

**OFFICIAL  
DOCUMENTS**

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LOAN NUMBER 8582-GA

# Loan Agreement

(Skills Development and Employability Project)

between

**GABONESE REPUBLIC**

and

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

Dated *April 13*, 2016

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**LOAN AGREEMENT**

AGREEMENT dated April 13, 2016, between GABONESE REPUBLIC (“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 ninety-four million six hundred thousand Euros (EUR 94,600,000) (“Loan”), 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead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 May15 and November 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in 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.
- 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 objective of the Project. To this end, the Borrower shall carry out the Project through the MFPIJ 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 — REMEDIES OF THE BANK**

- 4.01. The Additional Event of Suspension consists of the following, namely that the enabling legislation of the National Office for Employment has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely its ability to perform any of its obligations under the Project.

**ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Borrower has recruited to the Project Coordination Unit (PCU) the staff referred to in Section I.A.2.(b) of Schedule 2 to this Agreement.
- 5.02. The Additional Event of Acceleration consists of the following, namely that the event specified in Section 5.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Bank to the Borrower.
- 5.03. The Effectiveness Deadline is the date one hundred and 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  
Boulevard Triomphal, BP 747  
Libreville  
Gabonese Republic

Facsimile:  
(241) 01763-430

- 6.03. The Bank's Address is:

International Bank for Reconstruction and Development  
1818 H Street, N.W.

Washington, D.C. 20433  
United States of America

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED at Washington D.C., United States of America, as of the day and year first above written.

GABONESE REPUBLIC

By



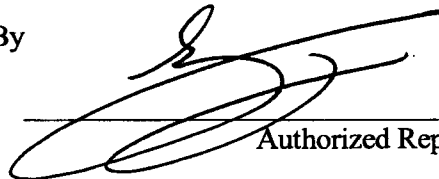
Authorized Representative

Name: IMMON GAULT NGALI

Title: MINISTER OF ECONOMY

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

Name: ELISABETH HUYBENS

Title: COUNTRY DIRECTOR

## SCHEDULE 1

### Project Description

The objective of the Project is to improve the effectiveness of vocational training, short-term skills development, and entrepreneurship programs in key growth sectors in the Gabonese Republic.

The Project consists of the following parts:

#### **PART A. Extension of Training Supply and Quality Improvement in TVET in Key Growth Sectors**

1. Supporting skills development and availability of training in the key growth sectors through: (a) the construction of two TVET centers for the construction and public works, and ICT sectors; (b) carrying out of dimensioning, feasibility and architectural studies for the establishment and management of the TVET centers; (c) carrying out of dual preparatory training for youth aspiring to work in the two sectors and on-the-job/continuing training to employees in said sectors; and (d) supporting the establishment of an independent management body for the TVET Centers in partnership with the private sector.
2. Improving the quality of existing TVET Centers, through: (a) preparation of related procedures manuals, guidelines for preparation of proposal and the provision of Training; and (b) provision of Performance-Based Payments pursuant to Performance-Based Contracts to selected TVET Centers aimed at improving the quality of training and upgrading their facilities.

#### **PART B. Employability Development, Youth Integration and Entrepreneurship Promotion**

1. Carrying out an Apprenticeship Program aimed at increasing professional opportunities for youth with limited education, through apprenticeship and short-term training and insertion programs, including provision of: (a) Apprenticeship Payments to Apprenticeship Beneficiaries to cover basic fees; (b) mentoring and coaching Training; and (c) toolkits and equipment necessary for apprenticeship.
2. Carrying out an Internship Program aimed at increasing job opportunities for young graduates, including: (a) the provision of Internship Payments for Internship Beneficiaries graduates to improve the transition from high education and TVET to the labor market; and (b) monitoring and evaluation of the Internship Program.
3. Promoting youth employment through the development and implementation of entrepreneurial initiatives, including: (a) preparation of entrepreneurship-training modules; (b) organizing an information campaign to raise awareness and invite

proposals for new business ideas; (c) selection of most promising business concepts; (d) support in the drafting of business plans and provision of required Training in the areas of business planning and entrepreneurship; (e) provision of Sub-Grants to selected Sub-Grant Beneficiaries as seed capital for specific development projects; and (f) technical assistance and mentoring for the carrying out of Sub-projects.

**PART C. Institutional Capacity Support and Project Implementation**

1. Support to the Borrower in the areas of Project coordination, supervision, financial management, communication and outreach, impact evaluation and assessment, procurement, supervision of implementation of the Safeguards Instruments, including through the provision of Training, Operating Costs, goods and services for the required purpose.
2. Carrying out external evaluation of Performance-Based Contracts.
3. Carrying out a program of activities aimed at enhancing institutional capacity, including: (a) strengthening the institutional and operational capacity of the Ministry of Vocational Training and Youth Integration, ministry in charge of professional education, General Direction of Human Resources, and National Observatory on Employment and Training; (b) supporting the implementation of a new format of the FIR mechanism in the National Office for Employment; and (c) supporting the design and implementation of the regulatory and operational framework of an apprenticeship scheme.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements**

##### **1. Steering Committee**

The Borrower shall establish, not later than one (1) month after the Effective Date, and thereafter maintain throughout the Project implementation period with composition, mandate and resources satisfactory to the Bank, a steering committee to be chaired by the Minister of MFPIJ or a designate, and comprised of representatives of key ministries, agencies, the private sector, and the civil society to be responsible for: (a) providing overall policy and strategic guidance to the PCU; (b) reviewing and approving proposed Annual Work Plans and Budgets and ensuring that agreed performance targets and timelines for proposed activities under the Project are met; and (c) addressing critical challenges that could affect the timely and efficient implementation of the Project (“Steering Committee”).

##### **2. Project Coordination Unit**

In order to ensure proper and efficient implementation of the Project, the Borrower shall maintain at all times during Project implementation, the PCU referred to in Section 5.01 of this Agreement, within the MFPIJ, with a mandate, staffing and other resources satisfactory to the Bank. To this end, the PCU shall: (a) be comprised of qualified and competent staff in adequate numbers, as required for a proper implementation of the Project; (b) employ and thereafter maintain at all times during Project implementation, a project coordinator, finance management specialist, procurement specialist, monitoring and evaluation specialist, an internal auditor, and an accountant each of whose qualifications, experience and terms of reference shall be acceptable to the Bank; (c) employ, not later than six (6) months after the Effective Date and thereafter maintain at all times during Project implementation, an environmental and social specialist whose qualifications, experience and terms of reference shall be acceptable to the Bank; and (d) be responsible for day-to-day Project coordination and implementation, including: (i) carrying out Project financial management and procurement activities; (ii) preparing Annual Work Plans and Budgets; (iii) ensuring compliance with Safeguards Instruments; (iv) monitoring and evaluating Project activities and preparing financial, monitoring and evaluation and progress reports; and (v) such other functions as set forth or elaborated in the PM.



**3. National Office for Employment (ONE)**

In order to ensure proper and efficient implementation including, financial management of Part B.1 and B.2 of the Project, the Borrower shall ensure that, for the duration of the Project or as otherwise agreed with the Bank, the National Office for Employment, is maintained with mandate, adequate staffing, and resources satisfactory to the Bank. To this end, the National Office for Employment shall, not later than one (1) month after the Effective Date, employ and thereafter maintain at all times during Project implementation, an accountant whose qualifications, experience and terms of reference shall be acceptable to the Bank.

**4. ANPI**

In order to ensure proper and efficient implementation of Part B.3 of the Project, the Borrower shall maintain, throughout the implementation of the Project, the ANPI with functions, staffing and resources satisfactory to the Bank, to be responsible for, *inter alia*, technical implementation of said Part B.3 of the Project, as further described in the PM.

**B. Procedures Manual**

1. The Borrower shall prepare, in accordance with terms of reference acceptable to the Bank, and furnish to the Bank a procedures manual for the Project, containing detailed: (a) implementation arrangements for the Project; (b) administrative; (c) procurement; (d) environmental and social safeguards; (e) financial management and accounting; (f) monitoring and evaluation procedures and arrangements; (g) eligibility criteria, terms and conditions, and procedures for preparation, approval and monitoring and evaluation, of Apprenticeship Payments, Internship Payments; Sub-Grants and Performance Based Contracts; (h) grievance mechanism for the Project; and (i) such technical, administrative, fiduciary or coordination arrangements as may be necessary to ensure effective Project implementation.
2. The Borrower shall: (a) furnish such manual to the Bank for review and approval; (b) afford the Bank a reasonable opportunity to exchange views with the Borrower on said manual; and (c) thereafter adopt said manual as shall have been approved by the Bank (“Procedures Manual” and “PM”).
3. The Borrower shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned Procedures Manual, or any provision thereof, without the prior written agreement of the Bank.

4. Notwithstanding the foregoing, in the event of any inconsistency between the provisions of Procedures Manual and those of this Agreement, the provisions of this Agreement shall prevail.

**C. Annual Work Plan and Budget**

1. The Borrower shall prepare, in accordance with terms of reference acceptable to the Bank, and furnish to the Bank no later than November 30 of each calendar year throughout the implementation of the Project, a work plan and budget of activities proposed for inclusion in the Project for the next calendar year, together with a budget for such activities and a timetable for their implementation.
2. The Borrower shall afford the Bank a reasonable opportunity to exchange views with the Borrower on such proposed work plan and budget, and thereafter, carry out such work plan during the period covered by said plan and according to such budget, both as shall have been approved by the Bank (“Annual Work Plan and Budget”).
3. Only such activities included in the Annual Work Plan and Budget shall be eligible for inclusion in the Project and for financing out of the proceeds of the Loan.
4. The Borrower shall not amend or modify, or cause to be amended and modified, any approved Annual Work Plan and Budget without the prior written approval of the Bank.

**D. Anti-Corruption**

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

**E. Safeguards**

1. The Borrower shall carry out the Project in accordance with all Safeguards Instruments applicable to the Project including the ESMF and RPF.
2. To ensure compliance with the applicable Safeguards Instruments, the Borrower shall take the following measures:
  - (a) if any activities included in a proposed Annual Work Plan and Budget would, pursuant to the ESMF, require the carrying out of an ESIA, no such activities shall be implemented unless:
    - (i) an ESIA for such activities has been: (A) prepared, in accordance with the ESMF and furnished to the Bank as part of the Annual

Work Plan and Budget; (B) disclosed locally as required by the ESMF; and (C) approved by the Bank and publicly disclosed; and

- (ii) if said ESIA would require the preparation of an ESMP, such ESMP has been: (A) prepared in accordance with such ESIA and furnished to the Bank as part of the Annual Work Plan and Budget; (B) disclosed locally as required by the ESMF; and (C) approved by the Bank and publicly disclosed.
  - (b) If any activities included in a proposed Annual Work Plan and Budget would, pursuant to the RPF, require the preparation of a RAP, no such activities shall be implemented unless:
    - (i) a RAP for such activities has been: (A) prepared in accordance with the requirements of the RPF and furnished to the Bank as part of the proposed Annual Work Plan and Budget; (B) disclosed locally as required by the RPF; and (C) approved by the Bank and publicly disclosed; and
    - (ii) (A) all measures required to be taken under said RAP prior to the initiation of said activities have been taken, including, without limitation to the above, providing funds for resettlement compensation when and if required under a RAP; (B) a report, in form and substance satisfactory to the Bank, on the status of compliance with the requirements of said RAP has been prepared and furnished to the Bank; and (C) the Bank has confirmed that said activities may be commenced.
  - (c) The Borrower shall ensure that the applicable provisions of the ESIA, ESMP, or RAP, as the case may be, are appropriately included in each Sub-Grant Agreement or Performance-Based Contract, as the case may be, and that they are implemented in the carrying out of all Sub-projects.
3. (a) Without limitation upon its other reporting obligations under this Agreement, the Borrower shall regularly collect, compile and submit to the Bank, in form and substance satisfactory to the Bank, bi-annual reports on the status of compliance with the Safeguards Instruments, giving details of: (i) measures taken in furtherance of such Safeguards Instruments; (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Instruments; and (iii) remedial measures taken or required to be taken to address such conditions.
- (b) The Borrower shall afford the Bank a reasonable opportunity to review and exchange views with the Borrower on the reports prepared under paragraph (a) immediately above, and thereafter, shall carry out, or cause

to be carried out, with due diligence, all remedial measures agreed with the Bank so as to ensure the proper implementation of the Project in accordance with the Safeguards Instruments.

4. The Borrower shall ensure that:
  - (a) no activities involving the use of land shall be carried out prior to the screening of the legal status of the land in form and substance acceptable to the Bank;
  - (b) no activities shall be carried out involving land, for which there is legal uncertainty over ownership and use rights; and
  - (c) notwithstanding the provisions of sub-paragraphs 4 (a) and 4 (b) above, no part of the Project funds shall be used to finance land acquisition.
5. The Borrower shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the ESMF or RPF, or any provision thereof without the prior written approval of the Bank.
6. In the event of a conflict between the provisions of any of the Safeguards Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.

**F. Performance-Based Contracts (PBCs)**

1. In order to achieve the objectives of Part A.2(b) of the Project, the Borrower, through the MFPIJ shall enter into Performance-Based Contracts with PBC Beneficiaries and make Performance-Based Payments pursuant thereto, subject to the provisions of this Section F and any other eligibility criteria and procedures acceptable to the Bank and set forth in the PIM, which shall include the following:
  - (a) no PBC Beneficiary shall be eligible to enter into a PBC or receive a PBP unless:
    - (i) the Borrower has determined, on the basis of an appraisal carried out in accordance with guidelines acceptable to the Bank and further elaborated in the PM, that the PBC Beneficiary has prepared and adopted, in form and substance satisfactory to the Bank, a sector strategic development plan setting out the objectives, long and medium term goals, and activities to be implemented by the PBC Beneficiary; and
    - (ii) such PBC Beneficiary has established and undertaken to maintain throughout the duration of its PBC, a management board, with composition, mandate and resources satisfactory to the Bank, and

which shall be responsible for endorsing and overseeing the implementation of such PBC Beneficiary's PBC; and

- (b) the Borrower shall:
  - (i) by no later than six (6) months after the Effective Date, recruit technical auditors with qualifications, experience and terms of reference satisfactory to the Bank and in accordance with the provisions of Section III of Schedule 2 to this Agreement, to conduct yearly external evaluations of the PBCs; and
  - (ii) establish the modalities, satisfactory to the Bank, for assessing and verifying the implementation of each PBC, and thereafter assess and verify the implementation of each such PBC in accordance with such modalities and in a manner satisfactory to the Bank.

2. The Borrower shall make each PBP to a PBC Beneficiary under a PBC with the respective PBC Beneficiary on terms and conditions approved by the Bank, which shall include, *inter alia*, the following:

- (a) (i) the activities to be carried out, and objectives to be met, by the PBC Beneficiary; (ii) the budget for such activities for the first year of the PBC and corresponding funding commitment; (iii) proposed activities for subsequent years and funding projections for the activities; and (iv) performance targets and indicators for monitoring such targets;
- (b) the amount of, and payment arrangements for, the PBP;
- (c) the conditioning of the PBP upon the PBC Beneficiary's satisfactory implementation of its PBC and compliance with the assessment and verification modalities referred to in Section F.1(b) above;
- (d) the PBP shall be made on a non-reimbursable grant basis, subject to the provisions of paragraph (e) below; and
- (e) the Borrower shall obtain rights adequate to protect its interests and those of the Bank, including the right to:
  - (i) suspend or terminate the right of the PBC Beneficiary to use the proceeds of the PBP or obtain a refund of all or any part of the amount of the PBP then withdrawn, upon the PBC Beneficiary's failure to perform any of its obligations under the PBC; and

- (ii) require each PBC Beneficiary to:
  - (A) carry out its PBC with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Borrower;
  - (B) provide, promptly as needed, the resources required for the purpose;
  - (C) procure the goods, works and services to be financed out of the PBC in accordance with the provisions of this Agreement;
  - (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the PBC and the achievement of its objectives; (1) 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 the PBC; and (2) at the Bank's or the Borrower's request, 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; and permit the Bank to make such statements as so audited available to the public, along with the PBC;
  - (E) enable the Borrower and the Bank to inspect any operations related to the PBC and any relevant records and documents; and
  - (F) 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.

3. Prior to entering into each PBC, the Borrower shall ensure that the Bank shall have given its no objection to the entry into such PBC.
4. The Borrower shall exercise its rights and carry out its obligations under each PBC in such a manner as to protect its interest and those of the Bank and to accomplish the purposes of the grant provided thereunder, and except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the PBC, or any provision thereof.

**G. Sub-Grants**

1. The Borrower shall make Sub-Grants to Sub-Grant Beneficiaries for Sub-projects in accordance with eligibility criteria and procedures set forth in the PM and acceptable to the Bank, which shall include the following:
  - (a) No proposed Sub-project shall be eligible for financing under a Sub-Grant to a Sub-Grant Beneficiary unless the Borrower shall have determined on the basis of an appraisal carried out in accordance with guidelines acceptable to the Bank and elaborated in the PM, that:
    - (i) the proposed Sub-project: (A) is designed to encourage investments based on selected business plans; (B) is technically feasible and economically and financially viable; and (C) if, pursuant to the Safeguard Instruments, one or more ESMPs for the Sub-project are required, such ESMPs have been prepared and approved by the Bank in accordance with the provisions of paragraph (c) of this Section I.G.1 and all measures required to be taken in accordance with Section I.E. of Schedule 2 to this Agreement prior to commencement of the activities covered by the ESMP have been taken; and
    - (ii) the proposed Beneficiary: (A) is a natural person with the organization, management, technical capacity and financial resources necessary to carry out the proposed Sub-project; and (B) has prepared a satisfactory business plan, including financing plan and budget, and a satisfactory implementation plan for the proposed Sub-project.
  - (b) The maximum amount of a Sub-Grant for a Sub-project shall not exceed US\$10,000.
  - (c) Each Sub-Grant for a Sub-project requiring an ESMP shall be subject to the Bank's prior written approval and shall only be eligible for financing under the Loan if and to the extent approved by the Bank

2. The Borrower shall make each Sub-Grant under a Sub-Grant Agreement with the respective Sub-Grant Beneficiary on terms and conditions approved by the Bank, which shall include the following:
  - (a) The Sub-Grant shall be made on a non-reimbursable grant basis.
  - (b) The Borrower shall obtain rights adequate to protect its interests and those of the Bank, including the right to:
    - (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-Grant, or obtain a refund of all or any part of the amount of the Sub-Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Sub-Grant Agreement; and
    - (ii) require each Beneficiary to:
      - (A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including in accordance with the provisions of the Safeguard Instruments (and any ESMP required for the Sub-project pursuant to the Safeguard Instruments), and the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Borrower;
      - (B) provide, promptly as needed, the resources required for the purpose;
      - (C) procure the goods and services to be financed out of the Sub-Grant in accordance with the provisions of Section III of this Schedule;
      - (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the Sub-project and the achievement of its objectives;
      - (E) (1) 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 its operations, including



the operations, resources and expenditures related to the Sub-project; and (2) at the Bank's or the Borrower's request, 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, and permit the Bank to make such statements as so audited available to the public, along with the Sub-Grant Agreement;

- (F) enable the Borrower and the Bank to inspect the Sub-project, its operation and any relevant records and documents; and
- (G) 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.

3. The Borrower shall exercise its rights and carry out its obligations under each Sub-Grant 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 any Sub-Grant Agreement or any of its provisions.

#### **H. Internship Program and Apprenticeship Program**

1. The Borrower, through the ONE, shall provide Apprenticeship Payments and Internship Payments to selected Apprenticeship Beneficiaries and Internship Beneficiaries, respectively to finance all or a portion of the costs of participation in the Apprenticeship Program and Internship Program under Part B.1 and B.2 of the Project, respectively in a manner acceptable to the Bank, and in accordance with the eligibility criteria and procedures and on terms and conditions as further detailed in the PM.
2. The Borrower, through the ONE shall ensure that the Apprenticeship Payments and Internship Payments are carried out with due diligence and efficiency and in accordance with sound technical, financial, and managerial standards and practices acceptable to the Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to the recipients of the Apprenticeship Payments and Internship Payments proceeds other than the Borrower.

**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 indicators 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 forty-five (45) days 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. Without limitation on the provisions of Part A of this Section, 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. 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 employ, not later than four (4) months after the Effective Date, the external auditor referred to in Section 5.09 (b) of the General Conditions in accordance with Section III of Schedule 2 to this Agreement and pursuant to terms of reference satisfactory to the Bank.
5. The Borrower shall acquire and install, not later than three (3) months after the Effective Date, and thereafter maintain, a computerized accounting system 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; (d) Direct Contracting; and (e) Procurement from UN Agency.
3. Each bidding document and contract financed out of the proceeds of the Loan shall provide that: (a) 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: (i) 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 (ii) 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; (b) invitations to bid shall be advertised in national newspapers with wide circulation; (c) the bid evaluation, qualification of bidders and contract award criteria shall be clearly indicated in the bidding documents; (d) 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; (e) eligible bidders, including foreign bidders, shall be allowed to participate; (f) 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 firm shall not be a condition for participation in a bidding process; (g) 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 (h) 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.

**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.

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in EUR)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consultants' services, Training and Operating Costs for the Project	55,402,500	100%
(2) Performance-Based Payments under Part A.2.(b) of the Project	29,883,000	100% of amounts disbursed, payable under the respective Performance Based Contract.
(3) Apprenticeship Payments under Part B.1.(a) of the Project	4,728,000	100% of amounts disbursed, payable under the respective Apprenticeship Payment.
(4) Internship Payments under Part B.2.(a) of the Project	2,175,000	100% of amounts disbursed, payable under the respective Internship Payment.
(5) Sub-Grants under Part B.3.(e) of the Project	2,175,000	100% of amounts disbursed, payable under the respective Sub-Grant Agreement.
(6) Front-end Fee	236,500	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(7) Interest Rate Cap or Interest Rate Collar premium		Amount due pursuant to Section 2.08(c) of this Agreement
<b>TOTAL AMOUNT</b>	<b>94,600,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

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

- (a) for payments made prior to the date of this Agreement;
- (b) under categories (2), (3), (4) and (5), until and unless the Borrower has prepared and adopted the Procedures Manual in accordance with the provisions of Section I.B of Schedule 2 to this Agreement.

2. The Closing Date is December 31, 2021.

**Section V. Other Undertakings**

The Borrower shall ensure that: (a) a comprehensive record keeping system for the PCU has been established in a manner satisfactory to the Bank by not later than three (3) months after the Effective Date; and (b) a procurement training has been provided to appropriate staff responsible for Project implementation by not later than two (2) months after the Effective Date.

### 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.

<b>Principal Payment Date</b>	<b>Installment Share (Expressed as a Percentage)</b>
On each May 15 and November 15 Beginning May 15, 2021 through May 15, 2035	3,33%
On November 15, 2035	3.43%

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: (a) 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 (b) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.



## APPENDIX

### Definitions

1. “Annual Work Plan and Budget” means each annual work plan together with the related budget for the Project approved by the Bank pursuant to the provision of Section I.C.2 of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants,” dated October 15, 2006 and revised in January 2011.
3. “ANPI-Gabon” and “National Agency for the Promotion of Investments” each means the Borrower’s agency responsible for investment promotion and support to business development established and operating pursuant to the Borrower’s Decree No. 0311/PR/MPIHAT of September 25, 2014, or any successor thereto, as amended from time to time.
4. “Apprenticeship Beneficiary” means a person eligible (with limited education and between the age of 16-24 years) to receive an Apprenticeship Payment in accordance with the provisions of Section H of Schedule 2 to this Agreement, under the Apprenticeship Program as further detailed in the PM; and “Apprenticeship Beneficiaries” means more than one Apprenticeship Beneficiary.
5. “Apprenticeship Payment” means a payment in the form of a non-refundable grant, in an amount acceptable to the Bank, by the ONE to an eligible Apprenticeship Beneficiary under Part B.1(a) of the Project comprising stipends, accident and medical insurance coverage, made or to be made in accordance with the provisions of the PM; and “Apprenticeship Payments” means more than one Apprenticeship Payment.
6. “Apprenticeship Program” means a program aimed at facilitating apprenticeships for Apprenticeship Beneficiaries, as further detailed in the PM.
7. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
8. “CEMAC” means the public Economic and Monetary Community of Central Africa (*Communauté Economique et Monétaire des Etats de l’Afrique Centrale*).
9. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).

10. “Displaced Person” means a person who, on account of the execution of an activity under the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets, or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; “Displaced Persons” means all such persons.
11. “Environmental and Social Impact Assessment” and “ESIA” each means, for a given activity included in the Project, the environmental and social impact assessment for said activity to be carried out in accordance with the ESMF and pursuant to provisions of Section I.E.2 of Schedule 2 to this Agreement.
12. “Environmental and Social Management Plan” and “ESMP” each means an environmental and social management plan for the Project to be prepared and implemented in accordance with the ESMF and pursuant to the provisions of Section I.E.2 of Schedule 2 to this Agreement; and “ESMPs” means more than one ESMP.
13. “Environmental and Social Management Framework” and “ESMF” each means the Borrower’s framework entitled “Environmental and Social Management Framework,” disclosed in the Borrower’s territory on November 16, 2014, and at the Bank’s *Infoshop* on November 26, 2015, detailing: (a) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels; and (b) the actions needed to implement these measures, including monitoring and institution strengthening.
14. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans,” dated March 12, 2012, with the modifications set forth in Section II of this Appendix.
15. “General Direction of Human Resources” means the public entity within the ministry responsible for labor and employment established and operating pursuant to the Borrower’s Decree No. 1189/PR/MRH of July 19, 1985, as amended from time to time, or any successor thereto.
16. “FIR” and “Insertion and Reinsertion Fund” each means an entity responsible for providing financing for supplemental internships and training established pursuant to the Borrower’s presidential order No. 0009/93/PR dated October 1, 1993 and operating pursuant to Decree No. 000273/PR/MINTRHFP dated March 9, 1994, or any successor thereto.
17. “ICT” means information and communication technology.

18. "Internship Program" means a program aimed at facilitating internships for Internship Beneficiaries, as further detailed in the MP.
19. "Internship Payment" means a payment in the form of a non-refundable grant, in an amount acceptable to the Bank, by the ONE to an eligible Internship Beneficiary under Part B.2(a) of the Project comprising stipends, accident and medical insurance coverage, made or to be made in accordance with the provisions of the MP; and "Internship Payments" means more than one Internship Payment.
20. "Internship Beneficiary" means a person eligible (with a study degree and between the age of 16-24 years) to receive an Internship Payment in accordance with the provisions of Section H of Schedule 2 to this Agreement, under the Internship Program as further detailed in the MP; and "Internship Beneficiaries" means more than one Internship Beneficiary.
21. "Ministry of Vocational Training and Youth Integration" and "MFPIJ" each means the Borrower's ministry in charge of vocational training, or any successor thereto.
22. "National Observatory on Employment and Training" means the Borrower's agency established and operating pursuant to Decree No. 1189/PR/MRH of July 19, 1985, as amended from time to time, or any successor thereto.
23. "National Office for Employment" and "ONE" each means the Borrower's organization established and operating pursuant to established pursuant to the Borrower's presidential order No. n° 0008/93/PR dated October 1, 1993 and operating pursuant to Decree No. 000272/PR/MINTRHFP dated March 9, 1994, or any successor thereto.
24. "Operating Costs" means the incremental operating expenses, approved by the Bank under each Annual Work Plan and Budget, on account of the Project, including utilities and offices supplies, vehicle operation, maintenance and insurance, building and equipment maintenance costs, travel and supervision costs, and *per diem*, but excluding the salaries of officials and public servants of the Borrower's civil service.
25. "Performance-Based Contract" and "PBC" each means the agreement referred to under Section I.F.1 of Schedule 2 to this Agreement and entered into between the Borrower, acting through MFPIJ and a selected PBC Beneficiary and pursuant to which such PBC Beneficiary receives from time to time, Performance-Based Payments for the implementation of PBCs under Section Part A.2(b) of the Project.
26. "PBC Beneficiary" means a TVET Center or a private sector organization established and operating under the laws of the Borrower, that has met the

eligibility criteria set forth in Section I.F of Schedule 2 to this Agreement, and elaborated in the PM, pursuant to which the Borrower makes Performance Based Payments for the carrying out of PBCs under Part A.2(b) of the Project; and “PBC Beneficiaries” means more than one such beneficiary.

27. “Performance-Based Payments” and “PBP” each means any payments made or proposed to be made out of the proceeds of the Loan by the Borrower to an eligible PBC Beneficiary under a Performance-Based Contract in accordance with Section I.F of Schedule 2 to this Agreement, to finance PBCs under Part A.2(b) of the Project.
28. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
29. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated December 18, 2015 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.
30. “Project Coordination Unit” and “PCU” each means the unit to be established under the Project in accordance with Section I.A.2 of Schedule 2 to this Agreement.
31. “Procedures Manual” and “PM” each means the Borrower’s manual for the Project to be prepared and adopted in accordance with the provisions of Section I.B of Schedule 2 to this Agreement.
32. “Resettlement Action Plan” and “RAP” each means a resettlement action plan for the Project to be prepared and implemented in accordance with the Resettlement Policy Framework and pursuant to the provisions of Section E.1 of Schedule 2 to this Agreement; and “RAPs” means more than one RAP.
33. “Resettlement Policy Framework” and “RPF” each means the Borrower’s framework entitled “Resettlement Policy Framework”, disclosed in the Borrower’s territory on November 16, 2014, and at the Bank’s *Infoshop* on November 25, 2014 and containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons.
34. “Safeguard Instruments” means, collectively, the Safeguards Frameworks and any ESIA, ESMP, RAP, or other supplemental social and environmental safeguard documents as required under the terms of the Safeguard Frameworks.

35. “Steering Committee” means the committee to be established under the Project in accordance with Section I.A.1 of Schedule 2 to this Agreement.
36. “Sub-Grant” means a grant made or to be made by the Borrower to a Sub-Grant Beneficiary, out of the proceeds of the Loan to finance goods, works and services required to carry out a Sub-project under Part B.3(e) of the Project.
37. “Sub-Grant Beneficiary” means a natural person between the ages of 16 and 34, to which the Borrower has extended a Sub-Grant to finance a startup business under Part B.3(e) of the Project pursuant to a Sub-Grant Agreement; and “Sub-Grant Beneficiaries” means more than one such beneficiary.
38. “Sub-Grant Agreement” means an agreement between the Borrower and a Sub-Grant Beneficiary providing for a Sub-Grant under Part B.3(e) of the Project.
39. “Sub-project” means a specific development project under Part B.3 of the Project to be carried out by a Sub-Grant Beneficiary out the proceeds of a Sub-Grant; and “Sub-projects” means more than one Sub-project.
40. “Training” means the training of persons involved in Project-supported activities, such term including, seminars, workshops, and study tours, and costs associated with such activity include travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.
41. “TVET” means technical and vocational education and training.
42. “TVET Center” means a center for technical education or a center for vocational training in the Borrower’s territory, established and operating pursuant to the laws of the Borrower, and any successor thereto; and “TVET Centers” means more than one TVET Center.

## **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 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).”