Loan Agreement

(Infrastructure Project)

between

REPUBLIC OF MAURITIUS

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated December 3, 2009
AGREEMENT dated December 3, 2009, between the REPUBLIC OF MAURITIUS ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). 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 fifty million Dollars (USD 50,000,000), 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 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. The Borrower’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Minister of Finance and Economic Empowerment.

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 interest payable by the Borrower for each Interest Period shall be at a rate equal to LIBOR for the Loan Currency plus the Variable 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (d) of the General Conditions.
2.05. The Payment Dates are January 15 and July 15 in each year.

2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in 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.

(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 carry out the Project in accordance with the provisions of Article V 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 — EFFECTIVENESS; TERMINATION

4.01. The Additional Condition of Effectiveness consists of the following:

The Borrower shall furnish to the Bank the Project chart of accounts, reflecting the sources and expenditures by Project components and activities, satisfactory to the Bank.

4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower’s Representative is the Minister of Finance and Economic Empowerment.

5.02. The Borrower’s Address is:

Ministry of Finance and Economic Empowerment
Government House
Port Louis
Mauritius

Cable: MINFIN
Telex: 4247
Facsimile: (230) 213 6450

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

REPUBLIC OF MAURITIUS

By /s/ Ramakrishna Sithanen

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Ruth Kagia

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to assist the Borrower to improve the national infrastructure, with an emphasis on the transport, energy and water sectors.

The Project consists of the following parts:

Part 1. **Road Investments**

1.1 *Upgrading of Belle Rive – Quartier Militaire Road.* Rehabilitation and widening of the Belle Rive – Quartier Militaire Road.

1.2 *Periodic Maintenance.* Carrying out of significant, periodic maintenance to maintain road conditions for the highway sections of: (a) Terre Rouge – Quay D on M2 (five kilometers of a dual carriageway); (b) Nouvelle France – La Vigue on M1 (eight kilometers of a single carriageway); and (c) Pamplemousses-Grand Baie on A13 (four kilometers of a single carriageway).

1.3 *Performance-based Routine Maintenance Contracts.* Design and execution of performance-based contracts for small-scale, routine maintenance of select roads, including the three roads referred to in Part 1.2 of the Project.

Part 2. **Technical Assistance and Institutional Development in the Transport, Water and Wastewater, and Energy subsectors.**

2.1. *Preparation of the Public Sector Investment Program.* Provision of technical assistance and capacity building to assist in the finalization of the Borrower’s Public Sector Investment Program.

2.2. *Transport Sector.*

   (a) Setting up of the new Land Transport Authority (“LTA”) by: (i) planning and designing the LTA organizational structure; and (ii) ensuring the LTA is fully established and operational.

   (b) Strengthening the capacity of the Borrower’s agencies in charge of land transport by: (i) providing training in transportation related planning; (ii) providing management training; (iii) developing procedures and materials for, and providing training on, maintaining ethical standards and preventing corruption; and (iv) providing technical assistance to strengthen capacity on management of social and environmental issues.
(c) Provision of training for the human resources department of the LTA to develop training programs, and a program targeting career development, for LTA staff.

(d) Supervision and monitoring of the works to upgrade the Quartier Militaire Road, carried out under Part 1.1 of the Project.

(e) Carrying out of transport studies in the urban transport sub-sector, including a bus rapid transit and bus reform implementation study.

(f) Carrying out of studies relating to: (i) reform of the taxi industry; (ii) definition of a parking policy; (iii) development of a traffic management plan; and (iv) analysis of tolling options for road projects.

(g) Provision of technical assistance to set up and purchase a road management system.

(h) Provision of technical assistance to design and evaluate the performance-based contracts carried out under Part 1.3 of the Project.

(i) Carrying out of a feasibility study for an extension of the Rodrigues airport.

(j) Carrying out of feasibility studies, detailed design studies, environmental impact assessments, tender documents, and any related resettlement action plans for projects relating to roads, round-about replacements, and pavements.

2.3 Water Sector.

(a) Development of a master plan for water resources that will identify projects for the mobilization of additional water to meet the demands of different sectors of the Borrower’s economy, and include a proposal to rationalize water rights.

(b) Capacity building of water sector professionals through relevant training.

(c) Carrying out of relevant studies (such as feasibility studies, detailed design studies and environmental impact assessments) for the preparation of future water sector investment projects.

(d) Updating of the Borrower’s 2003 study on the land drainage system of Mauritius to: (i) identify flood prone areas; (ii) examine catchment hydrology and watershed management; (iii) review and adapt the solutions proposed in 2003 to address the problems of
flooding; and (iv) update the scope and cost estimates of the recommended remedial work.

(e) Reorganization of the Pollution Control Laboratory, including providing training and equipment, and building enforcement capacity.

2.4. Wastewater Sector. Carrying out of feasibility and detailed engineering studies for the Borrower’s Baie de Tombeau Sewerage Project Phase III.

2.5 Energy Sector.

(a) Carrying out of a renewable energy development study to, inter alia: (i) assess the economic viability of renewable energy technologies compared with conventional technologies for power; (ii) review issues and policy barriers affecting public and private sector development of such renewable energy technologies; and (iii) prepare a renewable energy development strategy, and a policy matrix and implementation plan for the period of 2009-2028, including identifying two renewable energy projects or programs to be taken to feasibility level.

(b) Capacity building of the Ministry of Renewable Energy and Public Utilities (“MoREPU”) and the Central Electricity Board staff in relevant areas including renewable energy technology application, maintenance of separate distribution, transmission, and generation accounts.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Project Plan Committee ("PPC"), under the aegis of the Ministry of Public Infrastructure, Land Transport and Shipping ("MoPILTS"), shall provide overall leadership for, and coordination and monitoring of, the Project. The PPC shall be chaired by a Director of MoPILTS, with representatives from the MoREDU, MoFEE, MoENDU, RDA and any other Borrower agency that will be involved in major aspects of the Project. The PPC shall be responsible for, inter alia: (a) providing strategic guidance and oversight of the Project implementation; (b) furnishing to the Bank consolidated Project reports (referred to in Section II of this Schedule) that will be prepared by the responsible ministries and agencies (referred to in Part A.3 of this Section); (c) proactively addressing any significant problems affecting Project implementation; (d) approving the annual Project work programs and budgets, the design and implementation of monitoring and evaluation studies, and the addressing of technical issues in relation to the Project; (e) consolidating the annual procurement plans and cash flow projections prepared by the responsible ministries and agencies; (f) ensuring effective coordination and integration of the Project arrangements with the Public Sector Investment Program, the other activities of the responsible ministries and agencies, and the arrangements with other development partners; and (g) providing technical input on strategic documents, analytical work, and initiatives related to the Project, in close collaboration with the responsible ministries and agencies.

2. The Borrower shall maintain, until the completion of the Project, a program manager, who shall be responsible for supporting the PPC in the management of the Project, including in the areas of: (a) Project supervision, financial management, records and account maintenance, procurement, monitoring and evaluation; (b) coordination of Project with other relevant activities of the MoREPU, MoPILTS, RDA, MoFEE and other stakeholders; and (c) provision of general support to any committees, working groups or similar bodies established for the preparation, implementation and/or supervision of the Project.

3. The Borrower shall carry out:

(a) Parts 1, 2.2(d), 2.2(g), 2.2(h) and 2.2(j) of the Project through the Road Development Authority ("RDA"), which shall (i) conduct the related procurement activities, including preparing the related engineering designs and bidding documents, and (ii) supervise the contracts under
Part 1 of the Project, including measuring the progress in the execution of the works for the purpose of issuing certifications, technical quality control and ensuring compliance with the technical specifications of the related contracts;

(b) Parts 2.1, 2.2(a), 2.2(b), 2.2(c), 2.2(e) and 2.2(f) of the Project through the MoPILTS;

(c) Part 2.2(i) of the Project through the MoFEE;

(d) Parts 2.3(a), 2.3(b), 2.3(c), 2.3(e), and 2.4 of the Project through the MoREPU, with substantive input from the Water Resources Unit (“WRU”) for water resources related activities and the Wastewater Management Authority (“WMA”) for sewerage related activities. For these Parts of the Project, the WRU and WMA, in their respective areas, shall be responsible for (i) carrying the related procurement activities, (ii) reviewing the related studies, and (iii) monitoring the related progress, with support from other agencies including the Irrigation Authority for irrigation sector issues, and the Central Electricity Board for energy sector issues;

(e) Part 2.3(d) of the Project through the Ministry of Environment and National Development Unit (“MoENDU”); and

(f) Part 2.5 of the Project through the MoREPU, with input from the Central Electricity Board.

4. The Borrower shall ensure that each ministry or agency referred to in Part A.3 of this Section maintains focal points, who will be designated respectively by the head of the ministry or agency concerned. Each focal point shall be responsible for: (a) the day-to-day implementation of the relevant Project activities, in line with the annual work programs and budgets approved by the Project Plan Committee (as referred to in Part A.1 of this Section), including (i) managing the technical aspects of the Project activities, (ii) preparing the terms of reference for, and supervising, the relevant consultants, and (iii) coordinating with all relevant stakeholders and government agencies; (b) programming of the annual work programs and budget for the relevant Project activities; (c) monitoring and reporting of the relevant Project activities; and (d) carrying out of the relevant public relations.

5. Without limitation to the provisions of Article V of the General Conditions, the Recipient shall ensure that:
(a) the Project is carried out in accordance with the PIOM, including without limitation the Land Acquisition Plan, and financial management and procurement arrangements satisfactory to the Bank; and

(b) the PIOM or any part thereof is not amended, waived, suspended or abrogated without the Bank’s prior written concurrence, and in case of any inconsistency between the provisions of the PIOM and those of this Agreement, the provisions of this Agreement shall prevail.

6. For the purposes of making available its counterpart contribution to the financing of the land acquisition payments under Part 1.1 of the Project, effecting full and prompt payment to Affected Persons, and fulfilling the actions referred to in Section IV.B.1(b) of Schedule 2, the Borrower shall:

(a) allocate to the Ministry of Housing and Lands an amount equivalent to the aggregate value (determined in accordance with the valuation method set forth in the Land Acquisition Plan) of the land that the Borrower proposes to acquire or has acquired, as the case may be, for the purposes of Part 1.1 of the Project; and ensure that such amount is properly recorded in a separate ledger account maintained by the Ministry of Housing and Lands until all Affected Persons concerned have been paid in full; and

(b) maintain, and adhere to, policies and procedures in the PIOM satisfactory to the Bank that provide, inter alia, the following:

(i) before any land may be compulsorily acquired for the purposes of the Project, the Borrower shall (A) carry out and complete an investigation, as well as a precise survey and valuation of all land proposed for acquisition, (B) determine the land value in accordance with the valuation method stipulated in the Land Acquisition Plan (“Land Value”), (C) offer to each Affected Person who has legal right or title to such land the Land Value determined for the respective land proposed for acquisition, providing adequate time, which shall be no less than 21 calendar days from the date of the notice of offer, for the Affected Person to consider such offer, and (D) provide to Affected Persons who do not have legal right or title to such land that they are occupying, if any, assistance to replace Non-Land Assets;

(ii) the Borrower shall fully and timely release the funds held in the account referred to in paragraph 6(a) above in the following manner:
(A) if an Affected Person accepts the offer made pursuant to paragraph 6(b)(i)(C) above, the Borrower shall fully release and deliver such funds, in the name of the Affected Person, to the notary public appointed by the Solicitor General or selected by the Affected Person, as the case may be, to draw up the deed of acquittance, with express instructions that, upon the signing of such deed by the Affected Person, the said funds shall be promptly released to the Affected Person, and that such payment shall in any event be made no later than 60 calendar days from the date of the Borrower’s receipt of the Affected Person’s notice of acceptance, unless such payment is reasonably delayed due to the existence of one or more of the circumstances described in paragraphs 6(b)(iii)(B) and 6(b)(iii)(C) below;

(B) if the offer made pursuant to paragraph 6(b)(i)(C) above is not accepted, the Affected Person and the Borrower may seek agreement on another amount (“Counter Offer”). Upon a notice of acceptance by either the Borrower or the Affected Person, as the case may be, of the Counter Offer, the Borrower shall fully release and deliver such funds, in the name of the Affected Person, to the notary public appointed by the Solicitor General or selected by the Affected Person, as the case may be, to draw up the deed of acquittance, with express instructions that, upon the signing of such deed by the Affected Person, the said funds shall be promptly released to the Affected Person, and that such payment shall in any event be made no later than 60 calendar days from the date of the Borrower’s receipt of the Affected Person’s notice of acceptance, unless such payment is reasonably delayed due to the existence of one or more of the circumstances described in paragraphs 6(b)(iii)(B) and 6(b)(iii)(C) below;

(C) if a claim for compensation is referred to the Board of Assessment, the Borrower shall deliver the amount awarded by the Board of Assessment to the Registry of the Supreme Court, in the name of, for release to, the Affected Person, and make best reasonable efforts to ensure that the funds are paid to the Affected Person within 60 days of the decision of the Board of Assessment, unless either the Affected Person or the Borrower files an appeal with the Supreme Court against the award;

(D) if an appeal of the Board of Assessment’s award is made to the Supreme Court, the Borrower shall promptly deliver the amount of the Supreme Court judgment to the Registry of the Supreme Court, in the name of, and for release to, the Affected Person, and make best reasonable efforts to ensure that the funds
are paid to the Affected Person within 60 calendar days of the date of the Supreme Court judgment, unless either the Affected Person or the Borrower files an appeal with the Privy Council against the judgment; and

(E) if an appeal of the Supreme Court’s judgment is finally made to the Privy Council, the Borrower shall deliver the amount of the Privy Council judgment to the Registry of the Supreme Court, in the name of, and for release to, the Affected Person, and make best reasonable efforts to ensure that the funds are paid to the Affected Person within 60 calendar days of the date of the Privy Council judgment.

(iii) Notwithstanding the provisions of paragraph 6(b)(ii) above:

(A) in the event that an Affected Person does not respond to the notice of offer referred to in paragraph 6(b)(i)(C) above, the Borrower shall continue to hold the related funds in the account referred to in paragraph 6(a) above until at least the completion of the Project;

(B) in the event that the ownership of the land is in dispute, the Borrower shall continue to hold the related funds in the account referred to in paragraph 6(a) above until either the disputing parties come to a mutual agreement on the matter of ownership or there is a final judicial settlement of the dispute and thereafter, the Borrower shall promptly implement the measures stipulated in paragraph 6(b)(ii) above; and

(C) in the event that the payments cannot not be made in accordance with paragraph 6(b)(ii) above because the Affected Person must take certain actions to (1) resolve an encumbrance, such as a claim, lien, charge or other liability attached to the land concerned, or (2) furnish appropriate evidence, such as proof of identity or ownership of the land, or (3) be present, or alternatively provide appropriate power of attorney, for the purposes of accepting payment and signing the deed of acquittance, the Borrower shall provide instruction to the relevant authorities that such payments shall be promptly made to the Affected Person upon the Affected Person’s resolution of such issue(s).

7. Notwithstanding any provision of the Land Acquisition Act to the contrary, the Borrower shall acquire land for the purposes of Part 1.1 of the Project, and shall commence works on the same, only after offering and, as the case may be,
making payments to, or setting aside funds for the purpose of making payments to, the Affected Persons in a manner consistent with the provisions of paragraph 6 of this Section I.A.

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

C. Safeguards.

The Borrower shall ensure that:

(a) the Project is carried out in accordance with the Environmental Management Plan;

(b) any land acquisition under the Project is carried out in accordance with the Land Acquisition Plan;

(c) the Bank is promptly informed of any developments in the legislation or regulation of the Borrower and/or the rules or procedures of the Borrower that may affect the performance of the Project or the application of the Environmental Management Plan or the Land Acquisition Plan; and

(d) the Borrower’s ministries and agencies, which provide services under the Project, are made aware of the requirements of the Environmental Management Plan and the Land Acquisition Plan, as relevant, and take all actions necessary to support the carrying out of the Project in compliance with such requirements.

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 indicators agreed with 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.

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 six months after the Closing Date.

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 not later than 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. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

Section III. Procurement

A. General

1. Goods and Works. All goods and works 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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods and Works. The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used.
### Procurement Methods

| (a) National Competitive Bidding  
(subject to the provisions of paragraph 3 of this Part B) |
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
</tbody>
</table>

3. **Exceptions to National Competitive Bidding Procedures.** The following provisions shall apply to the procurement of goods and works under National Competitive Bidding procedures: (a) foreign bidders shall be allowed to participate in National Competitive Bidding procedures without restrictions of any kind; (b) bidders shall be given at least one month to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later; (c) no domestic preference shall be given for domestic bidders and for domestically manufactured goods; and (d) in accordance with paragraph 1.14(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Loan shall provide that (i) the bidders, suppliers, contractors and subcontractors shall permit the Bank, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Bank, and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may account to an obstructive practice as defined in paragraph 1.14(a)(v) of the Procurement Guidelines.

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.
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 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>Procurement Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(b) Least Cost Selection</td>
</tr>
<tr>
<td>(c) Selection based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(d) Single Source Selection</td>
</tr>
<tr>
<td>(e) Individual Consultants</td>
</tr>
</tbody>
</table>

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**Procurement Methods Table**

- (a) Selection under a Fixed Budget
- (b) Least Cost Selection
- (c) Selection based on Consultants’ Qualifications
- (d) Single Source Selection
- (e) Individual Consultants
<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, consultants’ services and training for the Project, except Parts 1.1, 2.2(a) and 2.2(c)</td>
<td>27,525,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works and consultants’ services for Part 1.1 of the Project</td>
<td>21,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, consultants’ services and training for Parts 2.2(a) and 2.2(c)</td>
<td>750,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Front-end Fee</td>
<td>125,000</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>TOTAL AMOUNT</td>
<td>50,000,000</td>
<td></td>
</tr>
</tbody>
</table>

3. For the purposes of this Schedule, the term “training” means reasonable expenditure directly related to the provision of training under Parts 2.2, 2.3 and 2.5 of the Project.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $2,000,000 equivalent may be made for payments made prior to this date but on or after December 1, 2008, for Eligible Expenditures under Category (1);

   (b) for payments under Category (2), unless and until the Borrower shall have (i) furnished a survey and valuation, satisfactory to the Bank, of the land proposed for compulsory acquisition, (ii) established the separate ledger account referred to in Section I.A.6(a) of Schedule 2 to this
Agreement, and (iii) recorded into said account the aggregate amount of the value of the land allocated to the Ministry of Housing and Lands, as referred to in said Section I.A.6(a) of Schedule 2 to this Agreement; and

(c) for payments made under Category (3), unless the legislation establishing the LTA has been enacted.

2. The Closing Date is December 31, 2014.
SCHEDULE 3

Amortization Schedule

1. 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; 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 January 15 and July 15</td>
<td>3.33%</td>
</tr>
<tr>
<td>Beginning January 15, 2015 through January 15, 2029</td>
<td></td>
</tr>
<tr>
<td>On July 15, 2029</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.

4. 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.

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, so as to produce a separate amortization schedule for each such amount.
APPENDIX

Section I. Definitions

1. “Affected Persons” means persons who, solely on account of the execution of the activities under Part 1.1 of the Project have or would have their: (a) standard of living adversely affected; or (b) right, title, or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (c) business, occupation, work or place of residence or habitat adversely affected; “Affected Person” means individually all those who qualify as Affected Persons.


3. “Baie de Tombeau Sewerage Project Phase III” means the Borrower’s project to connect an additional 7,800 households to the sewerage network in Le Hochet, Riche Terre, Terre Rouge and adjoining areas.

4. “Board of Assessment” means the board appointed in accordance with the Land Acquisition Act (as defined herein).

5. “Category” means a category set forth in the table in Section IV of Schedule 4 to this Agreement.

6. “Central Electricity Board” means the Borrower’s parastatal body that is responsible for public sector electricity generation and all transmission and distribution.


8. “Director” means a director of MoPILTS (as defined herein).

9. “Environmental Management Plan” means the Borrower’s guidelines for environmental management, satisfactory to the Bank and approved by the RDA (as defined herein), on October, 10, 2008, that sets forth the environmental polices and procedures that shall apply to the carrying out of the Project.

10. “Environmental Impact Assessment” means the Borrower’s environmental study, satisfactory to the Bank and approved by the Ministry of Environment & National Development Unit on August 28, 2008, that identifies and assesses the potential environmental impacts of the Project, evaluates
alternatives, and designs appropriate mitigation, management and monitoring measures.

11. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005 (as amended through February 12, 2008) with the modifications set forth in Section II of this Appendix.


13. “Land Acquisition Plan” means the Borrower’s resettlement action plan, satisfactory to the Bank and approved by the RDA (as defined herein) on May 13, 2009, that sets out the principles and procedures governing land acquisition, resettlement, compensation of persons affected by the Project (as elaborated in the Land Acquisition Plan), as well as administrative, reporting and monitoring arrangements to ensure compliance with said plan, as such plan may be revised from time to time with the agreement of the Bank.

14. “Land Value” means the land value referred to in paragraph 6(b)(i) of Section I.A of Schedule 2 to this Agreement.

15. “LTA” means the Borrower’s Land Transport Authority referred to in Part 2.2 of the Project.

16. “MoENDU” means the Ministry of Environment and National Development Unit, or any successor thereto.

17. “MoFEE” means the Ministry of Finance and Economic Empowerment, or any successor thereto.

18. “MoPILTS” means the Ministry of Public Infrastructure, Land Transport and Shipping, or any successor thereto.


20. “Non-Land Assets” means fixed immovable structures and crop or agricultural produce lost solely on account of the execution of the activities under Part 1.1 of the Project.

21. “PIOM” means the Borrower’s Project Implementation and Operational Manual, dated May 13, 2009, including without limitation the Land Acquisition Plan and all appendices and schedules thereto, satisfactory to the Bank, which sets forth the policies and procedures that apply to the carrying out of the Project, as referred to in Section I, Part A.5 of Schedule 2 to this Agreement.
22. “Pollution Control Laboratory” means the Borrower’s laboratory in charge of monitoring the quality of water resources in Mauritius, or any successor thereto.

23. “PPC” means the Project Plan Committee, as referred to in Section I, Part A.1 of Schedule 2 to this Agreement.

24. “Privy Council” means Her Majesty's Most Honourable Privy Council, a body of advisors to the British Sovereign.


26. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated June 16, 2009, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

27. “Public Sector Investment Program” means the Borrower’s multi-annual program that is intended to present a set of investment projects on a sector basis for implementation.

28. “RDA” means the Borrower’s Road Development Authority, which was established by Road Development Authority Act, Act No. 6 of 1998, or any successor thereto.


30. “Supreme Court” means the court established and defined under the Constitution of Mauritius.

31. “Treasury Department” means the Borrower’s department in the MoFEE (as defined herein) that is responsible for the management of the bank account of the government.

32. “WMA” means the Borrower’s Wastewater Management Authority established under the Wastewater Management Authority Act, or any successor thereto.


34. “WRU” means the Water Resources Unit that is established under MoREPU (as defined herein), or any successor thereto.
Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Paragraph (a) of Section 2.07 is modified to read as follows:

   “Section 2.07. Refinancing Preparation Advance; Capitalizing Front-end Fee and Interest

   (a) If the Loan Agreement provides for the repayment out of the proceeds of the Loan of an advance made by the Bank or the Association (“Preparation Advance”), the Bank shall, on behalf of such Loan Party, withdraw from the Loan Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Loan Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Bank shall pay the amount so withdrawn to itself or the Association, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.”

2. Paragraph (l) of Section 7.02 is modified to read as follows:

   “Section 7.02. Suspension by the Bank

   ... (l) Ineligibility. The Bank or the Association has declared the Borrower (other than the Member Country) or the Project Implementing Entity ineligible to receive proceeds of any financing made by the Bank or the Association or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Bank or the Association, as a result of a determination by the Bank or the Association that the Borrower or the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Bank or the Association.”

3. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

   (a) The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

   “‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”

   (b) The definition of the term “Conversion Date” is modified to read as follows:
“‘Conversion Date’ means, in respect of a Conversion, the Execution Date (as herein defined) or such other date as requested by the Borrower and accepted by the Bank, on which the Conversion enters into effect, and as further specified in the Conversion Guidelines.”