

CONFORMED COPY

CREDIT NUMBER 4226-GH

Financing Agreement

(eGhana Project)

between

REPUBLIC OF GHANA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated August 25, 2006

CREDIT NUMBER 4226-GH

FINANCING AGREEMENT

AGREEMENT dated August 25, 2006, between REPUBLIC OF GHANA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I—GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in the Financing Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II—FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to twenty six million nine hundred thousand Special Drawing Rights (SDR 26,900,000) (“Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are May 15 and November 15 in each year.
- 2.06. The principal amount of the Financing shall be repaid in accordance with repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollar.

ARTICLE III—PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall carry out the Project in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV—REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension is that a situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out.
- 4.02. The Additional Event of Acceleration is the event specified in Section 4.01 of this Agreement.

ARTICLE V—EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
 - (a) the Recipient has adopted the Project Implementation Manual, in form and substance satisfactory to the Association; and
 - (b) MoC has been staffed with personnel responsible for the implementation of the Project, in numbers and with qualifications and terms of reference satisfactory to the Association.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI—REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is its Minister responsible for finance.

6.02. The Recipient's Address is:

Ministry of Finance and Economic Planning
P.O. Box MB40
Accra, Ghana

Cable:	Telex:	Facsimile:
ECONOMICON Accra	2205 MIFAEP GH `	233-21-667069 233-21-663854

6.03. The Association's Address is:

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

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

AGREED at Accra, Republic of Ghana, as of the day and year first above written.

REPUBLIC OF GHANA

By /s/ Kwadwo Baah-Wiredu

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Mats Karlsson

Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are to assist the Recipient in generating growth and employment by leveraging information and communication technologies and public-private partnerships to: (i) develop the information technology enabled services industry; and (ii) contribute to improved efficiency and transparency of selected government functions through electronic government applications.

The Project consists of the following components:

Component 1: Enabling Environment

- A. Capacity-building and operational support to MoC for the overall coordination, implementation, financial management, procurement, monitoring, reporting, evaluation and communication of Project activities.
- B. Support to NCA for the preparation and implementation of regulatory instruments and measures to decrease the costs of international telecommunications and improve the quality of telecommunication services, including: (a) Development of a strategic sector reform plan based on existing and emerging industry priorities and challenges; (b) Regulation of the access to the International Submarine Cable Gateway (SAT3); (c) Carrying out of a cost modeling assessment including options for tariff rebalancing and interconnection tariffs; (d) Development of quality of service guidelines and service level agreement principles and related enforcement mechanisms; and (e) Capacity-building support to NCA for the effective delivery of its key technical and economic regulatory functions.
- C. (a) Formulation and implementation of key government ICT sector policies and action plans in line with the Recipient's "ICT for Accelerated Development Policy"; (b) Formulation and implementation of a national ITES policy to promote an enabling environment for addressing the needs and priorities of the ITES sector; (c) Preparation of new or revised key ICT legislation and regulations, including for electronic transactions (e-signature and e-commerce), privacy and data protection, intellectual property rights, cyber-crime and cyber-security, consumer protection and other related laws and regulations; and (d) Formulation and implementation of postal policies and capacity-building assistance to the Postal and Courier Services Regulatory Commission to establish an environment conducive to investments in improved logistical services.

- D. Advisory support for the re-privatization of incumbent state-owned telecommunication companies to improve the national communications infrastructure roll-out.
- E. Preparation of revisions to the broadcasting and freedom of information legal and regulatory framework, including design of institutional arrangements for regulatory oversight of the broadcasting sector and provision of related capacity-building support.
- F. Analysis of options for the development of sustainable community information centers, and potential support for the roll out of such centers based on the analysis.

Component 2: Support to Local ICT Businesses and ITES in Ghana

- A. Support for the development of ITES human capacity including: (a) Preparation and implementation of an ITES human resources development plan, including creation of an ITES vocational training expert group with members from concerned MDAs; (b) Development of ITES skills set standards, training curriculum and training institutions accreditation mechanism, and carrying out of other short-term and long-term ITES education activities; and (c) Provision of Matching Grants to eligible public and private institutions to develop and implement ITES training programs, including designing of incentives to encourage equal participation of women.
- B. Establishment of a linkage program between educational institutions and ICT businesses, including the provision of Matching Grants to eligible educational institutions, for the purpose of reflecting business and operational experience into the ICT/ITES training curricula.
- C. Development and implementation of an investment promotion strategy to attract and retain investors in the Recipient's ITES and business process offshoring industry.
- D. Support to the local ICT private sector through: (a) Provision of a Matching Grant to an eligible public or private institution to develop a shared software testing facility for the purpose of assisting local ICT small and medium enterprises to obtain international quality certification; (b) Provision of Matching Grants to eligible networks of business incubators and similar institutions to support the incubation and development of new businesses with ITES-related activities; and (c) Capacity-building and operational support to the Outsourcing Association of Ghana to nurture existing small, medium and large ITES companies and catalyze the Recipient's ITES industry.

Component 3: e-Government Applications and Government Communications

- A. Development of IT architecture and interoperability standards for government applications and networks.
- B. Provision of Government Investment Support under a public-private partnership for the setting up of a high-speed government-wide communications network connecting key MDAs for the purpose of sharing information and applications and securing government databases.
- C. Provision of Government Investment Support under a public-private partnership for the establishment of a shared portal infrastructure for key MDAs to reduce costs, improve security of databases and facilitate the delivery of e-government services, including a data center, payment gateway, security and authentication systems and load balancing capabilities.
- D. Carrying out of specialized ICT training for chief information officers and technical staff of key MDAs, and for legislators and magistrates.
- E. (a) Carrying out of a feasibility study for the establishment of public-private partnerships in developing electronic applications of the Internal Revenue Service and other e-government applications; (b) Support for the engagement of private sector partners for such applications; and (c) Provision of Government Investment Support under public-private partnerships for the development of e-government applications.

SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. Private Sector Oversight Committee

- (a) The Recipient shall establish and maintain, at all times during the implementation of the Project, an ICT sub-committee within PSOC with functions, composition and resources satisfactory to the Association.
- (b) Without limitation upon the provisions of paragraph 1(a) of this Part A, the ICT sub-committee of PSOC shall be responsible for, *inter alia*: (i) facilitating the prompt and efficient coordination of Project activities among the MDAs and other beneficiaries involved in the implementation of the Project; (ii) providing strategic advice, reviewing progress made towards achieving the Project's objectives, and making recommendations for removal of any obstacles to the implementation of the Project; (iii) providing comments on reports and reviews prepared by the MDAs and other beneficiaries involved in the implementation of the Project for the benefit of the Association; and (iv) reviewing and approving Matching Grants which exceed the thresholds for approval by MoC, as specified in the PIM.

2. Ministry of Communications

- (a) The Recipient shall ensure that MoC is maintained at all times during the implementation of the Project with staffing and resources satisfactory to the Association, for the purpose of ensuring the prompt and efficient implementation of the Project.
- (b) Without limitation to the provisions of paragraph 2(a) of this Part A, MoC shall, through its dedicated Project Coordinator, be responsible for: (i) the overall coordination, implementation, financial management, procurement, monitoring, evaluation, reporting and communication of Project activities; and (ii) the review and approval of Matching Grants which fall below the thresholds for approval by the PSOC ICT sub-committee and above the thresholds for approval by the Matching Grants Manager, as specified in the PIM.

3. Matching Grants Manager

- (a) The Recipient shall appoint and maintain, at all times during the implementation of the Project, a firm or individuals to serve as the Matching Grants Manager, with terms of reference and functions satisfactory to the Association.
- (b) Without limitation upon the provisions of paragraph 3 (a) of this Part A, the Matching Grants Manager shall be responsible for: (i) appraising all proposed Subprojects; (ii) approving, subject to the MoC Project Coordinator's no-objection, Matching Grants which fall below the threshold for approval by the MoC Project Coordinator, or recommending for approval by the MoC Project Coordinator or the PSOC ICT sub-committee, as the case may be, Matching Grants which exceed the thresholds for approval by, respectively, the MoC Project Coordinator and the PSOC ICT sub-committee, as specified in the PIM; and (iii) disbursing, administering, monitoring and reporting to MoC on all approved Matching Grants, all in accordance with the provisions and procedures set forth in Part B.2 of this Section and further detailed in the PIM.

B. Implementation Arrangements

1. Project Implementation Manual

- (a) The Recipient shall adopt a PIM in form and substance satisfactory to the Association, containing detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) disbursement and financial management; (iii) procurement; (iv) environmental and social impact screening guidelines; (v) a Matching Grants manual defining eligibility criteria and approval, disbursement, administration and monitoring arrangements for Subprojects together with a model Matching Grant Agreement format; (vi) arrangements and procedures for appraisal, approval and implementation of Government Investment Support; (vii) monitoring, evaluation, reporting and communication; and (viii) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.
- (b) The Recipient shall carry out the Project in accordance with the arrangements and procedures set out in the PIM (provided, however, that in case of any conflict between the arrangements and procedures set out in the PIM and the provisions of this Agreement, the provisions of this Agreement shall prevail) and, except as the Association shall otherwise

agree, shall not amend, abrogate or waive any provision of the PIM, if such amendment, abrogation or waiver shall, in the opinion of the Association, materially or adversely affect the implementation of the Project.

2. **Matching Grants**

(a) **General**

The Recipient shall appraise, approve and monitor Subprojects and administer the Matching Grants in accordance with the provisions and procedures set forth or referred to in this Part B.2 and in more detail in the PIM.

(b) **Eligibility Criteria for Subprojects**

No proposed Subproject shall be eligible for financing under a Matching Grant out of the proceeds of the Financing unless the Matching Grants Manager, the MoC Project Coordinator or the PSOC ICT sub-committee, as the case may be, have determined, on the basis of an appraisal conducted by the Matching Grants Manager in accordance with this sub-paragraph and the guidelines set forth in the PIM, that the proposed Subproject satisfies the eligibility criteria specified below and set forth or referred to in more detail in the PIM, which shall include, *inter alia*, the following:

- (i) The proposed Subproject activities shall fall within the areas described under Components 2.A (c), 2.B, 2.D (a) and 2.D (b) of the Project in Schedule 1 to this Agreement, and shall exclude any activities and expenditures specified as ineligible in the PIM;
- (ii) the proposed Subproject shall be initiated by a Beneficiary which has been registered as a legal entity and has the capacity to enter into a binding contract under the laws of the Recipient, and which has met the other eligibility criteria specified or referred to in the PIM, including the Beneficiary's agreement and ability to provide a matching contribution as specified in the PIM;
- (iii) the Beneficiary has adequate technical, financial management and procurement capacity to implement the proposed Subproject in compliance with the guidelines set forth in the PIM; and

- (iv) the Beneficiary shall be eligible to receive subsequent Matching Grants if it has completed the preceding Subproject to the satisfaction of MOC, in accordance with the terms of the Matching Grant Agreement.

(c) **Approval of Matching Grants**

The Recipient shall cause the Matching Grants Manager to carry out an appraisal of the compatibility of each proposed Subproject with the eligibility criteria and the technical, financial and procurement guidelines and procedures set forth in the PIM and, based on such appraisal: (i) approve Subprojects whose investment cost falls below the threshold specified in the PIM for approval by the MoC Project Coordinator and the PSOC ICT sub-committee; (ii) recommend Subprojects which exceed such threshold, for approval by the MoC Project Coordinator or the PSOC ICT sub-committee, as the case may be, in accordance with the thresholds set forth in the PIM; and (iii) without limitation to the foregoing, obtain the Association's no-objection prior to approving Subprojects whose investment cost exceeds the threshold specified for that purpose in the PIM.

(d) **Terms and Conditions of Matching Grants**

A Subproject shall be carried out pursuant to a Matching Grant Agreement, to be concluded between the Matching Grants Manager, on behalf of the Recipient, and the respective Beneficiary, under terms and conditions described or referred to in more detail in the PIM and satisfactory to the Association, which, *inter alia*, shall include the following:

- (i) the description of the activities to be implemented, including the outputs and performance targets to be achieved, and the arrangements for monitoring and reporting on the implementation of the Subproject;
- (ii) the obligation of the Beneficiary to contribute, in cash and/or in-kind, a minimum percentage of the projected Subproject cost as specified in the PIM;
- (iii) the modalities of transfer of funds by the Matching Grants Manager to the Beneficiary for the financing of the Subproject;
- (iv) the obligation of the Beneficiary to: (A) carry out the Subproject with due diligence and efficiency and in accordance with sound

technical, engineering, environmental, financial, and managerial practices; and (B) maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures relating to the Subproject;

- (v) the requirement that the goods, works and consultants' services to be financed from the proceeds of the Matching Grant shall be procured in accordance with procedures ensuring efficiency and economy and in accordance with the provisions of Section III of this Schedule, and shall be used exclusively in the carrying out of the Subproject; and
- (vi) the right of the Matching Grants Manager, on behalf of the Recipient, to: (i) inspect by itself, or jointly with the Association, if the Association shall so request, the goods, works, sites, plants and construction included in the Subproject, the operations thereof and any relevant records and documents; (ii) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation and financial conditions of Subprojects; and (iii) suspend or terminate the right of any Beneficiary to use the proceeds of the Matching Grant upon failure by the Beneficiary to perform any of its obligations under the Matching Grant Agreement.

(e) **Administration of Matching Grant Agreements**

The Recipient shall cause the Matching Grants Manager to exercise its rights under the Matching Grant Agreements in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Project, and, except as the Association shall otherwise agree, the Recipient shall not permit the Matching Grants Manager to assign, amend, abrogate or waive any Matching Grant Agreement or any substantial provision thereof.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

- 1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of six calendar months, and shall be furnished to the Association not later than forty five (45) days after the end of the period covered by such report.

- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
- (i) not less than 6,000 jobs created in the ICT/ITES sector;
 - (ii) at least 50% of the new jobs created in the ICT/ITES sector are held by women;
 - (iii) the ICT/ITES sector generates export-led revenues of not less than \$90,000,000;
 - (iv) the contribution of the ITES sector to GDP equals not less than 1.5%;
 - (v) At least 10% increase in the number of ICT/ITES SMEs reporting increased revenues;
 - (vi) Not less than 25% increase over the baseline (set during the first quarter of Project implementation) in satisfaction of users with government services taken up for electronic delivery; and
 - (vii) At least three public private partnerships established with operations focusing on e-government applications and infrastructure.
2. On or about the date twenty-four (24) months after the Effective Date, the Recipient shall undertake in conjunction with the Association a comprehensive midterm review of the Project during which it shall exchange views generally on all matters relating to the progress of the Project, and the performance by the Recipient of its obligations under the Financing Agreement, having regard to the performance indicators referred to in paragraph 1 (b) of this Part A.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty five (45) days after the end of each calendar six months, interim un-audited financial reports for the Project covering the calendar six months, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the

Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing 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 Schedule.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing 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 Schedule.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following methods of procurement, other than International Competitive Bidding, may be used for goods and works under the circumstances specified in the Procurement Plan for each such method: (a) National Competitive Bidding; (b) Direct Contracting; (c) Shopping; (d) Established Private or Commercial Practices which have been found acceptable to the Association; and (e) International Competitive Bidding, subject to the provisions of paragraph 3.13(a) of the Procurement Guidelines.

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 of procurement, other than Quality and Cost-based Selection, may

be used for consultants' services in the circumstances specified in the Procurement Plan: (a) Quality Based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection Based on Consultants' Qualifications; (e) Single-source Selection; (f) Established Private or Commercial Practices which have been found acceptable to the Association; and (g) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines 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 Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of this Section and such additional instructions as the Bank may specify by notice to the Recipient, 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 Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed
(1) Goods	230,000	90%
(2) Consultants' services, including audits	6,210,000	100% of Foreign Expenditures; 90% of Local Expenditures
(3) Training	790,000	100% of Foreign Expenditures; 90% of Local Expenditures
(4) Matching Grants	3,000,000	90%
(5) Government Investment Support	11,560,000	100%
(6) Operating Costs	790,000	80%
(7) Staff Costs	980,000	90%
(8) Refund of Project Preparation Advance	800,000	Amount payable pursuant to Section 2.07 of the General Conditions
(9) Unallocated	2,540,000	
TOTAL AMOUNT	26,900,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for:
 - (a) payments made prior to the date of this Agreement;
 - (b) any Matching Grant under Category (4), unless: (i) the Recipient has contracted the Matching Grants Manager with qualifications and terms of reference satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to this Agreement; and (ii) such Matching Grant has been made in accordance with the criteria, procedures

and terms and conditions set forth or referred to in Section I.B.2 of Schedule 2 to this Agreement and the PIM;

- (c) Government Investment Support under Category (5), unless the specific parameters of such support have been appraised and approved by the Association in accordance with the PIM; and
- (d) payments made for any Staff Costs under Category (7), unless such payments conform to parameters laid down by the Recipient and acceptable to the Association.

2. The Closing Date is March 31, 2012.

Section V. Other Undertakings

A. Appointment of Financial Auditors

The Recipient shall, not later than six months after the Effective Date, appoint the independent auditors referred to in Section 4.09 (b) of the General Conditions, in accordance with the provisions of Section III of this Schedule.

B. Procurement Audits

- 1. The Recipient shall, not later than six months after the Effective Date, put in place arrangements, satisfactory to the Association, including the appointment of independent procurement auditors in accordance with the provisions of Section III of Schedule 2 to this Agreement, with qualifications, experience and terms of reference acceptable to the Association, for reviewing the procurement of goods, works and consultants' services financed under the Project, including the reviewing of procurement procedures and processes.
- 2. The Recipient shall, not later than six months after the end of each Recipient's fiscal year, or such later date as the Association may agree, furnish to the Association an audit report on the procurement of goods, works and consultants' services carried out under the Project, prepared by the said independent procurement auditors.

C. Project Account

- 1. Except as the Recipient and the Association shall otherwise agree, the Recipient shall open an account in Cedi in a financial institution acceptable to the Association (the Project Account), and thereafter maintain the Project Account under terms and conditions acceptable to the Association until the completion of the Project, to finance exclusively the Recipient's contribution for expenditures under the Project other than those financed from the proceeds of the Financing, as shall be agreed upon between the Recipient and the Association.

2. The Recipient shall, not later than the Effective Date, deposit into the Project Account: (a) an initial amount of Cedi equivalent to \$98,000; and (b) thereafter, at quarterly intervals, replenish the Project Account by the amounts required to finance the Recipient's contribution for expenditures under the Project as shall be agreed upon between the Recipient and the Association.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Financing repayable (expressed as a percentage)*
On each May 15 and November 15	
commencing November 15, 2016 to and including May 15, 2026	1%
commencing November 15, 2026 to and including May 15, 2046	2%

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

APPENDIX

Definitions

1. “Beneficiary” means a public or private sector entity, established and operating under the laws of the Recipient, which has met the eligibility criteria specified in the Project Implementation Manual (as hereinafter defined) and, as a result, has been extended, or is to be extended, a Matching Grant (as hereinafter defined) for the carrying out of a Subproject (as hereinafter defined).
2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “Cedi” means the currency of the Recipient.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004.
5. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005.
6. “Government Investment Support” means the reasonable cost of goods, works, services or other eligible expenditures required for activities under Components 3.B, 3.C and 3.E (c) of the Project, and to be financed out of the proceeds of the Financing subject to the provisions of Section IV.B.1 (c) of Schedule 2 to this Agreement.
7. “ICT” means information and communications technologies.
8. “ITES” means information technology enabled services.
9. “Matching Grant” means a grant made or proposed to be made out of the proceeds of the Financing by the Recipient, through the Matching Grants Manager (as hereinafter defined), to a Beneficiary for the purpose of financing a Subproject in accordance with the provisions of Section I.B.2 of Schedule 2 to this Agreement.
10. “Matching Grant Agreement” means an agreement entered into, or to be entered into, between the Matching Grants Manager, on behalf of the Recipient, and a Beneficiary, for the purpose of extending a Matching Grant to such Beneficiary on the terms and conditions set forth or referred to in Section I.B.2(d) of Schedule 2 to this Agreement.
11. “Matching Grants Manager” means a firm or individuals to be recruited by the Recipient in accordance with the provisions of Section III of Schedule 2 to this Agreement to assist the Recipient in managing the Matching Grants.

12. “MDAs” means the Recipient’s ministries, departments and agencies.
13. “MoC” means the Recipient’s Ministry of Communications.
14. “NCA” means the Recipient’s National Communications Authority.
15. “Operating Costs” means the incremental operating costs incurred on account of the implementation of the Project including maintenance of vehicles, fuel, equipment, office supplies, utilities, consumables, bank charges, advertising expenses, travel per diems, and accommodation.
16. “PIM” means the Project Implementation Manual referred to in Section I.B.1 of Schedule 2 to this Agreement.
17. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004.
18. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated June 30, 2006 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
19. “Program” means the program set out in the letter from the Recipient to the Association dated June 26, 2006, describing a set of objectives, policies and actions for the development of the Recipient’s ICT sector, and declaring the Recipient’s commitment to the execution of the Program.
20. “Project Account” means the account referred to in Section V.C of this Agreement.
21. “Project Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association and on behalf of the Recipient on September 28, 2005.
22. “PSOC” means the Private Sector Oversight Committee, established and operating under the laws of the Recipient to provide overall guidance and oversee, inter alia, the implementation of the Program, including the Project in accordance with Section I.A of Schedule 2 to this Agreement.
23. “Staff Costs” means the cost of emoluments of officials of the Recipient’s civil and public service, subject to the provisions of Section IV.B.1 (d) of Schedule 2 to this Agreement.
24. “Subproject” means the reasonable cost of goods, works or services required for a set of specific activities carried out or to be carried out by a Beneficiary under

Components 2.A (c), 2.B, 2.D (a) and 2.D (b) of the Project, and financed or proposed to be financed out of the proceeds of the Financing through a Matching Grant.

25. “Training” means costs associated with the training of personnel involved in Project supported activities including 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 course preparation and implementation.