPV (as hereinafter defined) for the purposes of carrying out Parts 2.2 and 2.3 of the Project.
13. "Carrier Hotel" means a secure physical site or building where data communications media converge and are interconnected, allowing multiple customers to locate network, server, and storage gear with a minimum of cost and complexity.

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

15. "CCSPFOG" means the Borrower’s Fiber Optic Commission ("Commission chargée du suivi des projets de fibre optique au Gabon") to be established and made operational pursuant to the provisions of Section 5.01 (a) of this Agreement.

16. "CCSPFOG Legislation" means, collectively, the ministerial resolutions and/or decisions of the Borrower that have been adopted and approved for the purposes of establishing and making the CCSPFOG operational, and the CCSPFOG’s rules and charter.

17. "CEMAC" means the Economic and Monetary Community of Central Africa (Communauté Économique et Monétaire de l’Afrique Centrale).

18. "CN-TIPPEE" means the Borrower’s National Commission – Labor Intensive Small-Scale Public Infrastructure Works ("Commission Nationale – Travaux d’Intérêt Public pour la Promotion de l’Entrepreneuriat et de l’Emploi"), established and operating pursuant to the Borrower’s Ministerial Decision (Arrêté) No. 00007/PRIMPPD dated January 4, 2006, and responsible for carrying out projects which are in the public interest on behalf of all stakeholders (the government, regional and local administrations, non-governmental organizations or donors) with a view to implement best practices and sound governance.

19. "Consortium Fee" means the expenditures incurred by the Borrower to secure its membership and participation, through the ACE Subsidiary in the ACE Consortium, which Consortium Fee is hereby deemed an Eligible Expenditure for purposes of Section 2.05 of the General Conditions.

20. "Construction and Maintenance Agreement" and "C&MA" mean the agreement dated June 5, 2010, entered into by and among the Borrower and the other parties to the ACE Consortium.

22. "Displaced Person" means a person who as a result of: (i) the involuntary taking of land under the Project is affected in any of the following ways: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood.

23. "Environmental and Social Impact Assessment" or "ESIA" means a site-specific report, to be prepared by the Borrower in accordance with the parameters laid down in the ESMF (as hereinafter defined) and acceptable to the Bank, identifying and assessing the potential environmental and social impacts of the activities to be undertaken for the activities under Parts 2.2 and 2.3 of the Project, evaluating alternatives, and designing appropriate mitigation, management, and monitoring measures, and including the actions needed to implement these measures.

24. "Environmental and Social Management Framework" or "ESMF" means the environmental and social safeguard framework adopted by the Borrower on January 31, 2012, setting forth the procedures to be used for the preparation and approval of a site-specific Environmental and Social Impact Assessment and/or Environmental and Social Management Plan (as hereinafter defined) for any site where there exists environmental and/or social issues of a type and scale sufficient to trigger the Bank's safeguard policies.

25. "Environmental and Social Management Plan" or "ESMP" means a site-specific environmental and social management plan to be prepared by the Borrower in accordance with the parameters laid down in the ESMF (as hereinafter defined) and acceptable to the Bank, setting forth a set of mitigation, monitoring, and institutional measures to be taken during the implementation and operation of the activities under Parts 2.2 and 2.3 of the Project to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, and including the actions needed to implement these measures.

26. "Fiscal Year" means the twelve (12) month period corresponding to any of the Borrower's fiscal years, which period commences on January 1 and ends on December 31 in each calendar year.

27. ".ga" means the top-level domain name for the Gabonese Republic according to the Root Zone Database of the Internet Assigned Numbers Authority.


29. "Indigenous Peoples" means, a distinct, vulnerable, social and cultural group in the Borrower’s territory possessing the following characteristics in varying degrees: (i) self-identification as members of a distinct indigenous cultural group
and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the Project area and to the natural resources in these habitats and territories; (iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (iv) an indigenous language, often different from the official language of the Borrower or region.

30. “Indigenous Peoples Plan” or “IPP” means a plan to be prepared by the Borrower in accordance with the parameters laid down in the IPPF (as hereinafter defined) and acceptable to the Bank and developed on the basis of a social assessment and in consultation with the affected Indigenous Peoples’ communities present in, or that have a collective attachment to the Project area, setting out the measures through which the Borrower shall ensure that: (i) Indigenous Peoples affected by the Project receive culturally appropriate social and economic benefits; and (ii) when potential adverse effects on Indigenous Peoples are identified, those adverse effects are avoided, minimized, mitigated, or compensated for.

31. “Indigenous Peoples Planning Framework” and “IPPF” means the framework adopted by the Borrower on January 31, 2012, setting forth: (i) the types of activities likely to be proposed for financing under Parts 2.2 and 2.3 of the Project; (ii) the potential positive and adverse effects of such activities on the Indigenous Peoples; (iii) a plan for the carrying out of the social assessment for such activities; (iv) a framework for ensuring free, prior, and informed consultation with the affected Indigenous Peoples’ communities at each stage of Project preparation and implementation; (v) institutional arrangements (including capacity building where necessary) for screening Project-supported activities, evaluating their effects on Indigenous Peoples, preparing IPPs, and addressing any grievances; (vi) monitoring and reporting arrangements, including mechanisms and benchmarks appropriate to the Project; and (vii) disclosure arrangements for IPPs to be prepared under the IPPF.

32. “ICT” means information and communication technology.

33. “Internet” means the network of networks that consists of millions of private, public, academic, business, and government networks, of local to global scope, that are linked by a broad array of electronic, wireless and optical networking technologies.

34. “Internet Exchange Point” or “IXP” means a physical infrastructure through which Internet Service Providers (as hereinafter defined) and telecommunications operators exchange Internet traffic between their networks, allowing networks to interconnect directly, via the exchange, rather than through one or more third-party networks.
35. "ISP" or "Internet Service Provider" means an organization that provides access to the Internet.


37. "MEEDD" means the Borrower's Ministry of Economy, Employment, and Sustainable Development ("Ministère de l'Économie, de l'Emploi, et du Développement Durable") or any successor thereto acceptable to the Bank.


39. "Monitoring and Evaluation Indicators" means the agreed monitoring and evaluation indicators set forth in the Project Implementation Manual (as hereinafter defined) to be utilized by the Borrower, the ACE Subsidiary and the SPV (as hereinafter defined) to measure the progress in the implementation of the Project and the degree to which the objectives thereof are being achieved.

40. "Open Access" means access to terrestrial or submarine fiber optic systems by operators or service providers (holders of a telecommunications operating license or permit to engage in the provision of telecommunications infrastructure or services) on non-discriminatory, transparent terms (for pricing and non-pricing aspects) and cost-based pricing.

41. "Operational Costs" means the expenditures incurred by the Borrower to finance: (i) the salaries of the staff of the CCSPFOG and the CN-TIPPEE (excluding civil servants) and state contributions thereon; (ii) per diem and travel expenses of the said staff to perform their responsibilities under the Project; (iii) fuel and vehicle maintenance and insurance; (iv) communication technology (including, without limitation, internet and telephone); (v) building security and maintenance; (vi) translation services, photocopies and publications; (vii) bank commissions; and (viii) utilities and office supplies, and which shall have been previously approved by the Bank for parallel financing under the Project.

42. "Operator" means an independent and experienced private entity which: (i) provides bandwidth at wholesale prices to other retail structures (fixed operators, mobile operators and ISPs) and the Recipient, as the case may be; and (ii) is the same party to both the ACE Wholesale Contract and the SPV Wholesale Contract (as hereinafter defined).
43. "PPP" means public-public partnership, that is, the contractual, governance and financing arrangements between a government agency and one or more private sector entities participating in the ACE Subsidiary and/or the SPV.

44. "PPP Guidelines" means the agreed-upon guidelines to be followed by the Recipient for the purpose of implementing the PPP and Open Access model under the Project and set forth in the Annex to Schedule 2 to this Agreement.

45. "Preparation Advance" means the advance referred to in Section 2.07 (a) of the General Conditions and refers to the advance No. P4620-GB, granted by the Bank to the Borrower pursuant to the letter agreement signed on behalf of the Bank on April 22, 2011 and on behalf of the Borrower on May 9, 2011.


47. "Procurement Plan" means the Borrower’s procurement plan for the Project, dated February 13, 2012, 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.

48. "Project Coordination Team" means the Borrower’s Direction de projet, and referred to in paragraphs 1 (a) and (c) of Section I.A of Schedule 2 to this Agreement.

49. "Project Implementation Unit" and “PIU” means the CN-TIPPEE.

50. "Project Implementation Manual" means the Borrower’s set of guidelines and procedures to be adopted by the Borrower for the purpose of implementing the Project, including in the areas of monitoring and evaluation, coordination, financial management (including financial, administrative and accounting procedures, procurement, internal controls and audits), environment and social safeguards, and other provisions related to the institutional organization of the Project, as such guidelines and procedures may be amended from time to time with the prior written agreement of the Bank.

51. "Resettlement" means: (i) the involuntary (i.e., an action that may be taken without a person’s informed consent or power of choice) taking of land, including anything growing on or permanently affixed to such land, such as buildings and crops, resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected persons must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the affected persons, and
encompassing restrictions on the use of resources imposed on people living outside a park or protected area, or on those who continue living inside the park or protected area during and after Project implementation.

52. "Resettlement Action Plan" or "RAP" means a site-specific resettlement and rehabilitation action plan to be prepared in accordance with the parameters laid down in the RPF (as hereinafter defined), acceptable to the Bank, and to be developed by the Borrower for the Displaced Persons in each site under Parts 2.2 and 2.3 of the Project which involves Resettlement, and covering the following: (i) a baseline census and socioeconomic survey information; specific compensation rates and standards; policy entitlements related to any additional impacts identified through the census or survey; description of Resettlement sites and programs for improvement or restoration of livelihoods and standards of living; an implementation schedule for Resettlement activities; and detailed cost estimate; (ii) measures designed to ensure that the Displaced Persons: (A) are informed about their options and rights pertaining to Resettlement, consulted on, offered choices among, and provided with technically and economically feasible Resettlement alternatives; and (B) provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the Project; (iii) if the impacts include physical relocation, that the displaced persons are: (A) provided assistance (such as moving allowances) during relocation; (B) provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site; and (C) offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living; (iv) affordable and accessible grievance procedures, taking into account the availability of judicial recourse and community and traditional dispute settlement mechanisms; and (v) provided with development assistance in addition to compensation measures, such as land preparation, credit facilities, training, or job opportunities.

53. "Resettlement Policy Framework" or "RPF" means the resettlement policy framework adopted by the Borrower on January 31, 2012, setting forth, inter alia, a description of the Project and components for which land acquisition and Resettlement are required, the principles and objectives governing Resettlement preparation and implementation, and a description of the process for preparing and approving a site-specific Resettlement Action Plan.

54. "SETRAG" means the Gabonese Railway Company ("Société d'Exploitation du Transgabonais").

55. "Special Purpose Vehicle Company" and "SPV" means the special purpose vehicle company to be established by the Borrower for the purposes of carrying out Parts 2.2 and 2.3 of the Project.
56. "SPV Legislation" means, collectively, the laws, any implementation decree, resolutions and/or decisions of the Borrower that have been adopted and approved for the purposes of creating, registering and making the SPV operational, and the SPV's articles of incorporation, by-laws and charter.

57. "SPV Wholesale Contract" means the agreement referred to in Section I.D.1 (d) of Schedule 2 to this Agreement to be entered into between the SPV and the Operator, acceptable to the Bank, for the operation, maintenance and commercialization of bandwidth on the national backbone, on a wholesale basis, to licensed operators in the Borrower's territory and in third countries.

58. "Steering Committee" means the Borrower's Comité de Pilotage, and referred to in paragraphs 1 (a) and (b) of Section I.A of Schedule 2 to this Agreement.