

DÉCRET N° 2019 – 084 DU 13 MARS 2019

portant transmission à l'Assemblée nationale, pour autorisation de ratification, de l'accord de prêt signé, le 28 janvier 2019 à Cotonou entre la République du Bénin et le Fonds Koweïtien pour le Développement Economique Arabe (FKDEA), dans le cadre du financement du projet de renforcement des systèmes d'Alimentation en Eau Potable (AEP) des villes de Boukoubé, Covè et Zagnanando.

**LE PRÉSIDENT DE LA RÉPUBLIQUE,
CHEF DE L'ÉTAT,
CHEF DU GOUVERNEMENT,**

- Vu** la loi n° 90-32 du 11 décembre 1990 portant Constitution de la République du Bénin ;
- vu** la décision portant proclamation, le 30 mars 2016 par la Cour constitutionnelle, des résultats définitifs de l'élection présidentielle du 20 mars 2016 ;
- vu** le décret n° 2018-198 du 05 juin 2018 portant composition du Gouvernement ;
- vu** le décret n° 2016-292 du 17 mai 2016 fixant la structure-type des ministères ;
- vu** le décret n° 2017-041 du 25 janvier 2017 portant attributions, organisation et fonctionnement du Ministère de l'Économie et des Finances ;
- sur** proposition du Ministre de l'Économie et des Finances,
- le** Conseil des Ministres, entendu en sa séance du 13 mars 2019,

DÉCRÈTE

L'accord de prêt signé avec le Fonds Koweïtien pour le Développement Economique Arabe (FKDEA) sera présenté à l'Assemblée nationale, pour autorisation de ratification, par le Ministre de l'Economie et des Finances, le Ministre de l'Eau et des Mines et le Garde des sceaux, Ministre de la Justice et de la Législation qui sont, individuellement ou conjointement, chargés d'en exposer les motifs et d'en soutenir la discussion.

EXPOSE DES MOTIFS

Monsieur le Président de l'Assemblée nationale,

Mesdames et Messieurs les Députés,

I. HISTORIQUE DU PROJET

Les systèmes d'Alimentation en Eau Potable (AEP) des villes de Boukoubé, Covè et Zagnanando ont été mis en place depuis plus d'une vingtaine d'années et n'ont subi, à ce jour, aucune extension ni densification substantielle.

La vétusté de ces installations techniques et leur capacité limitée ont engendré un important besoin en eau potable face à la forte croissance démographique enregistrée dans ces villes.

Ainsi, de nombreux ménages installés dans les quartiers périphériques des villes de Boukoubé, Covè et Zagnanando ne bénéficient pas de service d'eau adéquat. Cette situation peu confortable oblige ces populations à se rabattre sur les ressources alternatives d'eau peu potable, vecteurs de maladies. Il s'agit, entre autres, des marigots, rivières et puits par endroits.

En outre, les villes de Boukoubé, Covè et Zagnanando sont situées dans des zones hydrogéologiquement difficiles où l'accès à l'eau potable constitue une véritable problématique et nécessite d'importants investissements.

C'est en vue de pallier ces difficultés que le Gouvernement a initié le projet d'Alimentation en Eau Potable dans les villes de Boukoubé, Covè et Zagnanando, et sollicité du Fonds Koweïtien pour le Développement Economique Arabe son financement.

En retour, le Fonds Koweïtien pour le Développement Economique Arabe a marqué son accord de principe et effectué, du 03 au 15 septembre 2018, l'évaluation dudit projet.

Suite à cette évaluation, le Conseil d'administration du Fonds Koweïtien pour le Développement Economique Arabe, en sa 6^{ème} session de l'année 2018 tenue le 29 novembre, a approuvé l'octroi d'un prêt d'un montant de **cinq millions (5.000.000) de Dinars Koweïtien**, soit environ **dix milliards (10.000.000.000) de francs CFA** en faveur de la République du Bénin.

La signature de l'accord de prêt a eu lieu à Cotonou, le 28 janvier 2019.

II. PRESENTATION DU PROJET

A. OBJECTIFS DU PROJET

Le projet de renforcement des systèmes d'Alimentation en Eau Potable des villes de Boukoubé, Covè et Zagnanando s'inscrit dans le cadre de la mise en œuvre du « programme d'accès universel à l'eau potable à l'horizon 2021 » initié par le Gouvernement et dont le triple but est de : **i)** développer les capacités de production et de distribution en milieux urbain et périurbain ; **ii)** donner accès à l'eau potable à l'ensemble de la population rurale et semi-urbaine ; et **iii)** moderniser et développer l'exploitation responsable des ressources hydrologiques et hydrogéologiques.

L'objectif visé par ce projet est de soutenir le développement socio-économique dans les localités de Boukoubé, Covè et Zagnanando, à travers l'extension et le renforcement du système d'Alimentation en Eau Potable existant.

Ce projet vise donc la fourniture pérenne de l'eau, en quantité et en qualité, aux populations de ces trois (03) villes, pour répondre à leur demande croissante en eau, en vue d'améliorer leur condition sanitaire et sociale.

De manière spécifique, le projet consistera en des travaux de génie civil et électromécaniques qui aboutiront à la construction de nouveaux puits de forage, de réseaux de distribution, de réservoirs de stockage, de pompes et de branchements domestiques. Il prend en compte également les services de consultation et l'appui institutionnel.

B. COMPOSANTES DU PROJET

Le projet de renforcement des systèmes d'Alimentation en Eau Potable des villes de Boukoubé, Covè et Zagnanando est structuré en trois (03) principales composantes.

Composante 1 : Maîtrise d'œuvre

Cette composante concerne : **(i)** l'actualisation des études techniques détaillées ; **(ii)** la réalisation de l'étude d'impact environnemental et social ; **(iii)** l'assistance à la passation des marchés ; **(iv)** le contrôle et la surveillance des travaux.

Composante 2 : Réalisation des travaux

Au titre de cette composante, des travaux seront réalisés au niveau des trois (03) villes de la manière suivante :

N°	Villes	Travaux prévus
1	Boukoubé	<ul style="list-style-type: none">- exécution et équipement de cinq (05) nouveaux forages ;- construction d'un château d'eau de 200 m³ ;- réhabilitation du réservoir de 250 m³ existant ;- extension du réseau de distribution de 125 km ;- acquisition de 250 kits de branchement.
2	Covè et Zangnanando	<ul style="list-style-type: none">- exécution et équipement de quatre (04) forages ;- construction d'un château d'eau et d'un réservoir au sol respectivement de 600 m³ et 500 m³ ;- réhabilitation des réservoirs de 200 m³ et 300 m³ existants ;- extension du réservoir de distribution de 120 km ;- acquisition de 400 kits de branchement.

Composante 3 : Appui institutionnel

La présente composante prend en compte l'acquisition de véhicules quatre (04) roues pour le transport sur terrains, l'équipement de bureau pour l'Unité de Gestion du Projet et les formations aux personnels de ladite Unité.

III. COÛT ET SOURCES DE FINANCEMENT

Le coût global du projet de renforcement des systèmes d'Alimentation en Eau Potable des villes de Boukoubé, Covè et Zangnanando est évalué à cinq millions (5.000.000) de Dinars Koweïtien, soit environ **dix milliards (10.000.000.000) de francs CFA** et sera entièrement financé par le Fonds Koweïtien pour le Développement Economique Arabe.

Les caractéristiques financières du prêt du Fonds Koweïtien pour le Développement Economique Arabe sont les suivantes :

- ✓ Maturité : 25 ans dont 5 ans de différé ;

- ✓ Taux d'intérêt : 1% l'an ;
- ✓ Charge administrative : 0,5% l'an ;
- ✓ Périodicité de remboursement : semestrielle.

L'élément don dégagé par ce prêt est de **35,43%**, légèrement au-dessus de **35%** recommandé par les institutions de Bretton Woods. Ces caractéristiques financières sont également en parfaite adéquation avec la stratégie d'endettement du Bénin annexée à la loi de finances, pour la gestion 2019.

IV. INTERET POUR LE BENIN

La réalisation du projet de renforcement des systèmes d'Alimentation en Eau Potable des villes de Boukoubé, Covè et Zagnanando permettra de baisser le taux d'exposition des populations de la zone concernée aux maladies hydriques.

En outre, la mise en œuvre de ce projet favorisera, entre autres :

- la réalisation de nouveaux branchements particuliers à coût réduit au profit des populations pauvres ;
- l'amélioration du taux de desserte en eau potable de qualité et en quantité dans les villes concernées ;
- la baisse et la maîtrise du taux de pertes d'eau constaté lors de l'exploitation du système d'Alimentation en Eau Potable de ces trois villes ;
- l'amélioration des prestations de la Société Nationale des Eaux du Bénin en termes de rendement et d'efficacité de la gestion au plan technique et commercial.

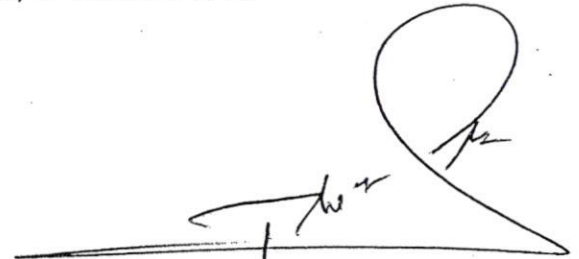
L'atteinte des objectifs de ce projet contribuera également, in fine, aux efforts du Gouvernement béninois pour l'atteinte, d'ici à 2021, du sixième (6^{ème}) Objectif du nouveau programme mondial de Développement Durable pour la planète (ODD) horizon 2015-2030 qui est de : « **Garantir l'accès de tous à l'eau et à l'assainissement et assurer une gestion durable des ressources en eau** ».

Les décaissements du prêt sont subordonnés à l'accomplissement, au plus tard le **28 mai 2019**, des formalités d'autorisation de ratification par l'Assemblée nationale, de ratification par le Chef de l'Etat, de publication au Journal officiel et d'émission de l'avis juridique de la Cour suprême.

Eu égard à ce qui précède et afin d'accélérer ces formalités, nous avons l'honneur, **Monsieur le Président de l'Assemblée nationale, Mesdames et Messieurs les Députés,** de soumettre à votre appréciation, le présent accord de prêt en vue d'obtenir l'autorisation de sa ratification.


Fait à Cotonou, le 13 mars 2019

Par le Président de la République,
Chef de l'État, Chef du Gouvernement,



Patrice TALON

Le Garde des Sceaux, Ministre de la
Justice et de la Législation,



Séverin Maxime QUENUM

Le Ministre de l'Économie
et des Finances,



Marie Odile ATTANASSO
Ministre intérimaire

Le Ministre de l'Eau et des Mines,



Samou SEIDOU ADAMBI

AMPLIATIONS : PR 6 – AN 100 – CC 2 – CS 2 – CES 2 – HAAC 2 – HCJ 2 – MEF 2 – MJL 2 – MEM 2 – AUTRES MINISTERES 19
– SGG 4 – JORB 1.

WG
RÉPUBLIQUE DU BÉNIN
Fraternité-Justice-Travail

ASSEMBLÉE NATIONALE

LOI N° 2019 –

portant autorisation de ratification de l'accord de prêt signé, le 28 janvier 2019 à Cotonou entre la République du Bénin et le Fonds Koweïtien pour le Développement Economique Arabe (FKDEA), dans le cadre du financement du projet de renforcement des systèmes d'Alimentation en Eau Potable (AEP) des villes de Boukoubé, Covè et Zagnanando.

L'Assemblée nationale a délibéré et adopté, en sa séance du, la loi dont la teneur suit :

Article premier

Est autorisée la ratification, par le Président de la République, de l'accord de prêt relatif au financement du projet de renforcement des systèmes d'Alimentation en Eau Potable (AEP) des villes de Boukoubé, Covè et Zagnanando, d'un montant de **cinq millions (5.000.000) de Dinars Koweïtien**, soit environ **dix milliards (10.000.000.000)** de francs CFA, signé à Cotonou le 28 janvier 2019 avec le Fonds Koweïtien de Développement Economique Arabe (FKDEA).

Article 2

La présente loi sera exécutée comme loi de l'Etat.

Fait à Porto-Novo, le

Le Président de l'Assemblée nationale,

Adrien HOUNGBEDJI

ORIGINAL: ARABIC

LOAN NUMBER: 1009

LOAN AGREEMENT

WATER SUPPLY IN THREE CITIES PROJECT

BETWEEN

REPUBLIC OF BENIN

AND

KUWAIT FUND FOR ARAB ECONOMIC DEVELOPMENT

DATED: 28/1/2019

AMF

LOAN AGREEMENT

AGREEMENT, dated 22/01/2019 between the REPUBLIC OF BENIN (hereinafter referred to as the Borrower) of the first part, and the KUWAIT FUND FOR ARAB ECONOMIC DEVELOPMENT (hereinafter referred to as the Fund) of the second part.

WHEREAS, the Borrower has requested the Fund to assist in financing of Water Supply in Three Cities Project described in Schedule 2 to this Agreement (hereinafter called the Project) by providing a loan (hereinafter called the Loan);

WHEREAS the project will be implemented by the National Water Company of Benin (hereinafter "SONEB") a commercial and industrial public company of the Borrower in charge of capture, treatment, transfer and distribution of potable water in urban and peri-urban areas of the Republic, which works under the administrative guardianship of the Ministry of Water and Mines of the Borrower;

WHEREAS, the Borrower has undertaken to provide all other sums which shall be required -in addition to the Loan for the carrying out of the Project and any cost over runs that may occur whether in local or foreign currency;

WHEREAS, the purpose of the Fund is to assist Arab and other developing countries in developing their economies and to provide them with loans required for the execution of their development projects and programmes;

WHEREAS, the Fund is convinced of the importance and benefits of the Project in contributing to the development of the Borrower's economy; and

WHEREAS, the Fund has agreed, on the basis, *inter alia* of the foregoing, to provide the Loan to the Borrower on the terms and conditions set forth in this Agreement.

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE I

**The Loan; Interest and Other Charges;
Repayment; Place of Payment**

SECTION 1.01. The Fund agrees to lend to the Borrower, on the terms and conditions set forth in this Agreement or herein referred to, an amount equivalent to five million Kuwaiti Dinars (K.D. 5,000,000/-)

SECTION 1.02. The Borrower shall pay interest at the rate of one percent (1%) per annum on the principal amount of the Loan withdrawn and

outstanding from time to time. Interest shall accrue from the respective dates on which amounts shall be so withdrawn.

SECTION 1.03. An additional charge of one-half of one percent ($\frac{1}{2}$ of 1%) per annum on the amounts withdrawn from the Loan and outstanding from time to time shall be paid to meet the administrative expenses and the expenses of implementing this Agreement.

SECTION 1.04. In the event that the Fund, pursuant to Section 3.02 of this Agreement, enters into a special irrevocable commitment at the request of the Borrower, a charge for such special commitment shall be paid by the Borrower at the rate of one half of one percent ($\frac{1}{2}$ of 1%) per annum on the principal amount of any such special commitment outstanding from time to time.

SECTION 1.05. Interest and other charges shall be computed on the basis of a 360-day year of twelve 30-day months for any period less than a full one half of a year.

SECTION 1.06. The Borrower shall repay the principal of the Loan in accordance with the provisions for amortisation of the Loan set forth in Schedule 1 to this Agreement.

SECTION 1.07. Interest and other charges shall be payable semi-annually on February 15th and August 15th in each year.

SECTION 1.08. The Borrower shall have the right, upon payment of all accrued interest and all other charges, and upon not less than 45 days' notice to the Fund, to repay in advance of maturity: (a) all of the principal amount of the Loan at the time outstanding or (b) all of the principal amount of any one or more maturities, provided that after such prepayment there shall not be outstanding any portion of the Loan maturing after the portion to be prepaid.

SECTION 1.09. The principal of, and interest and other charges on, the Loan shall be paid at Kuwait or at such other places as the Fund shall reasonably request.

ARTICLE II

Currency Provisions

SECTION 2.01. All accounts of the financial transactions made pursuant to this Agreement shall be, and all sums falling due thereunder shall be payable, in Kuwaiti Dinars.

SECTION 2.02. The Fund will purchase, at the request of and acting as an agent for the Borrower, such currencies as may be required for payment of the

cost of goods to be financed from the Loan under this Agreement, or for reimbursement of such cost in the currency in which it was actually incurred. The amount, which shall be deemed to have been withdrawn from the Loan in any such case, shall be equal to the amount of Kuwaiti Dinars, required for the purchase of the respective amount of foreign currency.

SECTION 2.03. When repayment of principal or payment of interest and other charges on the Loan is being made, the Fund may, at the request of and acting as an agent for the Borrower, purchase the amount of Kuwaiti Dinars required for such repayment or payment, as the case may be, against payment by the Borrower of the amount required for such purchase in currency or currencies, as may be acceptable from time to time to the Fund.

Any payment to the Fund required under this Agreement shall not be deemed to have been effected except from the time and to the extent that Kuwaiti Dinars have actually been received by the Fund.

SECTION 2.04. Whenever it shall be necessary for the purposes of this Agreement to determine the value of one currency in terms of another, such value shall be as reasonably determined by the Fund.

ARTICLE III

Withdrawal and Use of Proceeds of the Loan

SECTION 3.01. The Borrower shall be entitled to withdraw from the Loan amounts expended or to be expended for the Project in accordance with the provisions of this Agreement.

Except as the Fund may otherwise agree, no amount shall be withdrawn from the Loan on account of expenses incurred prior to the date of the effectiveness of this agreement.

SECTION 3.02. Upon the Borrower's request and upon such terms and conditions as shall be agreed upon between the Borrower and the Fund, the Fund may enter into special irrevocable commitments in writing to pay amounts to the Borrower or others in respect of the cost of goods to be financed under this Agreement notwithstanding any subsequent cancellation of the Loan or suspension of the right of the Borrower to make withdrawals from the Loan.

SECTION 3.03. When the Borrower shall desire to withdraw any amount from the Loan or to request the Fund to enter into a special irrevocable commitment pursuant to Section 3.02, the Borrower shall deliver to the Fund a written application in such form, and containing such statements, agreements and other documents as the Fund shall reasonably request. Applications for withdrawal, with the necessary documentation as hereinafter in this Article provided, shall, except as

the Borrower and the Fund shall otherwise agree, be made promptly in relation to expenditures for the Project.

SECTION 3.04. The Borrower shall furnish to the Fund such documents and other evidence in support of the application for withdrawal, as the Fund shall reasonably request, whether before or after the Fund shall have permitted any withdrawal requested in the application.

SECTION 3.05. Each application for withdrawal and the accompanying documents and other evidence must be sufficient in form and substance to satisfy the Fund that the Borrower is entitled to withdraw from the Loan the amount applied for and that the amount to be withdrawn from the Loan is to be used only for the purposes specified in this Agreement.

SECTION 3.06. The Borrower shall apply the proceeds of the Loan exclusively to financing the reasonable cost of goods required to carry out the Project described in Schedule 2 to this Agreement. The specific goods to be financed out of the proceeds of the Loan and the methods and procedures for procurement of such goods shall be determined by agreement between the Borrower and the Fund, subject to modification by further agreement between them.

SECTION 3.07. The Borrower shall cause all goods financed out of the proceeds of the Loan to be used exclusively in the carrying out of the Project.

SECTION 3.08. Payment by the Fund of amounts, which the Borrower is entitled to withdraw from the Loan, shall be made to or on the order of the Borrower.

SECTION 3.09. The right of the Borrower to make withdrawals from the Loan shall terminate on 31st December 2023, or such other date as may from time to time be agreed between the Borrower and the Fund.

ARTICLE IV

Particular Covenants

SECTION 4.01. The Borrower shall: (a) make arrangements satisfactory to the Fund for making the proceeds of the Loan available to the National Water Company of Benin ("SONEB"), which shall be entrusted with carrying out of the Project;

(b) the proceeds of the Loan shall be made available to SONEB as a governmental subsidy. An evidence of such arrangement shall be submitted to the Fund within reasonable time of its conclusion;

(c) confer on SONEB such powers and provide it with such services as may be necessary to implement the Project with diligence and efficiency.

SECTION 4.02. The Borrower shall make or cause to be made available promptly as needed all other sums, which shall be required, in addition to the Loan, for the carrying out of the Project, all such sums to be made available on terms and conditions satisfactory to the Fund.

SECTION 4.03. The Borrower shall cause SONEB to furnish to the Fund, promptly upon their preparation, the studies of, and the plans and specifications for, the Project, the schedules of its execution and any material modifications subsequently made therein, in such detail as the Fund may from time to time request.

SECTION 4.04. The Borrower shall cause SONEB to carry out the Project with due diligence and efficiency and in conformity with sound engineering and financial practices.

SECTION 4.05. In pursuance of the preceding section, the Borrower shall take or cause to be taken all action including the provision of funds, facilities, services and other resources necessary or appropriate to enable SONEB to carry out the Project, and shall not take or permit to be taken any action which would prevent or interfere with the execution or operation of the Project, or the performance of any of the provisions of this Agreement.

SECTION 4.06. In carrying out the Project, the Borrower shall cause SONEB to employ engineering consultants acceptable to, and upon terms and conditions satisfactory to the Fund.

SECTION 4.07. The awarding of the contracts for the execution of the Project, which are to be financed from the Loan, and any amendments thereto, shall be subject to the Fund's approval.

SECTION 4.08. The Borrower shall cause SONEB to maintain records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof), and to reflect in accordance with consistently maintained sound accounting practices the operations and financial position of SONEB, shall further afford all reasonable opportunity for accredited representatives of the Fund to make visits for purposes related to the Loan, and to inspect the Project, the goods and any relevant records and documents, and shall furnish the Fund all such information as the Fund shall reasonably request concerning the expenditure of the proceeds of the Loan, the Project, the goods and the operations and financial position of SONEB in respect of the Project.

SECTION 4.09. The Borrower shall cause SONEB to prepare their annual financial statements in accordance with the International Financial Reporting Standards (IFRs). SONEB shall also endeavour to maintain sound capital structure and adequate liquidity ratio at all times.

SECTION 4.10. The Borrower shall cause SONEB to insure with responsible insurers all goods financed out of the proceeds of the Loan. Such insurance shall cover such marine, transit and other hazards incident to purchase and importation of the goods into the territories of the Borrower and delivery thereof to the site of the Project, and shall be for such amounts as shall be consistent with sound commercial practices. Such insurance shall be payable in the currency in which the cost of the goods insured thereunder shall be payable, or in freely convertible currency.

The Borrower shall cause SONEB to take out and maintain, with responsible insurers, insurance against risks related to the implementation of the Project in such amounts as shall be consistent with sound commercial practices.

SECTION 4.11. The Borrower and the Fund shall cooperate fully to ensure that the purposes of the Loan will be accomplished. To that end, the Borrower shall cause SONEB to furnish to the Fund every three months from the date of this Agreement periodic reports, in English, on the execution of the Project and the general status of the Loan as well as all other information as the Fund shall reasonably request in relation to the Project and the Loan.

The Borrower and the Fund shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Borrower shall promptly inform the Fund of any condition which interferes or threatens to interfere with the accomplishment of the purposes of the Loan (including substantial increase in the cost of the Project) or the maintenance of the service thereof.

SECTION 4.12. With a view to facilitating the smooth implementation of the Project, the Borrower shall cause SONEB to establish, not later than 31st January 2019, or such other date as may be agreed between the Borrower and the Fund, a Project Implementation Unit headed by a competent engineer, who shall act as a project manager and shall assign to such Unit sufficient and experienced technical and financial staff as may be acceptable by the Fund. The Unit shall be charged with the responsibility of following-up and coordinating the construction activities of the Project. The Unit shall be vested with all powers and provided with all facilities and resources necessary to enable it to perform its tasks effectively.

SECTION 4.13. The Borrower shall cause SONEB to ensure that measures required, in the course of Project implementation and operation, to provide sufficient supply of electricity are taken. The Borrower shall in particular ensure that

SONEB makes available standby power generators for all components of the Project that rely on electrical supply for their operations.

SECTION 4.14. The Borrower shall cause SONEB at all times maintain adequate levels of staff. To this end, SONEB shall take the necessary action to prepare and carry out, in good time before the completion of the Project, a plan for the recruitment and training of sufficient number of personnel to undertake the operation and maintenance of the Project. Such plan shall indicate the number and qualifications of the candidates to be recruited and/or trained, the type of training, place, duration and cost thereof and be presented to the Fund, not later than 31st Decdmber 2019, or such later date as may be agreed between the Borrower and the Fund, for its review and approval.

SECTION 4.15. The Borrower shall cause SONEB to regularly monitor the produced water quality, during the operating stage of the project, and take all necessary actions to ensure its conformity to the mandatory health standards and the national quality standard for potable water. SONEB shall in particular take all necessary measures to protect the water sources, which will be exploited during the course of the running of the Project.

SECTION 4.16. The Borrower shall cause SONEB to take all necessary measures with respect to the designs of the Project, and during its execution and operation, so as to avoid or minimise, to the extent possible, any adverse effects on the environment, with special emphasis on wildlife and natural reserves, which may result from the execution or operation of the Project.

SECTION 4.17. SONEB shall take, or cause to be taken, the preparation of detailed Environmental Impact Assessment and Social Study at the Project implementation outset, which shall endeavour to execute its recommendations, upon such technical terms and conditions satisfactory to the Fund.

SECTION 4.18. The Borrower shall cause SONEB to maintain the Project, or cause it to be operated and maintained, and also to operate and maintain structures and other works and facilities not included in the Project but necessary to the proper and efficient operation thereof, in accordance with sound engineering and financial and administrative practices. To that end, SONEB shall take, or cause to be taken, all necessary measures to ensure the availability of sufficient financial and other resources for the operation and systematic and periodic maintenance of the Project, as well as for the operation and maintenance of other works necessary for the proper and efficient operation of the Project.

SECTION 4.19. The Borrower shall cause SONEB to take the necessary measures to a) monitor the water flow through the various elements of the Project by utilising adequate water management systems thereof, and b) manage the water loss level so that it will not exceed 15% of the produced water. SONEB shall furnish to the Fund all information pertaining the outcome of such measures.

SECTION 4.20. The Borrower shall ensure that SONEB will continue to function at all times under rules and regulations and have such powers, management and administration as are necessary for the diligent and efficient carrying out and operation of the Project.

The Borrower shall in the spirit of good cooperation prevailing between the two parties inform the Fund of any proposed action which would affect the nature or constitution of SONEB and shall afford the Fund all reasonable opportunity, in advance of the taking of such action, to exchange views with the Borrower with respect thereto.

SECTION 4.21. It is the mutual intention of the Borrower and the Fund that no other external debt shall enjoy any priority over the Loan by way of a lien hereafter created on governmental assets. To that end, the Borrower undertakes that, except as the Fund shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for an external debt, such lien will ipso facto equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan, and that in the creation of any such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to:

- (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property;
- (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of the sale of such commercial goods; or
- (iii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

The term 'assets of the Borrower' as used in this Section includes assets of the Borrower or of any of its political subdivisions or of any entity owned or controlled by the Borrower or by any such political subdivisions. The term lien includes mortgages, pledges, charges, privileges and priorities of any kind.

SECTION 4.22. The principal of, and interest on the Loan and all other charges shall be paid without deduction for, and free from any tax in force or charges under the laws of the Borrower or laws in effect in its territory whether at present or in the future.

SECTION 4.23. This Agreement shall be free from any taxes, imposts, levies, fees and dues of any nature imposed under the laws of the Borrower or laws in effect in its territory, whether at present or in the future, on or in connection with the execution, issue, delivery or registration thereof and the Borrower shall pay or cause to be paid all such taxes, imposts, levies and dues, if any, imposed under the laws of the country or countries in whose currency the Loan may be repaid.

SECTION 4.24. The principal of, and interest and other charges on, the Loan shall be paid free from all restrictions including exchange restrictions imposed under the laws of the Borrower or laws in effect in its territories.

SECTION 4.25. All Fund documents, records, correspondence and similar material shall be considered by the Borrower as confidential matters and the Borrower shall accord the Fund in respect thereof full immunity from censorship and inspection.

SECTION 4.26. All Fund assets and income shall be exonerated from nationalisation, confiscation and seizure.

ARTICLE V

Cancellation and Suspension

SECTION 5.01. The Borrower may by notice to the Fund cancel any amount of the Loan which the Borrower shall not have withdrawn prior to the giving of such notice, except that the Borrower may not so cancel any amount of the Loan in respect of which the Fund shall have entered into a special commitment pursuant to Section 3.02 of this Agreement.

SECTION 5.02. If any of the following events shall have happened and be continuing, the Fund may by notice to the Borrower suspend in whole or in part the right of the Borrower to make withdrawals from the Loan:

- (a) A default shall have occurred in the payment of principal or interest or any other payment required under this Agreement or any other loan agreement between the Borrower and the Fund;
- (b) A default shall have occurred in the performance of any other covenant or agreement on the part of the Borrower under this Agreement;
- (c) The Fund shall have suspended in whole or in part the right of the Borrower to make withdrawals under any other loan agreement between the Borrower and the Fund because of a default on the part of the Borrower;
- (d) An extraordinary situation shall have arisen which shall make it improbable that the Borrower will be able to perform its obligations under this Agreement.

Any event occurring after the date of this Agreement and prior to the effective date which would have entitled the Fund to suspend the Borrower's right to make withdrawals if this Agreement had been effective on the date such event occurred, will entitle the Fund to suspend withdrawals under the Loan exactly as if it had occurred after the effective date.

The right of the Borrower to make withdrawals under the Loan shall continue to be suspended in whole or in part, as the case may be, until the event or events which gave rise to such suspension shall have ceased to exist or until the Fund shall have notified the Borrower that the right to make withdrawals has been restored; provided, however, that in the case of any such notice of restoration the right to make withdrawals shall be restored only to the extent and subject to the conditions specified in such notice, and no such notice shall affect or impair any right, power or remedy of the Fund in respect of any other subsequent event described in this Section.

SECTION 5.03. If any event specified in paragraph (a) of Section 5.02 shall occur and shall continue for a period of thirty days after notice thereof shall have been given by the Fund to the Borrower, or if any event specified in paragraphs (b), (c), and (d) of Section 5.02 shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Fund to the Borrower, then at any subsequent time during the continuance thereof, the Fund at its option, may declare the principal of the Loan to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement to the contrary notwithstanding.

SECTION 5.04. If (a) the right of the Borrower to make withdrawals from the Loan shall have been suspended with respect to any amount of the Loan for a continuous period of thirty days, or (b) the date specified in Section 3.09 as the Closing Date an amount of the Loan shall remain unwithdrawn, the Fund may by notice to the Borrower terminate the right of the Borrower to make withdrawals with respect to such amount. Upon the giving of such notice, such amount of the Loan shall be cancelled.

SECTION 5.05. No cancellation or suspension by the Fund shall apply to amounts subject to any special irrevocable commitment entered into by the Fund pursuant to Section 3.02 except as expressly provided in such commitment.

SECTION 5.06. Except as the Fund may otherwise agree any cancellation shall be applied *pro rata* to the several instalments of the principal amount of the Loan maturing after the date of such cancellation.

SECTION 5.07. Notwithstanding any cancellation or suspension, all the provisions of this Agreement shall be continued in full force and effect except as in this Article specifically provided.

ARTICLE VI

**Enforceability of this Agreement;
Failure to Exercise Rights; Arbitration**

SECTION 6.01. The rights and obligations of the Fund and the Borrower under this Agreement shall be valid and enforceable in accordance with their terms notwithstanding any local law to the contrary. Neither the Borrower nor the Fund shall be entitled under any circumstances to assert any claim that any provision of this Agreement is invalid or unenforceable for any reason.

SECTION 6.02. No delay in exercising, or omission to exercise, any right, power or remedy accruing to either party under this Agreement upon any default shall impair any such right, power or remedy, or be construed to be a waiver thereof or an acquiescence in such default, nor shall the action of such party in respect of any default, or any acquiescence in any default, affect or impair any right, power or remedy of such party in respect of any other or subsequent default.

SECTION 6.03. Any controversy between the parties to this Agreement and any claim by either party against the other arising out of this Agreement shall be determined by agreement of the parties, and failing such agreement the controversy or claim shall be submitted to arbitration by an Arbitral Tribunal as provided in the following Section.

SECTION 6.04. The Arbitral Tribunal shall consist of three arbitrators appointed as follows: one arbitrator shall be appointed by the Borrower; the second arbitrator shall be appointed by the Fund; and the third arbitrator (hereinafter sometime called the Umpire) shall be appointed by agreement of the parties. In case any arbitrator appointed in accordance with this Section shall resign, die or become unable to act, a successor arbitrator shall be appointed in the same manner as hereinbefore prescribed for the appointment of the original arbitrator, and such successor, shall have all the powers and duties of such original arbitrator.

Arbitration proceedings may be instituted under this Section upon notice by the party instituting such proceedings to the other party. Such notice shall contain a statement setting forth the nature of the controversy or claim to be submitted to arbitration, the nature and extent of the relief sought, and the name of the arbitrator appointed by the party instituting such proceedings.

Within thirty days after the giving of such notice, the other party shall notify the party instituting the proceedings of the name of the arbitrator appointed by such other party and failing this, such arbitrator shall be appointed by the President of the International Court of Justice upon the request of the party instituting the proceedings.

If within sixty days after the giving of the notice instituting the arbitration proceedings the parties shall not have agreed upon an Umpire, either party may request the President of the International Court of Justice to appoint the Umpire.

The Arbitral Tribunal shall convene for the first time at such time and place as shall be fixed by the Umpire. Thereafter, the Arbitral Tribunal shall determine where and when it shall sit.

Subject to the provision of this Section and except as the parties shall otherwise agree, the Arbitral Tribunal shall decide all questions relating to its competence and shall determine its procedure so as to afford a fair hearing to each party and shall determine the matters submitted to it whether both parties appear before it or in default of appearance of either of them. Decisions of the Arbitral Tribunal shall be by majority vote and it shall render its award in writing. Such award signed, at least, by a majority of the members of the Arbitral Tribunal and a signed counterpart of the award shall be transmitted to each party. The award of the Arbitral Tribunal rendered in accordance with the provisions of this Section shall be final and binding upon the parties who shall abide by, and comply with such award.

The parties shall fix the amount of remuneration or fees of the arbitrators and such other persons as shall be required for the conduct of the arbitration proceedings. If the parties shall not agree on such amount before the Arbitral Tribunal shall convene, the Arbitral Tribunal shall fix such amount as shall be reasonable under the circumstances. Each party shall defray its own expenses in the arbitration proceedings. The costs of the Arbitral Tribunal shall be divided between and borne equally by the parties. Any question concerning the division of the costs of the Arbitral Tribunal or the procedure for payment of such costs shall be determined by the Arbitral Tribunal.

The Arbitral Tribunal shall apply the principles common under the current laws of the Borrower and the State of Kuwait, as well as the principles of justice.

SECTION 6.05. The provisions for arbitration set forth in the previous Section shall be in lieu of any other procedure for the determination of controversies between the parties to this Agreement and any claim by either party against the other party arising thereunder.

SECTION 6.06. Service of any notice or process in connection with any proceedings under this Article may be made in the manner provided in Section 7.01. The parties to this Agreement hereby waive any and all other requirements for the service of any such notice or process.

ARTICLE VII**Miscellaneous Provisions**

SECTION 7.01. Any notice or request required or permitted to be given or made under this Agreement shall be in writing. Except as otherwise provided in Section 8.03, such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail or facsimile to the party to which it is required or permitted to be given or made at such party's address specified in this Agreement, or at such other address as such party shall have designated by notice to the party giving such notice or making such request.

SECTION 7.02. The Borrower shall furnish to the Fund sufficient evidence of the authority of the person or persons who will sign the applications provided for in Article III or who will, on behalf of the Borrower, take any other action or execute any other documents required or permitted to be taken or executed by the Borrower under this Agreement, and the authenticated specimen signature of each such person.

SECTION 7.03. Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Agreement on behalf of the Borrower may be taken or executed by the Minister of Economy and Finance of the Borrower, or any person thereunto authorised in writing by him. Any modification or amplification of the provisions of this Agreement may be agreed to on behalf of the Borrower by written instrument executed on behalf of the Borrower by his aforementioned representative or any person thereunto authorised in writing by him; provided that, in the opinion of such representative, such modification or amplification is reasonable in the circumstances and will not substantially increase the obligations of the Borrower under this Agreement. The Fund may accept the execution by such representative or other person of any such instrument as conclusive evidence that in the opinion of such representative any modification or amplification of the provisions of this Agreement effected by such instrument is reasonable in the circumstances and will not substantially increase the obligations of the Borrower thereunder.

ARTICLE VIII**Effective Date: Termination**

SECTION 8.01. This Agreement shall not become effective until evidence satisfactory to the Fund shall have been furnished to the Fund that the execution and delivery of this Agreement on behalf of the Borrower have been duly authorised or ratified by all necessary governmental action;

SECTION 8.02. As part of the evidence to be furnished pursuant to Section 8.01, the Borrower shall furnish to the Fund an opinion or opinions of competent authority showing that this Agreement has been duly authorised or ratified

by, and executed and delivered on behalf of, the Borrower and constitutes a valid and binding obligation of the Borrower in accordance with its terms.

SECTION 8.03. Except as shall be otherwise agreed by the Fund and the Borrower, this Agreement shall come into force and effect on the date upon which the Fund dispatches by facsimile or by mail to the Borrower notice of its acceptance of the evidence required by Section 8.01.

SECTION 8.04. If all acts required to be performed pursuant to Section 8.01 shall not have been performed before 120 days after the signature of this Agreement or such other date as shall be agreed upon by the Fund and the Borrower, the Fund may at any time thereafter at its option terminate this Agreement by notice to the Borrower. Upon the giving of such notice this Agreement and all obligations of the parties thereunder shall forthwith terminate.

SECTION 8.05. If and when the entire principal amount of the Loan and all interest and other charges, which shall have accrued, on the Loan shall have been paid, this Agreement and all obligations of the parties thereunder shall forthwith terminate.

ARTICLE IX

Definitions

SECTION 9.01. Except where the context otherwise requires, the following terms have the following meanings wherever used in this Agreement or any schedule hereto:

- (1) The term "Project" means the project for which the Loan is provided, as described in Schedule 2 to this Agreement and as the description thereof shall be amended from time to time by agreement between the Fund and the Borrower.
- (2) The term "goods" means works, equipment, supplies and services which are required for the Project. Wherever reference is made to the cost of any goods, such cost shall be deemed to include the cost of importing such goods into the territories of the Borrower.
- (3) The term "SONEB" means National Water Company of Benin, a commercial and industrial public company owned by the Government of Benin, which was established by the Presidential Decree No. 2003-203 published on 12th June 2003, or any other entity that replaces it.

The following addresses are specified for the purposes of Section 7.01:

For the Borrower:

Ministry of Economy and Finance
BP 302
Cotonou, Republique du Benin

Alternative address for Fax and E-mail:

FACSIMILES

+ 229 21 30 18 51
+ 229 21 31 53 56

E-MAIL

sg@finances.gov.bj

For the Fund:

Kuwait Fund for Arab Economic Development
P.O. Box 2921, Safat
Kuwait - 13030

Alternative address for Fax and E-mails:

FACSIMILES


+ 965 22999190
+ 965 22999091

E-MAIL

operations@kuwait-fund.org

IN WITNESSETH WHEREOF the parties hereto acting through their representatives thereunto duly authorised, have caused this Agreement to be signed in their respective names and delivered in Cotonou, in two copies, each considered an original and both to the same and one effect, as of the day and year first above written.

Republic of Benin


By: Romuald WADAGNI
(Authorized Representative)

Kuwait Fund for Arab
Economic Development

By: [Signature]
(Authorized Representative)

SCHEDULE 1

Repayment Provisions

The amount of principal withdrawn from the Loan shall be repaid in forty (40) semi-annual instalments, the amount and order of sequence of each being as set forth in the attached schedule. The first of these instalments shall be due on the first date on which any interest or other charges on the loan shall fall due, in accordance with the provisions of the Loan Agreement, after the elapse of a grace period of five (5) years, commencing from the date on which the Fund pays, any amount from the loan pursuant to the first withdrawal application made by the Borrower or the date on which the Fund issues an undertaking pursuant to Section 3.02 of the Loan Agreement, in case the first withdrawal application requests the issue of such undertaking, whichever is earlier of the two dates. The remaining installments for the repayment of the principal shall be due consecutively, every six-month, after the date on which the first instalment falls due.

ANNEX TO SCHEDULE 1
AMORTISATION SCHEDULE

No.	Date Payment Due	Payment of Principal (Expressed in Kuwaiti Dinars)
1		125,000
2		125,000
3		125,000
4		125,000
5		125,000
6		125,000
7		125,000
8		125,000
9		125,000
10		125,000
11		125,000
12		125,000
13		125,000
14		125,000
15		125,000
16		125,000
17		125,000
18		125,000
19		125,000
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21		125,000
22		125,000
23		125,000
24		125,000
25		125,000
26		125,000
27		125,000
28		125,000
29		125,000
30		125,000
31		125,000
32		125,000
33		125,000
34		125,000
35		125,000
36		125,000
37		125,000
38		125,000
39		125,000
40		125,000
Total		5,000,000 (Five million Kuwaiti Dinars)

SCHEDULE 2

DESCRIPTION OF THE PROJECT

The project aims to support the socio-economic development in three cities, namely Boukoumbe, Cove, and Zagnanando, through the expansion and rehabilitation of the existing water supply systems, to provide adequate and sustainable quantities of water to meet the increased water demand, thus improving the health and social conditions of the residence at the project area.

The Project consists mainly of the civil and electromechanical works, which include construction of new borehole wells, distribution networks, storage reservoirs, pumps, and house connections. The project also includes the consulting services and the institutional support.

The Project includes the following main components:-

1- Civil and electromechanical work:

1.1. Boukoumbe City

- A - Drilling 5 borehole wells with diameters ranging from 6 inches to 15 inches, and depths varies between 50m – 70m, in addition to all the necessary preparation work, piping, fittings and wells protection.
- B - Procurement, Installation and equipping the wells with the required pumps, fittings and accessories with a capacity of about 5m³/h of each pump, in addition to the treatment facility for each well.
- C - Constructing of new elevated concrete reservoir, with a capacity of about 200m³, along with all piping, fittings and all accessories.
- D - Rehabilitation of the existing 250 m³ steel reservoir.
- E - Extending the distribution network, using plastic pipes for a total length of about 125 km, with diameters ranging between 75 mm to 200 mm.
- F - Procurement and installation of about 250 house connections along with the water meters, and all the required piping and accessories.

1.2. Cove and Zagnanando Cities

- A - Drilling 4 borehole wells with diameters ranging from 20 inches to 26 inches, and depths varies between 70m – 90m, along with all the necessary preparation work, piping, fittings and wells protection.

- B - Procurement, Installation and equipping the wells with the required pumps, fittings and accessories with a capacity of about 25m³/h of each pump, along with the treatment facility for each well.
 - C - Constructing new elevated and ground concrete reservoirs with capacities of about 600 m³, and 500 m³ respectively, along with all piping, fittings and all accessories.
 - D - Rehabilitation of the existing 200 m³ and the 300 m³ reservoirs.
 - E - Extending the distribution network using plastic pipes for a total length of about 120 km, with diameters ranging between 75 mm to 200 mm.
 - F - Procurement and installation of about 400 house connections along with the water meters, and all the required piping and accessories.
- 2- Consulting services for the review of the preliminary studies, preparation of the environmental and social study, preparation of the detailed design, tender documents, and supervision the construction work.
- 3- Institutional support, which shall include two vehicles "4 wheel drive" for site transportation, two motorbikes, office equipments for the PIU offices, in addition to the indoor training for the Project Implementation Unit staff.

The project is expected to be completed by the 31st December 2022

Side Letter No. 1

REPUBLIC OF BENIN

Date: 28/01/2019

Kuwait Fund for Arab Economic Development
P.O. Box 2921, Safat
Kuwait, 13030

Dear Sirs:

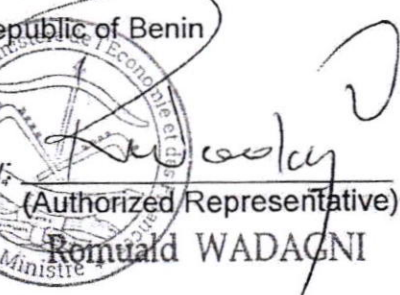
**Subject: List of Goods to be financed from the Loan –
Methods and Procedure for Procurement**


1. With reference to Section 3.06 and 4.06 of the Loan Agreement signed today between us for the financing of the Water Supply in Three Cities Project, we attached herewith a List of Goods showing the items to be financed by the Loan and the allocation for each item and percentage of expenditure thereon to be so financed. We agree that if the Kuwait Fund for Arab Economic Development (the Fund) finds that the allocation for any item is insufficient to finance the percentage specified in the said List of Goods out of the expected cost of such item, it may take any of the following measures to:
 - (a) allocate for that item, within the limit of the amount necessary to cover the shortfall in financing on the bases of the specified percentage, an additional amount against the allocation for contingency in the List of Goods or against the allocation for any other item if the Fund considers that there is a surplus in that allocation.
 - (b) reduce the percentage to be financed from the Loan out of the total cost of the particular item, if the additional allocation for that item, in accordance with the foregoing, is insufficient to cover the shortfall referred to above, or if the Fund is of the opinion that it is not possible to allocate any additional amount from the Loan for that item, so that as a consequence of such reduction withdrawals from the Loan will continue for financing the cost of the goods, works or services included in that item until the total cost thereof is covered in full.
2. We confirm that the proceeds of the Loan shall not be used for the payment of any taxes or duties imposed under the laws in force in the Republic of Benin.
3. The consulting services required for the Project will be procured in accordance with the procedures stated in this letter. On this basis, a short list of 6 – 8 consulting firms to be invited to submit proposals will be prepared in agreement with the Fund. Such list will consist of associations of Beninese and Kuwaitis

consulting firms. Invitation of proposals from the short listed consultants will be made on the basis of such terms of reference as will be agreed with the Fund. The letter of invitation will require the joint venture of consultants thereof to submit their technical and financial proposals in separate envelopes and to furnish copies thereof to the Fund. We shall open and evaluate the technical proposals first and then open the financial proposals and make a combined evaluation of the technical and financial aspects of the proposals. The evaluation in each stage will be made in accordance with criteria agreed in advance with the Fund, and following completion of the evaluation, we shall furnish you with a report thereon together with the proposed selection of the consultants for your approval.

4. Unless the Fund otherwise agree, we confirm that tenderers for the construction of the Project will be based on International Competitive Bidding (ICB), using the two envelopes procedure (one envelop contains the post qualification application and the second envelop contains the financial offer). Notice of the invitation to interested contractors to apply for the post-qualification will be published in local newspapers, and in at least one Kuwaiti daily newspaper, as well as in SONEB's website, with advance copy of the advertisement being furnished to the Fund for its comments and approval. A report on the evaluation of application for pre-qualification will be prepared and submitted, in English, to the Fund for review and approval. Upon receipt of bids, a report on the evaluation thereof will be prepared and submitted to the Fund, together with the recommendation for award, for review and approval by the Fund. A margin of preference of 5% of the price of lowest-evaluated bid will be allowed for offers presented by either Beninese or Kuwaiti contractors, or for joint ventures between them. For the purpose of this provision a contractor will be considered as Beninese or Kuwaiti if it is beneficially owned to the extent of at least 50% by Beninese or Kuwaiti nationals respectively.
5. As for procuring contracts for the supply of office equipment, vehicles, motorcycles and training courses for the PIU, we confirm that such goods and services will be procured on the basis of comparison and evaluation of price quotations obtained from not less than three suppliers. The evaluation report thereof will be submitted to the Fund for review and approval.
6. As regards the application of Section 4.06 referred to above and the procurement of all items to be financed from the Loan, we shall furnish to you the procedure for inviting bids as well as the draft tender documents for the procurement of such goods and works for review and approval and shall make such reasonable alterations as may be requested by you in such documents or in the bidding procedures. We shall furnish, or cause to be furnished, to you a detailed report on the evaluation of bids in each case, together with the recommendation for award, for review and approval. In the event it is necessary to conduct negotiations with the selected bidder, we shall furnish, or cause to be furnished, to you the final draft contract emerging from such negotiations for approval by you.

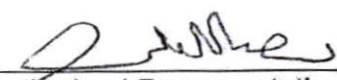
7. Following signature of any contract to be financed from the Loan, we shall furnish, or cause to be furnished, to you an original or conformed and certified copy of such contract for your records and for the purpose of disbursements from the Loan. Any material amendment proposed to be made in any contract, which has been approved by you, will be presented to you for approval.
8. We understand that if we exercise, in accordance with Section 3.02 of the Loan Agreement, the option of requesting the Fund to issue any special commitment in connection with the confirmation of any documentary letter of credit for meeting expenditures on the Project, such request will be made on the basis that the special commitment of the Fund is to be made to a Kuwaiti Bank operating in Kuwait or overseas.
9. Please indicate your agreement to the attached List of Goods and confirm that the foregoing reflects the understandings reached between us, by signing the form of confirmation on the attached copy of this letter and returning it to us.

Republic of Benin
By: 
(Authorized Representative)
Romuald WADAGNI



Confirmed:

Kuwait Fund for Arab
Economic Development

By: 
(Authorized Representative)

LIST OF GOODS

No.	Item	Amount Allocated (Expressed in Kuwaiti Dinars)	Percentage of Total Cost of Item
1.	Water Supply system for the City of Boukoumbe	1,900,000/-	95%
2.	Water Supply system for the Cities of Cove and Zagnanando	2,420,000/-	95%
3.	Consultants' Services	200,000/-	100%
4.	Institutional Support for PIU	100,000/-	100%
5.	Contingencies	380,000/-	-
Total		5,000,000/-	

Side Letter No. 2

REPUBLIC OF BENIN

Date: 28/01/2019

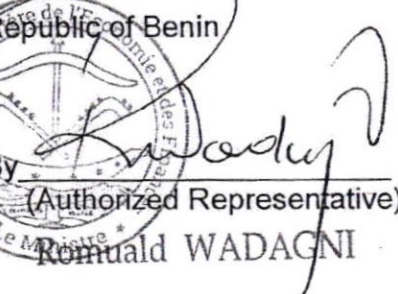
Kuwait Fund for Arab Economic Development
P.O. Box 2921, Safat
Kuwait, 13030

Dear Sirs:

Reference is made to the Loan Agreement of even date herewith signed between us for the financing of the Water Supply in Three Cities Project. We confirm that we have been duly informed that in accordance with the regulations in force in the State of Kuwait, the use of public funds in connection with transactions involving any firm or entity subject to boycott under these regulations is prohibited.

We therefore undertake that the proceeds of the above-mentioned Loan will not be used in any manner to finance directly or indirectly any goods or services produced or supplied by any country, firm or entity subject to boycott under the regulations in force in the State of Kuwait.

Please confirm your acceptance of the assurance given above by signing the attached copy of this letter and returning it to us.

Republic of Benin
By 
(Authorized Representative)
Romuald WADAGNI

Confirmed:

Kuwait Fund for Arab
Economic Development

By: 
(Authorized Representative)