Loan Agreement

Additional Financing for the Fourth Phase of the Central African Backbone Program – Gabon Project and Amendment to the Original Loan Agreement

between

GABONESE REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated July 21st, 2016
AGREEMENT dated July 21, 2016, between GABONESE REPUBLIC ("Borrower") and 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 Original Project under (as defined in the Appendix to this Agreement) the fourth phase of the Program, has requested the Bank to provide additional financing for activities related to the Original 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 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 twenty million two hundred thousand Euros, (EUR 20,200,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("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.

2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. 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.

2.06. The Payment Dates are March 1 and September 1 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in provisions of Schedule 3 to this Agreement.

2.08. (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; (ii) a change of the interest rate basis applicable to: (A) 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 (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(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.
Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

2.09. Without limitation upon the provisions of paragraph (a) of Section 2.08 of this Agreement and unless otherwise notified by the Borrower to the Bank in accordance with the provisions of the Conversion Guidelines, the interest rate basis applicable to the aggregate principal amount of the Loan withdrawn during each Interest Period shall be changed from the initial Variable Rate to a Fixed Rate for the full maturity of such amount 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; and (ii) pursuant to the Backbone Agreement, cause Part 2 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 SPV, as the case may be, shall have failed to perform any of its obligations under, respectively, 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 SPV will be able to perform any of its obligations under the Backbone Agreement.

(c) The Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of the SPV or for the suspension of its operations.

(d) The CCSPFOG 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 or the SPV,
as the case may be, to perform any of its obligations under, respectively, this Agreement or the Backbone Agreement.

4.02. The Additional Event 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 Effectiveness Deadline is the date one hundred twenty (120) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower’s Representative is the minister in charge of economy.

6.02. The Borrower’s Address is:

Ministry of Sustainable Development, Economy, Investment Promotion, and Prospective
BP 747
Libreville
Gabonese Republic

Telex: 5409 GO

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

Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391
AGREED at Libreville, Gabonese Republic, as of the day and year first above written.

GABONÉSE REPUBLIC

By

Authorized Representative

Name: S.E.H. Régis Immogault

Title: Ministre du développement durable, de l’Économie, de la promotion des Investissements et de la Prospective

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: Mme Sylvie

Title: Représentant résident de la Banque Mondiale
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 an additional financing to the fourth phase of the Program, and consists of the following parts:

Part 1: Enabling Environment

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

1. Developing required bidding documents and carrying out monitoring of works under Part 2.1 of the Project.

2. Preparing recommendation and action plans for the development of datacenter capabilities in the Carrier Hotel set-up under Part 2.3 of the Original Project.

3. Preparing necessary documentation to ensure proper coordination between the Borrower, the Republic of Cameroon and the Republic of Equatorial Guinea for cross border fiber optic interconnection provided for under Part 2.1 of the Project.

4. Providing recommendations and preparing an action plan to increase the IXP activity including through domain names under "ga", to assist the Borrower in fulfilling its role as regional IXP.

5. Assessing the PPP implemented under Part 1.1 of the Original Project.

6. Strengthening the Borrower’s key stakeholders’ capacity to: (i) provide policy and regulatory guidance, including regulatory tools, cost models, monitoring and evaluation capacity, and encompassing a range of activities, focused studies and training designed to assist in improving the overall policy, competitive and regulatory environment for the Borrower’s ICT sector; and (ii) to implement the Borrower’s ICT legal and regulatory framework.

7. Assisting ARCEP in: (i) developing required bidding documents for monitoring of broadband services quality provided in the Borrower’s territory; and (ii) updating the annual cost model to regulate wholesale prices.

8. Undertaking a study to assess viable options for a pilot project aimed at bringing local fiber optic infrastructure in Port-Gentil to support the national broadband plan under Part 1.4 of the Original Project.
9. Developing regulations and procedures aimed at fostering sectoral synergies in the deployment of broadband infrastructure, such as consultations for roads, railways, and electricity lines construction.

Part 2: Connectivity


2. Purchasing Ducts and Chambers to be maintained as a reserve for the Borrower.

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 RAP 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 implementation, 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 responsible for economy, the Minister responsible for digital economy, 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 ministry responsible for environment. 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 ministry in charge of economy 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.

(b) In order to ensure proper and efficient implementation of the Project, the CN-TIPPEE shall: (i) be directed by its permanent secretary; and (ii) maintain, at all times during a Project coordination, a financial and administration specialist; a procurement specialist; a monitoring, evaluation and environmental specialist, and an accountant. The said staff shall work closely with the ministry in charge of digital economy and ANINF as well as with the Program focal point of the Project Coordination Team.

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

1. To facilitate the carrying out of Part 2 of the Project, the Borrower shall, not later than three (3) months after the Effective Date, take all action required: (i) to ensure the proceeds of the Loan allocated from time to time to Category (2) 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 amend the Backbone Agreement with the SPV whereby the Borrower shall:

   (a) transfer the proceeds of the Loan allocated from time to time to Category (2) to the SPV, on a non-reimbursable basis, for the purposes of carrying out Part 2 of the Project;

   (b) require the SPV: (i) to carry out Part 2 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 (ii) 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 Part 2 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 Part 2 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 Part 2
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 amend the SPV Wholesale Contract, in form
satisfactory to the Bank and in accordance with the PPP Guidelines,
including 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.

C. Anti-Corruption

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

D. Safeguards

Environmental and Social Impact Assessment, Environmental and Social
Management Plan, Resettlement Action Plan and Indigenous Peoples Plan

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

(1) to comply with the ESMF and to carry out the ESIA and the ESMP, as the
case may be, with due diligence and efficiency; (i) 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 Part 2 of the Project and that they
are implemented in the carrying out of said Part 2 of the Project; and
(ii) 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

(2) 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; (i) 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 Part 2 of the Project; and (ii) 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.

E. Project Implementation Manual

The Borrower shall not later than one (1) month after the Effective Date, amend the Project Implementation Manual to: (i) include the activities financed under the Project; (ii) 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; (iii) 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 (iv) 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.

F. 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

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 acceptable to the Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than one month after the end of the period covered by such report.

B. 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. The Borrower shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.

3. The Borrower shall have its Financial Statements 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 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. The Borrower shall, not later than one (1) months after the Effective Date, upgrade the CN-TIPPEE’s existing accounting software acceptable to the Bank, for the Project.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the 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 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 methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the provisions of paragraph 3 of this Section III.B; (b) Shopping; (c) Limited International Bidding; and (d) Direct Contracting.

3. Each bidding document and contract financed out of the proceeds of the Loan shall provide that: (i) in accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the financing will provide that: (a) the bidders, suppliers, contractors, and their subcontractors, agents, personnel, consultants, service providers, or suppliers will permit the World Bank as the Supervising Entity, at its request, to inspect all accounts, records and other documents relating to the submission of bids and contract performance, and will have said accounts and records audited by auditors appointed by the Bank/Supervising Entity; and (b) the deliberate and material violation of such provision may amount to an obstructive practice as defined in paragraph 1.16 (a)(v) of the Procurement Guidelines; (ii) invitations to bid shall be advertised in national newspapers with wide circulation; (iii) the bid evaluation, qualification of bidders and contract award criteria shall be clearly indicated in the bidding documents; (iv) bidders shall be given adequate response time (at least four weeks) to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later; (v) eligible bidders, including foreign bidders, shall be allowed to participate; (vi) no domestic or CEMAC’s regional preference shall be given to domestic or regional contractors, domestically or regionally manufactured goods; and association with national or regional firms shall not be a condition for participation in a bidding process; (vii) bids are awarded to the substantially responsive and the lowest evaluated bidder proven this bidder is qualified. No scoring system shall be allowed for the evaluation of bids, and no blanket limitation to the number of lots which can be awarded to a bidder shall apply; and (viii) and the qualification criteria shall only concern the bidder’s capability and resources to perform the contract taking into account objective and measurable factors.
C. Particular Methods of Procurement of Consultants' Services

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

2. Other Methods of Procurement of Consultants’ Services. The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Selection of Individual Consultants; and (g) 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.

E. Transitional Provisions in respect of Procurement

1. Notwithstanding the terms and conditions of the Original Loan Agreement and to the extent that the procurement of any goods, works or consultants’ services to be financed, at least in part, out of the proceeds of the Original Loan was or will be initiated on or after July 1, 2016, the Borrower acknowledges and agrees that the provisions of this Agreement set forth or referred to in: (a) Section I.C (Anti-Corruption) of this Schedule 2 (including the related provisions under the General Conditions) shall apply to the proceeds of the Original Project utilized to finance such goods, works or consultants’ services, and (b) Section III (Procurement) of this Schedule (including the related provisions under the General Conditions) shall apply to the procurement of such goods, works, or consultants’ services.

2. Notwithstanding the provisions of Section I.C (Anti-Corruption) and Section III (Procurement) of this Schedule 2: (i) to the extent that the procurement of any goods, works, or consultants’ services to be financed out of the proceeds of the Original Loan was initiated prior to July 1, 2016; and (ii) there are no proceeds remaining under the Original Loan to finance such goods, works, or consultants’ service; then, on an exceptional basis only and subject to the Bank’s prior no-objection, Section I.C of this Schedule 2 shall not apply to the proceeds of the Loan utilized to finance such goods, works, or consultants’ services, and Section III of this Schedule shall not apply to the procurement of such goods, works, or consultants’ services; provided, however, that the provisions of Section E (Anti-Corruption) and Section III (Procurement) of Schedule 2 to the Original Loan Agreement shall apply, respectively, to the proceeds of the Loan utilized to finance such goods, works, or consultants’ services and to the procurement of such goods, works, and consultants’ services.
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 shall 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 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 EURO)</th>
<th>Percentage of Expenditures to be financed (inclusive of taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, Training, Operational Costs and consultants’ services for the Project (other than Part 2)</td>
<td>5,649,500</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods and works under Part 2 of the Project</td>
<td>14,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Front-end Fee</td>
<td>50,500</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(4) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 2.08(c) of this Agreement</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>20,200,000</td>
<td></td>
</tr>
</tbody>
</table>

B. **Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed EUR 4,040,000 may be made for payments made prior to this date but on or after September 1, 2015, for Eligible Expenditures under Category (1) and (2).

2. The Closing Date is June 30, 2018.

Section V. **Other Undertakings**

A. The Borrower shall, not later than March 19, 2017, ensure that all face value of shares representing contributions in cash of the SPV have been paid.

B. The Borrower shall ensure that a new ICT regulatory and legal framework draft, satisfactory to the Bank, revising the existing ICT regulatory and legal framework has been submitted and approved by the Council of Ministers not later than March 31, 2017.
The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; and by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each March 1 and September 1 Beginning September 1, 2021 through September 1, 2035</td>
<td>3.33%</td>
</tr>
<tr>
<td>On March 1, 2036</td>
<td>3.43%</td>
</tr>
</tbody>
</table>

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

   (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

   (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the
principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

3. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance 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.
Section I. Definitions

1. "Abbreviated Resettlement Action Plan" or "ARAP" means the Borrower’s resettlement and rehabilitation plan acceptable to the bank disclosed in Country on April 19, 2016, and at the Bank’s InfoShop on April 18, 2016, 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.


3. "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.

4. "ARCEP" means the Borrower’s Posts and Electronic Communications Regulatory Agency ("Autorité 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.

5. "Backbone Agreement" means the agreement entered into by the Borrower and the SPV on October 31, 2014, and to be amended in accordance with 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 SPV (as hereinafter defined) for the purposes of carrying out Part 2 of the Project.
6. "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.

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

8. "CCSPFOG" means the Borrower’s Fiber Optic Commission ("Commission chargée du suivi des projets de fibre optique au Gabon") referred to in Section I.A.I of Schedule 2 of this Agreement.

9. "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.

10. "Chambers" mean a prefabricated access room to be laid at regular intervals to enable Ducts to be connected with each other.


12. "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’Entreprenariat 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.


14. "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.

15. "Ducts" mean high density polyethylene (HDPE) conduits which protect fiber optic communications networks.

16. "Environmental and Social Impact Assessment" or "ESIA" means a site-specific report, prepared by the Borrower in accordance with the parameters laid down in
the ESMF (as hereinafter defined) and acceptable to the Bank, disclosed in Country on April 19, 2016, and at the Bank’s Infoshop on April 18, 2016, identifying and assessing the potential environmental and social impacts of the activities to be undertaken for the activities under Part 2 of the Project, evaluating alternatives, and designing appropriate mitigation, management, and monitoring measures, and including the actions needed to implement these measures.

17. “Environmental and Social Management Framework” or “ESMF” means the environmental and social safeguard framework adopted by the Borrower on January 31, 2012, disclosed in country on January 31, 2012 and at the Bank’s Infoshop 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.

18. “Environmental and Social Management Plan” or “ESMP” means a site-specific environmental and social management plan prepared by the Borrower in accordance with the parameters laid down in the ESMF (as hereinafter defined) and acceptable to the Bank, disclosed in country on April 19, 2016, and at the Bank’s Infoshop on April 18, 2016, setting forth a set of mitigation, monitoring, and institutional measures to be taken during the implementation and operation of the activities under Parts 2 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.

19. “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.

20. “.ga” means the top-level domain name for the Gabonese Republic according to the root zone database of the internet assigned numbers authority.


22. “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.

23. “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.

24. “Indigenous Peoples Planning Framework” and “IPPF” means the framework adopted by the Borrower on January 31, 2012, disclosed in country on January 31, 2012 and at the Bank’s Infoshop on January 31, 2012, setting forth: (i) the types of activities likely to be proposed for financing under Part 2 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.

25. “ICT” means information and communication technology.

26. “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.

27. “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.

28. “Internet Service Provider” or “ISP” means an organization that provides access to the Internet.

29. “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 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.

30. “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.

31. “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.

32. “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 Borrower, as the case may be; and (ii) is party to the SPV Wholesale Contract (as hereinafter defined).

33. “Original Loan” means the loan provided to the Borrower pursuant to the Original Loan Agreement.

34. “Original Loan Agreement” means the loan agreement for the Project between the Borrower and the Bank, dated May 21, 2012, (Loan No. 8150-GA).

35. “Original Project” means the Project described in Schedule 1 to the Original Loan Agreement.

36. “PPP” means public private partnership.

37. “PPP Guidelines” means the agreed-upon guidelines to be followed by the Borrower for the purpose of implementing the PPP and Open Access model under the Project and set forth in the Annex to Schedule 2 to the Original Loan Agreement.


39. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated May 3, 2016, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

40. “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.

41. “Project Implementation Unit” and “PIU” means the CN-TIPPEE.
42. "Project Implementation Manual" means the Borrower's set of guidelines and procedures adopted by the Borrower for the purpose of implementing the Original Project and to be amended in accordance with Section I.E of Schedule 2 to this Agreement, including 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.

43. "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.

44. "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 Part 2 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.


46. “Special Purpose Vehicle Company” and “SPV” means the Borrower’s holding company for digital assets (*Société de Patrimoine des Infrastructures Numeriques – “SPIN”) established as a special purpose vehicle company by the Borrower in accordance with the SPV Legislation for the purposes of carrying out Part 2 of the Project.

47. “SPV Legislation” means, collectively, law no. 026/PR/MENCP for June 19, 2012, 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.

48. “SPV Wholesale Contract” means the agreement entered into between the SPV and the Operator and signed by the Operator on March 30, 2015, and by the SPV on March 25, 2015, and to be amended in accordance with Section I.B (d) of Schedule 2 to this Agreement and 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.

49. “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.

50. “Training” means the training referred to in Section I.F. to Schedule 2 of this Agreement.


**Section II. Modifications to the General Conditions**

The General Conditions are hereby modified as follows:

1. In the *Table of Contents*, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
2. Section 3.01. *(Front-end Fee)* is modified to read as follows:

"Section 3.01. *Front-end Fee; Commitment Charge*

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the "Front-end Fee").

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the "Commitment Charge"). The Commitment Charge shall accrue from a date sixty (60) days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date."

3. In the Appendix, Definitions, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.

4. The Appendix is modified by inserting a new paragraph 19 with the following definition of "Commitment Charge", and renumbering the subsequent paragraphs accordingly:

"19. "Commitment Charge" means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b)."

**Section III. Amendment to Original Loan Agreement**

The Closing Date referred to Section IV.B.2 of Schedule 2 to the Original Loan Agreement is hereby extended to June 30, 2018.