



CREDIT NUMBER 7209-NG

Financing Agreement

(State Action on Business Enabling Reforms Program-for-Results Operation)

between

FEDERAL REPUBLIC OF NIGERIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION



CREDIT NUMBER 7209-NG

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between FEDERAL REPUBLIC OF NIGERIA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) 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 — FINANCING

- 2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to five hundred sixty-six million seven hundred thousand Special Drawing Rights (SDR 566,700,000) (variously, "Credit" and "Financing"), to assist in financing: (a) the program described in Part 1 of Schedule 1 to this Agreement ("Program"); and (b) the project described in Part 2 of Schedule 1 to this Agreement ("Project") (the Program and the Project hereinafter jointly referred to as the "Operation").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Financing Account shall be deposited by the Association into an account specified by the Recipient and acceptable to the Association.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 2.05. The Interest Charge is one and a quarter percent (1.25%) per annum on the Withdrawn Credit Balance.
- 2.06. The Payment Dates are April 1 and October 1 in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

- 2.08. The Payment Currency is Dollar.

ARTICLE III — OPERATION

- 3.01. The Recipient declares its commitment to the objective of the Operation. To this end, the Recipient shall: (i) carry out, and cause the Participating States to carry out, the Program in accordance with the provisions of Article V of the Program General Conditions; and (ii) carry out the Project in accordance with the provisions of Article V of the Project General Conditions; all in accordance with Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following, namely, that in the opinion of the Association, the Recipient's SABER program, or any other legislation, license or other legal or regulatory instrument relevant to the implementation of the Operation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the achievement of the objectives of the Operation, or the ability of the Recipient to implement the Operation.
- 4.02. The Additional Event of Acceleration consists of the following, namely, that the event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Recipient has established the PCU and appointed or hired the PCU staff, other than the environmental and social specialist, in accordance with the provisions of Section I.A.1, paragraph 1.2 of Schedule 2 to this Agreement;
 - (b) the Recipient has adopted the Operations Manual in accordance with the provisions of Section I.B of Schedule 2 to this Agreement; and
 - (c) the Recipient through FMFBNP has either engaged an IVA firm or appointed responsible PCU personnel for purposes of verifying the Prior Results.
- 5.02. The Effectiveness Deadline is the date thirty (30) 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 Federal Minister of Finance, Budget and National Planning.

6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:

Federal Ministry of Finance, Budget and National Planning
Ahmadu Bello Way
Central Business District
Abuja, Federal Republic of Nigeria; and

(b) the Recipient's Electronic Address is:

Facsimile:

234-9-2343609

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:

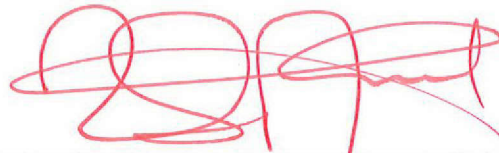
248423 (MCI)

1-202-477-6391

AGREED as of the Signature Date.

FEDERAL REPUBLIC OF NIGERIA

By



Authorized Representative

Name: ZAINAB SHAMSUNA AHMED

Title: HON. MINISTER

Date: JANUARY 6, 2023

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: BERTINE KAMPHUIS

Title: ACTING COUNTRY DIRECTOR

Date: JANUARY 6, 2023

SCHEDULE 1

Operation Description

The objective of the Operation is to improve: (1) the efficiency of land administration; (2) the regulatory framework for private investment in fiber optic infrastructure; (3) services provided by investment promotion agencies and public-private partnership units; and (4) the efficiency and transparency of government-to-business services in Participating States.

The Operation consists of the Program and the Project as follows:

Part 1. The Program

The Program supports a gamut of measures to improve: (1) the efficiency of land administration; (2) the regulatory framework for private investment in fiber optic infrastructure; (3) services provided by investment promotion agencies and public-private partnership units; and (4) the efficiency and transparency of government-to-business services in Participating States and consists of the following activities:

- (a) ***Improved land administration and land-based investment process.*** Support for Participating States to: (i) promote more transparency in land administration; (ii) produce better quality and more transparent data on land ownership; and (iii) strengthen sustainability and transparency in the land-based investment procedures for large-scale agribusiness investments.
- (b) ***Improved regulatory framework for private investment in fiber optic infrastructure.*** Support for Participating States to: (i) adopt right of way (ROW) fees of maximally NGN145 per meter for broadband without reformulating them as new or increased charges; and (ii) promote transparency on ROW fees, processes, and approvals.
- (c) ***Improved services provided by investment promotion agencies (IPAs) and public-private partnership (PPP) units.*** Support for Participating States to: (i) set up a PPP coordination unit to better identify, vet and implement PPP projects; (ii) better manage PPP risks, especially fiscal commitments and contingent liabilities; (iii) establish a PPP Project Facilitation Fund; (iv) promote transparency of state incentive frameworks; and (v) strengthen states' investment promotion and investor aftercare capabilities.
- (d) ***Improved efficiency and transparency of government-to-business service.*** Support for Participating States to: (i) provide greater access and transparency on requirements and public services to businesses; (ii)

promote transparency of fees and levies for inter-state trade and increased exporter certification; (iii) adopt a presumptive turnover tax for small businesses and consolidate payment of key business-related state and local-government taxes and other fees and levies through an e-platform which includes automated e-receipt generation; and (iv) establish special courts for small claims and put in place practice directions to strengthen small claim court practices and encourage alternative dispute resolution.

Part 2. The Project

The Project consists of the following activities to support implementation of the Program:

- (a) *Strengthening State Government Systems and Capacities.* The provision of technical assistance to States to strengthen their systems and capacities in achieving the Eligibility Criteria, Prior Results, and Disbursement-Linked Results through training and learning support.

- (b) *Strengthening Program Coordination and Verification of Results.* Support for the strengthening of the Program Coordinating Unit, communications and outreach and monitoring and evaluation of the Operation and engagement of the Independent Verification Agent firm and the project management firm.

SCHEDULE 2

Operation Execution

Section I. Implementation Arrangements

A. Institutional arrangements

1. Federal Level

1.1. *National Steering Committee*

- (a) The Recipient shall, no later than three (3) months after the Effective Date, establish and thereafter maintain throughout the implementation of the Operation, a National Steering Committee (“NSC”) with functions, composition and resources satisfactory to the Association as detailed in the Operations Manual.
- (b) Without limitation to the provisions of sub-paragraph (a) above, the NSC shall be responsible for overall strategic guidance for the Operation, as may be further specified in the Operations Manual.

1.2. *Program Coordination Unit*

- (a) The Recipient shall establish and thereafter maintain throughout the implementation of the Operation a Program Coordination Unit at the federal level (“PCU”) within the FMFBNP, with functions, composition, staffing, and resources satisfactory to the Association.
- (b) Without limitation to the provisions of sub-paragraph (a) above, the PCU shall be headed by a National Coordinator, assisted by the Deputy National Coordinator and include specialists in program management, procurement, financial management, environmental and social matters, communications, and such other specialist as may be specified in the Operations Manual, all with qualifications, experience and ethics, and subject to terms of reference acceptable to the Association, as further defined in the Operations Manual.
- (c) Without limitation to sub-paragraph (a) above, the PCU shall be responsible for overall implementation and oversight of the Operation: (i) ensuring the engagement of the IVA firm and ensuring verification of the achievement of the Eligibility Criteria and the DLRs; (ii) disbursing the proceeds of the Credit to the Participating States on the basis of the Eligibility Criteria and DLR achievement; (iii) coordinating capacity building activities for the States, including engaging consultants and firms to ensure timely and effective capacity building; (iv) conducting

communications and outreach activities; (v) conducting monitoring and evaluation activities, and ensuring timely accounting and reporting for the Operation; and (vi) ensuring compliance with the Program Action Plan, the Operations Manual, the ESCP, and all applicable policies of the Association, all as may be further specified in the Operations Manual.

2. **State Level**

2.1. *State Steering Council*

- (a) The Recipient shall cause each Participating State to establish and thereafter maintain throughout the implementation of the Operation a State Steering Council (each, a “SSC”) with functions, composition and resources satisfactory to the Association.
- (b) Without limitation to the provisions of sub-paragraph (a) above, each SSC shall include as members the designated representative of the State MDAs responsible for the achievement of relevant DLIs, as may be further specified in the Operations Manual and the relevant Subsidiary Agreement.
- (c) Without limitation to the provisions of sub-paragraph (a) above, each SSC shall be responsible for overall state-level coordination and policy guidance in the respective Participating State, including approval of the annual state SABER action plan for achieving the Eligibility Criteria and the DLRs, including the capacity building activities for the state, monitoring progress of the annual state SABER action plan, reviewing the state’s result in the annual performance assessments by the IVA, and to take remedial action if the Participating State is unable to achieve the Eligibility Criteria and the DLRs, all as may be further specified in the Operations Manual or the relevant Subsidiary Agreement.

3. **Federal Project Financial Management Department**

Without limitation upon the provisions of paragraphs 1 and 2 of this Part A, the Recipient shall designate, at all times during the implementation of the Project, the Federal Project Financial Management Department (“FPFMD”) to be responsible for financial management under the Project. The Recipient shall take all actions, including the provision of funding, personnel and other resources necessary to enable the FPFMD to perform these functions, in accordance with the provisions of the Operations Manual.

B. Operations Manual

- (a) The Recipient shall prepare and furnish to the Association for review, a manual which shall include provisions on the following matters:
 - (i) institutional arrangements for the oversight, coordination, management of the Operation;
 - (ii) financial management arrangements including disbursement, funds flow and payment protocols;
 - (iii) detailed arrangements for verification of achievement of the DLRs (including the Verification Protocol) and conduct of the annual performance assessments;
 - (iv) Eligibility Criteria to be met annually by Participating States;
 - (v) arrangements for preventing, detecting, reporting, investigation, remediation and otherwise addressing fraud and corruption, including compliance with the Anti-Corruption Guidelines;
 - (vi) monitoring and evaluation, reporting and communication; the grievance redress mechanism;
 - (vii) with regard to the Project, procurement and environmental and social matters;
 - (viii) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Operation; and
 - (ix) the Program Action Plan and the ESCP, as annexes.
- (b) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on said manual in draft, and thereafter, shall adopt such manual, in such final form as shall have been approved by the Association ("Operations Manual").
- (c) The Recipient shall ensure that the Operation is carried out in accordance with the Operations Manual; provided, however, that in case of any conflict between the provisions of the Operations Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Operations Manual.

C. Subsidiary Agreements

1. To facilitate the carrying out of the Program, the Recipient shall make part of the proceeds of the Financing available to each of the Participating States under a subsidiary agreement between the Recipient and such State, under terms and conditions approved by the Association ("Subsidiary Agreement"), which shall include the following:
 - (a) the requirement that such Participating State carry out the Program with due diligence and efficiency, in conformity with administrative, financial management, engineering, technical, environmental and social practices and arrangements, and provide, or cause to be provided, promptly as needed, the facilities, services and other resources required for the Program;
 - (b) the obligation of such Participating State to carry out the Program in accordance with this Agreement, the Anti-Corruption Guidelines, the DFIL, the Program Action Plan and the Operations Manual;
 - (c) the obligation of such Participating State to exchange views with the Recipient and the Association with regard to the progress of the Program and the performance of its obligations under its respective Subsidiary Agreement;
 - (d) the obligation of such Participating State to provide access to the Association to inspect sites, its operation and any relevant records and documents; and
 - (e) the requirement that such Participating State promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of the Program, or the performance of its obligations under its respective Subsidiary Agreement.
2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

D. Additional Program Implementation Arrangements

1. Program Action Plan

- (a) The Recipient shall carry out the Program Action Plan, in accordance with the schedule set out in the said Program Action Plan, in a manner satisfactory to the Association.
- (b) The Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, any of the Program Action Plan provisions without the prior written agreement of the Association.

2. Independent Verification for the Program

- (a) The Recipient shall: (i) engage an independent verification agency or independent verification agencies, as the case may be, under terms of reference(s) satisfactory to the Association (“Independent Verification Agent(s)” or “IVA(s)”), to be responsible for preparing and providing verifications reports in accordance with the Verification Protocol, certifying the achievement of those DLI/DLRs, other than the Prior Results, indicated to be verified by such independent verification agency or agencies in the Verification Protocol; and (ii) furnish the verification reports to the Association in such scope and in such detail as the Association shall request.
- (b) The Recipient shall ensure that the verifications are carried out and that the verification reports are prepared in compliance with the procedures set forth in the Verification Protocol.

3. Eligibility Criteria

- (a) The Recipient shall ensure that each Participating State shall not be eligible for receiving financing under the Program in a given Fiscal Year unless and until the Recipient has furnished evidence satisfactory to the Association that the Participating State has complied with the annual Eligibility Criteria for that Fiscal Year as set out in the table in the Annex to this Schedule 2.
- (b) The Recipient shall ensure that each Participating State should not be eligible for receiving financing under the Program for meeting any of the DLIs/DLRs set out in Section IV of Schedule 2 to this Agreement if said DLIs/DLRs shall have been financed by other resources of financing.

- 4. The Recipient shall engage a project management firm with terms of reference acceptable to the Association to support the PCU in implementing Part 2 of the Operation.

E. Additional Project Implementation Arrangements

1. Annual Work Plan and Budget for the Project

- (a) Each year, the Recipient shall prepare a draft annual work plan and budget containing all activities and expenditures proposed to be included in the Project for the following year of Project implementation of such scope and detail as the Association shall have reasonably requested.
- (b) The Recipient shall furnish to the Association, as soon as available, but in any case, not later than November 30 of each year, the annual work plan and budget referred to in paragraph 1 above, for their review and approval; except for the annual work plan and budget for the Project for the first year of Project implementation, which shall be furnished no later than one month after the Effective Date. Only the activities included in an annual work plan and budget expressly approved by the Association (each an "Annual Work Plan and Budget") are eligible to a financing from the proceeds of the Financing.
- (c) The Recipient shall ensure that the Project is carried out in accordance with the Annual Work Plans and Budgets, provided, however, that in case of any conflict between the Annual Work Plan and Budget and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Annual Work Plan and Budget.

F. Environmental and Social Standards

- 1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
- 2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and

- (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Association shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Recipient shall ensure that: (a) all consultancies related to technical assistance, design and capacity building under the Project, the application of whose results could have environmental, social and health and safety implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association; and (b) such terms of reference shall require the technical assistance, design and capacity building activities to take into account the requirements of Association's applicable social and environmental standards, policies and procedures then in force and shall require the technical assistance, design and capacity building activities to take into account the requirements of said standards, policies and procedures.
4. The Recipient shall:
 - (a) take all measures necessary on its part to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) promptly notify the Association of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.
5. Without limitation upon the provisions of paragraph 2 above, if sixty (60) days prior to the Closing Date, the Association determines that there are measures and actions specified in the ESCP which will not be completed by the Closing Date, the Recipient shall: (a) not later than thirty (30) days before the Closing Date, prepare and present to the Association, an action plan satisfactory to the Association on the outstanding measures and actions, including a timetable and budget allocation for such measures and actions (which action plan shall be deemed to be considered an amendment of the ESCP); and (b) thereafter, carry out said

action plan, in accordance with its terms and in a manner acceptable to the Association.

Section II. Excluded Activities

- (a) The Recipient shall ensure that the Program excludes any activities which:
- (i) in the opinion of the Association, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people;
 - (ii) involve the procurement of works, estimated to cost \$75,000,000 equivalent or more per contract; goods, estimated to cost \$50,000,000 equivalent or more per contract; non-consulting services, estimated to cost \$50,000,000 equivalent or more per contract; or consulting services, estimated to cost \$20,000,000 equivalent or more per contract; or
 - (iii) involve any other activities that are described in the Operations Manual.

Section III. Program Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Program Report not later than one (1) month after the end of each calendar year, covering the calendar year.

Section IV. Withdrawal of Financing Proceeds

A. General

1. 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 Financing to: (a) finance Program Expenditures on the basis of the results ("Disbursement Linked Results" or "DLRs") achieved, as measured against specific indicators ("Disbursement Linked Indicators" or "DLIs"), in the amount allocated to Categories (1) and (2) with respect to the Program; and (b) finance Eligible Expenditure in the amount allocated and, if applicable, up to the percentage set forth against Category (3) with respect to the Project, all as set forth in the table in paragraph 2 of this Part A and in the DLI/DLR Matrix set forth in Schedule 4.
2. The following table specifies each category of withdrawal of the proceeds of the Financing (including the Disbursement Linked Indicators as applicable) ("Category") and the allocation of the amounts of the Financing to each Category:

Category (including Disbursement Linked Indicators as applicable)	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) DLIs under the Program (Part 1 of the Operation) [†]	439,759,200	Not Applicable
(2) DLI Prior Results under the Program (Part 1 of the Operation) for DLRs 1.1.1, 4.1, 5.1, and 6.1.1 [†]	111,828,800	Not Applicable
(3) Goods, consulting services, non-consulting services, Training and Workshops, and Operating Costs under the Project (Part 2 of the Operation)	15,112,000	100%
TOTAL AMOUNT	566,700,000	

[†] The specific DLIs and DLRs under Categories (1) and (2) are set forth in the DLI/DLR Matrix in Schedule 4.

3. It is agreed and understood that the amounts allocated to Categories (1) and (2), inclusive set out in the above table represent the maximum amounts to be disbursed under said Categories. In the event that the aggregate value resulting from the achievement of any DLI by Participating States exceeds the amount allocated to the corresponding Category, the available proceeds of the Credit disbursed under such Category shall be shared among the relevant Participating States in an equitable manner to be determined by the Recipient and acceptable to the Association.

B. Withdrawal Conditions for the Program

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) on the basis of DLRs achieved prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed SDR 111,828,800 may be made on the basis of DLRs 1.1.1, 4.1, 5.1, and 6.1.1, achieved prior to the Signature Date but after May 31, 2022;

- (b) for any DLR, until and unless the Recipient has furnished evidence satisfactory to the Association that said DLR has been achieved; and
 - (c) for any payment to any Participating State, until and unless such Participating State has: (i) in respect of DLRs achieved during any Fiscal Year, the Recipient, acting through the PCU, has provided evidence satisfactory to the Association that such Participating State has met the Eligibility Criteria for such Fiscal Year in accordance with Annex 2 to Schedule 2 to this Agreement; and (ii) entered into a Subsidiary Agreement with the Recipient, in accordance with Section I.C of Schedule 2 to this Agreement.
2. Notwithstanding the provisions of Part B.1(c) of this Section, if any of the DLRs has not been achieved by the date by which the said DLI is set to be achieved (or such later date as the Association may established by notice to the Recipient), the Association may, by notice to the Recipient: (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Financing then allocated to said Category which, in the opinion of the Association, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the disbursement formula for each of responding DLIs mentioned above as set out in the table in paragraph 2 of Section IV of Schedule 2 to this Agreement; (b) reallocate all or a portion of the proceeds of the Financing then allocated to said DLI to any other DLI; and/or (c) cancel all or a portion of the proceeds of the Financing then allocated to said DLI.

C. Withdrawal Conditions for the Project

With respect to Category (3), no withdrawal shall be made for payments made in respect of the Project prior to the Signature Date.

D. Operation Withdrawal Period

The Closing Date is May 31, 2026.

Section V. Other Undertakings

1. No later than ninety (90) days after the Effective Date, the Recipient shall engage an environmental and social (E&S) specialist to provide technical support to the PCU for ensuring implementation of the Program Action Plan under the Program and compliance with the ESCP and ESS under the Project, on terms and conditions, and with terms of reference, satisfactory to the Association.

Annex to Schedule 2

Eligibility Criteria

1. For eligibility of disbursements for Prior Results achieved prior to the Signature Date but after May 31, 2022, the relevant Participating State shall have met each of the following criteria, namely, annual FY21 audited financial statement, prepared in accordance with IPSAS, submitted to the State Assembly and published by October 31, 2022.
2. For eligibility of disbursements for DLRs achieved during the Fiscal Year ending on December 31, 2023, the relevant Participating State shall have met each of the following criteria:
 - (a) Annual State Business-Enabling Reforms Action Plan for 2023 approved by the State Executive Council and published online by 31 January 2023;
 - (b) Annual State Business-Enabling Reforms Action Plan for 2024, prepared with, and including records of, private sector participation, approved by the State Executive Council and published online by 31 December 2023;
 - (c) Annual FY23 state budget, prepared under national Chart of Accounts, approved by the State Assembly and published online by 31 January 2023;
 - (d) Annual FY22 audited financial statement, prepared in accordance with IPSAS, submitted to the State Assembly and published by 31 July 2023; and
 - (e) Annual State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) published online by 31 December 2022.
3. For eligibility of disbursements for DLRs achieved during the Fiscal Year ending on December 31, 2024, the relevant Participating State shall have met each of the following criteria:
 - (a) Annual State Business-Enabling Reforms Action Plan for 2025, prepared with, and including records of, private sector participation, approved by the State Executive Council and published online by 31 December 2024;
 - (b) Previous year's (2023) progress report submitted to the State Executive Council and published online by 31 July 2024;
 - (c) Annual FY24 state budget, prepared under national Chart of Accounts, approved by the State Assembly and published online by 31 January 2024;

- (d) Annual FY23 audited financial statement, prepared in accordance with IPSAS, submitted to the State Assembly and published online by 31 July 2024; and
 - (e) Annual SDSA-DMSR published online by 31 December 2023.
4. For eligibility for disbursements for DLRs achieved during the Fiscal Year ending on December 31, 2025, the relevant Participating State shall have met each of the following criteria:
- (a) Annual State Business-Enabling Reforms Action Plan, prepared for 2026 with, and including records of, private sector participation, approved by State Executive Council and published online by 31 December 2025;
 - (b) Previous year's (2024) progress report submitted to the State Executive Council and published online by 31 July 2025;
 - (c) Annual FY25 state budget, prepared under national Chart of Accounts, approved by the State Assembly and published online by 31 January 2025;
 - (d) Annual FY24 audited financial statement, prepared in accordance with IPSAS, submitted to the State Assembly and published online by 31 July 2025; and
 - (e) Annual SDSA-DMSR published online by 31 December 2024.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 1 and October 1:	
commencing October 1, 2027, to and including April 1, 2047	1.65%
commencing October 1, 2047, to and including April 1, 2052	3.40%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

SCHEDULE 4

DLI/DLR Matrix

DLI Description	Total Financing Allocated to DLI (SDR)	Disbursement-Linked Results			
		Prior Results	Year 1 (Jan 1 - Dec 31, 2023)	Year 2 (Jan 1 - Dec 31, 2024)	Year 3 (Jan 1 - Dec 31, 2025)
DLI 1: Improved efficiency in property registration and sustainability of the land-based investment process	78,582,400	Up to 27,957,200	377,800 (per state)	Basic 1,511,200 (per state) Stretch: 3,022,400 (per state)	1,511,200 (per state)
		<p>1.1.1. Published on state official website: (i) the process for obtaining occupancy (CofOs) including all relevant MDAs, time frames and costs; and (ii) the process for obtaining Construction Permits including all relevant MDAs, time frames and costs;</p>	<p>1.1.2. Published on state official website: (i) the process for obtaining CofO including all relevant MDAs, time frames and costs; and (ii) the process for obtaining Construction Permits including all relevant MDAs, time frames and costs;</p>	<p>1.1.3. Published on state official website: (i) the process for obtaining CofO including all relevant MDAs, time frames and costs; (ii) the process for obtaining Construction Permits including all relevant MDAs, time frames and costs;</p>	<p>1.1.4. Published on state official website: (i) the process for obtaining CofO including all relevant MDAs, time frames and costs; (ii) the process for obtaining Construction Permits including all relevant MDAs, time frames and costs;</p>

AND
1.1.2. Terms of References (TOR) for the creation of a data centric digital archive of CofOs with a searchable index in accordance with international good standards completed.

1.1.3. Existing CofOs (registered from 1 January 2012 to December 31, 2024) digitized and indexed in a digital archive in accordance with international good standards completed.

1.1.4. New CofOs registered during 2025 (1 January 2025 to 31 December 2025) digitized and indexed on an ongoing basis in accordance with

DLI Description	Total Financing Allocated to DLI (SDR)	Disbursement-Linked Results			
		Prior Results	Year 1 (Jan 1 - Dec 31, 2023)	Year 2 (Jan 1 - Dec 31, 2024)	Year 3 (Jan 1 - Dec 31, 2025)
		January 2012 – 31 December 2021); and number of female owned or joint/co-owned CofOs registered (1 January 2021 – 31 December 2021).	standards established in the TOR meets target: Basic target: 50%-70% of CofOs registered Stretch target: 71%-100% of CofOs registered	international good standards as established in the TOR meets target: Target: At least 90% of new CofOs registered; AND 15% increase from 2021 to 2025 in the share of CofOs registered per year that are female owned or joint/co-owned.	
			1,511,200 (per state)	1,889,000 (per state)	
			1.2.1. State executive order issued on the Framework for Responsible and Inclusive Land-Intensive Agriculture (FRILIA), or equivalent, commitment and process as per verification protocols, AND, FRILIA, or equivalent, adopted through State executive order as per verification protocols (one-time payment for year in which DLR is first achieved, up to Year 2)	1.2.2. FRILIA, or equivalent, under satisfactory implementation with at least 1 pilot investment materialized under FRILIA and as confirmed by a social audit.	
DLI 2: Improved regulatory framework for private investment in fiber optic infrastructure	81,604,800		1,511,200 (per state)	755,600 (per state)	Basic 1,511,200 (per state) Stretch: 3,022,400 (per state)
			2.1. State amended existing legislation/regulation or	2.2. State maintained aggregate per linear meter fees for broadband	2.3. State maintained aggregate per linear meter fees for broadband

DLI Description	Total Financing Allocated to DLI (SDR)	Disbursement-Linked Results			
		Prior Results	Year 1 (Jan 1 - Dec 31, 2023)	Year 2 (Jan 1- Dec 31, 2024)	Year 3 (Jan 1 – Dec 31, 2025)
DLI 3: Development of an effective PPP framework	46,847,200		<p>passed new legislation/regulation to adopt aggregate fees charged for broadband deployment on a per linear meter basis at a maximum of NGN145 per meter; AND Published on state official website: the process for obtaining right of way (ROW) including all relevant MDAs, timeframes, and costs.</p>	<p>deployment and online publication of ROW processes and fees; AND Published on state official website: Approved ROW-related requests by operators.</p>	<p>deployment, online publication of ROW processes and fees, and online publication of approved ROW-related requests; AND Increase in total deployed non-Gigabit Passive Optical Network (GPON) fiber optic cable kilometers against 2022 baseline meets target: Basic target: 20-99% Stretch target: >100%</p>
			755,600 (per state)	1,889,000 (per state)	1,889,000 (per state)
			<p>3.1. State-level technical PPP coordination unit/agency mandated as the lead organization tasked with facilitation of PPPs; AND PPP pipeline adopted and disclosed by State-level PPP coordination unit/agency, of which at</p>	<p>3.2. State-level technical PPP coordination unit/agency maintained; AND Published on state's official website: (i) the PPP Fiscal Commitment and Contingent Liability (FCCL) Management Framework; and (ii) the PPP legal and institutional</p>	<p>3.3. State-level technical PPP coordination unit/agency maintained; AND State Project Facilitation Fund is established with a minimum funding of 3% of the total pipeline estimated capital investment.</p>

DLI Description	Total Financing Allocated to DLI (SDR)	Disbursement-Linked Results			
		Prior Results	Year 1 (Jan 1 - Dec 31, 2023)	Year 2 (Jan 1 - Dec 31, 2024)	Year 3 (Jan 1 - Dec 31, 2025)
			least 50 percent is screened for climate adaptation and mitigation evidenced by disclosure of the assessment.	framework, including guidelines and manual; and (iii) the PPP disclosure framework; AND Web-based disclosure portal/ website publishes pipeline PPP projects.	
DLI 4: Improved Investment Promotion Environment	79,338,000	Up to 27,957,200	1,511,200 (per state)	1,511,200 (per state)	Basic 1,511,200 (per state) Stretch: 3,022,400 (per state)
		4.1. Published on state official website: Inventory of all investment incentives (Federal and State) available in the State, including information on: (i) legal reference instrument; (ii) sectors; (iii) eligibility criteria; (iv) description of benefits; (v) duration; (vi) awarding and implementing agency; and (vii) year when the incentive was introduced.	4.2. Published on state official website: Inventory of all investment incentives (Federal and State) available in the State and the number of entities receiving State investment incentives; AND The Investment promotion agency (IPA) mandated as the lead organization promoting investment into the State; AND	4.3. Published on state official website: Inventory of all investment incentives (Federal and State) available in the State and the number of entities receiving State investment incentives; AND The IPA is performing key functions as per the verification protocols; AND The IPA organized at least 2 information sessions for	4.4. Published on state official website: Inventory of all investment incentives (Federal and State) available in the State and the number of entities receiving State investment incentives; AND An aftercare and retention program is adopted as per the verification protocols; AND The number of announced investments proactively

DLI Description	Total Financing Allocated to DLI (SDR)	Disbursement-Linked Results			
		Prior Results	Year 1 (Jan 1 - Dec 31, 2023)	Year 2 (Jan 1 - Dec 31, 2024)	Year 3 (Jan 1 - Dec 31, 2025)
			The IPA has updated its website with information as per the verification protocols, including on access to credit.	investors on access to credit and provided assistance to investors to link them to credit institutions, in the period 1 January 2024 till 31 December 2024.	supported by IPA meets target: Basic target: 1 to 4 Stretch target: At least 5
DLI 5: Increased Transparency of official fees and procedures	45,336,000	Up to 27,957,200	755,600 (per state)	1,511,200 (per state)	1,511,200 (per state)
		5.1. Published on state official website(s): fees, procedures, and service delivery timelines of five key business-enabling MDAs as per the verification protocols.	5.2. Published on state official website(s): fees, procedures, and service delivery timelines of five key BEE State MDAs; AND State Executive Order issued to direct five State BEE MDAs to publish on state official website(s) their fees, procedures, service level agreements (SLAs), grievance redress mechanism (GRM), and mandatory advance communication rules of	5.3. Published on state official website(s): fees, procedures, and service delivery timelines of five key BEE State MDAs; AND GRMs at two key BEE State MDAs are operational and a minimum of 50% of grievances received are addressed within the specified SLAs.	5.4. Published on state official website(s): fees, procedures, and service delivery timelines of five key BEE State MDAs. AND GRMs at two key BEE State MDAs are operational and a minimum of 75% of grievances received are addressed within the specified SLAs. AND Publish at least on a monthly basis on state official website(s):

DLI Description	Total Financing Allocated to DLI (SDR)	Disbursement-Linked Results			
		Prior Results	Year 1 (Jan 1 - Dec 31, 2023)	Year 2 (Jan 1- Dec 31, 2024)	Year 3 (Jan 1 – Dec 31, 2025)
			upcoming changes, as per the verification protocols.		compliance with SLAs of five key BEE State MDAs.
DLI 6: Increased transparency of fees and levies for inter-state trade and increased exporter certification	67,248,400	Up to 27,957,200	755,600 (per state)	755,600 (per state)	1,511,200 (per state)
		6.1.1. Published on state official website: schedule of trade related fees and levies on inter-state movement of goods	6.1.2. Published on state official website: schedule of trade related fees and levies on inter-state movement of goods; AND GRM for traders established including SMS/hotline for reporting and redress.	6.1.3. Published on state official website: schedule of trade related fees and levies on inter-state movement of goods; AND report on complaints from traders and redress actions; AND A minimum of 50 percent of grievances received in the GRM are addressed within the specified SLAs.	6.1.4. Published on state official website: schedule of trade related fees and levies on inter-state movement of goods; AND report on complaints from traders and redress actions; AND A minimum of 75 percent of grievances received in the GRM are addressed within the specified SLAs; AND Eliminated haulage fees and charges.
			6.2.1. State allocated an operational budget to the	6.2.2. At least 10% increase in the number of	6.2.3. At least 20% increase in firms in the

DLI Description	Total Financing Allocated to DLI (SDR)	Disbursement-Linked Results			
		Prior Results	Year 1 (Jan 1 - Dec 31, 2023)	Year 2 (Jan 1 - Dec 31, 2024)	Year 3 (Jan 1 - Dec 31, 2025)
			State Committees for Export Promotion (SCEP) in the 2024 budget. AND Published on state official website: a state export strategy and guidelines.	firms in the state that obtained export certificates from Nigerian Export Promotion Council (NEPC) from the baseline year (2021).	state that obtained export certificates from NEPC from the baseline year (2021).
DLI 7: Simplified state and local business tax regimes	92,183,200		1,511,200 (per state)	1,889,200 (per state)	Basic: 1,511,200 (per state) Stretch: 3,022,400 (per state)
			7.1. State amended existing legislation or passed new legislation to adopt presumptive turnover tax regime for small businesses; AND (b) State subsumed business-related local government charges/fees/taxes into a consolidated demand notice (<i>one-time payment for year in which DLR is first achieved, up to Year 3</i>)		
			7.2.1. Electronic platform established for the collection of taxes, levies, and fees from businesses and automated e-receipt generation (QR code or unique payment ID) for all business-enabling environment related MDAs. 7.2.2. All State-level and local government taxes, levies, and fees from businesses can be paid electronically; and there is an adoption rate of: Basic target: At least 33% of State collection of taxes, levies, and fees from businesses Stretch target: At least 66% of State collection of		

DLI Description	Total Financing Allocated to DLI (SDR)	Disbursement-Linked Results			
		Prior Results	Year 1 (Jan 1 - Dec 31, 2023)	Year 2 (Jan 1- Dec 31, 2024)	Year 3 (Jan 1 – Dec 31, 2025)
DLI 8: Quick determination of commercial disputes	60,448,000		755,600 (per state)	1,511,200 (per state)	755,600 (per state)
			<p>8.1. Judicial Committee established by the Chief Judge of the state judiciary;</p> <p>AND</p> <p>Published on State judiciary website: Practice Directions of the small claims courts;</p> <p>AND</p> <p>State established and operated at least two small claims courts having tried at least one case each.</p>	<p>8.2. Monthly performance reports for small claims courts for 2023 (from inception of the courts to December 2023) to be made available to the public on state Judiciary's website by 31 March 2024;</p> <p>AND</p> <p>50% of cases disposed within 60 days, as recorded by the time to disposition report;</p> <p>AND</p> <p>50% of judgments executed within 30 days, as recorded by the execution reports.</p>	<p>8.3. Monthly performance reports for small claims court for 2024 (Jan to Dec 2024) to be made available to the public on state Judiciary's website by 31 March 2025;</p> <p>AND</p> <p>75% of cases disposed within 60 days as recorded by the time to disposition report;</p> <p>AND</p> <p>75% of judgments executed within 30 days as recorded by the execution reports.</p>
Total	551,588,000				

APPENDIX

Definitions

1. “Annual Work Plan and Budget” means the annual work plan and budget for the Project to be prepared by the Recipient and approved by the Association pursuant to Section I.E.1 of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means the Program Anti-Corruption Guidelines and/or the Project Anti-Corruption Guidelines, as applicable.
3. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
4. “Disbursement Linked Indicator” or “DLI” means in respect of a given Category, the indicator related to said Category as set forth in the table in Schedule 4 to this Agreement.
5. “Disbursement Linked Result” or “DLR” means in respect of a given Category, the result under said Category as set forth in the table in Schedule 4 to this Agreement, on the basis of the achievement of which, the amount of the Financing allocated to said result may be withdrawn in accordance with the provisions of said Section IV.
6. “Eligibility Criteria” means the criteria which States must achieve each Fiscal Year to be eligible for participation in the Program, as set forth in the Operations Manual.
7. “Environmental and Social Commitment Plan” or the acronym “ESCP” means the Recipient’s environmental and social commitment plan, acceptable to the Association, dated August 29, 2022, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Association, and such term includes any annexes or schedules to such plan.
8. “Environmental and Social Standards” or “ESS” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land

Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association at its website.

9. “Federal Minister of Finance, Budget and National Planning” means the Recipient’s federal minister of finance and any successor thereto responsible for finance.
10. “Fiscal Year” or “FY” means the fiscal year of the Recipient, which runs from 1 January to 31 December.
11. “FMFBNP” means the Recipient’s Federal Ministry of Finance, Budget and National Planning and any successor thereto responsible for finance.
12. “General Conditions” means the Program General Conditions and/or the Project General Conditions, as applicable.
13. “Independent Verification Agent(s)” or “IVA(s)” means independent agency or agencies to be engaged by the Recipient for the purposes of certifying the achievement of the DLIs as referred to Section I.D.2(a) of Schedule 2 to this Agreement.
14. “IPSAS” means the International Public Sector Accounting Standards issued by the International Public Sector Accounting Standards Board for use by public sector entities in the preparation of financial statements.
15. “Naira” or “NGN” means the Nigerian naira.
16. “Operating Costs” means the incremental expenses incurred by the PCU based on annual budgets approved by the Association attributable to Project implementation, management, and monitoring, including office supplies and consumables; communication costs; operation and maintenance of office vehicles; per diem and travel costs for Project staff; reasonable bank charges; and allowances and salaries of the Project’s contractual staff (but excluding the salaries of the Recipient’s civil servants).
17. “Operations Manual” means the manual referred to in Section I.B of Schedule 2 to this Agreement, to be adopted by the Recipient for the Operations in accordance with the provisions of said Section, as such manual may be amended from time to

time with the agreement of the Association.

18. "Participating State" means a State which, having met the Eligibility Criteria for any given Fiscal Year, as agreed by the Recipient and the Association, is participating in the Program during such Fiscal Year.
19. "Prior Results" means the DLRs as set forth in the third column of the table in Schedule 4 to this Agreement.
20. "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.
21. "Program Action Plan" means the Recipient's plan referred to in Section I.D.1 of Schedule 2 to this Agreement, setting out the actions that the Recipient will need to take to address gaps identified in the current fiduciary and environmental and social system and complaints, as such plan may be amended from time to time with the agreement of the Association.
22. "Program Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the Program General Conditions, the Association's "Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing," dated February 1, 2012, and revised July 10, 2015.
23. "Project 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.
24. "Program General Conditions" means the "International Development Association General Conditions for IDA Financing, Program-for-Results Financing", dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).
25. "Project General Conditions" means the "International Development Association General Conditions for IDA Financing, Investment Project Financing", dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).
26. "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.
27. "State" means each of the 36 states of the Recipient and its Federal Capital Territory.

28. "State MDA" means the Participating State's ministries, departments, and agencies involved in the implementation of the Program.
29. "Training and Workshops" expenditures associated with Project related study tours, training courses, seminars, workshops and other training activities, not included under service providers' contracts, in accordance with the Annual Work Plans and Budgets and approved by the Association, including costs of training materials, space and equipment rental, travel, accommodation and per diem costs of trainees and trainers, trainers' fees, and other training related miscellaneous costs.
30. "Verification Protocol" means the Recipient's protocol, acceptable to the Association, setting forth the means by which the achievement of DLRs will be verified under the Program, as such Verification Protocol may be amended from time to time with the prior written agreement of the Association.