

**OFFICIAL  
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**LOAN NUMBER 8341-GA**

# **Loan Agreement**

**(Investment Promotion and Competitiveness Project)**

**between**

**GABONESE REPUBLIC**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**Dated** *April 9* **, 2014**

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**LOAN NUMBER 8341-GA**

**LOAN AGREEMENT**

AGREEMENT dated April 9, 2014, 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 thirteen million one hundred thousand Euros (EUR 13,100,000) ("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. The Borrower shall pay the Front-end Fee not later than 60 days after the Effective Date.
- 2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.
- 2.05. The Payment Dates are March 1 and September 1 in each year.

- 2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; and (ii) a change of the interest rate basis applicable to: (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.
- (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.
- 2.08. Without limitation upon the provisions of paragraph (a) of Section 2.07 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 converted from the initial Variable Rate to a Fixed Rate for the full maturity of such amount in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

### **ARTICLE III — PROJECT**

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall, through MIP, carry out the Project in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**ARTICLE IV — EFFECTIVENESS; TERMINATION**

- 4.01. The Additional Conditions of Effectiveness consist of the following:
- (a) ANPI-Gabon has been established under terms and conditions and with a mandate acceptable to the Bank.
  - (b) The Project Operational Manual has been adopted in accordance with Section I.B of Schedule 2 to this Agreement.
  - (c) The PCU has been established and staffed in accordance with Section I.A.3 of Schedule 2 to this Agreement.
  - (d) The Steering Committee has been established and staffed in accordance with Section I.A.1 of Schedule 2 to this Agreement.
  - (e) The Technical Committee has been established and staffed in accordance with Section I.A.2 of Schedule 2 to this Agreement.
- 4.02 The Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.

**ARTICLE V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Borrower's Representative is the Minister in charge of economy.
- 5.02. The Borrower's Address is:

Ministry of Economy, Finance, Budget and Privatization  
B.P. 165  
Libreville  
Gabonese Republic

Facsimile:

(241) 763-430

5.03. 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: Christophe ARAGHA-MBA  
Title: Ministre de l'Economie et  
de la Prospective.

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By 

Authorized Representative

Name: Gregor Binkert  
Title: Country Director

## SCHEDULE 1

### Project Description

The objectives of the Project are to contribute to the improvement of the investment climate and to foster enterprise development in the Borrower's territory.

The Project consists of the following parts:

#### **Part A. Institutional Development to Improve Business Climate**

1. Contribution to the Design of ANPI-Gabon

Carrying out a program of activities aimed at building the operational capacity of ANPI-Gabon through: (a) the development of: (i) required operational tools including strategic plans, business plans, a communication strategy, and any other necessary documents for ANPI-Gabon's operations; (ii) Training in skills required for investment assistance; and (iii) awareness campaigns; and (b) provision of goods required for the purpose.

2. Promoting Investments in Targeted Sectors

Developing the Borrower's investment promotion capacity to effectively perform its investment promotion and outreach role, through the: (a) provision of technical assistance to develop and implement investment promotion and communication strategies and related action plans; (b) acquisition of an investor tracking system and provision of Training in said system; (c) provision of Training to the Borrower's staff in embassies and ANPI-Gabon staff posted abroad to better respond to requests for information and expressions of interests from potential foreign investors; (d) development and implementation of a foreign investors' survey on investment in the Gabonese Republic; (e) development of simplified regulations for investors' visa procedures; (f) carrying out a feasibility study for the creation of a special counter for investors' visas at the Borrower's airports; and (g) provision of goods required for the purpose.

3. Creation of a Business Registry

Developing a streamlined business registry and a web-based platform with a unified e-database to facilitate business registration; and provision of related Training, awareness campaigns, and goods required for the purpose.

## **Part B. Support Enterprise Development**

### 1. Support to Enterprises

- (a) Strengthening ANPI-Gabon's capacity to provide support to SMEs through the development of targeted strategies, action plans, workshops and forums, and provision of goods required for the purpose.
- (b) Establishing a women's business center aimed at offering tailored services to improve their access to enterprise development, such as flexible and extended hours, in-house child care, and distance learning; all through the development of, *inter alia*, distance learning platforms, communication and outreach Training, strategies and action plans, and provision of goods required for the purpose.
- (c) Establishing an information and documentation desk to increase awareness of business opportunities and business practices in the Gabonese Republic, including the: (i) carrying out of studies to map licensing and services procedures with industry-specific business; (ii) dissemination of a SMEs guide; and (iii) provision of goods required for the purpose.
- (d) Strengthening the Borrower's export promotion capacity, through *inter alia*: (i) developing related strategies and business plans to promote exports; (ii) assisting in compliance with procedures and norms in the export sector; (iii) organizing business and trade development tours; (iv) developing and disseminating an exports guide for SMEs and targeted markets; and (v) provision of goods required for the purpose.
- (e) Improving SMEs access to financial products through the review and assessment of financial instruments accessible to SMEs in the Gabonese Republic.

### 2. Enterprises Business Plan Competition

Organizing a business plan competition aimed at assisting entrepreneurs in launching new businesses in different economic sectors, through: (a) organization of an information campaign to raise awareness and invite proposals for new business ideas; (b) selection of most promising business concepts; (c) support in the drafting of business plans and provision of required Training in the areas of business planning and entrepreneurship; (d) provision of Sub-Grants to selected Beneficiaries as seed capital for specific development projects; and (e) technical assistance and mentoring for the carrying out of Sub-projects.

3. Support to the Chamber of Commerce
  - (a) Strengthening the capacity of the Borrower's chamber of commerce for the delivery of effective business development services through the provision of technical advisory services.
  - (b) Construction and rehabilitation of the Borrower's chamber of commerce buildings to host conferences and multimedia events.

**Part C. Project Management and Public-Private Dialogue**

1. Support to the Borrower in the areas of Project coordination, supervision, financial management, communication and outreach, procurement, supervision of implementation of the Safeguards Instruments, including through the provision of Training, Operating Costs, goods and services for the required purpose.
2. Promoting public-private dialogue in the Borrower's territory through the establishment of a presidential investment council, including representatives from the private and public sectors to be responsible for promoting reforms aimed at improving the investment climate and provision of Training to related staff.



## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

##### 1. Steering Committee

The Borrower shall establish, 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 MIP and comprised of representatives of key ministries and agencies, to be responsible for providing overall guidance and strategic support to the Project, including, *inter alia*, endorsing the proposed Annual Work Plan and budget for the Project (the "Steering Committee").

##### 2. Project Technical Committee

The Borrower shall establish, and thereafter maintain, throughout the Project implementation period, with composition, mandate and resources satisfactory to the Bank, a technical committee, to be chaired by the MIP and comprised of technical staff from key ministries and agencies, to be responsible for validation of day-to-day Project activities where needed to the Project, including, *inter alia*, approving the proposed Annual Work Plan and budget for the Project (the "Technical Committee").

##### 3. Project Coordination Unit

In order to ensure proper and efficient implementation of the Project, the Borrower shall establish and thereafter maintain, at all times during Project implementation, a Project coordination unit within MIP, with a mandate, staffing and other resources satisfactory to the Bank ("Project Coordination Unit" or "PCU"). To this end, the Project Coordination Unit shall be: (a) comprised of qualified and competent staff in adequate numbers; including a Project coordinator, a Project manager, a procurement specialist, a financial management specialist; a monitoring and evaluation specialist, and an accountant; and (b) responsible for day-to-day Project coordination and implementation, including: (i) carrying out Project financial management and procurement activities; (ii) preparing Annual Work Plans; (iii) ensuring compliance with Safeguard Instruments for Project activities; and (iv) monitoring and evaluating Project activities and preparing Project progress reports and monitoring and evaluation reports.

4. CN-TIPPEE

In order to ensure proper implementation of the Project, the Borrower shall ensure that, for the duration of the Project or as otherwise agreed with the Bank, the CN-TIPPEE shall be maintained with a mandate, composition and resources satisfactory to the Bank to be responsible for technical assistance to the PCU in financial management and procurement.

**B. Project Operational Manual**

1. The Borrower shall prepare, in accordance with terms of reference acceptable to the Bank, and furnish to the Bank a proposed operational manual for the Project containing detailed: (a) implementation; (b) administrative; (c) procurement; (d) financial management and accounting; (e) monitoring and evaluation procedures and arrangements; and (f) a grievance mechanism for the Project. Said manual to further include, *inter alia*, an elaboration of the eligibility criteria and terms and conditions, and procedures for preparation, approval and monitoring and evaluation, of Sub-Grants.
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 (“Project Operational Manual” and “POM”).
3. The Borrower shall carry out the Project in accordance with the Project Operational Manual; and shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned 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 the Project Operational Manual and those of this Agreement, the provisions of this Agreement shall prevail.

**C. Annual Work Plan**

1. The Borrower shall prepare, in accordance with terms of reference acceptable to the Bank, and furnish to the Bank no later than October 1 of each calendar year throughout the implementation of the Project, a work plan 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: (i) afford the Bank a reasonable opportunity to exchange views with the Borrower on such proposed work plan; and, thereafter, (ii) carry out such work plan during the period covered by said plan, according to such budget, both as shall have been approved by the Bank (“Annual Work Plan”).

3. Only such activities as shall have been included in the Annual Work Plan shall be eligible for inclusion in the Project and for financing out of the proceeds of the Loan.

**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 ensure that the Project is carried out in accordance with the provisions of the ESMF, and to that end, if any activity included in an Annual Work Plan would, pursuant to the ESMF, require the adoption of any ESMP:
  - (a) (i) prepare such ESMP and furnish it to the Bank for review and approval; and thereafter, (ii) adopt such ESMP prior to implementation of the activity in question; and
  - (b) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such ESMP.
2. Without limitation upon its other reporting obligations under this Agreement, the Borrower shall regularly collect, compile and submit to the Bank every calendar semester, reports, in form and substance satisfactory to the Bank, on the status of compliance with the Safeguard Instruments, giving details of:
  - (a) measures taken in furtherance of such Safeguard Instruments;
  - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Instruments; and
  - (c) remedial measures taken or required to be taken to address such conditions.
3. The Borrower shall afford the Bank a reasonable opportunity to review the reports prepared under paragraph 2 of this Part E, 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 Safeguard Instruments.

**F. Sub-projects**

1. The Borrower shall make Sub-Grants to Beneficiaries for Sub-projects in accordance with eligibility criteria and procedures set forth in the POM 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 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 Project Operational Manual, 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.F.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 or a legal entity established and operating under the laws of the Borrower 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: (i) of all Sub-Grants to a single Beneficiary shall not exceed the equivalent of €58,000; and (ii) of each Sub-Grant for a Sub-project shall not exceed: (A) €58,000 in the case of a medium enterprise; and (B) €29,000 in the case of a small enterprise.
  - (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 Bank.
2. The Borrower shall make each Sub-Grant under a Sub-Grant Agreement with the respective 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.

**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) 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 to 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, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Bank not later than six 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 of this Agreement and pursuant to terms of reference satisfactory to the Bank.

5. The Borrower shall, not later than three (3) months after the Effective Date, acquire, install, and, thereafter maintain an accounting software acceptable to the Bank, for the Project.

**Section III. Procurement**

**A. General**

1. **Goods, Works, and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods, Works and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding, subject to the provisions of paragraph 3 of this Section III.B; (c) Shopping; and (d) Direct Contracting.
3. Each bidding document and contract financed out of the proceeds of the Loan shall provide that: (a) the bidders, suppliers, contractors and their subcontractors, agents, personnel, consultants, service providers, or suppliers shall permit the Bank, at its request, to inspect all accounts, records and other documents relating to the submission of bids and contract performance, and to have said accounts and records audited by auditors appointed by the Bank; and (b) the deliberate

and material violation of such provision may amount to an obstructive practice as defined in paragraph 1.16 (a)(e) of the Procurement Guidelines: (i) invitations to bid shall be advertised in national newspapers with wide circulation; (ii) the bid evaluation, qualification of bidders and contract award criteria shall be clearly indicated in the bidding documents; (iii) 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; (iv) eligible bidders, including foreign bidders, shall be allowed to participate; (v) 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; (vi) 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; (vii) 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 the Consultants' Qualifications, (e) Single-Source Selection, and (f) 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 Euro)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, Operating Costs, Training, and consultants’ services for the Project	9,200,000	100%
(2) Sub-Grants under Part B.2(d) of the Project	1,700,000	100% of amounts disbursed, payable under the respective Sub-Grants
(3) Refund of the Preparation Advance	2,200,000	Amount payable pursuant to Section 2.07 of the General Conditions
<b>TOTAL AMOUNT</b>	<b>13,100,000</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 (other than to repay the Preparation Advance) until the Bank has received payment in full of the Front-end Fee.
2. The Closing Date is May 31, 2019.

**Section V. Other Undertakings**

1. The Borrower shall ensure that: (a) a comprehensive record keeping system for the PCU has been established in a manner satisfactory to the Borrower, 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 March 1 and September 1  Beginning March 1, 2018 through September 1, 2033	3,03%
March 1, 2034	3,04%

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

### Section I. Definitions

1. “Annual Work Plan” 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” means “*Agence Nationale de Promotion des Investissements du Gabon*”, the Borrower’s investment promotion agency, to be established in accordance with the Borrower’s laws and regulations, as the same may be amended from time to time.
4. “Beneficiary” means a SME to which the Borrower has extended a Sub-Grant under a Sub-Grant Agreement for a Sub-project; and “Beneficiaries” means more than one Beneficiary.
5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
6. “CEMAC” means “*Communauté Économique des États de l’Afrique Centrale*”, the Economic Community of Central African States of which to the Borrower is a member.
7. “CN-TIPPEE” means the Borrower’s National Commission – Labor Intensive Small-Scale Public Infrastructure Works (“*Commission Nationale – Travaux d’Intérêt Public pour la Promotion de l’Entrepreneuriat et de l’Emploi*”), established and operating pursuant to the Borrower’s Ministerial Decision (*Arrêté*) No. 00007/PRIMPPD dated January 4, 2006, as the same may be amended from time to time, and responsible for carrying out projects which are in the public interest on behalf of all stakeholders (the government, regional and local administrations, non-governmental organizations or donors) with a view to implement best practices and sound governance.
8. “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.
9. “Environmental and Social Management Plan” and “ESMP” 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.1(a) of Schedule 2 to this Agreement; and “ESMPs” means more than one ESMP.

10. “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 January 20, 2014, and at the Bank’s *Infoshop* on January 23, 2014, 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.
11. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated March 12, 2012.
12. “MIP” means the Borrower’s Ministry in charge of investment promotion, or any successor thereto acceptable to the Bank.
13. “Operating Costs” means the incremental operating expenses, approved by the Bank under each Annual Work Plan, on account of the Project, including office supplies, short message service fees, mobile transfer fees, travel and supervision costs, *per diem*, but excluding the salaries of officials and public servants of the Borrower’s civil service.
14. “Preparation Advance” means the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Bank to the Borrower pursuant to the letter agreement signed on behalf of the Bank on July 1, 2013 and on behalf of the Borrower on July 9, 2013.
15. “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.
16. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated January 30, 2014 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.
17. “Project Coordination Unit” and “PCU”, each means the unit to be established under the Project in accordance with Section I.A.3 of Schedule 2 to this Agreement.
18. “Project Operational Manual” and “POM” each means the manual for the Project to be prepared and adopted in accordance with the provisions of Section I.B. of Schedule 2 to this Agreement.

19. "Safeguard Instruments" means, collectively, the ESMF and the ESMPs.
20. "SME" means small-and-medium enterprises established under the laws of the Borrower.
21. "Steering Committee" means the steering committee to be established under the Project in accordance with Section I.A.1 of Schedule 2 to this Agreement.
22. "Sub-Grant" means a grant made or to be made by Borrower to a Beneficiary, out of the proceeds of the Loan to finance goods, works and services required to carry out a Sub-project.
23. "Sub-Grant Agreement" means an agreement between the Borrower and a Beneficiary providing for a Sub-Grant.
24. "Sub-project" means a specific development project under Part B.2 of the Project to be carried out by a Beneficiary out the proceeds of a Sub-Grant; and "Sub-projects" means more than one Sub-project.
25. "Technical Committee" means the technical committee to be established under the Project in accordance with Section I.A.2 of Schedule 2 to this Agreement.
26. "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.