FINANCING AGREEMENT

(First Phase of the West Africa Regional Communications Infrastructure Program – Benin Project)

between

REPUBLIC OF BENIN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated 04 SEP 2012, 2012
CREDIT NUMBER 5143-BJ

FINANCING AGREEMENT

AGREEMENT dated 04 SEP 2012, 2012, entered into between the REPUBLIC OF BENIN ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

WHEREAS (A) the Association, by extending financial assistance in 2011, to Burkina Faso, the Republic of The Gambia, the Republic of Guinea, Republic of Liberia and the Republic Sierra Leone, has provided support to precedent activities under the first phase of the West Africa Regiona Communications Infrastructure Program ("Program") designed to support populations, businesses and governments across the West Africa region to have access to quality and affordable information and communication technology services on open, transparent and non-discriminatory terms; and

(B) the Recipient, having satisfied itself as to the feasibility and priority of the project ("Project" as described in Schedule 1 hereeto) under the first phase of the Program, has requested the Association to assist in the financing of the Project;

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

NOW THEREFORE the Recipient and the Association 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 Preamble or the General Conditions or the Appendix to this Agreement.

ARTICLE II — CREDIT

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to twenty-three million two hundred thousand Special Drawing Rights (SDR 23,200,000) ("Credit") to assist in financing the Project.
(c) The Recipient 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(d) The SPV's Legislation shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the SPV to perform any of its obligations under the Contractual Arrangement.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

(a) The SPV has been fully established and operational, in form and substance satisfactory to the Association, in the territory of the Recipient, including through the appointment of its director general and the adoption of its shareholders’ agreement and its by-laws.

(b) The execution and delivery of the Construction and Maintenance Agreement, on behalf of BTSA, in form and substance satisfactory to the Association and containing no prohibition of divestiture of the Recipient’s shareholding, has been duly authorized or ratified by all necessary governmental or corporate action.

(c) With BTSA’s acquiescence, the ACE Consortium has transferred to the SPV all the rights and obligations of BTSA in the Construction and Maintenance Agreement and has fully substituted BTSA with the SPV as the member of the ACE Consortium.

(d) The Contractual Arrangement, in form and substance satisfactory to the Association, has been entered into between the Recipient and the SPV.

(e) The Recipient shall have adopted the Project Implementation Manual in form and substance satisfactory to the Association.

5.02. The Additional Legal Matters consist of the following:

(a) The SPV has been duly established and made operational in the territory of the Recipient and is legally authorized to operate as a private law company in accordance with the laws of the Recipient.

(b) On behalf of BTSA, that the Construction and Maintenance Agreement has been duly authorized or ratified by, and executed and delivered on its behalf, and is legally binding upon it in accordance with its terms.
2.02. The Recipient may withdraw the proceeds of the Credit in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Credit Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are April 15 and October 15 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is the Euro.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall: (i) pursuant to the Contractual Arrangement, cause Part 1.1 of the Project to be carried out by the SPV; and (i) carry out Parts 1.2, 2 and 3 of the Project through the MCICT, 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 Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

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

(a) The Recipient or the SPV shall have failed to perform any of its obligations under the Contractual Arrangement.

(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 Recipient or the SPV will be able to perform any of its obligations under the Contractual Arrangement.
(c) The Contractual Arrangement has been duly authorized or ratified on behalf of the Recipient and the SPV, and executed and delivered on their behalf, and is legally binding upon the Recipient and the SPV in accordance with its terms.

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

5.04. For purposes of Section 8.35 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the Minister of the Recipient at the time responsible for finance.

6.02. The Recipient’s Address is:

Ministry of Economy and Finance
B.P. 302
Cotonou
Republic of Benin

Cable address: Telex: Facsimile:
MINFINANCES 509 MINFIN or (229) 21 30 18 51
Cotonou 5289 CAA (229) 21 31 53 56

6.03. The Association’s Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: Telex: Facsimile:
INDEVAS 248423 (MCI) (1) 202-477-6391
Washington, D.C.
AGREED at Cotonou, Republic of Benin, as of the day and year first above written.

REPUBLIC OF BENIN

By

Authorized Representative

Name: Jonas A. Gbian
Title: 

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Olivier Fremond
Title: Country Manager
SCHEDULE 1

Project Description

The objectives of the Project are to contribute to increase geographical reach of broadband networks and to reduce the costs of communications services in the territory of the Recipient.

The Project comes under the first phase of the Program, and consists of the following parts:

Part 1: Supporting Connectivity

1.1. International Connectivity

Membership and participation of the SPV on behalf of the Recipient in the ACE Consortium, through the financing of the Consortium Fee, with a view to assist the Recipient in substantially reducing the cost of international connectivity, increasing capacity and providing more effective redundancy.

1.2. National Connectivity

Development of the Recipient’s national infrastructure with an aim to strengthen the regional links with neighboring countries, through the carrying out of a feasibility study to connect the Recipient and its neighboring countries and to commercialize excess capacity from Africa Coast to Europe cable to less connected neighbors.

Part 2: Creation of an Enabling Environment for Connectivity

Carrying out of a program of technical assistance focused on: (i) the transaction design and operating model for ownership and management of international, regional and national infrastructure using PPP frameworks; (ii) the related open access principles to create an enabling environment for improved connectivity; and (iii) the strengthening of policymaking and regulatory functions in the Recipient’s territory, and encompassing:

2.1. the finalization of the transactional design for the SPV, including the development and conclusion of all legal documents related to the SPV and the review and analysis of the transfer of BTSA’s rights and obligations under the C&MA to the SPV, all with a view to facilitate the negotiations with operators in landlocked countries and the development of the IRU agreements or any other legal documents to secure access to capacity by the Recipient’s neighboring countries;
2.2. the evaluation of the policy, market and regulatory bottlenecks with a view to maximize the benefits of the connectivity agenda, specifically through: (i) the provision of support to the Autorité Transitoire de Regulation de la Poste et des Télécommunications for the development of regulatory instruments for open access, including support for licensing the SPV; (ii) the development of the wholesale regime for capacity pricing and other instruments to ensure open and non discriminatory access to capacity of the Africa Coast to Europe cable; and (iii) technical and regulatory support to ensure redundancy between the Africa Coast to Europe cable and the South Atlantic 3 West Africa Submarine cable as well as to assist the Recipient in repositioning BTSA in the market; and

2.3. institutional strengthening of the MCICT, the Autorité Transitoire de Regulation de la Poste et des Télécommunications, the BTSA and the SPV, including the rehabilitation of the SPV’s offices, as required for the initial restructuring process to convert the BTSA to a carrier’s carrier, to strengthen policy making functions, and for capacity in regulating the sector.

Part 3: Project Implementation

Strengthening of the Recipient’s capacity to implement the Project, as required for the operation of the PIU and its suitable staffing with dedicated staff for the Project and the performance of its communications, monitoring and evaluation, and auditing activities, and the carrying out of environmental and social studies, their implementation and the monitoring thereof, through the provision goods and consultants’ services and the financing of Operational Costs.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Ministry of Communications and Information and Communications Technologies – the Project Implementation Unit

(a) The Recipient, through its MCICT, shall ensure overall coordination, implementation and supervision of the Project is carried out by the PIU with due diligence and efficiency. To this end, the Recipient shall maintain the PIU throughout Project implementation under terms of reference satisfactory to the Association and with staff and resources adequate to enable it to carry out its responsibilities under the Project. The PIU shall be headed by a Project coordinator, and its composition shall include a core Project team of procurement and financial management specialists and representatives from the MCICT. To this end, the Recipient shall recruit for the PIU, not later than three (3) months after the Effectiveness Date, a procurement assistant and a telecommunications engineer, all under terms of reference and with qualifications and experience satisfactory to the Association.

(b) The PIU shall be responsible for: (i) day-to-day activities under the Project, in particular, procurement and monitoring; (ii) management and coordination of work under the Project; (iii) coordination with the Project beneficiaries; (iv) preparation of AWP&BS in accordance with the provisions of Sect on G of this Section I and procurement plans under the Project; (v) the disclosure of the internal and external audit reports and implementation of their recommendations; and (vi) interaction with the Association for the requisite no objections, *inter alia*, on bidding documents, request for proposals, and evaluation reports.

2. Focal Point Forum

The PIU shall be assisted by a Project focal point forum, composed of representatives from the MCICT, the Recipient’s Ministry of Finance, the *Autorité Transitoire de Régulation de la Poste et des Telecommunications*, the BTSA, and the private sector representing the SPV. The focal points shall remain at all times staff of their respective institutions.
B. Contractual Arrangement

1. To facilitate the carrying out of Part 1.1 of the Project, the Recipient shall take all action required: (i) to ensure the proceeds of the Credit allocated from time to time to Category (1) are transferred in an efficient and timely manner to the SPV; and (ii) to have in place a suitable legal framework to ensure the Credit is used for the intended purposes. To that end, the Recipient shall conclude a contractual arrangement ("Contractual Arrangement") with the SPV whereby the Recipient shall:

(a) transfer the proceeds of the Credit allocated from time to time to Category (1) to the SPV, on a non-reimbursable basis, in consideration of the undertaking by the SPV that such amount shall be transferred by the SPV to the ACE Consortium for the purposes of payment of the membership and participation of the SPV in the ACE Consortium;

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

(c) obtain rights and specify the SPV’s obligations adequate to protect the interests of the Recipient and those of the Association, including: (i) subrogation rights against the ACE Consortium upon the failure of the ACE Consortium, any of the parties thereto, or the Management Committee established under the C&MA, to perform any of its obligations under the Construction and Maintenance Agreement; (ii) the right to suspend or terminate the right of the SPV to use the proceeds of the Credit or to obtain a refund of all or any part of the amount of the Credit then withdrawn, upon the failure of the SPV to perform any of its obligations under the Contractual Arrangement; (iii) the SPV’s obligation to maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of Part 1.1 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 Association, both in a manner adequate to reflect the operations, resources and expenditures related to Part 1.1 of the Project; and (B) at the Association’s or the Recipient’s request, to have such financial statements audited by independent auditors acceptable to the
Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (v) the right to enable the Recipient and the Association to inspect the infrastructure partially financed through the Consortium Fee, its operation and any relevant records and documents; and (vi) the SPV's obligation to prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

2. The Contractual Arrangement shall contain provisions whereby the SPV is obligated to abide by the relevant provisions of the Anti-Corruption Guidelines. The Recipient shall exercise its rights and carry out its obligations under the Contractual Arrangement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Credit. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Contractual Arrangement or any of its provisions. Notwithstanding the foregoing, if any of the provisions of the Contractual Arrangement is inconsistent with the provisions of this Agreement or the Project Implementation Manual, the provisions of this Agreement or the Project Implementation Manual, as the case may be, shall prevail and govern.

C. Anti-Corruption

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

D. Safeguards

1. Environmental and Social Management Plan and Abbreviated Resettlement Action Plan

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

(a) (i) to carry out the ARAP with due diligence and efficiency and at all times provide the funds necessary therefor; (ii) to adequately monitor and evaluate the carrying out of the activities provided in the ARAP in the carrying out of the infrastructure partially financed through the Consortium Fee; and (iii) to maintain the Recipient and the Association suitably informed of the progress in the implementation of the ARAP through the information to be prepared and furnished to the Recipient pursuant to the provisions of paragraph (c)(vi) of Section 1.B.1 of this Schedule; and
(b) (i) to carry out the ESMP with due diligence and efficiency; (ii) to ensure that the relevant mitigation and monitoring provisions of the ESMP are appropriately included in the works, goods and services contracts to be concluded for the infrastructure partially financed through the Consortium Fee and that they are implemented in the carrying out of said infrastructure; and (iii) to maintain the Recipient and the Association suitably informed of the progress in the implementation of the ESMP through the information to be prepared and furnished to the Recipient pursuant to the provisions of paragraph (c)(vi) of Section I.B.1 of this Schedule.

E. **Project Implementation Manual**

The Recipient, through the PIU, shall: (i) take all action required to carry out Parts 1.2, 2 and 3 of the Project in accordance with the provisions and requirements set forth or referred to in the Project Implementation Manual; (ii) submit recommendations to the Association 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 objective of Parts 1.2, 2 and 3 of the Project; and (iii) not assign, amend, abrogate or waive the Project Implementation Manual or any of its provisions without the Association’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, the Recipient shall:

(a) furnish to the Association for its approval, not later than November 30 of each year, a training program and the workshops including an explanation of how such training and workshops are 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 Association; and

(c) furnish to the Association a report of such scope and detail as the Association shall reasonably request, on the results of each training and the benefits to be derived therefrom.
G. **Annual Work Program and Budget (AWP&B)**

The Recipient, through the PIU, shall:

(a) prepare a draft AWP&B for each Fiscal Year, setting forth, *inter alia*:
   (i) a detailed description of planned activities for the Project for the Fiscal Year; (ii) the sources and uses of funds therefor; and (iii) responsibility for execution of said Project activities, budgets, start and completion date, outputs, and monitoring indicators to track progress of each activity;

(b) not later than November 30 immediately prior to each such Fiscal Year, furnish to the Association for its comments and approval, the draft AWP&B and, promptly thereafter, finalize the AWP&B taking into account the Association’s views and recommendations thereon; and

(c) adopt, sign and thereafter carry out the final version of the AWP&B in the form approved by the Association not later than December 31 immediately prior to each such Fiscal Year.

Section II. **Project Monitoring, Mid-Term Review, Reporting and Evaluation**

A. **Project Reports**

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the Monitoring and Evaluation Indicators set forth in the Project Implementation Manual. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

2. For purposes of Section 4.08(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 Association not later than five (5) months after the Closing Date.

B. **Mid-Term Review**

The Recipient shall:

(a) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about November 24, 2014, a report integrating the results of the monitoring and evaluation activities referred to in Section II.A.1 of this Schedule and setting out the measures recommended to ensure the efficient carrying out of the Project and
achievement of the objectives thereof during the period following such date; and

(b) review with the Association, on or about January 12, 2015, or such later date as the Association shall request, the report referred to in the preceding paragraph (a), and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association’s views on the matter.

C. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. The Recipient shall prepare and furnish to the Association as part of the Project Report 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 Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) Fiscal Year of the Recipient, 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 Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods and Works. All goods and works required for Parts 1.2, 2 and 3 the Project and to be financed out of the proceeds of the Credit shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for Parts 1.2, 2 and 3 the Project and to be financed out of the proceeds of the Credit 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 Association 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 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 methods, other than International Competitive Bidding, may be used for procurement of goods and works for those contracts specified in the Procurement Plan: (i) National Competitive Bidding with the proviso, however, that the Recipient shall use standard bidding documents acceptable to the Association; (ii) Shopping; and (iii) Direct Contracting.

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: (i) Quality-based Selection; (ii) Selection under a Fixed Budget; (iii) Least Cost Selection; (iv) Selection based on Consultants’ Qualifications; (v) Single-source Selection of consulting firms; (vi) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (vii) Single-source procedures for the Selection of Individual Consultants.

D. **Review by the Association of Procurement Decisions**

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

Section IV. **Withdrawal of the Proceeds of the Credit**

A. **General**

1. The Recipient may withdraw the proceeds of the Credit in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated
May 2006, as revised from time to time by the Association 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 Credit ("Category"), the allocations of the amounts of the Credit 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 Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Consortium Fee under Part 1.1 of the Project</td>
<td>18,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, consultants’ services, training and Operational Costs under Parts 1.2, 2 and 3 of the Project</td>
<td>3,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Refund of Preparation Advance No. Q8100-BJ</td>
<td>2,000,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>23,200,000</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 SDR 2,500,000 equivalent may be made for payments made prior to this date but on or after January 1, 2012, for Eligible Expenditures under Categories (1) and (2).

2. The Closing Date is June 10, 2017.
# SCHEDULE 3

## Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 15 and October 15:</td>
<td></td>
</tr>
<tr>
<td>commencing on October 15, 2022, to and including April 15, 2032,</td>
<td>1%</td>
</tr>
<tr>
<td>and commencing on October 15, 2032, to and including April 15, 2052</td>
<td>2%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.
APPENDIX

Definitions

1. “Abbreviated Resettlement Action Plan” or “ARAP” means the Recipient’s resettlement and rehabilitation plan dated May 15, 2012, setting forth the measures necessary to ensure that a displaced person (“Displaced Person” as hereinafter defined) by the infrastructure partially financed through the Consortium Fee is: (i) informed about his or her options and rights pertaining to Resettlement; (ii) consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; (iii) provided: (A) prompt and effective compensation at full replacement cost for losses of assets attributable directly to the Project; (B) assistance (such as moving allowances) during relocation; and (C) with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site; (iv) offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore his or her livelihood and standards of living; and (v) provided with development assistance in addition to the aforementioned compensation measures, such as land preparation, credit facilities, training, or job opportunities.

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

3. “Annual Work Plan and Budget” and “AWP&B” mean the annual work plan and budget to be prepared on an annual basis by the PIU (as hereinafter defined) for the Project.


5. “Autorité Transitoire de Regulation de la Poste et des Telecommunications” means the Recipient’s transitional regulatory authority for the post and telecommunications sectors established by the Recipient’s decree No. 2007-209, dated May 10, 2007, or any successor thereto acceptable to the Association.

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

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

9. "Construction and Maintenance Agreement" and "C&MA" means the agreement dated June 5, 2010, entered into by and among the parties to the ACE Consortium and to which BTSA will be admitted as a party not later than the Ready For Commercial Service Date, as defined therein.


11. "Contractual Arrangement" means the agreement referred to in Section 1.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make a portion of the proceeds of the Credit available to the SPV (as hereinafter defined).

12. "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.

13. "Environmental and Social Management Plan" or "ESMP" means the Recipient's environmental and social management plan dated May 15, 2012, setting forth a set of mitigation, monitoring, and institutional measures to be taken during the implementation and operation of the infrastructure partially financed through the Consortium Fee to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, and including the actions needed to implement these measures.

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


16. "IRU" means indefeasible right of use, the effective long-term lease (temporary ownership) of a portion of the capacity of an international cable.
17. "MCICT" means the Recipient’s Ministry of Communications and Information and Communications Technologies, or any successor thereto acceptable to the Association.

18. "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 Recipient to measure the progress in the implementation of the Project and the degree to which the objectives thereof are being achieved.

19. "Operational Costs" means the expenditures incurred by the Recipient to finance: (i) the salaries of the staff of the PIU (as hereinafter defined) (excluding civil servants), state contributions thereon, and health insurance; (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.

20. "PIU" means the project implementation unit established within the MCICT for the purposes of the e-Benin Project (Grant No. H553-BJ under the Financing Agreement between the Republic of Benin and the International Development Association dated April 27, 2010).

21. "PPP" means public-public partnership, that is, the contractual, governance and financing arrangements between a government agency and one or more private sector entities participating in the SPV (as hereinafter defined).

22. "Preparation Advance" means the advance No. Q8100-BJ, referred to in general in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on March 16, 2012, and on behalf of the Recipient on March 29, 2012.


24. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated May 25, 2012, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

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

26. “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.

27. “SPV” means the special purpose vehicle company to be created in the Recipient’s territory with the membership of the Recipient, BTSA, private operators and internet service providers to finance, own and manage the landing station for the Africa Coast to Europe submarine cable.

28. “SPV’s Legislation” means, collectively, the laws, any implementation decree, resolutions and/or decisions of the Recipient that have been adopted and/or approved for the purposes of creating, registering and making the SPV operational pursuant to the provisions of Section 5.01 (a) of this Agreement, and the SPV articles of incorporation, by-laws and/or charter.

29. “training” means the courses, workshops and other advisory technical assistance to be provided under Parts 1.2, 2 and 3, and includes the expenditures incurred to finance the cost under the Project of training fees, pedagogical materials, travel (including the costs for the visa request), accommodations, per diem, and insurance.