

CONFORMED COPY

CREDIT NUMBER 4059-DOM

Development Credit Agreement

**(Telecommunications and Information and Communications Technology
Development Project)**

between

COMMONWEALTH OF DOMINICA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 14, 2005

CREDIT NUMBER 4059-DOM

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated _____, 2005, between COMMONWEALTH OF DOMINICA (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Borrower, having satisfied itself as to the feasibility and priority of the project described in Schedule 2 to this Agreement (the Project), has requested the Association to assist in the financing of the Project;

(B) the Project will also be financed by other loans from the International Bank for Reconstruction and Development (the Bank) and credits from the Association, in an aggregate amount equivalent to \$2,173,205 (the Other Loans and Credits) to Grenada, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines (the Other Participating Countries), as provided in the loan agreements and development credit agreements of the same date herewith entered into between each of the Other Participating Countries and the Bank or the Association, as the case may be (the Other Loan and Credit Agreements);

(C) the Project will be carried out by Eastern Caribbean Telecommunications Authority (ECTEL) with the Borrower's and the Other Participating Countries' assistance and, as part of such assistance, the Borrower and the Other Participating Countries will make the proceeds of the Credit, the Loan, and the Other Loans and Credits available to ECTEL, as set forth in this Agreement, and the Other Loan and Credit Agreements; and

WHEREAS the Association has agreed, on the basis, *inter alia*, of the foregoing, to extend the Credit to the Borrower upon the terms and conditions set forth in this Agreement and in the agreement of even date herewith between the Bank and ECTEL (the Project Agreement);

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The “General Conditions Applicable to Development Credit Agreements” of the Association, dated January 1, 1985 (as amended through May 1, 2004) (the General Conditions), with the modifications set forth below (the General Conditions) constitute an integral part of this Agreement:

(a) Section 5.08 of the General Conditions is amended to read as follows:

“Section 5.08. *Treatment of Taxes*

Except as otherwise provided in the Credit Agreement, the proceeds of the Credit may be withdrawn to pay for taxes levied by, or in the territory of, the Borrower on the goods or services to be financed under the Credit, or on their importation, manufacture, procurement or supply. Financing of such taxes is subject to the Association’s policy of requiring economy and efficiency in the use of the proceeds of its credits. To that end, if the Association shall at any time determine that the amount of any taxes levied on or in respect of any item to be financed out of the proceeds of the Credit is excessive or otherwise unreasonable, the Association may, by notice to the Borrower, adjust the percentage for withdrawal set forth or referred to in respect of such item in the Development Credit Agreement as required to be consistent with such policy of the Association.”

(b) Section 6.03 (c) of the General Conditions is amended by replacing the words “corrupt or fraudulent” with the words “corrupt, fraudulent, collusive or coercive”.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions, and in the Preamble to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) “Eastern Caribbean Telecommunications Authority” or “ECTEL” means the entity established as an international organization, with autonomous juridical personality, in accordance with the Treaty Establishing the Eastern Caribbean Communications Authority of May 4, 2000, the terms of which have been adopted by the Borrower pursuant to its Telecommunications Act No. 8 of 2000, as such act may be amended from time to time;

(b) “Eligible Categories” means Categories (1) through (4) set forth in the table in Part A.1 of Schedule 1 of this Agreement;

(c) “Eligible Expenditures” means the expenditures for goods and consultants’ services referred to in Section 2.02 of this Agreement;

(d) “Financial Monitoring Report” or “FMR” means each report prepared in accordance with Section 4.02 of the Project Agreement;

(e) “Financial Policy and Procedures Manual” means the financial policy and procedures manual adopted by ECTEL in December 2004, including all annexes thereto, which sets forth provisions for the financial management of the Project, as the same may be amended from time to time with the prior agreement of the Bank;

(f) “ICT” means information and communications technology as referred to in Schedule 2 of this Agreement;

(g) “National Telecommunications Regulatory Commission” or “NTRC” means the national telecommunications regulatory commissions of each of the Participating Countries, and collectively referred to as NTRCs;

(h) “Participating Countries” means the Borrower and the Other Participating Countries as defined in the Preamble of this Agreement, and “Participating Country” means any of such countries;

(i) “Procurement Plan” means ECTEL’s procurement plan, dated April 2005, covering the initial 18 month period (or longer) of Project implementation, as the same shall be updated from time to time in accordance with the provisions of Section 2.02 to the Project Agreement, to cover succeeding 18 month periods (or longer) of Project implementation;

(j) “Project Agreement” means the agreement between the Bank and ECTEL of even date herewith, as the same may be amended from time to time; and such term includes all schedules and agreements supplemental to the Project Agreement;

(k) “Project Operational Manual” means the operational manual adopted by ECTEL, on April 2005, including all annexes thereto, which sets forth the policies and procedures for carrying out the Project, as the same may be amended from time to time with the prior agreement of the Bank;

(l) “Report-based Disbursements” means the Borrower’s option for withdrawal of funds from the Credit Account referred to in Part A.5 of Schedule 1 of this Agreement;

(m) “Special Account” means the account referred to in Part B of Schedule 1 of this Agreement;

(n) “Subsidiary Loan Agreement” means the agreement to be entered into between the Borrower and ECTEL pursuant to Section 3.01(b) of this Agreement, as the same may be amended from time to time; and such term includes all schedules of the Subsidiary Loan Agreement;

(o) “Treaty” means the treaty referred to in Section 1.02 (a) of this Agreement;

(p) “Universal Service Guidelines” or “USG” means the guidelines referred to under Schedule 2, Part B.1 of this Agreement, adopted by ECTEL and acceptable to the Bank, including all annexes thereto, which set forth the policies and procedures for the carrying out of Part B.3 of the Project, and such guidelines may be amended from time to time with the prior agreement of the Bank; and

(q) “Universal Service Fund” or “USF” means the fund referred to under Schedule 2, Part B.1, of this Agreement.

Section 1.03. Each reference in the General Conditions to the Project implementation entity shall be deemed as a reference to ECTEL.

ARTICLE II

The Credit

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, an amount in various currencies equivalent to four hundred thousand Special Drawing Rights (SDR 400,000).

Section 2.02. The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to the Credit Agreement for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Credit.

Section 2.03. The Closing Date shall be December 31, 2009 or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.04. (a) The Borrower shall pay to the Association a commitment charge on the principal amount of the Credit not withdrawn from time to time at a rate to be set by the Association as of June 30 of each year, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

(b) The commitment charge shall accrue: (i) from the date sixty days after the date of this Agreement (the accrual date) to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or canceled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date and at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The rate set as of June 30 in each year shall be applied from the next date in that year specified in Section 2.06 of this Agreement.

(c) The commitment charge shall be paid: (i) at such places as the Association shall reasonably request; (ii) without restrictions of any kind imposed by, or in the territory of, the Borrower; and (iii) in the currency specified in this Agreement for the purposes of Section 4.02 of the General Conditions or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to the provisions of that Section.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one percent (3/4 of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.06. Commitment charges and service charges shall be payable semiannually on April 15, and October 15, in each year.

Section 2.07. (a) Subject to paragraphs (b), (c) and (d) below, the Borrower shall repay the principal amount of the Credit in semiannual installments payable on each April 15 and October 15 commencing October 15, 2015 and ending April 15, 2040. Each installment to and including the installment payable on April 15, 2025 shall be one and one-fourth percent (1-1/4%) of such principal amount, and each installment thereafter shall be two and one-half percent (2-1/2%) of such principal amount

(b) Whenever: (i) the Borrower's per capita gross national product (GNP), as determined by the Association, shall have exceeded for three consecutive years the level established annually by the Association for determining eligibility to access the Association's resources; and (ii) the Bank shall consider the Borrower creditworthy for Bank lending, the Association may, subsequent to the review and approval thereof by the

Executive Directors of the Association and after due consideration by them of the development of the Borrower's economy, modify the repayment of installments under paragraph (a) above by:

- (A) requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount of the Credit shall have been repaid; and
- (B) requiring the Borrower to commence repayment of the principal amount of the Credit as of the first semiannual payment date referred to in paragraph (a) above falling six months or more after the date on which the Association notifies the Borrower that the events set out in this paragraph (b) have occurred, provided, however, that there shall be a grace period of a minimum of five years on such repayment of principal.

(c) If so requested by the Borrower, the Association may revise the modification referred to in paragraph (b) above to include, in lieu of some or all of the increase in the amounts of such installments, the payment of interest at an annual rate agreed with the Association on the principal amount of the Credit withdrawn and outstanding from time to time, provided that, in the judgment of the Association, such revision shall not change the grant element obtained under the above-mentioned repayment modification.

(d) If, at any time after a modification of terms pursuant to paragraph (b) above, the Association determines that the Borrower's economic condition has deteriorated significantly, the Association may, if so requested by the Borrower, further modify the terms of repayment to conform to the schedule of installments as provided in paragraph (a) above.

Section 2.08. The currency of United States of America is hereby specified for the purposes of Section 4.02 of the General Conditions.

Section 2.09. The Managing Director of ECTEL, and any person whom he or she shall designate in writing, is designated as representative of the Borrower for the purposes of taking any action required or permitted to be taken under the provisions of Section 2.02 of this Agreement and Article V of the General Conditions.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Borrower declares its commitment to the objective of the Project, and, to this end, without any limitation or restriction upon any of its other obligations under the Credit Agreement, shall cause ECTEL to perform in accordance with the provisions of the Project Agreement all the obligations of ECTEL therein set forth, shall take or cause to be taken all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable ECTEL to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(b) The Borrower shall, jointly with the other Participating Countries, enter into a subsidiary loan agreement with ECTEL, under terms and conditions which have been approved by the Bank, for the purposes of governing their respective roles in the carrying out of the Project and making the proceeds of the Credit available to ECTEL.

(c) The Borrower shall exercise its rights under the Subsidiary Loan Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Credit, and, except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Loan Agreement or any provision thereof. In case of any conflict among the terms of the Subsidiary Loan Agreement and those of this Agreement and/or the Other Loan and Credit Agreements, the terms of this Agreement and/or the Other Loan and Credit Agreements shall prevail.

ARTICLE IV

Financial Covenants

Section 4.01. The Borrower shall maintain a financial management system, including records and accounts, and prepare financial statements, all in accordance with consistently applied accounting standards acceptable to the Bank, adequate to reflect its operations, resources and expenditures related to the Project.

ARTICLE V

Remedies of the Association

Section 5.01. Pursuant to Section 6.02 (l) of the General Conditions, the following additional event is specified:

(a) ECTEL shall have failed to perform any of its obligations under the Project Agreement.

(b) As a result of events which have occurred after the date of the Credit Agreement, an extraordinary situation shall have arisen which shall make it improbable that ECTEL will be able to perform its obligations under the Project Agreement.

(c) The Borrower shall have withdrawn from the Treaty, or shall have amended, suspended, abrogated, repealed or waived its Telecommunications Act No. 8 of 2000, so as to affect materially and adversely the ability of ECTEL to perform any of its obligations under the Project Agreement.

(d) Any of the Other Loan and Credit Agreements shall have failed to become effective by October 12, 2005, or such later date as the Bank may agree; provided, however, that the provisions of this paragraph shall not apply if the Borrower establishes to the satisfaction of the Bank that adequate funds for the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

(e) (i) Subject to subparagraph (ii) of this paragraph:

(A) the right of the Borrower, or any of the Other Participating Countries, to withdraw the proceeds of any loan or credit made to the Borrower, or any of the Other Participating Countries, as the case may be, for the financing of the Project shall have been suspended, canceled or terminated in whole or in part, pursuant to the terms of the loan or credit agreements providing therefor, as the case may be; or

(B) any such loan or credit shall have become due and payable prior to the agreed maturity thereof.

(ii) Subparagraph (i) of this paragraph shall not apply if the Borrower, or the Other Participating Countries, establish to the satisfaction of the Bank that: (A) such suspension, cancellation, termination or prematuring is not caused by the failure of the Borrower to perform any of its obligations under such agreement; and (B) adequate funds for the Project are available to the Borrower, or the Other Participating Countries, from other sources on terms and conditions consistent with the obligations of the Borrower, or the Other Participating Countries, under this Agreement.

Section 5.02. Pursuant to Section 7.01 (h) of the General Conditions, the following additional event is specified, namely, that any event specified in paragraphs (a), (c), (d), and (e) of Section 5.01 of this Agreement shall occur and shall continue for a

period of 60 days after notice thereof has been given by the Bank to the Borrower and ECTEL.

ARTICLE VI

Effective Date; Termination

Section 6.01. The following event is specified as an additional condition to the effectiveness of the Development Credit Agreement within the meaning of Section 12.01 (b) of the General Conditions, namely, that:

(a) the Subsidiary Loan Agreement has been executed on behalf of the Borrower and ECTEL;

(b) ECTEL has appointed ECTEL staff, including a project manager, for the carrying out of the activities under the Project, in accordance with Section 3.01 of the Project Agreement; and

(c) ECTEL has customized its financial management software to meet the financial reporting requirements of the Project and of the Treaty.

Section 6.02. The date October 12, 2005, is hereby specified for the purposes of Section 12.04 of the General Conditions.

ARTICLE VII

Representative of the Borrower; Addresses

Section 7.01. Except as provided in Section 2.09 of this Agreement, the Minister of the Borrower at the time responsible for Finance is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Office of the Prime Minister
Government Headquarters
Kennedy Avenue, Roseau
Commonwealth of Dominica

Facsimile: 767-448-0054
For the Association:

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

Cable address:

INDEVAS
Washington, D.C.

Telex:

248423 (MCI) or
64145 (MCI)

Facsimile:

(202) 477-6391

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

COMMONWEALTH OF DOMINICA

By/s/ Judith Ann Rolle

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By/s/ Pamela Cox

Authorized Representative

SCHEDULE 1

Withdrawal of the Proceeds of the Credit

A. General

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Credit, the allocation of the amounts of the Credit to each Category and the percentage of expenditures for items so to be financed in each Category:

<u>Category</u>	<u>Amount of the Credit Allocated (Expressed in SDR Equivalent)</u>	<u>% of Expenditures to be financed</u>
(1) Goods under Parts A, B.1, B.2, C and D of the Project	35,965	100%
(2) Goods under Part B.3 of the Project	102,755	100%
(3) Consultants' services	193,368	85%
(4) Training	25,245	100%
(5) Unallocated	42,667	
 TOTAL	<hr/> 400,000 =====	

2. For the purposes of this Schedule, the term "training" means reasonable expenditures directly related to the provision of training under Part A.5 of the Project.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of:

(a) payments made for expenditures prior to the date of this Agreement; and

(b) payments made for expenditures made under Category (2) unless ECTEL has adopted USG for the carrying out of the USF under Part B.3 of the Project.

4. The Bank may require withdrawals from the Credit Account to be made on the basis of statements of expenditure for expenditures under contracts for: (a) goods costing less than \$150,000 equivalent per contract; (b) services of individual consultants costing less than \$100,000 equivalent per contract; and (c) services of consulting firms under contracts costing less than \$200,000 equivalent per contract, all under such terms and conditions as the Bank shall specify by notice to the Borrower.

5. The Borrower may request withdrawals from the Credit Account to be made on the basis of reports to be submitted to the Bank in form and substance satisfactory to the Bank, such reports to include the FMR and any other information as the Bank shall specify by notice to the Borrower (Report-based Disbursements). In the case of the first such request submitted to the Bank before any withdrawal has been made from the Credit Account, the Borrower shall submit to the Bank only a statement with the projected sources and applications of funds for the Project for the six-month period following the date of such request.

B. Special Account

1. The Borrower may open and maintain in Dollars a special deposit account in a commercial bank acceptable to the Bank, on terms and conditions satisfactory to the Bank, including appropriate protection against set-off, seizure and attachment.

2. After the Bank has received evidence satisfactory to it that the Special Account has been opened, withdrawals from the Credit Account of amounts to be deposited into the Special Account shall be made as follows:

(a) if the Borrower is not making Report-based Disbursements, withdrawals shall be made in accordance with the provisions of Annex A to this Schedule 1; and

(b) if the Borrower is making Report-based Disbursements, withdrawals shall be made in accordance with the provisions of Annex B to this Schedule 1.

3. Payments out of the Special Account shall be made exclusively for Eligible Expenditures. For each payment made by the Borrower out of the Special Account, the Borrower shall, at such time as the Bank shall reasonably request, furnish to the Bank such documents and other evidence showing that such payment was made exclusively for Eligible Expenditures.

4. Notwithstanding the provisions of Part B.2 of this Schedule, the Bank shall not be required to make further deposits into the Special Account:

(a) if the Bank, at any time, is not satisfied that the reports referred to in Part A.5 of this Schedule 1 adequately provide the information required for Report-based Disbursements;

(b) if the Bank determines at any time that all further withdrawals for payment of Eligible Expenditures should be made by the Borrower directly from the Credit Account; or

(c) if ECTEL shall have failed to furnish to the Bank, within the period of time specified in Section 4.01 (b) (ii) of the Project Agreement, any of the audit reports required to be furnished to the Bank pursuant to said Section in respect of the audit of: (A) the records and accounts for the Special Account; or (B) the records and accounts reflecting expenditures with respect to which withdrawals were Report-based Disbursements or were made on the basis of statements of expenditure, as the case may be.

5. The Bank shall not be required to make further deposits into the Special Account in accordance with the provisions of Part B.2 of this Schedule if, at any time, the Bank shall have notified the Borrower of its intention to suspend in whole or in part the right of the Borrower to make withdrawals from the Credit Account pursuant to Section 6.02 of the General Conditions. Upon such notification, the Bank shall determine, in its sole discretion, whether further deposits into the Special Account may be made and what procedures should be followed for making such deposits, and shall notify the Borrower of its determination.

6. (a) If the Bank determines at any time that any payment out of the Special Account was made for an expenditure which is not an Eligible Expenditure, or was not justified by the evidence furnished to the Bank, the Borrower shall, promptly upon notice from the Bank, provide such additional evidence as the Bank may request, or deposit into the Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment. Unless the Bank shall otherwise agree, no further deposit by the Bank into the Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Bank determines at any time that any amount outstanding in the Special Account will not be required to cover payments for Eligible Expenditures during the six-month period following such determination, the Borrower shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.

(c) The Borrower may, upon notice to the Bank, refund to the Bank all or any portion of the funds on deposit in the Special Account.

(d) Refunds to the Bank made pursuant to subparagraph (a), (b) or (c) of this paragraph 6 shall be credited to the Credit Account for subsequent withdrawal or for cancellation in accordance with the provisions of the Credit Agreement.

Annex A

to

SCHEDULE 1

**Operation of Special Account
When Withdrawals Are Not
Report-based Disbursements**

1. For the purposes of this Annex, the term “Authorized Allocation” means the amount of \$55,000 to be withdrawn from the Credit Account and deposited into the Special Account pursuant to paragraph 2 of this Annex.

2. Withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

(a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Bank a request or requests for deposit into the Special Account of an amount or amounts which in the aggregate do not exceed the Authorized Allocation. On the basis of each such request, the Bank shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount as the Borrower shall have requested.

(b) For replenishment of the Special Account, the Borrower shall furnish to the Bank requests for deposit into the Special Account at such intervals as the Bank shall specify. Prior to or at the time of each such request, the Borrower shall furnish to the Bank the documents and other evidence required pursuant to Part B.3 of Schedule 1 to this Agreement for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Bank shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for Eligible Expenditures. Each such deposit into the Special Account shall be withdrawn by the Bank from the Credit Account under one or more of the Eligible Categories.

3. The Bank shall not be required to make further deposits into the Special Account, once the total unwithdrawn amount of the Credit minus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions shall equal the equivalent of twice the amount of the Authorized Allocation. Thereafter, withdrawal from the Credit Account of the remaining unwithdrawn amount of the Credit shall follow such procedures as the Bank shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the

extent that the Bank shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for Eligible Expenditures.

Annex B

to

SCHEDULE 1

**Operation of Special Account
When Withdrawals Are
Report-based Disbursements**

1. Withdrawals from the Credit Account shall be deposited by the Bank into the Special Account in accordance with the provisions of Schedule 1 to this Agreement. Each such deposit into the Special Account shall be withdrawn by the Bank from the Credit Account under one or more of the Eligible Categories.

2. Upon receipt of each application for withdrawal of an amount of the Credit, the Bank shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account an amount equal to the lesser of: (a) the amount so requested; and (b) the amount which the Bank has determined, based on the reports referred to in Part A.5 of this Schedule 1 applicable to such withdrawal application, is required to be deposited in order to finance Eligible Expenditures during the six-month period following the date of such reports.

SCHEDULE 2

Description of the Project

The objective of the Project is to assist the Participating Countries in improving public access to and the quality and use of telecommunications and information and communications technology (ICT) services, in support of socio-economic development among the Participating Countries.

The Project consists of the following parts, subject to such modifications thereof as the Borrower and the Bank may agree upon from time to time to achieve such objective:

Part A: Legal and Regulatory Reforms

Provision of technical assistance to ECTEL and the Participating Countries' National Telecommunications Regulatory Commissions (NTRCs) to:

1. strengthen national and regional regulatory frameworks to promote competition in the telecommunications and ICT services sector;
2. establish a regional forum to build consensus and facilitate resolution of commercial and public policy issues related telecommunications and ICT services;
3. establish guidelines and a standard model for alternative dispute resolution facilities;
4. develop costing methodology and policies and procedures to determine interconnection and related consumer rates, and explore methods to attract additional service providers to enter the telecommunications market; and
5. conduct a comprehensive review of the telecommunications legislation, focusing on interconnection and spectrum management and implementation of numbering and dispute resolution procedures (this includes the provision of a comprehensive regional program of related training to the staff of ECTEL and NTRC and government staff of the Participating Countries).

Part B: Universal Access

1. Establishment of universal service guidelines (USG) for the management and implementation of a universal service fund (USF), including: (a) reviewing existing

telecommunications legislation and regulations relating to universal access; and (b) conducting regional consultations to seek consensus in Participating Countries on the implementation of the USF.

2. Provision of technical assistance to ECTEL and NTRCs to adapt the USG within each Participating Country for the management and implementation of the USF.

3. Implementation of a USF designed to improve public access to telecommunications infrastructure and broadband connectivity, through the financing of specific projects which promote private investment in broadband connectivity and advanced ICT access infrastructure for under-served communities and public institutions.

Part C: Information and Communication Technologies

1. Expansion of broadband applications used by Participating Countries and the private sector through: (a) identification of policies required for facilitating the development of broadband applications and infrastructure, and drafting of appropriate regulations to implement such policies; (b) recommendation of a common information systems architecture, information technology standards for the Participating Countries, and a viable mechanism by which complex information systems may be supported and maintained; and (c) design of pilot projects that encourage regional use of broadband technologies.

2. Implementation of up to five ICT pilot projects that demonstrate the viability and business case for ICT and the application of ICT using broadband connectivity, with focus on regional initiatives.

3. Establishment of an alternative telecommunications system to transfer data from the radio spectrum monitoring system to ECTEL and the five NTRCs through the use of alternative technology.

Part D: Project Management

Strengthening the capacity of ECTEL staff in priority technical areas and project management, including the provision of technical assistance in procurement and financial management, and the conducting of auditing activities for the Project.

* * *

The Project is expected to be completed by June 30, 2009.

