
LOAN NUMBER 9474-NG

Loan Agreement

(Additional Financing for Power Sector Recovery Operation)

between

FEDERAL REPUBLIC OF NIGERIA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN NUMBER 9474-NG

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between FEDERAL REPUBLIC OF NIGERIA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”).

WHEREAS the Borrower has also requested the International Development Association (“Association”) to provide additional assistance towards the financing of the operation (“Operation”) described in Schedule 1 to the Financing Agreement of even date herewith between the Borrower and the Association (“Financing Agreement”), and the Association is making a credit to the Borrower in an amount equal to two hundred and twenty-nine million Special Drawing Rights (SDR 229,000,000) (“Credit”).

NOW, THEREFORE, the Borrower and the Bank 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 Financing Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of four hundred forty-nine million Dollars (\$449,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the Operation.
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to the Financing Agreement. All withdrawals from the Loan Account shall be deposited by the Bank into an account specified by the Borrower and acceptable to the Bank.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread; or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.

- 2.06. The Payment Dates are April 1 and October 1 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the Schedule to this Agreement.

ARTICLE III — OPERATION

- 3.01. The Borrower declares its commitment to the objectives of the Operation. To this end, the Borrower shall carry out, and cause the Nigerian Electricity Regulatory Commission (NERC), the Nigerian Bulk Electricity trading PLC (NBET), and the Transmission Company of Nigeria (TCN) to carry out, the program described in Part 1 of Schedule 1 to the Financing Agreement (“Program”) in accordance with the provisions of Article V of the General Conditions
- 3.02. (a) Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Operation is carried out in accordance with the provisions of Schedule 2 to the Financing Agreement, which are incorporated into this Agreement with the following modifications unless the context otherwise requires:
 - (i) the term “Association” shall be read as “Bank”;
 - (ii) the term “Financing” shall be read as “Loan”;
 - (iii) the term “General Conditions” shall be read as the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Program-for-Results Financing”, dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022), and its corresponding Sections; and
 - (iv) the term “this Agreement” shall be read as “the Loan Agreement”.
- (b) So long as any part of the Financing provided for under the Financing Agreement shall remain outstanding and unless the Borrower has been notified otherwise by the Bank:
 - (i) all actions taken, including approvals given, by the Association pursuant to any of the Sections of, and Schedules to, the Financing Agreement enumerated in paragraph (a) of this Section shall be deemed to be taken or given in the name and on behalf of both the Association and the Bank; and

- (ii) all information or documentation furnished by the Recipient or Borrower to the Association pursuant to the provisions of any of such Sections of the Financing Agreement or Schedules thereto shall be deemed to be furnished to both the Association and the Bank.
- (c) If the Financing Agreement terminates prior to the termination of this Agreement, the provisions of the Financing Agreement referred to in this Agreement shall continue in full force and effect between the Borrower and the Bank.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The Electric Power Sector Reform Act 2004 has been amended, suspended, abrogated, repealed or waived so as to materially and adversely affect the ability of NERC, NBET, Bureau of Public Enterprise (BPE), DISCOs and/or TCN to perform any of their respective obligations arising under this Agreement; or of the Borrower to achieve the objectives of the Operation.
 - (b) Any other legislation, license or other legal or regulatory instrument related to the implementation of the Operation, or the Implementing Entities 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 Borrower or Implementing Entities to implement the Operation.
- 4.02. The Additional Event of Acceleration consists of the following, namely, that the event specified in paragraph (a) or (b) of Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the TCN Subsidiary Agreement has been executed and delivered on behalf of the Borrower and TCN; and
 - (b) all conditions precedent to the effectiveness of the Financing Agreement other than the effectiveness of this Agreement shall have been fulfilled.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

- 5.03. For purposes of Section 9.05 (b) of the General Conditions, the date on which the obligations of the Borrower 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 Borrower's Representative is its Federal Minister in charge of finance.

- 6.02. For purposes of Section 10.01 of the General Conditions:

- (a) the Borrower's address is:

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

- (b) the Borrower's Electronic Address is:

Facsimile:

234-9-2343609

- 6.03. For purposes of Section 10.01 of the General Conditions:

- (a) the Bank's address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

- (b) the Bank's Electronic Address is:

Telex:

Facsimile:

248423(MCI) or
64145(MCI)

1-202-477-6391

AGREED as of the Signature Date.

FEDERAL REPUBLIC OF NIGERIA

By



Authorized Representative

Name: Wale Edun

Title: Minister of Finance

Date: 21-Dec-2023

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

Name: Shubham Chaudhuri

Title: Nigeria Country Director

Date: 18-Nov-2023

SCHEDULE

Commitment-Linked Amortization Repayment Schedule

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

Level Principal Repayments

Principal Payment Date	Installment Share
On each April 1 and October 1 Beginning October 1, 2027, through October 1, 2057	1.61%
On April 1, 2058	1.79%

APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 6 of the Appendix to the General Conditions, the Bank’s “Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing,” dated February 1, 2012, and revised July 10, 2015.
2. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Program-for-Results Financing,” dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022).
3. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.