
**IDA CREDIT NUMBER 6711-3A (CREDIT A)
IDA SUF CREDIT NUMBER 6712-3A (CREDIT B)**

Financing Agreement

(Regional Infrastructure Finance Facility Project)

Between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK

IDA CREDIT NUMBER 6711-3A (CREDIT A)
IDA SUF CREDIT NUMBER 6712-3A (CREDIT B)

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (“Recipient” or “TDB”).

WHEREAS:

- (A) the Recipient and COMESA desire to support the expansion of long-term finance for infrastructure in Eastern and Southern Africa;
- (B) the Recipient, having satisfied itself as to the feasibility and priority of the Project, has requested the Association to assist in the financing of Parts 1, 2 and 3(a) of the Project (as defined below);
- (C) pursuant to a financing agreement entered into on or about the date hereof between the Association and COMESA (the “COMESA Financing Agreement”), the Association will extend to COMESA a grant to assist in financing Part 3(b) of the Project on the terms and conditions set forth in the COMESA Financing Agreement;
- (D) the Recipient shall be responsible for the implementation of Parts 1, 2 and 3(a) of the Project;
- (E) COMESA shall be responsible for the implementation of Part 3(b) of the Project; and
- (F) the Association has agreed, on the basis, *inter alia*, of the foregoing, to extend the financing provided for in Article II of this Agreement to the Recipient upon the terms and conditions set forth in this Agreement.

NOW THEREFORE, 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) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — CREDIT

- 2.01. The Association agrees to extend to the Recipient credits in the following amounts to assist in financing Parts 1, 2 and 3(a) of the project described in Schedule 1 to this Agreement (“Project”):
- (a) a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in the amount of fifteen million Dollars (\$15,000,000) (“Credit A”); and
 - (b) a credit, which is deemed as Non-concessional Financing for purposes of the General Conditions, in the amount of four hundred million Dollars (\$400,000,000), as such amount may be converted from time to time through a Currency Conversion (“Credit B”, and together with Credit A, collectively the “Credits” or the “Financing”).
- 2.02. The Recipient may withdraw the proceeds of Credit A and B in accordance with Section III of Schedule 2 to this Agreement.

Part A: Provisions applicable to Credit A only

- 2.03. The provisions set forth in Articles 2.04 and 2.05 shall apply solely to Credit A.
- 2.04. The Maximum Commitment Charge Rate applicable to Credit A is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance of Credit A.
- 2.05. The Service Charge applicable to Credit A is the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance of Credit A.

Part B: Provisions applicable to Credit B only

- 2.06. The provisions set forth in Articles 2.07, 2.08, and 2.09 shall apply solely to Credit B.
- 2.07. The Front-end Fee applicable to Credit B is one quarter of one percent (1/4 of 1%) of Credit B.
- 2.08. The Commitment Charge applicable to Credit B is one-quarter of one percent (1/4 of 1%) per annum on the Unwithdrawn Credit Balance of Credit B.
- 2.09. The Interest Charge applicable to Credit B is the Reference Rate plus the Fixed Spread or such rate as may apply following a Conversion; subject to Section 3.09(e) of the General Conditions.

Part C: Provisions applicable to both Credit A and Credit B

- 2.10. The provisions set forth in Articles 2.11 and 2.12 shall apply to both Credit A and Credit B.
- 2.11. The Payment Dates are January 15 and July 15 in each year.
- 2.12. The principal amount of the Credits shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out Parts 1, 2 and 3(a) of the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following: the Recipient's Charter has, in the opinion of the Association, been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under this Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness (referred to in Section 10.01(c) of the General Conditions) consist of the following:
 - (a) The Recipient has adopted the Project Operations Manual in accordance with the provisions of Section I.B of Schedule 2 to this Agreement.
 - (b) The Recipient has engaged consultants, with qualifications, experience and terms of reference acceptable to the Association, to support the development of policies for addressing risks related to gender-based violence and sexual exploitation and abuse for inclusion as part of the Recipient's ESMS.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.03. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

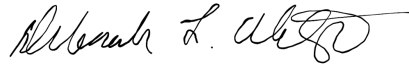
ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient’s Representative is its President.
- 6.02. For purposes of Section 11.01 of the General Conditions:
- (a) the Recipient’s address is:
 - 197 Lenana Place
 - Lenana Road
 - Nairobi
 - Kenya; and
 - (b) the Recipient’s Electronic Address is:
 - E-mail:
 - corporatesecretariat@tdbgroup.org;
 - treasury@tdbgroup.org;
 - fmd@tdbgroup.org
- 6.03. For purposes of Section 11.01 of the General Conditions:
- (a) the Association’s address is:
 - International Development Association
 - 1818 H Street, N.W.
 - Washington, D.C. 20433
 - United States of America; and
 - (b) the Association’s Electronic Address is:
 - Telex: Facsimile:
 - 248423 (MCI) 1-202-477-6391

AGREED as of the Signature Date.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Deborah wetzel

Title: Director, Regional Integration, Africa and MENA R

Date: 30-Jul-2020

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK

By



Authorized Representative

Name: Admassu Tadesse

Title: President and Chief Executive Officer

Date: 04-Aug-2020

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK

By



Authorized Representative

Name: Tom Mzumara

Title: Corporate Secretary

Date: 04-Aug-2020

SCHEDULE 1

Project Description

The objective of the Project is to expand long-term finance to private firms in selected infrastructure sectors in Eastern and Southern Africa.

The Project consists of the following parts:

Part 1: Project and Infrastructure Finance Facility

Provision of a credit line for the financing of Infrastructure Sub-Projects through Infrastructure Sub-Credits.

Part 2: COVID-19 Infrastructure Sector SME Facility

Provision of a credit line for the provision of financing to Eligible SMEs through SME Sub-Credits.

Part 3: Technical Assistance

- (a) ***Capacity building and technical assistance to TDB.*** Strengthening of TDB's project and infrastructure finance capacity through the provision of capacity building and technical assistance for: (i) pipeline development, project development, and portfolio management; and (ii) environmental and social management capacity.
- (b) ***Capacity building and technical assistance to COMESA.*** Strengthening the enabling environment for private infrastructure finance and the establishment of a regional off-grid energy market, including through: (i) the harmonization of policies and regulations for cross-border infrastructure trade and investment; (ii) supporting regional integration in the off-grid energy sector; (iii) the carrying out of market development activities in the off-grid energy sector in selected fragile and conflict- and violence-affected countries.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Coordination Arrangements

The Recipient shall collaborate with COMESA to establish, and thereafter maintain throughout the implementation of Part 3 of the Project, appropriate arrangements, to be set forth in the Project Operations Manual, to enable collaboration between the Recipient and COMESA for the implementation of Part 3 of the Project. For the avoidance of doubt, this provision (a) shall apply in the context of implementation of Part 3 of the Project, and (b) is in no way intended to substitute the parties' respective obligations under Part 3 of the Project.

B. Implementation Covenants

1. Project Operations Manual

(a) The Recipient shall prepare and adopt a Project operations manual ("Project Operations Manual") containing detailed guidelines and procedures for the implementation of Parts 1, 2 and 3(a) of the Project, including with respect to: (i) eligibility criteria (including Excluded Activities, and mandatory and prioritization criteria) for Infrastructure Sub-Credit Borrowers, Infrastructure Sub-Projects and Eligible SMEs; (ii) eligibility criteria and the key terms and conditions for Infrastructure Sub-Credits and SME Sub-Credits; (iii) the appraisal and approval process for Infrastructure Sub-Credits and SME Sub-Credits; (iv) Project administration and coordination; (v) monitoring and evaluation, financial management, procurement and accounting procedures; (vi) environmental and social risk management, including the form of the consolidated annual environmental and social performance report referred to in Section I.F.4 of this Schedule; (vii) riparian notification process for Infrastructure Sub-Projects that will involve the use or potential pollution of international waterways; (viii) corruption and fraud mitigation measures and protocols and arrangements for the carrying out of integrity checks for Infrastructure Sub-Credit Borrowers and Eligible SMEs, including through know your customer due diligence or other processes acceptable to the Association; (ix) a grievance redress mechanism; (x) roles and responsibilities for Project implementation; and (xi) such other arrangements and procedures as shall be required for the effective implementation of the Project, in form and substance satisfactory to the Association.

- (b) The Recipient shall ensure that the Parts 1, 2 and 3(a) of the Project are carried out in accordance with the POM.
- (c) The Recipient shall ensure that the POM is not amended, suspended, repealed or abrogated without the prior written approval of the Association, such approval not to be unreasonably withheld or delayed.
- (d) In the event of any conflict between the provisions of the POM, and, this Agreement, the provisions of this Agreement shall prevail.

2. **Annual Work Plans and Budget**

For purposes of implementation of Part 3(a) of the Project, the Recipient shall:

- (a) prepare a draft annual work plan and budget for each year of Project implementation, setting forth, *inter alia*: (i) a detailed description of the planned activities, including any proposed conferences and training, under Part 3(a) of the Project for the following year; and (ii) responsibility for the execution of said Project activities, and budgets, start and completion dates, outputs and monitoring indicators to track progress of each such activity;
- (b) not later than November 30 of each year, furnish the draft annual work plan and budget for the following year to the Association for its review, and promptly thereafter finalize the draft annual work plan and budget, taking into account the Association's comments thereon; and
- (c) thereafter adopt and carry out such draft annual work plan and budget for Part 3(a) of the Project for the relevant year as shall have been agreed with the Association ("Annual Work Plan and Budget"), as such plan may be subsequently revised during such year with the prior written agreement of the Association.

C. **Infrastructure Sub-Credits**

- 1. The Recipient shall make Infrastructure Sub-Credits to Infrastructure Sub-Credit Borrowers to finance Infrastructure Sub-Projects, in accordance with eligibility criteria and procedures set forth in the POM. Without prejudice to any other provision of this Agreement, the Recipient shall ensure that Infrastructure Sub-Credits and Infrastructure Sub-Projects do not support or involve Excluded Activities.

2. The Recipient shall make each Infrastructure Sub-Credit under a Sub-Financing Agreement with the respective Infrastructure Sub-Credit Borrower on terms and conditions acceptable to the Association, and which shall include the obtaining by the Recipient of rights adequate to protect its interests and those of the Association, including the right to:
 - (a) suspend or terminate the right of the Infrastructure Sub-Project Borrower to use the proceeds of the Infrastructure Sub-Credit, or declare to be immediately due and payable all or any part of the amount of the Infrastructure Sub-Credit then withdrawn, upon the Infrastructure Sub-Credit Borrower's failure to perform any of its obligations under the Sub-financing Agreement; and
 - (b) require each Infrastructure Sub-Credit Borrower to:
 - (i) carry out the Infrastructure Sub-Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient;
 - (ii) comply with the Applicable Environmental and Social Requirements, in accordance with the provisions of Section I.F below, and promptly notify the Recipient of any incident, accident or circumstance (including, without limitation, social, labor, health and safety, security or environmental incidents, accidents or circumstances) which has, or is likely to have, a material impact on compliance with the Applicable Environmental and Social Requirements;
 - (iii) provide, promptly as needed, the resources required for the Infrastructure Sub-Project;
 - (iv) enable the Recipient and the Association to inspect the Infrastructure Sub-Project, its operation and any relevant records and documents;
 - (v) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing; and
 - (vi) exchange views with, and furnish all such information to the Recipient as may be reasonably requested by the Recipient or the Association, with regard to the Infrastructure Sub-Project or the Infrastructure Sub-Credit Borrower or the performance of its obligations under the Sub-financing Agreement.
3. The Recipient shall exercise its rights under each Sub-financing Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Credits.

D. Eligible SMEs and SME Sub-credits

The Recipient shall ensure that:

1. SME Sub-Credits are provided only to Eligible SMEs that satisfy the eligibility criteria set forth in the POM, to finance activities that meet the criteria set forth in the POM. Without prejudice to any other provision of this Agreement, the Recipient shall ensure that SME Sub-Credits do not support or involve Excluded Activities.
2. The Recipient shall make each SME Sub-Credit under a Sub-Financing Agreement with the respective Eligible SME on terms and conditions acceptable to the Association, and which shall include the obtaining by the Recipient of rights adequate to protect its interests and those of the Association, including the right to:
 - (a) suspend or terminate the right of the Eligible SME to use the proceeds of the SME Sub-Credit, or declare to be immediately due and payable all or any part of the amount of the SME Sub-Credit then withdrawn, upon the Eligible SME's failure to perform any of its obligations under the Sub-financing Agreement; and
 - (b) require each Eligible SME to: (i) carry out the activities to be financed with the SME Sub-Credit with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (ii) comply with the Applicable Environmental and Social Requirements, in accordance with the provisions of Section I.F below, and promptly notify the Recipient of any incident, accident or circumstance (including, without limitation, social, labor, health and safety, security or environmental incidents, accidents or circumstances) which has, or is likely to have, a material impact on compliance with the Applicable Environmental and Social Requirements; (iii) provide, promptly as needed, the resources required for the purpose; (iv) enable the Recipient and the Association to inspect the activities to be financed with the SME Sub-Credit and any relevant records and documents; (v) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing; and (vi) exchange views with, and furnish all such information to the Recipient as may be reasonably requested by the Recipient or the Association, with regard to the Eligible SME or the SME Sub-Credit or the performance of its obligations under the Sub-financing Agreement.

3. The Recipient shall exercise its rights under each Sub-financing Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Credits.

E. Pipeline Reporting

1. The Recipient shall prepare a report, in form and substance acceptable to the Association, setting forth its pipeline of proposed Infrastructure Sub-Credits for each six (6) month period of Project implementation, including such details on (as applicable) the relevant Infrastructure Sub-projects, the proposed Infrastructure Sub-Credit Borrowers, other Infrastructure Sub-Project participants (including sponsors and other proposed lenders) and such other related information as the Association may reasonably request.
2. The Recipient shall promptly furnish such report to the Association as part of the Project Reports (provided that the first such report shall be furnished to the Association by no later than three (3) months after the Effective Date), afford the Association a reasonable opportunity to exchange views with the Recipient on such report, and thereafter proceed with its consideration of the financing of such Infrastructure Sub-Credits taking into account the Association's views.

F. Environmental and Social Risk Management for Parts 1, 2 and 3(a) of the Project

1. The Recipient shall ensure that the Project is implemented in accordance with the Performance Standards, the ESMS, and ESAP, in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
 - (a) the implementation of the ESMS is continued and effective, and that it implements Parts 1, 2 and 3(a) of the Project in accordance with such ESMS, all in a manner consistent with the Performance Standards and acceptable to the Association;
 - (b) implement the measures and actions specified in the ESAP with due diligence and efficiency and in a manner acceptable to the Association, as provided in the ESAP;
 - (c) sufficient funds are available to cover the costs of implementing the ESAP;
 - (d) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESAP, as provided in the ESAP; and

- (e) the ESAP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESAP, and ensure that the revised ESAP is disclosed promptly thereafter.
- 2. In case of any inconsistencies between the ESAP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 3. Without limiting the foregoing, for the purposes of managing the environmental and social risks and impacts associated with the implementation of Parts 1, 2 and 3(a) of the Project, the Recipient shall ensure that:
 - (a) no activities under Parts 1, 2 and 3(a) of the Project shall support or involve Excluded Activities;
 - (b) all Infrastructure Sub-Projects and activities financed through SME Sub-Credits satisfy the Applicable Environmental and Social Requirements;
 - (c) all Infrastructure Sub-Credit Borrowers and Eligible SMEs fulfill their respective obligations with regard to the carrying out of environmental and social due diligence and risk management, and the monitoring of activities financed under Infrastructure Sub-Credits and SME Sub-Credits, as applicable, in accordance with the Applicable Environmental and Social Requirements;
 - (d) it shall obtain the Association's written approval prior to the approval by the Recipient of an Infrastructure Sub-Project Credit for any Infrastructure Sub-Project that is expected to result in Large Scale Involuntary Resettlement Impacts; and
 - (e) the Recipient shall: (i) obtain the Association's written approval prior to the approval by the Recipient of an Infrastructure Sub-Project Credit for any Infrastructure Sub-Project that will involve the use or potential pollution of international waterways; and (ii) carry out a riparian notification process in respect of any such Infrastructure Sub-Project in accordance with the procedures set forth in the Project Operations Manual and in a manner acceptable to the Association.
- 4. The Recipient shall, and as applicable, shall cause each Infrastructure Sub-Project Borrower and Eligible SME to, ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Association:

- (i) through regular reports, as part of the Project Reports or with such other frequency as may be specified in the ESAP, and promptly in a separate report or reports, if so requested by the Association, information on: (A) in the case of the Recipient, the status of implementation of the ESMS and the status of compliance with the ESAP; and (B) in the case of each Infrastructure Sub-Project Borrower and Eligible SME, information on the status of compliance with the Applicable Environmental and Social Requirements;

all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (1) conditions, if any, which interfere or threaten to interfere with the implementation of the ESMS, the ESAP, or the Applicable Environmental and Social Requirements, as applicable; and (2) corrective and preventive measures taken or required to be taken to address such conditions; and

- (ii) a consolidated annual environmental and social performance report setting out the status of implementation of the ESMS by the Recipient, substantially in the form attached to the POM, and acceptable to the Association, within ninety (90) days after the end of each calendar year;
- (b) the Association is promptly notified of any incident, accident or circumstance (including, without limitation, social, labor, health and safety, security or environmental incidents, accidents or circumstances) which has, or is likely to have, a material impact on compliance with the ESMS, the ESAP, and/or the Applicable Environmental and Social Requirements, or a significant adverse effect on the environment, the affected communities, the public or workers in accordance with the ESMS, the ESAP, or the Applicable Environmental and Social Requirements.

- 5. The Recipient shall , and shall cause each Infrastructure Sub-Project Borrower and Eligible SME to, establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, all in a manner acceptable to the Association.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the Credits

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Credits to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category in the following table:

Category	Amount of Credit A Allocated (expressed in USD)	Amount of Credit B Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Infrastructure Sub-Credits under Part 1 of the Project	0	325,000,000	100%
(2) SME Sub-Credits under Part 2 of the Project	0	75,000,000	100%
(3) Goods, non-consulting services, consulting services, Training and Operating Costs under Part 3(a) of the Project, Training and Operating Costs	15,000,000	0	
TOTAL AMOUNT	15,000,000	400,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed: (a) \$3,000,000 (three million Dollars) of Credit A; and (b) \$80,000,000 (eighty million Dollars) of Credit B, may be made for payments made prior to this date but on or after September 1, 2019, for Eligible Expenditures.
2. The Closing Date is September 26, 2025.

Section IV. Other Undertakings

1. Except as the Association shall otherwise agree, the Recipient shall maintain:
 - (a) a Capital Adequacy Ratio of not less than twenty-five per cent (25%);
 - (b) an Open Credit Exposure Ratio of not more than ten per cent (10%); and
 - (c) a credit risk mitigation instrument, acceptable to the Association, in respect of at least forty per cent (40%) of its Class A shares (as defined in the Recipient's Charter) held by shareholders whose credit rating is less than investment grade. For purposes of this section, an investment grade credit rating as of the date hereof is a rating for long term, unsecured and non-credit enhanced debt obligations of BBB- or higher by Standard & Poor's and Fitch and Baa3 or higher by Moody's.
2. For each of its fiscal years, the Recipient shall review on a semi-annual basis whether it would meet the requirements set forth in sub-section 1 above in respect of such fiscal year and the next fiscal year, and shall furnish the Association, as part of the Project Reports, the results of such review upon its completion.
3. If any such review shows that the Recipient would not meet the requirements set forth in sub-section 1 above for the period covered by such review, the Recipient shall promptly take all necessary measures, in order to meet such requirements.
4. For purposes of this section:
 - (a) the term "Capital Adequacy Ratio" means the ratio of the Recipient's total capital to its risk weighted assets on and off-balance sheet, as specified in the Recipient's audited financial statements, and computed in accordance with recommendations of the Basel Committee on Banking Supervision;
 - (b) the term "Open Credit Exposure Ratio" means gross non-performing Loans (as specified in the Recipient's audited financial statements) minus impairments and provisions (specific and general) for Loans (as specified in the Recipient's audited financial statements), divided by Shareholder's Equity;
 - (c) the term "Loans" means trade finance loans and project loans; and
 - (d) the term "Shareholder's Equity" means the sum of the total unimpaired paid-up capital, retained earnings and reserves of the Recipient not allocated to cover specific liabilities.

SCHEDULE 3

Section I: Repayment Schedule for Credit A

Date Payment Due	Principal Amount of Credit A repayable (expressed as a percentage)*
On each January 15 and July 15 commencing July 15, 2026, to and including January 15, 2058	1.5625%

* The percentages represent the percentage of the principal amount of the Credit to be repaid.

Section II: Repayment Schedule for Credit B

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of Credit B and the percentage of the total principal amount of Credit B payable on each Principal Payment Date (“Installment Share”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each January 15 and July 15 Beginning July 15, 2025 through July 15, 2038	3.57%
On January 15, 2039	3.61%

SCHEDULE 4

Excluded Activities

Section I: Environmental and Social

A. List of Excluded Activities

1. Any activity involving Indigenous Peoples for which free, prior and informed consent (“FPIC”)¹ is required.
2. Any activity having significant adverse impacts on critical cultural heritage.²
3. Any activity having adverse impact on critical habitats³ and/or legally protected⁴ and internationally recognized areas⁵ of high biodiversity value.
4. Any activity having direct adverse impact on ecosystem services that might result in adverse health and safety risks to and impact on affected communities.⁶
5. Any activity where a biodiversity offset⁷ is proposed as the mitigation measure.

B. Footnotes on Excluded Activities

1. FPIC applies to project design, implementation, and expected outcomes related to impacts affecting the communities of Indigenous Peoples.
2. Critical cultural heritage consists of one or both of the following types of cultural heritage: (i) the internationally recognized heritage of communities who use, or have used, within living memory the cultural heritage for long-standing cultural purposes; or (ii) legally protected cultural heritage areas, including those proposed by host governments for such designation.
3. Critical habitats are areas with high biodiversity value, including: (i) habitat of significant importance to critically endangered and/or endangered species; (ii) habitat of significant importance to endemic and/or restricted-range species; (iii) habitat supporting globally significant concentrations of migratory species and/or congregatory species; (iv) highly threatened and/or unique ecosystems; and/or (v) areas associated with key evolutionary processes.
4. Legally protected areas are those that meet the IUCN definition: “A clearly defined geographical space, recognized, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values.” This includes areas proposed by governments for such designation.

5. Exclusively defined as UNESCO Natural World Heritage Sites, UNESCO Man and the Biosphere Reserves, Key Biodiversity Areas, and wetlands designated under the Convention on Wetlands of International Importance (the Ramsar Convention).
6. For the purposes of this list, ecosystem services are limited to provisioning and regulating services: (i) provisioning services, which are the products people obtain from ecosystems; (ii) regulating services, which are the benefits people obtain from the regulation of ecosystem processes, where the activity's direct impacts on priority ecosystem services may result in adverse health and safety risks and impacts to affected communities.
7. Biodiversity offsets are measurable conservation outcomes resulting from actions designed to compensate for significant residual adverse biodiversity impacts arising from project development and persisting after appropriate avoidance, minimization and restoration measures have been taken.

Section II: Other Excluded Activities

1. Any Sub-Activity involving or supporting greenfield coal power generation or upstream oil and gas.
2. Any Sub-Activity located in an area or territory that is disputed.

APPENDIX

Section I. Definitions

1. “Annual Work Plan and Budget” means an annual work plan and budget referred to in Section I.B.2 of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. “Applicable Environmental and Social Laws” means, collectively, any Applicable Law relating to the environment, human health or safety, or laws and regulations relating to social issues, including those relating to land acquisition and labor.
4. “Applicable Environmental and Social Requirements” means, collectively, the Performance Standards, Applicable Environmental and Social Laws, Section I (Environmental Activities) of the Excluded Activities, and the E&S Instruments.
5. “Applicable Law” means any law, rule, regulation or judicial, arbitral or official decision, order, authorization, or directive, which is binding upon or otherwise applicable to the Recipient, the Project, an Infrastructure Sub-Project, and Infrastructure Sub-Credit Borrower, or an Eligible SME.
6. “Basis Adjustment to the Service Charge” means the Association’s standard basis adjustment to the Service Charge for credits in the currency of denomination of Credit A, in effect at 12:01 a.m. Washington, D.C. time, on the date on which Credit A is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.
7. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.”
8. “COMESA” means the Common Market for Eastern and Southern Africa, established pursuant to the COMESA Charter.
9. “COMESA Charter” means the Treaty Establishing the Common Market for Eastern and Southern Africa, signed on November 5, 1993.
10. “COMESA Financing Agreement” has the meaning set forth in the recitals to this Agreement.
11. “COVID-19” means coronavirus disease.

12. “E&S Instruments” means the instruments prepared, or to be prepared, by the Recipient, an Infrastructure Sub-Credit Borrower or an Eligible SME to manage the environmental and social risks associated with the Project, an Infrastructure Sub-Project or the activities to be financed under an SME Sub-Credit, as applicable, in accordance with the Applicable Environmental and Social Requirements.
13. “Eastern and Southern Africa” means the region of Africa consisting of the member states of the Recipient and COMESA located in Sub-Saharan Africa.
14. “Eligible Country” means a country in Eastern and Southern Africa that is eligible to receive financing from the Association.
15. “Eligible SME” means a small to medium enterprise operating in an Eligible Country, involved in solar home system installation, off-grid electrification or in the infrastructure value chain, that satisfies the applicable eligibility criteria set forth in the POM and to which the Recipient has made, or proposes to, provide an SME Sub-Credit.
16. “ESAP” means the environmental and social action plan developed by the Recipient to enable the implementation of Parts 1, 2 and 3(a) of the Project in compliance with the Performance Standards, as such action plan may be amended from time to time with the prior written approval of the Association.
17. “ESMS” means the environmental and social management system implemented by the Recipient to identify, assess and manage the environmental and social risks and impacts under Parts 1, 2 and 3(a) of the Project, in compliance with the Performance Standards.
18. “Excluded Activities” means the excluded activities set forth in Schedule 4 to this Agreement.
19. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018, with the modifications set forth in Section II of this Appendix.
20. “Indigenous Peoples” has the meaning ascribed to that term in the Performance Standards.
21. “Infrastructure Sub-Project” means a specific infrastructure project implemented or to be implemented in an Eligible Country, that satisfies the applicable eligibility criteria and other requirements set forth in the POM and which is, or is proposed to be, financed (in whole or in part) by the Recipient through an Infrastructure Sub-Credit.

22. “Infrastructure Sub-Credit Borrower” means an entity that satisfies the applicable eligibility criteria set forth in the POM, and to which the Recipient has made or proposes to provide an Infrastructure Sub-Credit.
23. “Infrastructure Sub-Credit” means a loan made, or to be made, by the Recipient to an Infrastructure Sub-Credit Borrower using the proceeds of Credit B, for purposes of financing an Infrastructure Sub-Project, and which satisfies the applicable eligibility criteria and other requirements for Infrastructure Sub-Credits set forth in the POM.
24. “Involuntary Resettlement” means involuntary (i.e. where the affected persons or communities do not have the right to refuse) land acquisition and/or impositions of restrictions on land use, resulting in: (a) physical displacement (relocation or loss of shelter); and/or (b) economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood), all as further described in Performance Standard 5 (Involuntary Resettlement) of the Performance Standards.
25. “IUCN” means the International Union for Conservation of Nature.
26. “Large Scale Involuntary Resettlement” means Involuntary Resettlement involving physical displacement (relocation or loss of shelter) or economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood) above the thresholds specified in the POM.
27. “Operating Costs” means the reasonable expenses incurred by the Recipient on account of implementation of Parts 1, 2 and 3(a) of the Project, based on an Annual Work Plan and Budget approved by the Association, including: expenditures for maintenance of equipment, facilities and vehicles used for implementation of Parts 1, 2 and 3(a) of the Project, fuel, routine repair and maintenance of equipment, vehicles and office premises, communication and insurance costs, use of internet costs, stationery and other office supplies, utilities used for implementation of Parts 1, 2 and 3(a) of the Project, consumables, transport costs, travel, travel per diem costs, and accommodation expenses, workshop venues and materials, and costs of printing, photocopying and advertising, office rentals, bank charges, salaries of non-consultant contracted employees, but excluding salaries, top-ups, honoraria, or allowances of the Recipient’s staff.
28. “Performance Standards” means the World Bank’s Performance Standards for Private Sector Activities, as approved by the World Bank’s Board of Executive Directors on June 26, 2012, copies of which have been delivered to, and receipt of which has been acknowledged by, the Recipient by entering into this Agreement.

29. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
30. “Project Operations Manual” or “POM” means the manual referred to in Section I.B.1 of Schedule 2 to this Agreement, as such manual may be amended from time to time, with the prior written approval of the Association.
31. “Recipient’s Charter” means the Recipient’s charter, adopted at the sixth meeting of the Council of Ministers of the Preferential Trade Area for Eastern and Southern African States held in Bujumbura on 6 November 1985, as amended and supplemented from time to time.
32. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
33. “SME Sub-Credit” means a loan made, or to be made, by the Recipient to an Eligible SME using the proceeds of Credit B, and which satisfies the eligibility criteria and other requirements for SME Sub-Credits set forth in the POM.
34. “Sub-Activity” means an Infrastructure Sub-Project or an activity or activities to be financed with an SME Sub-Credit.
35. “Sub-Financing Agreement” means an agreement entered or to be entered into between the Recipient and an Infrastructure Sub-Credit Borrower in the case of an Infrastructure Sub-Credit, or an Eligible SME in the case of an SME Sub-Credit, pursuant to Section I.C.2 or Section I.D.2, as applicable, of Schedule 2 to this Agreement.
36. “Training” means the reasonable costs associated with training, workshops and study tours provided under the Project, based on an Annual Work Plan and Budget approved by the Association, consisting of reasonable expenditures (other than expenditures for consultants’ services) for: (a) travel, room, board and *per diem* expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (b) course fees; (c) training facility rentals; and (d) training material preparation, acquisition, reproduction and distribution expenses.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. ***Section 2.06 is modified to read as follows:***

“Section 2.06. *Financing Taxes*

The use of any proceeds of the Credits to pay for Taxes levied by, or in the territory of, the Member Country on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply, if permitted by the Legal Agreements, is subject to the Association’s policy of requiring economy and efficiency in the use of the proceeds of its credits and grants. To that end, if the Association at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Association may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Credits.”

2. ***Section 3.05 is modified to read as follows:***

“Section 3.05 *Repayment of the Credit*

The Recipient shall repay the Withdrawn Credit Balance to the Association in installments as provided in the Financing Agreement.”

3. ***Paragraphs (b) and (c) of Section 3.18 are modified to read as follows:***

“(b) All Financing Payments shall be paid without restrictions of any kind imposed by, or in the territory of, the Member Country, and without deduction for, and free from, any Taxes levied by, or in the territory of, the Member Country.

(c) The Legal Agreements shall be free from any Taxes levied by, or in the territory of the Member Country, or in connection with their execution, delivery or registration.”

4. ***In Section 5.11, paragraph (a) is modified to read as follows:***

“Section 5.11. *Visits*

“(a) The Recipient shall take all action necessary or useful to ensure that the Member Country affords all reasonable opportunity for representatives of the Association to visit any part of their territories for purposes related to the Credits or the Project.”

5. **Section 6.01** is deleted in its entirety and the remaining section in Article VI is renumbered accordingly.
6. **Article VII is deleted in its entirety and replaced with the following replacement Article VII:**

**“ARTICLE VII
Negative Pledge**

Section 7.01 *Application of Article VII*

The provisions of this Article VII shall apply solely to Non-concessional Financing.

Section 7.02 *Negative Pledge*

- (a) [*intentionally left blank*]
- (b) The Recipient undertakes that, except as the Association shall otherwise agree:
 - (i) if it creates any Lien on any of its assets as security for any debt, such Lien will equally and ratably secure the payment of all Financing Payments and in the creation of any such Lien express provision will be made to that effect, at no cost to the Association; and
 - (ii) if any statutory Lien is created on any of its assets as security for any debt, it shall grant at no cost to the Association, an equivalent Lien satisfactory to the Association to secure the payment of all Financing Payments.
- (c) The provisions of paragraphs (a) and (b) of this Section shall not apply to: (i) any Lien created on property, at the time of purchase of such property, solely as security for the payment of the purchase price of such property or as security for the payment of debt incurred for the purpose of financing the purchase of such property; or (ii) any Lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after the date on which it is originally incurred; or (iii) an ECAFFI Transaction.
- (d) The Recipient represents, as of the date of the Financing Agreement, that no Liens exist on any of its assets, as security for any debt, except those

listed in a notification from the Recipient to the Association and those excluded pursuant to paragraph (c) of this Section 7.02.

(e) Solely for the purposes of interpreting this Article VII, “Financing Payment” means any amount payable by the Recipient to the Association pursuant to the Financing Agreement or these General Conditions, including (but not limited to) any amount of the Withdrawn Credit Balance, the Service Charge, the Interest Charge, the Front-end Fee, the Commitment Charge, any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Recipient, as applicable; *provided that* no amount referred to in this Section 7.02(e) shall be an amount payable in respect of Concessional Financing.

(f) [*intentionally left blank*]

(g) Solely for the purposes of interpreting this Article VII, “Export Credit Agency Finance Facilitation Intermediation Transaction” or “ECAFFI Transaction” means a transaction or transactions, individually or taken together, in which TDB creates a Lien on assets where TDB in so doing acts solely in its capacity as a pass-through intermediary for the purpose of facilitating finance from export credit agencies for TDB’s clients.

(h) The Recipient hereby agrees and undertakes to, promptly following a request from the Association, provide the Association with information related to ECAFFI Transactions.”

7. ***Section 8.02 is modified as follows:***

(a) Paragraph (j) on *Membership* is modified to read as follows:

(j) *Membership.* The Member Country or any member of the Recipient: (i) has been suspended from membership in or ceased to be a member of the Association; or (ii) has ceased to be a member of the International Monetary Fund.”

(b) Paragraph (m) is renumbered as paragraph (n), and a new paragraph (m) is added to read as follows:

“(m) *Interference.* The Member Country: (i) has taken or permitted to be taken any action which would prevent or interfere with the execution of the Project or the performance by the Recipient of its obligations under the Financing Agreement; or (ii) has failed to afford a reasonable opportunity for representatives

of the Association to visit any part of its territory for purposes relating to the Credits or the Project.”

8. ***The Appendix (Definitions) is modified as follows:***

(a) Paragraph 25 (Credit) is modified to read as follows:

“25. “Credit” means each amount of the Financing specified in the Financing Agreement as a credit, and which is repayable pursuant to the provisions of the Financing Agreement; it being understood that, when “Credit” is used in Specific Provisions, the terms “Financing” shall be replaced in the foregoing sentence by “Non-concessional Financing” or “Concessional Financing”, as applicable under the considered Specific Provisions. For the avoidance of doubt, wherever used throughout the General Conditions, the term “Credit” shall be a reference to either or both of Credit A and Credit B (each as defined in the Financing Agreement), as the context requires.”

(b) Paragraph 27 (Credit Account) is modified to read as follows:

“27. “Credit Account” means each of the accounts opened by the Association in its books in the name of the Recipient to which the amount of the Credit A and Credit B (each as defined in the Financing Agreement), respectively, are credited.”

(c) Paragraph 56 (Financing) is modified to read as follows:

“56. “Financing” means both Credit A and Credit B (each as defined in the Financing Agreement); it being understood that, except when “Financing” is used in Specific Provisions where it shall mean either “Non-concessional Financing” or “Concessional Financing”, as applicable under the considered Specific Provisions, “Financing” means both Concessional Financing and Non-Concessional Financing.

(d) Paragraph 57 (Financing Account) is modified to read as follows:

“57. “Financing Account” means the Credit Accounts for each of Credit A and Credit B (each as defined in the Financing Agreement).”

(e) Paragraph 79 (Member Country) is modified to read as follows:

“79. “Member Country” means the member of the Association in whose territory the Project is carried out or any such member’s political or administrative subdivisions. If such activity is carried out in the territory

of more than one such member, “Member Country” refers separately to each such member.”

(f) Paragraph 94 (Recipient) is modified to read as follows:

“94. “Recipient” means the party to the Financing Agreement to which the Credits are extended.”

(g) Paragraph 114 (Unwithdrawn Credit Balance) is modified to read as follows:

“114. “Unwithdrawn Credit Balance” means the amount of Credit A or Credit B (each as defined in the Financing Agreement), as applicable, remaining unwithdrawn from the relevant Credit Account from time to time.”

(h) Paragraph 117 (Withdrawn Credit Balance) is modified to read as follows:

“117. “Withdrawn Credit Balance” means the amounts of Credit A or Credit B (each as defined in the Financing Agreement), as applicable, withdrawn from the relevant Credit Account and outstanding from time to time”