

LOAN NUMBER 8564-GA

Loan Agreement

Infrastructure and Local Development Project II

between

GABONESE REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated *January 14th*, 2016

LOAN NUMBER 8564-GA

LOAN AGREEMENT

AGREEMENT dated January 14th, 2016, between the 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, in the amount of ninety million nine hundred thousand Euros (EUR 90,900,000) as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

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- 2.06. The Payment Dates are January 15 and July 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.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.
- 2.09. Without limitation upon the provisions of paragraph (a) of Section 2.08 of this Agreement and unless otherwise notified by the Borrower to the Bank in accordance with the provisions of the Conversion Guidelines, the interest rate basis applicable to the aggregate principal amount of the Loan withdrawn during each Interest Period shall be changed from the initial Variable Rate to a Fixed Rate for the full maturity of such amount in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

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ARTICLE III — PROJECT

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

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Condition of Effectiveness consists of the following, namely, that the Project Implementation Manual has been adopted in accordance with Section I.B. of the 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. Except as provided in Section 2.02 of this Agreement, the Borrower's Representative is its minister responsible for economy.

- 5.02. The Borrower's Address is:

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

Telex: 5409 GO Facsimile: (241) 77 35 90

- 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

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Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391

AGREED at Libreville, Gabonese Republic, as of the day and year first above written.

GABONESE REPUBLIC

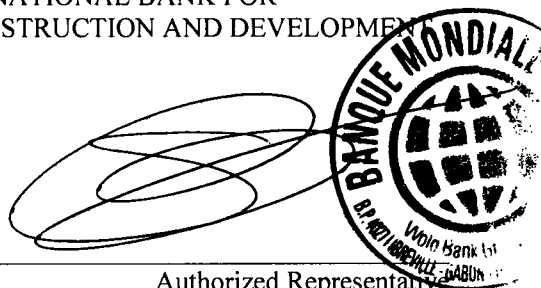


By

Authorized Representative

Name: S.E.N. Régis Immongault
Title: Ministre du développement

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT



By

Authorized Representative

Name: Madame Sylvie Dossou
Title: Représentant Résident Banque
Mondiale

SCHEDULE 1

Project Description

The objectives of the Project are to improve access to urban infrastructure and services in selected underserved neighborhoods and to build basic capacities for municipal management in Target Cities.

The Project consists of the following parts:

Part A. Improving Urban Infrastructure to Increase Access to Services

Carrying out investment activities to improve connectivity and access to primary infrastructure in Target Cities, through *inter alia*: (a) upgrading of selected urban roads; (b) financing of further urban priorities determined on the basis of the City Development Plan for each Target City, including drainage, water and sewerage and other municipal infrastructure activities; and (c) road rehabilitation works in the cities of Oyem.

Constructing and/or rehabilitating basic service investments and infrastructure as determined on the basis of the Neighborhood Development Plan for each selected neighborhood within Target Cities, including *inter alia*: (a) access roads; (b) water and sanitation works; (c) secondary drainage systems; (d) health centers and schools; and (e) local markets.

Part B. Building Institutional Development to Strengthen the Capacity of the Urban Sector

1. Providing technical assistance to Target Cities for, *inter alia*: (a) elaboration of City Development Plans, to determine investment priorities and needs in Target Cities; (b) elaboration of Neighborhood Development Plans, to determine investment priorities in selected neighborhoods; (c) elaboration of Urban Master Plans, to guide long term urban development objectives in Target Cities; (d) enhancement of revenue collection and financial management through the improvement of systems for tax collection; (e) establishment of municipal technical services, including municipal asset management system; (f) supporting municipal organization; and (g) handling specific demands from municipalities, including asset management, financial management and urban planning.
2. Carrying out a program of activities to build the capacity of the government and decentralized ministerial departments through, *inter alia*: (a) Training, technical assistance and provision of equipment and goods for assistance in municipal management; (b) elaboration and operationalization of rules and procedures governing decentralization and local government finance and conducting public consultations; (c) organization of Training and workshops on said rules and

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procedures; (d) preparation of a financial management manual for local governments; (e) carrying out of feasibility studies on transfer mechanism to local governments; (f) assistance in development of a national urban sector strategy; and (g) development of a national solid waste management strategy.

3. Strengthening the Borrower's SMEs sector through, *inter alia*: (a) carrying out a study on the SME sector dynamics and financing environment; and (b) provision of a Training to SMEs in technical areas such as bid preparation, general company finances, labor-intensive construction techniques, environmental and social safeguard management, and social awareness and responsibilities.
4. Strengthening civil society through, *inter alia*: (a) recruitment of community facilitators to support local communities' involvement in the urban sector development process; (b) Training in urban development issues, management of neighborhood infrastructure and equipment; and (c) support for the establishment of collaboration mechanisms between community based organizations and Target Cities.

Part. C: Project Management, coordination, monitoring and evaluation of the Project

Support to the Borrower in the areas of Project coordination, supervision, financial management, procurement, monitoring and evaluation, communication, audits, and preparation and supervision of implementation of the Safeguard Instruments, preparation of related surveys, including through the provision of Training, Operating Costs, goods and services for the required purpose.

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SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. Project Steering Committee

The Borrower shall establish, not later than one month and thereafter maintain, throughout the Project implementation period, with composition, mandate and resources satisfactory to the Bank, a steering committee chaired by the Minister responsible for economy and comprised of ministries concerned by Project activities, including the ministries responsible for economy, environment, decentralization, budget, poverty reduction, land management, SMEs, cities, urban planning and the mayor's association of Gabon, 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 Coordination Unit

In order to ensure proper and efficient implementation of the Project, the Borrower shall maintain, at all times during Project implementation, the CN-TIPEE, with a mandate, staffing and other resources satisfactory to the Bank to be the a coordination unit for the Project ("Project Coordination Unit" or "PCU"). To this end, the Project Coordination Unit shall: (a) be comprised of qualified and competent staff in adequate numbers; including a Project coordinator, a procurement specialist; a financial management specialist; a monitoring and evaluation specialist, an environmental and social safeguard specialist, an accountant; (b) not later than 3 months after the Effective Date, employ and thereafter maintain, at all times during Project implementation or as agreed with the Bank, an assistant permanent secretary, an environmental safeguard specialist, an additional accountant and an additional procurement specialist, each of whose qualifications, experience, and terms of reference shall be acceptable to the Bank; and (c) 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; (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.

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3. City-level Implementation Arrangements

- (a) The Borrower, through the CN-TIPEE shall enter into an agreement with each of the Target City (“Delegated Management Agreement”) pursuant to which: (i) the responsibilities of the Borrower and said Target City, specifically, the responsibilities of said Target City in respect of the implementation of the Project are set forth clearly; and (ii) the Target City undertakes to carry out said responsibilities 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 and each Safeguard Documents relevant to its activities; each Target City undertakes to provide such other assistance to the Borrower for said implementation, including access to municipal infrastructure and utilities, in an appropriate and timely manner, as and when required in order to enable the Borrower through the CN-TIPEE to carry out its responsibilities under this Agreement.
- (b) The Borrower shall, not later than one (1) months after the Effective Date, enter into a contract with each of the Target Cities, setting forth an action plan to be implemented and financial targets to be met by each of the Target Cities, and on the basis of which funds are to be allocated by the Borrower to the Target City for such action plan (“City Contract”).
- (c) Each Target Cities shall, not later than one (1) months after the Effective Date establish and thereafter maintain throughout Project implementation, with composition, mandate and resources satisfactory to the Bank, a Planning and Monitoring Committee chaired by the mayor of each municipality to ensure the implementation of Project activities.
- (d) The Borrower shall ensure the establishment of Neighborhood Development Committees in each selected neighborhood to facilitate the participation of beneficiaries living in Target Cities in Project implementation activities.
- (e) The Borrower shall ensure that the City Contracts and Delegated Management Agreements shall be implemented with due diligence and efficiency, and shall exercise its rights and carry out its obligations under said contracts and agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Financing. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive any of said contracts or agreement or any of its provisions.



B. Project Implementation Manual

1. The Borrower shall prepare, in accordance with terms of reference acceptable to the Bank, and furnish to the Bank a proposed implementation manual for the Project containing detailed: (a) implementation; (b) administrative; (c) procurement; (d) financial management and accounting; (e) social and environmental; (f) monitoring and evaluation, procedures and arrangements; and (g) a grievance mechanism for the Project.
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 Implementation Manual" and "PIM").
3. The Borrower shall carry out the Project in accordance with the Project Implementation 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 Implementation 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 November 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: (a) afford the Bank a reasonable opportunity to exchange views with the Borrower on such proposed work plan; and, thereafter, and (b) 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.

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E. Safeguards.

1. The Borrower shall ensure that the Project is carried out in accordance with the Safeguard Instruments and to that end, if any activity included in an Annual Work Plan would, pursuant to the Safeguard Frameworks, require the adoption of any Safeguard Document, the Borrower shall, prior to the commencement of any said activity:
 - (a) (i) prepare such Safeguard Document and furnish it to the Bank for review and approval; and (ii) thereafter adopt such Safeguard Document prior to implementation of the activity; and
 - (b) Thereafter take such measure, as shall be necessary or appropriate to ensure compliance with the requirements of such Safeguard Document, including, without limitation to the above, providing funds for resettlement compensation when required under a RAP.
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 Safeguards Instruments; and
 - (b) Material 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.

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 the indicators acceptable to the Bank which shall be set forth in the PIM. Each Project Report shall cover the period of one calendar quarter and shall be furnished to the Bank not later than 45 days after the end of the period covered by such report.

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B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. The Borrower shall prepare and furnish to the Bank not later than 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, not later than three (3) months after the Effective Date, upgrade, and, thereafter maintain its accounting software acceptable to the Bank, for the Project.
5. The Borrower shall employ, not later than three (3) 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.

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

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

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C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (i) Quality-Based Selection, (ii) Selection under a Fixed Budget, (iii) Least-Cost Selection, (iv) Selection based on Consultants' Qualifications, (v) Single Source selection of Consulting firms, (vi) Selection of Individual Consultants, and (vii) 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.

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Category	Amount of the Financing Allocated (expressed in EUR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, consultants' services, Training and Operating Costs for the Project.	22,110,000	100%
(2) Works under Part (A) of the Project	67,180,000	100%
(3) Refund of the Preparation Advance	1,382,750	Amount payable pursuant to Section 2.07(a) of the General Conditions
(4) Front-End Fee	227,250	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(5) Interest Rate Cap or Interest Rate Collar premium		Amount due pursuant to Section 2.08(c) of this Agreement
TOTAL AMOUNT	90,900,000	

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):
 - (a) for payments made prior to the date of this Agreement;
 - (b) under Category (2), until and unless the Delegated Management Agreements have been executed on behalf of the CN-TIPEE and each of Target Cities in accordance with the provisions of Section I.A.3(a) of the Schedule 2 to this Agreement.
2. The Closing Date is January 31, 2021.



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.

Principal Payment Date	Installment Share (Expressed as a Percentage)
On each January 15 and July 15 Beginning January 15, 2021 through January 15, 2035	3.33%
On July 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.

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3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
 - (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

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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. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. "CEMAC" means the Economic and Monetary Community of Central Africa (*Communauté Economique et Monétaire des Etats de l'Afrique Centrale*).
5. "CN-TIPPEE" means the Borrower's National Commission for Labor Intensive Small-Scale Public Infrastructure Works ("*Commission Nationale – Travaux d'Intérêt Public pour la Promotion de l'Entreprenariat et de l'Emploi*"), established and operating pursuant to the Borrower's Ministerial Decision (*Arreté*) 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.
6. "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).
7. "City Contract" means each of the contracts referred to in Section I.A.3.(b) of Schedule 2 to this Agreement, to be entered into between the Borrower and a Target City in accordance with the provisions of said Section.
8. "City Development Plan" means a plan to be developed under the Project setting forth development and investments priorities agreed upon between the communities and a Target City for a 5-year period.
9. "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;

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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.

10. “Environmental and Social Impact Assessment” and “ESIA” each, means for a given activity included in the Project, the environmental and social impact assessment of said activity to be carried out in accordance with the ESMF and pursuant to provisions of Section I.E.1(a) of Schedule 2 to this Agreement; and “ESIAs” means more than one ESIA.
11. “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 July 23, 2015, and at the Bank’s *Infoshop* on August 11, 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.
12. “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.
13. “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.
14. “Delegated Management Agreement” means each of the delegated management agreements referred to in Section I.A.3.(a) of Schedule 2 to this Agreement, to be entered into between the Borrower and a Target City in accordance with the provisions of said Section.
15. “Neighborhood Development Committee” means the committee to be established by the Borrower pursuant to the provisions of Section I.A.3(d) of Schedule 2 to this Agreement.
16. “Neighborhood Development Plan” means the development activities planned and agreed upon between the communities and a Target City, to be implemented at the neighborhood level.
17. “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.

18. "Planning and Monitoring Committee" means the committee to be established by the Borrower pursuant to Section I.A.3.(c) of Schedule 2 to this Agreement.
19. "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 February 11, 2015 and on behalf of the Borrower on March 3, 2015.
20. "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).
21. "Procurement Plan" means the Borrower's procurement plan for the Project, dated November 6, 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.
22. "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.
23. "Project Implementation Manual" and "PIM" 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.
24. "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
25. "Resettlement Policy Framework" and "RPF" each means the Borrower's framework entitled "Resettlement Policy Framework", disclosed in the Borrower's territory on July 23, 2015, and at the Bank's *Infoshop* on August 11, 2015 and containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons.
26. "Safeguard Documents" means any ESIA, ESMP, RAP, or other supplemental social and environmental safeguard documents as required under the terms of the Safeguard Frameworks.
27. "Safeguard Frameworks" means, collectively, the ESMF and the RPF.

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28. "Safeguard Instruments" means, collectively, the Safeguards Frameworks and the Safeguard Documents.
29. "SME" means small-and-medium enterprises established under the laws of the Borrower.
30. "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.
31. "Target Cities" means cities selected for Project implementation, namely: (Libreville, Port-Gentil, Franceville, Oyem, Lambaréné, Mouila, Makokou, Koulamoutou, and Tchibanga).
32. "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.
33. "Urban Master Plan" means a plan to be prepared under the Project which provides recommendations for the development of a city, specifies land use and future extension zones of the city over a period of 10 to 15 years.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

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

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

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

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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)."

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