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**CREDIT NUMBER 7442 – 3E (CREDIT A)**  
**CREDIT NUMBER 7443 – 3E (CREDIT B)**

# **Financing Agreement**

**(Accelerating Sustainable and Clean Energy Access Transformation –  
Regional Energy Access Financing Platform Project)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK**

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**CREDIT NUMBER 7442 – 3E (CREDIT A)**  
**CREDIT NUMBER 7443 – 3E (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 Participating Countries, and the Regional Bodies, including the Recipient, have agreed to participate in the MPA Program, and intend to coordinate among each other for the carrying out of activities under projects and programs to be implemented by the Participating Countries and the Regional Bodies to accelerate access to sustainable, reliable and clean energy in Eastern and Southern Africa;
- B. the Recipient desires to support access to financing of sustainable and clean energy to all Project Eligible Countries;
- C. to facilitate the implementation of the MPA Program:
  - 1. by a financing agreement to be entered into on or about the date hereof between the Republic of Rwanda (“Rwanda”) and the Association (“Rwanda Financing Agreement”), the Association will extend to Rwanda financing to assist Rwanda in financing activities related to the MPA Program on the terms and conditions set forth in the Rwanda Financing Agreement;
  - 2. by a financing agreement to be entered into on or about the date hereof between the Federal Republic of Somalia (“Somalia”) and the Association (“Somalia Financing Agreement”), the Association will extend to Somalia financing to assist Somalia in financing activities related to the MPA Program on the terms and conditions set forth in the Somalia Financing Agreement;
  - 3. by a financing agreement to be entered into on or about the date hereof between the Republic of Sao Tome and Principe (“STP”) and the Association (“STP Financing Agreement”), the Association will extend to STP financing to assist STP in financing activities related to the MPA Program, on the terms and conditions set forth in the STP Financing Agreement;
  - 4. by a financing agreement to be entered into on or about the date hereof between the United Republic of Tanzania (“Tanzania”) and the

Association (“Tanzania Financing Agreement”), the Association will extend to Tanzania financing to assist Tanzania in financing activities related to the MPA Program on the terms and conditions set forth in the Tanzania Financing Agreement;

5. by a financing agreement to be entered into on or about the date hereof between the Association and the Common Market for Eastern Africa (“COMESA”) (“COMESA Financing Agreement”), the Association will extend to COMESA financing to assist COMESA in financing activities related to the MPA Program, on the terms and conditions set forth in the COMESA Financing Agreement; and

- C. the Recipient, having satisfied itself as to the feasibility and priority of its activities, has requested the Association to assist in financing activities related to the MPA Program.

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 — FINANCING**

- 2.01. The Association agrees to extend to the Recipient credits in the following amounts to assist in financing Parts 1 and 3 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 twenty-five million United States Dollars (\$25,000,000) (“Credit A”); and
  - (b) a credit, which is deemed as Non-concessional Financing for purposes of the General Conditions, in the amount of two hundred and fifty million United States Dollars (\$250,000,000) (“Credit B”), (together, Credit A and Credit B, variously referred to as “Credits” or “Financing”).
- 2.02. The Recipient may withdraw the proceeds of the Credits in accordance with Section III of Schedule 2 to this Agreement.

**Provisions applicable to Credit A only**

- 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 for 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.

**Provisions applicable to Credit B only**

- 2.05. The Front-end Fee applicable to Credit B is one quarter of one percent (1/4 of 1%) of Credit B.
- 2.06. 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.
- 2.07. The Interest Charge applicable to Credit B is the Reference Rate plus the Fixed Spread; subject to Section 3.09(e) of the General Conditions.

**Provisions applicable to both Credit A and Credit B**

- 2.08. The Payment Dates are January 15 and July 15 in each year.
- 2.09. The principal amount of the Credits shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.10. The Payment Currency is Dollar.

**ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objective of the Project and the MPA Program. To this end, the Recipient shall carry out Parts 1 and 3 of the Project and cause the Trade and Development Fund (“TDF”) to carry out Part 2 of the Project, and selected activities under Parts 1 and 3 of the Project, all in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement, and the Subsidiary Agreement.

**ARTICLE IV — REMEDIES OF THE ASSOCIATION**

- 4.01. The Additional Events of Suspension consist of the following:
  - (a) the Recipient’s Charter has, in the opinion of the Association, been amended, suspended, abrogated, repealed, or waived to affect materially

and adversely the ability of the Recipient to perform any of its obligations under this Agreement; and

- (b) the TDF Articles have, in the opinion of the Association, been amended, suspended, abrogated, repealed, or waived to affect materially and adversely the ability of TDF to perform any of its obligations under this Agreement, and the Subsidiary Agreement.

#### **ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
  - (a) the Recipient has prepared and adopted the Project Operations Manual, in form and substance satisfactory to the Association; and
  - (b) the ESMAP Trust Fund Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
- 5.02. The Effectiveness Deadline is the date one hundred twenty days (120) 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 Group Managing Director.
- 6.02. For purposes of Section 11.01 of the General Conditions:
  - (a) the Recipient's address is:

TDB Tower  
184 Lenana Road  
Nairobi  
Kenya; and
  - (b) the Recipient's Electronic Address is:

E-mail:  
corporatesecretariat@tdbgroup.org;  
treasuryoperations@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:** Boutheina Guermazi

**Title:** Director, Regional Integration

**Date:** 13-Dec-2023

**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK**

**By**



\_\_\_\_\_  
**Authorized Representative**

**Name:** Admassu Tadesse

**Title:** Group Managing Director

**Date:** 15-Dec-2023

**Concurrently**

**By**



\_\_\_\_\_  
**Authorized Representative**

**Name:** Tom Mzumara

**Title:** Group Corporate Secretary

**Date:** 14-Dec-2023

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to increase access to sustainable and clean energy in Eastern and Southern Africa.

The Project constitutes a phase of the MPA Program, and consists of the following parts:

#### **Part 1. Lending to Distributed Renewable Energy (DRE) and Clean Cooking Companies.**

1. Expanding electricity and clean cooking access through the provision of a credit line to the Recipient for direct lending to eligible private/commercial enterprises (“Borrowers”) (“Sub-Credits”) legally operating in Project Eligible Countries, to finance eligible energy services under distributed renewable energy (“DRE”) and clean cooking technologies (“Sub-Projects”).
2. Provision of a credit line by the Recipient for retail lending to eligible financial institutions (“Participating Financial Intermediaries” or “PFIs”) (“PFI Sub-Financing”) in Project Eligible Countries for on-lending to eligible Borrowers to finance Sub-Projects.

#### **Part 2. Results-Based Financing for the Frontier Markets**

1. Accelerating DRE and clean cooking expansion at the regional level, through results-based financing facility, and the provision of result-based financing and catalytic grants (“RBF and Catalytic Grants”) to eligible private sector and commercial enterprises (“Beneficiaries”) engaged in DRE and clean cooking to finance Sub-Projects in unserved and underserved geographic areas in Project Eligible Countries.
2. Strengthening of TDF’s capacity for management of the RBF and Catalytic Grants, through the provision of technical assistance for DRE business models, development of pipeline projects and due diligence and monitoring, and development of innovative financing instruments, and associated advisory services.

#### **Part 3. Technical Assistance, Tools and Innovations for DRE and Clean Cooking**

1. Building the capacity of institutions and agencies involved in the Project, including the Recipient, TDF, PFIs, participating private sector and commercial enterprises



to encourage innovations for DRE and clean cooking including, provision of technical assistance:

- (a) to the Recipient and TDF to carry out due diligence on Sub-Projects, including technical, fiduciary (*i.e.*, financial and procurement) aspects, environmental and social aspects, and building a pipeline of viable Sub-Projects, and strengthen the capacity to supervise PFIs;
- (b) to participating DRE and clean cooking private sector companies and commercial enterprises, to ensure compliance with the Recipient's due diligence requirements;
- (c) to PFIs to strengthen their capacity to select, finance and manage Sub-Projects, in compliance with applicable requirements; and
- (d) to develop and pilot innovative financing instruments.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements**

###### **1. Regional Level Coordination Arrangements**

The Recipient shall maintain throughout the Project implementation, collaboration arrangements established under the Regional Infrastructure Finance Facility Project (Credit Number 6711-3A, and 6712-3A), as shall be clarified in the respective POMs by the Recipient and COMESA. For the avoidance of doubt this provision is not intended to substitute the parties' respective obligations under either this Agreement, or the COMESA Financing Agreement.

###### **2. Project Implementation Team**

The Recipient shall at all times during the implementation of Project, maintain the Project Implementation Team with the responsibility for day-to-day management and implementation of the Project, and with resources and adequate staff, including at a minimum, a program manager, a DRE specialist, two environmental and social specialists, a gender and inclusion specialist, a financial management specialist, a procurement specialist, and a monitoring and evaluation specialist, all with qualifications, experience, and terms of reference, satisfactory to the Association.

##### **B. Subsidiary Agreement**

1. To facilitate the carrying out of the Project, the Recipient shall make part of the proceeds of Credit B only - in an amount not to exceed 25% of the amount allocated from time to time to Category 1 of the table set forth in Section III.A.1 of this Schedule, and the proceeds of the ESMAP Trust Fund Grant - available to TDF under a subsidiary agreement between the Recipient and the TDF, under terms and conditions approved by the Association ("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 in writing, the Recipient shall not assign, amend, abrogate, or waive the Subsidiary Agreement or any of its provisions.

**C. Implementation Covenants**

**1. Project Operations Manual**

- (a) The Recipient shall carry out the Project in accordance with a manual, satisfactory to the Association (“Project Operations Manual” or “POM”). Said Project Operations Manual containing detailed guidelines and procedures for the implementation of the Project, including: (i) arrangements for the development of a pipeline of Sub-Projects, as well as screening, due diligence and approval processes for each activity under the Project; (ii) eligibility criteria, terms and conditions, appraisal and approval processes for RBF and Catalytic Grants; (iii) eligibility criteria, terms and conditions, appraisal and approval processes for Sub-Credits; (iv) eligibility criteria, terms and conditions appraisal and approval processes for PFI Sub-Financing; (v) Project administration and coordination; (vi) monitoring and evaluation, financial management, procurement and accounting procedures; (vii) 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; (viii) Personal Data collection and processing requirements in accordance with good international practice; (ix) corruption and fraud mitigation measures and protocols and arrangements for the carrying out of integrity checks for RBF and Catalytic Grants, Sub-Credits, and PFI Sub-Financing, including through know your customer due diligence or other processes acceptable to the Association; (x) a detailed description of the grievance redress mechanism process as well as any process for recording and reporting project-related accidents and incident; (xi) and such other arrangements and procedures as shall be required for the implementation of the Project, all in form and substance satisfactory to the Association.
- (b) The Recipient shall ensure that the Project is 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**

The Recipient shall:

- (a) prepare a draft Annual Work Plan and Budget for each year of Project implementation, setting forth: (i) a detailed description of the planned activities, including any proposed conferences and Training, under 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 (“Annual Work Plan and Budget”);
- (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 Annual Work Plan and Budget, taking into account the Association’s comments thereon; and
- (c) thereafter adopt and carry out such Annual Work Plan and Budget for the relevant year as shall have been agreed with the Association, as such plan may be subsequently revised during such year with the prior written agreement of the Association.

**D. RBF and Catalytic Grants under Part 2 of the Project**

- 1. The Recipient shall make RBF and/or Catalytic Grants available to Beneficiaries to finance eligible Sub-Projects, in accordance with eligibility criteria and procedures set forth in the POM, and in form and substance satisfactory to the Association.
- 2. The Recipient shall make each RBF and/or Catalytic Grant available under a Sub-Financing Agreement with the respective Beneficiaries 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 Beneficiary to use the proceeds of the RBF and/or Catalytic Grant, or declare to be immediately due and payable all or any part of the amount of the RBF and/or Catalytic Grant then withdrawn, upon such Beneficiary’s failure to perform any of its obligations under the Sub-Financing Agreement; and
  - (b) require, in respect of each Sub-Project under a Sub-Financing Agreement, for each Beneficiary to: (i) carry out the 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) with respect to such Sub-Project, 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 Sub-Project; (iv) enable the Recipient and the Association to inspect the 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 Sub-Project or the Beneficiary 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. Sub-Credits, and PFI Sub-Financing under Part 1 of the Project**

1. The Recipient shall ensure that PFI Sub-Financing and private sector and commercial enterprises Sub-Credits under Part 1 of the Project are only made available to PFIs that satisfy the financial intermediary financing assessment and the established qualifying criteria, and private sector and commercial enterprises that satisfy the qualifying criteria, satisfactory to the Association, and those stated in the POM.
2. The Recipient shall make each PFI Sub-Financing under a PFI Funding Agreement with the pertinent PFI, and each private sector and commercial enterprise Sub-Credit under a Sub-Credit Agreement with a private sector or commercial enterprise, under Part 1 of the Project, 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 (i) the PFI to use the proceeds of the PFI Sub-Financing, or declare to be immediately due and payable all or any part of the amount of the PFI Sub-Financing then withdrawn, upon the PFI's failure to perform any of its obligations under the PFI Funding Agreement, or (ii) the private sector and commercial enterprise to use the

proceeds of the Sub-Credit, or declare to be immediately due and payable all or any part of the amount of the Sub-Credit then withdrawn, upon the private sector or commercial enterprise's failure to perform any of its obligations under the Sub-Credit Agreement;

- (b) require, in respect of each PFI Sub-Financing under a PFI Funding Agreement, for each PFI to: (i) appraise, approve, monitor and evaluate respective Borrowers' proposals, and administer sub-loans to the respective Borrowers, with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices, satisfactory to the Association, the terms and conditions of the PFI Funding Agreement, the guidelines and procedures set forth in the Project Operations Manual, and the Anti-Corruption Guidelines applicable to recipients of sub-loan proceeds other than the Recipient; (ii) with respect to such PFI Sub-Financing, 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; and (iii) safeguard the Borrowers' Personal Data, including collection and processing of such Personal Data;
- (c) require each private sector or commercial enterprise, in respect of each Sub-Credit under a Sub-Credit Agreement, to 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;
- (d) require the PFI to restrict initial sub-loans to smaller DRE projects with relatively minor environmental and social impacts, taking into account that such limit may be increased upon the Recipient's assessment of such PFI's ability to manage and monitor the environmental and social aspects of Sub-Projects;
- (e) require the PFI to make sub-loans to Borrowers on financing terms and conditions, satisfactory to the Recipient; and
- (f) require the PFI to exercise its rights under each PFI Funding Agreement in such manner as to protect the interests of the Association, the Recipient, and the PFI and to accomplish the purposes of the Credits.

3. Except, as the Recipient, and the Association shall otherwise agree, (i) the pertinent PFI, shall not assign, or abrogate, or waive any PFI Funding Agreements or any of its provisions, and (ii) the pertinent private sector and commercial enterprise shall not assign, or abrogate, or waive any Sub-Credit Agreements or any of its provisions.
4. The Recipient shall exercise its rights under each Sub-Credit Agreement, or PFI Funding Agreement (as applicable) in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Credits.

**F. Environmental and Social Risk Management for the Project**

1. The Recipient shall ensure, and shall cause TDF to 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, and shall cause TDF to ensure, that:
  - (a) the implementation of the ESMS is continued and effective, and shall ensure that the Project is implemented in accordance with such ESMS, and 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, and shall 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 the Project, the Recipient shall ensure, and shall cause TDF to ensure that:
  - (a) no activities under the Project shall support or involve Excluded Activities;

- (b) all Sub-Projects, and PFI Sub-Financing satisfy the Applicable Environmental and Social Requirements;
  - (c) all PFIs, Beneficiaries and Borrowers 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 the Project, as applicable, in accordance with the Applicable Environmental and Social Requirements;
  - (d) prior written approval is obtained from the Association for any RBF and/or Catalytic Grant or Sub-Credit for any Sub-Project that is expected to result in Involuntary Resettlement impacts, which exceed the thresholds set forth in the ESAP for approval by the Recipient;
  - (e) prior written approval is obtained from the Association for any RBF and/or Catalytic Grant or Sub-Credit for any Sub-Project involving or impacting communities of Indigenous Peoples, in accordance with the requirements set forth in the ESAP; and
  - (f) the Recipient or TDF shall not approve or finance any RBF and/or Catalytic Grant, or any Sub-Credit to a private sector or commercial enterprise for any Sub-Project that will involve the use or potential pollution of international waterways, or that is located on any disputed territory.
4. The Recipient shall, and as applicable, shall cause each RBF and/or Catalytic Grant Beneficiary, or any direct recipient of a private sector or commercial enterprise Sub-Credit, and any PFI to, ensure that:
- (a) in respect of each Sub-Project or PFI Sub-Financing, 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 Beneficiary, private sector and commercial enterprise, and PFI, 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 TDF, and each Borrower and PFI 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**

1. 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. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Association, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.
2. **Pipeline Reporting**
  - (a) The Recipient shall on a quarterly basis, prepare a report, in form and substance acceptable to the Association, setting forth its pipeline of proposed RBF and Catalytic Grants, Sub-Credits, and PFI Sub-Financing for each calendar quarter during Project implementation, including such details on (as applicable) the relevant Sub-Projects and the proposed RBF and/or Catalytic Grant Beneficiaries, PFI, Sub-Credits and Borrowers, and such other related information as the Association may reasonably request.

- (b) 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 RBF and Catalytic Grants, and Sub-Credits taking into account the Association's views.

**3. Independent Verification**

The Recipient shall cause TDF not later than one hundred eighty (180) days after the signature of the Subsidiary Agreement, to procure services of verification agent(s) with qualifications, experience and terms of reference, satisfactory to the Association, for the purpose of RBF and Catalytic Grants, to provide additional verification of Beneficiaries and fiduciary arrangements of respective Grants, in accordance with the verification protocols established in the POM.

**Section III. Withdrawal of the Proceeds of the Financing**

**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 (DFIL), the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<b>Category</b>	<b>Amount of the Credit A Allocated (expressed in USD)</b>	<b>Amount of Credit B Allocated (expressed USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Sub-Credits under Part 1.1 of the Project, and PFI Sub-Financing under Part 1.2 of the Project	15,000,000	250,000,000	100% of the amount disbursed based on the interim financial reports and approved Annual Work Plans and Budgets
(2) RBF and Catalytic Grants under Part 2 of the Project	0	0	100% of the amount disbursed based on the interim financial reports and approved Annual Work Plans and Budgets
(3) Goods, works, non-consulting services, consulting services and Operating Costs for Part 3 of the Project	10,000,000	0	100%
<b>TOTAL AMOUNT</b>	<b>25,000,000</b>	<b>250,000,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date; or
  - (b) under Category (1) unless and until the Recipient has, in form and substance satisfactory to the Association, modified the ESMS to include the guidelines for PFI lending, and for direct Sub-Credits; or
  - (c) under Category (2) unless and until:

- (i) the Recipient has, in form and substance satisfactory to the Association, prepared and adopted an Inclusion Strategy that will enable vulnerable and marginalized groups and individuals to benefit from the Project;
  - (ii) a technical and fiduciary (*i.e.*, procurement and financial management) assessment of TDF (for Part 2 of the Project) has been carried out, in a manner acceptable to the Association; and
  - (iii) the Subsidiary Agreement has been executed on behalf of the Recipient and TDF.
2. In respect of any withdrawals under Category (1) (Credit B) for TDF selected activities under Parts 1 and 3 of the Project, it is understood that: (a) any transfer by the Recipient to TDF shall be made out of the proceeds of Credit B only; (b) no transfer shall be made out of said Credit B to TDF unless all the conditions set forth in Section III.B.1(c) above shall have been met, and a project account in the name of TDF and on terms and conditions, satisfactory to the Association, has been established as outlined in the DFIL.
3. The Closing Date is March 31, 2029.

#### **Section IV. Representations, and Other Undertakings**

1. The Recipient warrants to the Association that:
- (a) The Recipient is not engaged in litigation as plaintiff or defendant, the outcome of which might be reasonably expected to affect its financial condition materially and adversely.
  - (b) The Recipient has no outstanding agreements or liabilities, contingent or otherwise (including taxes), that might be reasonably expected to affect its financial condition materially and adversely.
  - (c) No debt of the Recipient is secured by any mortgage, pledge, charge, priority, or other lien, and no contract or arrangement exists for the creation of any such mortgage, pledge, charge, priority, or other lien, except as set forth in paragraph 6 of Section II of the Appendix to this Agreement.
  - (d) There are no existing defaults in the payment of principal of, or interest or other charges on, any of the debts of the Recipient that might be reasonably expected to materially and adversely affect the Recipient's financial condition.

2. Except as the Association shall otherwise agree, the Recipient shall maintain:
  - (a) a Capital Adequacy Ratio of not less than twenty per cent (20%).
  - (b) an Open Credit Exposure Ratio of not more than ten per cent (10%); and
  - (c) an insurance policy on callable capital in respect of its Class A shares (as defined in the Recipient's Charter) held by its member states 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.
3. For each of its fiscal years, the Recipient shall review on an annual basis whether it would meet the requirements set forth in sub-section 2 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.
4. 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.
5. 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 and infrastructure finance 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**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each January 15 and July 15, commencing January 15, 2030 to and including July 15, 2061	<b>1.5625%</b>

\* 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.

**Section II. Repayment Schedule for Credit B**

**Commitment-Linked Amortization Repayment Schedule**

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

**Level Principal Repayments**

<b>Principal Payment Date</b>	<b>Installment Share</b>
On each January 15 and July 15 Beginning January 15, 2029 through January 15, 2042	3.57%
On July 15, 2042	3.61%

## **SCHEDULE 4**

### **Excluded Activities**

#### **Section I. Environmental and Social**

##### **A. List of Excluded Activities**

1. Any activity having significant adverse impacts on critical cultural heritage.<sup>1</sup>
2. Any activity having adverse impact on critical habitats<sup>2</sup> and/or legally protected<sup>3</sup> and internationally recognized areas<sup>4</sup> of high biodiversity value.
3. Any activity having direct adverse impact on ecosystem services that might result in adverse health and safety risks to and impact on affected communities.<sup>5</sup>
4. Any activity where a biodiversity offset<sup>6</sup> is proposed as the mitigation measure.
5. Any Sub-Project located in an area or territory that is disputed.
6. Any Sub-Project which includes the use or potential pollution of international waterways shall be excluded from the Sub-Projects.

##### **B. Footnotes on Excluded Activities**

1. 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.
2. 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.
3. 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.
4. 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).

5. 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.
6. 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-Project involving systems larger than 20MW or requiring high-voltage transmission lines.
2. Any Sub-Project involving construction or maintenance of a dam, or high-voltage transmission infrastructure, or other high-risk investments.
3. Any Sub-Project that has significant adverse impacts on critical cultural heritage, adverse impact on critical habitats and/or legally protected and internationally recognized areas of high biodiversity value and requiring biodiversity offsets as the mitigation measures, including any high-risk investment. To this end, the Recipient shall develop specific criteria for such exclusion.



## APPENDIX

### Section I. Definitions

1. “Annual Work Plan and Budget” means an annual work plan and budget referred to in Section I.C.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, under Section I (Environmental Activities) of the Excluded Activities, and the E&S Instruments.
5. “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 the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed as a percentage per annum.
6. “Beneficiaries” means private sector or commercial enterprises legally operating in a Project Eligible Country, and which are a recipient of an RBF or Catalytic Grant under Part 2 of the Project.
7. “Borrower” means private sector or commercial enterprises legally operating in a Project Eligible Country, and which are a recipient of a Sub-Credit.
8. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
9. “COMESA” means the regional organization established and operating pursuant to the Treaty Establishing the Common Market for Eastern and Southern Africa, signed on November 5, 1993.
10. “Credits” mean Credit A and Credit B, as defined in Section 2.01 of Article II of this Agreement.

11. “Distributed Renewable Energy” or “DRE” means renewable energy technologies and systems of up to 20MW.
12. “E&S Instruments” means the instruments prepared, or to be prepared, by the Recipient, a Borrower, a Beneficiary or a PFI to manage the environmental and social risks associated with the Project or a Sub-Project, as applicable, in accordance with the Applicable Environmental and Social Requirements.
13. “Eastern and Southern Africa” means the region of Sub-Saharan Africa consisting of the member states of the Recipient, and Participating Countries, and members of Regional Bodies, including those that will participate in future operations under the MPA Program.
14. “ESAP” means the environmental and social action plan developed, adopted by the Recipient, and dated October 26, 2023, said action plan to enable the implementation 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.
15. “ESMAP Trust Fund Grant” means a grant in an amount of nineteen million United States Dollars (\$ 19,000,000) made by the Association to the Recipient under terms and conditions set forth in the ESMAP Trust Fund Grant Agreement.
16. “ESMAP Trust Fund Grant Agreement” means the agreement entered into between the Association, acting as administrator of grant funds provided by Energy Sector Management Assistance Program Multi-Donor (ESMAP) Trust Fund (TF0C3188) and the Recipient of the same date as this Agreement, providing for a grant to the Recipient to assist the Recipient in the carrying out of activities related to the Project, and such term includes all appendices, schedules, and agreements supplemental to the ESMAP Trust Fund Grant Agreement.
17. “ESMS” means the environmental and social management system adopted and implemented by the Recipient to identify, assess and manage the environmental and social risks and impacts under 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 (Last revised on July 15, 2023), with the modifications set forth in Section II of this Appendix.

20. “Inclusion Strategy” means a strategy adopted by the Recipient and TDF to ensure indigenous and other vulnerable or marginalized groups or individuals have equal opportunity to access project benefits, especially under Part 2 of the Project.
21. “Indigenous Peoples” has the meaning ascribed to that term in the Performance Standards.
22. “Involuntary Resettlement” means in accordance with paragraph 1 of Performance Standard 5 both physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood) as a result of project-related land acquisition and/or restrictions on land use. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. This occurs in cases of (i) lawful expropriation or temporary or permanent restrictions on land use and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.
23. “IUCN” means the International Union for Conservation of Nature.
24. “MPA Program” means the multiphase programmatic approach program designed to accelerate access to sustainable and clean energy in Eastern and Southern Africa.
25. “Operating Costs” means the reasonable expenses incurred by the Recipient on account of implementation 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 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 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, but excluding salaries, top-ups, honoraria, or allowances of the Recipient’s staff.
26. “Participating Countries” means all the countries referred to in the preamble to this Agreement, and those that will participate in the future operations under the MPA Program.
27. “Participating Financial Intermediary” or “PFI” means an approved financial institution, cooperative or other banking society, that meets the criteria established by the Recipient, and which is registered as a financial institution, cooperative or society pursuant to the laws of any member state of the Recipient.

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 January 1, 2012, copies of which have been delivered to, and receipt of which has been acknowledged by, the Recipient by entering into this Agreement.
29. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
30. “PFI Funding Agreement” means an agreement, satisfactory to the Association, to be executed between the Recipient and a PFI, pursuant to which such PFI shall obtain sub-funding under a line of credit, as such PFI Funding Agreement may be amended from time to time, with the agreement of the Association, and such term includes all appendices, schedules, and agreements supplemental to the PFI Funding Agreement.
31. “PFI Sub-Financing” means a sub-loan under Part 1 of the Project, to be made by the Recipient to a PFI pursuant to the PFI Funding Agreement.
32. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
33. “Project Eligible Country” means a country in Eastern and Southern Africa, which is a member of the Recipient, and that is eligible to receive financing from the Association; and “Project Eligible Countries” mean more than one country.
34. “Project Implementation Team” means the team referred to in Section I.A.2 of Schedule 2 to this Agreement.
35. “Project Operations Manual” or “POM” means the manual referred to in Section I.C.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.
36. “RBF and Catalytic Grants” a grant made, or to be made, by the Recipient to a Beneficiary under Part 2 of the Project, and which satisfies the eligibility criteria and other requirements for RBF and Catalytic Grants set forth in the POM.

37. “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 July 12, 1985, as amended and supplemented from time to time.
38. “Regional Bodies” means the Recipient and COMESA, and any regional organization that will participate in future operations under the MPA Program.
39. “Regional Infrastructure Finance Facility Project” means a project financed by the Associations under terms and conditions set forth in the Financing Agreement between the Association and the Recipient dated August 4, 2020 (Credit Number 6711-3A, and 6712-3A).
40. “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.
41. “Sub-Credit Agreement” means an agreement, satisfactory to the Association, to be executed between the Recipient and a Borrower, pursuant to which such Borrower shall obtain a Sub-Credit under a line of credit, as such Sub-Credit Agreement may be amended from time to time, and such term includes all appendices, schedules, and agreements supplemental to the Sub-Credit Agreement.
42. “Sub-Credits” means a loan made, or to be made, under Part 1 of the Project by the Recipient to a Borrower using the proceeds of Credit B, and which satisfies the eligibility criteria and other requirements for Sub-Credits set forth in the POM.
43. “Sub-Financing Agreement” means an agreement, satisfactory to the Association, to be executed between the Recipient and Beneficiary, pursuant to which such Beneficiary shall obtain an RBF or Catalytic Grant, as such Sub-Financing Agreement may be amended from time to time, and such term includes all appendices, schedules, and agreements supplemental to the Sub-Financing Agreement.
44. “Sub-Project” means DRE or clean energy cooking activities which satisfies the eligibility criteria and other requirements for Sub-Credits or RBF and Catalytic Grants, as set forth in the POM.
45. “Subsidiary Agreement” means the Subsidiary Agreement referred to in Section I.B of Schedule 2 to this Agreement. Said agreement setting forth the terms and conditions under which the Recipient shall make available part of the proceeds of the Credit B only, and the proceeds of the ESMAP Trust Fund Grant, and such term includes all appendices, schedules, and agreements supplemental to the Subsidiary Agreement.

46. “TDF Articles” means the Articles of Establishment for the Trade and Development Fund adopted on March 26, 2020, by the Recipient’s board of governors, and effective as of said date, as may be amended and supplemented from time to time.
47. “Trade and Development Fund” or “TDF” means the Recipient’s subsidiary established and operating pursuant to the TDF Articles.
48. “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 the Recipient’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.”