

Public Disclosure Authorized

CONFORMED COPY

GRANT NUMBER H725-BJ

Financing Agreement

(Regional Trade Facilitation Project - Phase II)

between

REPUBLIC OF BENIN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated November 9, 2011

GRANT NUMBER H725-BJ

FINANCING AGREEMENT

AGREEMENT dated November 9, 2011, entered into between the REPUBLIC OF BENIN (“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) constitute an integral 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, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to four million eight hundred thousand Special Drawing Rights (SDR 4,800,000) (variously, “Grant” and “Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement. In accordance with the terms of the Participation Agreement, the Recipient’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Chief Executive Officer of the Project Implementing Entity and any person or persons whom he or she shall designate in writing.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Payment Dates are April 15 and October 15 in each year.
- 2.05. The Payment Currency is the EURO.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
 - (a) The Agreement Establishing ATI has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement;
 - (b) The Recipient shall have failed to reimburse ATI for the amounts referred in the Participation Agreement regarding a Payment resulting from the action or omission of the Recipient;
 - (c) The Recipient shall have failed to perform any of its obligations under the Agreement Establishing ATI or the Participation Agreement;
 - (d) ATI shall have failed to perform any of its obligations under any of the Project Documents to which it is a party or by which it is bound;
 - (e) In the opinion of the Association, the Agreement Establishing ATI or the Participation Agreement shall have been amended, suspended, abrogated, repealed or waived so as to materially and adversely affect the ability of ATI to perform any of its obligations thereunder, or under the ATI Development Credit Agreement;
 - (f) As a result of events which have occurred after the date of this Agreement, an extraordinary situation shall have arisen which shall make it improbable that ATI will be able to perform its obligations under any of the Project Documents to which it is a party or by which it is bound, or which shall make it improbable that the Insurance Facility will be able to continue operating in a manner satisfactory to the Association;

- (g) A situation shall have occurred involving War or Civil Disturbance or Civil Commotion in the territory of the Recipient, or an Embargo affecting the Recipient;
- (h) A Payment shall have been made to an Insured by ATI or an Insurer, as the case may be, pursuant to an Insurance Contract or a Contract of Guarantee or an amount shall have been withdrawn from an ATI Bank Account, an ATI Sub Account, an ATI Investment Income Account or any other account for the purpose of making a Payment or reimbursing ATI the amount of a Payment with respect to: (i) a Loss for Political Risk Insurance; or (ii) a Loss arising from the non-honoring of any financial obligation of a sovereign entity of the Recipient, or a sub-sovereign or parastatal entity for which the sovereign entity of the Recipient is legally liable for such sub-sovereign's or parastatal's entity's financial obligations;
- (i) In the opinion of the Association, the Recipient shall have introduced a material reversal of its foreign exchange and trade policies in effect as at the date of this Agreement, or there shall have been a material deterioration in the implementation of such policies;
- (j) Without limitation to Section 6.02(c) of the General Conditions, at any time, the Association determines, with respect to the issuance of any Insurance Contract, or the making of any Payment, that a Corrupt Practice or a Fraudulent Practice occurred without the Recipient having taken timely and appropriate action satisfactory to the Association to remedy the situation following receipt of written notice from the Association to such effect; or
- (k) The Recipient shall have been suspended from membership in or ceased to be a member of ATI.

4.02. The Additional Events of Acceleration consist of the following:

- (a) any event specified in paragraphs (c), and (d) of Section 4.01 of this Agreement shall occur and shall continue for a period of sixty (60) days after notice thereof shall have been given by the Association to the Recipient; and
- (b) any of the events specified in paragraphs (a), (b), (e), (g), (h), (i), (j), or (k) of Section 4.01 of this Agreement shall occur.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely, that: the Participation Agreement in form and substance satisfactory to the Association, has been executed on behalf of the Recipient and the Project Implementing Entity.
- 5.02. The Additional Legal Matters consist of the following:
- (a) The Participation Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.
 - (b) The Recipient's accession to the Agreement Establishing ATI has been duly authorized or ratified by the Recipient by all necessary action, and is legally binding upon the Recipient in accordance with its terms.
- 5.03. The Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.
- 5.04. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient and the Project Implementing Entity under this Agreement and the Project Agreement, respectively (other than those providing for payment obligations) shall terminate is forty years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. Except as provided in Section 2.02 of this Agreement, the Recipient's Representative is its Minister responsible for finance.
- 6.02. The Recipient's Address is:

Ministère de l'Economie et des Finances
B.P. 302
Cotonou
Republic of Benin

Cable address:

Telex:

Facsimile:

MINFINANCES
Cotonou

5009 MINFIN or (229) 21 30 18 51
5289 CAA (229) 21 31 53 56

6.03. The Association's Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI)	1-202-477-6391

AGREED at Cotonou, Republic of Benin, as of the day and year first above written.

REPUBLIC OF BENIN

By

/s/ Adidjatou A. MATHYS
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

/s/ Olivier P. Fremond
Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to assist the Recipient to facilitate private and public sector-led trade flows, investment and productive activities through the provision of insurance, coinsurance, reinsurance, financial instruments and related services.

The Project consists of the following part, subject to such modifications thereof as the Recipient and the Association may agree upon from time to time to achieve such objectives:

Insurance Facility

Financing, through the Recipient's Membership Contributions, of an insurance and guarantee facility against Covered Risks that will be implemented by ATI in accordance with the Agreement Establishing ATI

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Participation Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under the terms of the Participation Agreement entered between the Recipient and the Project Implementing Entity.
2. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Participation Agreement, the Agreement Establishing ATI, or any of its provisions.
3. The Recipient shall exercise its rights under the Agreement Establishing ATI and the Participation Agreement in such manner as to protect the interests of the Recipient and the Association, and to accomplish the purposes of the Financing.
4. In the case of a partial or full Share Repurchase by ATI prior to the date of termination of this Agreement, the Recipient shall refund to the Association the amount equivalent to such Share Repurchase. Except as the Association may otherwise determine, the Association shall cancel all amounts of the Grant refunded pursuant to this paragraph.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall cause ATI to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in the Project Agreement. Each Project Report shall cover the period of one calendar quarter and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.
2. For purposes of Section 4.08(c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than October 31, 2017.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall cause ATI to maintain a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. The Recipient shall cause ATI to prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. Until the Expenditure Completion Date, the Recipient shall cause ATI to have its records and accounts (including all the ATI Bank Accounts, ATI Sub-Accounts, ATI Investment Income Accounts and other accounts) and Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period. Each such audit shall contain a special audit opinion on the use of the funds located in each of the ATI Bank Accounts, ATI Sub-Accounts and ATI Investment Income Accounts.

Section III. Procurement

1. All goods and services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with ATI's Operations Manual.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Insurance Facility-Related Expenditures-first payment	3,072,000	100 %
(2) Insurance Facility-Related Expenditures –second payment	864,000	100 %
(3) Insurance Facility-Related Expenditures –third payment	864,000	100 %
TOTAL AMOUNT	4,800,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments:
 - (i) made prior to the date of this Agreement;
 - (ii) under Category (2) unless the First Trigger Date has occurred; and
 - (iii) under Category (3) unless the Second Trigger Date has occurred.
2. The Closing Date is April 30, 2017.

Section V. Other Undertakings

1. Any amounts remaining in any of the ATI Accounts, ATI Sub-Accounts or the ATI Investment Accounts as of the Closing Date shall continue to be used until the date of termination of this Agreement, in accordance with the terms of the Articles of Association and the Agreement Establishing ATI and the objectives of the Project.

APPENDIX

Section I. Definitions

1. “Adjusted Net Exposure” means Net Exposure (as hereinafter defined) minus the aggregate amount of the outstanding policy limits of all Cash Collateralized Policies (as hereinafter defined).
2. “Agreement Establishing ATI” means that certain Agreement Establishing the African Trade Insurance Agency adopted by the Fifth Summit of Heads of State and Government of the Common Market for Eastern and Southern Africa in Grand Baie, Republic of Mauritius on May 18, 2000, and as amended on January 20, 2007, as such Agreement may be further amended from time to time.
3. “Annual Business Performance Targets” means the financial and operational targets as determined by ATI’s Board of Directors on an annual basis.
4. “Anti-Corruption Guidelines” means 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.
5. “Articles of Association” means the Articles of Association of ATI dated July 28, 2006.
6. “ATI Bank Account” means one or more accounts, denominated in a Convertible Currency opened at a Rated Bank by ATI in the name of ATI on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure and attachment.
7. “ATI Development Credit Agreement” means the Amended and Restated Development Credit Agreement contained in the Annex to the Agreement Providing for the Amendment and Restatement of the Development Credit Agreement dated March 23, 2007, as previously amended and restated on August 16, 2004 and August 11, 2003, respectively, between ATI and the Association, as such agreement may be amended from time to time, and such term includes all schedules and agreements supplemental to the ATI Development Credit Agreement.
8. “ATI Investment Income Accounts” means the accounts, denominated in a Convertible Currency opened and maintained by ATI at any commercial bank acceptable to the Association, on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure and attachment, in the name of ATI, into which all or part of the Investment Income may be transferred.

9. “ATI Sub-Account” means one or more interest-bearing accounts denominated in a Convertible Currency opened at a Rated Bank (as hereinafter defined), by ATI in the name of ATI on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure and attachment, into which all or part of the proceeds of the funds in the ATI Bank Account may be transferred.
10. “Available Equity Capital” is ATI’s available paid-in share capital attributable to the Class A Shareholders of ATI who are beneficiaries of financing from the Association.
11. “Banking Mandate” means a banking agreement, in the form and substance satisfactory to the Association, entered into between ATI and a Rated Bank pursuant to which an ATI Bank Account or, ATI Sub-Account, as the case may be, is opened and maintained by ATI or between ATI and a commercial bank pursuant to which an ATI Investment Income Account is opened and maintained by ATI.
12. “Cash Collateralized Policies” means the Insurance Contracts issued and in force which remain collateralized pursuant to the Security Trust Account Agreement (as hereinafter defined).
13. “Civil Commotion” has the meaning given to such expression in the Operations Manual or in the general conditions of an Insurance Contract or a Contract of Guarantee that may be issued by ATI or an Insurer to an Insured from time to time.
14. “Claim” means the amount claimed by an Insured as payable by ATI or an Insurer, pursuant to an Insurance Contract or a Contract of Guarantee.
15. “Class A Shares” means the “Class A” ownership shares of ATI held by a member of ATI, as defined in the Agreement Establishing ATI.
16. “Class A Shareholders” means the members of ATI who hold “Class A” shares of ATI as defined in the Agreement Establishing ATI.
17. “Contract of Guarantee” means any contract for the provision of a guarantee against Covered Risks issued to an Insured by ATI or an Insurer.
18. “Convertible Currency” means the United States Dollar, Euros, Pound Sterling, Canadian Dollar and Japanese Yen or such other currencies as may be added by resolution of the ATI Board of Directors, with the prior approval of the Association.
19. “Corrupt Practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of: (i) a public official of the Recipient,

including, without limiting the generality of the foregoing, any official of any organ of executive, legislative or judicial power or function of the Recipient; and (ii) a director (or equivalent position), officer, employee, agent or representative of ATI, as the case may be.

20. “Covered Risks” means the risks specified in the Operations Manual (as hereinafter defined) and defined in the relevant general conditions of an Insurance Contract or a Contract of Guarantee that may be issued by ATI to an Insured from time to time and includes such other risks as may be agreed upon in writing by the Association and ATI at any time.
21. “Depository Bank” means ING Bank N.V., London Branch and/or Nedbank Limited, London, as the case may be or any other “Rated Bank”.
22. “Displaced Person” means any person who, on account of the execution of the specific transaction, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.
23. “Dividend Income” means any dividends declared and paid by ATI to the Recipient in accordance with the terms of Section IV.B of the Schedule to the Project Agreement.
24. “Eligible Investments” means investments permitted under the approved Investment Guidelines.
25. “Embargo” has the meaning given to such expression in the Operations Manual or in the general conditions of an Insurance Contract or a Contract of Guarantee that may be issued by ATI or an Insurer to an Insured from time to time.
26. “Environmental Operations Manual” means the manual adopted by the Project Implementing Entity disclosed on December 18, 2000, which provides a framework and guidelines to the Project Implementing Entity as to the required review process and the environmental and social standards to apply to sub-projects insured by ATI, including, without limitation, ATI’s obligation to verify and ensure that the sub-project it insures meet the safeguard requirements of: (i) the country in which such sub-project is implemented; and (ii) the Association.
27. “Expenditure Completion Date” means the earlier of: (i) the date of termination of this Agreement; and (ii) the date on which ATI’s financial statements reflect

the disbursement by ATI of the full amount of the proceeds received directly or indirectly (through a member country of ATI) from financing provided by the Association.

28. “First Trigger Date” means the first day occurring on the last date of a calendar month and following the first withdrawal of the Financing, on which the Available Equity Capital is equal to an amount less than the Required Capital, as determined by the Association on the basis of documentation satisfactory to the Association provided by ATI, in accordance with the World Bank Disbursement Guidelines.
29. “Fraudulent Practice” means a misrepresentation of facts in order to influence a process, the execution of a contract, or the provision of funds, including, without limiting, the generality of the foregoing: (i) the assessment of any application for an Insurance Contract or a Contract of Guarantee; (ii) the provision of any Insurance Contract or a Contract of Guarantee; (iii) the assessment of any Claim; or (iv) the making of any Payment, in any case to the detriment of the Recipient or ATI, as the case may be.
30. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.
31. “Gross Exposure” means the aggregate amounts of outstanding contingent liabilities assumed by ATI in its own name under all Insurance Contracts and Contracts of Guarantees, as calculated on the last day of each calendar month.
32. “Insurance Contract” means any contract for the provision of insurance against Covered Risks issued by ATI or an Insurer.
33. “Insurance Facility” means the insurance and guarantee facility specified in Schedule 1 to this Agreement.
34. “Insurance Facility-Related Expenditures” means Payments, Operating Costs, Eligible Investments and the repurchase of the Class A Shares by ATI pursuant to the terms of the Agreement Establishing ATI or the Articles of Association and funds to cover ATI’s outstanding Gross Exposure (all financed through the Recipient’s Membership Contributions).
35. “Insurance Facility-Related Expenditures” means Payments, Operating Costs, Eligible Investments and the repurchase of the Class A shares by ATI pursuant to the terms of the Project Implementing Entity’s Legislation or the Articles of Association.

36. “Insured” means a natural or juridical person to whom ATI or an Insurer has issued an Insurance Contract or a Contract of Guarantee in accordance with the Operations Manual.
37. “Insurers” means, collectively, the insurers, whether acting alone or participating in a syndicate of insurers, that benefit from a reinsurance contract issued by ATI, and “Insurer” means any of them.
38. “Investment Income” means the amounts generated as interest and other earnings from the Eligible Investments made by ATI from time to time and includes interest and other earnings generated from the Investment Income.
39. “Investment Guidelines” means the Investment Policy and the General Investment Authorization of ATI that were adopted by resolution of the ATI Board of Directors on July 27, 2006, as amended on November 26, 2010.
40. “Loss” means the gross amount paid by ATI to an Insured or an Insurer in settlement of a Claim by an Insured under an Insurance Contract or a Contract of Guarantee, and includes any costs and expenses (including professional fees and disbursements) incurred by ATI directly associated with or arising out of the investigation of, or the resolution of a dispute concerning, a Claim, but such term shall not include any costs or expenses associated with or arising out of the litigation or arbitration involving a Claim.
41. “Membership Contributions” means the payment of the Recipient’s membership rights in ATI through the purchase of Class A Shares.
42. “Net Exposure” means Gross Exposure less Reinsurance as calculated on the last day of each calendar month.
43. “Operating Costs” means the operating costs incurred by ATI for the management, administration, implementation, monitoring and evaluation of the Project, including but not limited to staff salaries, office facilities and equipment, staff travel, audit costs, consumable office supplies, fuel costs for transport vehicles, fixed assets (other than real property) and/or the cost of claims administration, based on an annual budget acceptable to the Association.
44. “Operations Manual” means the manual, dated September 13, 2007 and the manual dated August 2004 and revised in July 2009, approved by ATI and the Association, which set out the operating policies, rules and procedures to be applied and observed by ATI in connection with the operation of the Insurance Facility and related matters, as said manual may be amended by ATI with the approval of the Association.

45. “Participation Agreement” means the Participation Agreement to be entered into between the Recipient and ATI pursuant to which the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity, as amended from time to time; and such term includes all schedules to the Participation Agreement.
46. “Payment” means any payment on account of a Loss made to an Insured or an Insurer by ATI.
47. “Political Risk Insurance” means insurance or guarantees provided by ATI against the risk of Loss caused by the action or inaction of the government of the Recipient.
48. “Project Documents” means, collectively, the Participation Agreement, the Project Agreement and the Agreement Establishing ATI, as amended from time to time.
49. “Project Implementing Entity” or “ATI” means the “African Trade Insurance Agency” established and operating pursuant to the Agreement Establishing ATI.
50. “Rated Bank” means a commercial bank of recognized standing enjoying not less than Aa3 for Senior Unsecured Issuer Rating and P1 for Short Term Issuer Rating, respectively, by Moody’s, Minimum AA – for Senior Unsecured Issuer Rating and minimum A1 Short term Issuer Rating, respectively, by Standard & Poor’s, and A1+ and AA- for Short Term Bank Deposit Rating and Senior Unsecured Issuer Rating, respectively, by Fitch Ratings , appointed by ATI with the approval of the Association to hold the ATI Bank Account and any ATI Sub-Accounts and includes any successor thereto or assignee thereof acceptable to the Association.
51. “Reinsurance” means the aggregate amount of outstanding contingent liabilities assumed by all reinsurers of ATI for exposure under reinsurance contracts entered into between ATI and the relevant reinsurers as calculated on the last day of each calendar month.
52. “Reinsurance Policy” means the reinsurance policy of ATI dated July 27, 2006, between a reinsurer and ATI acting as the primary insurer .
53. “Required Capital” means the product of the following formula: (Adjusted Net Exposure multiplied by 43%) plus (Reinsurance multiplied by 4%) plus the aggregate outstanding policy limit amount of Cash Collateralized Policies plus fifteen million dollars (USD 15 million), as of the last day of each calendar month.
54. “Resettlement Action Plan” or “RAP” means a transaction-specific resettlement action plan, acceptable to the Association, giving details of a program of actions,

measures and policies designed to facilitate the compensation and resettlement of Displaced Persons, including the magnitude of displacement, proposed compensation and resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, the Resettlement Action Plan.

55. “Second Trigger Date” means the first day occurring on the last date of a calendar month following the occurrence of the First Trigger Date, on which the Available Equity Capital is equal to an amount less than the Required Capital, as determined by the Association on the basis of documentation satisfactory to the Association provided by ATI, in accordance with the World Bank Disbursement Guidelines.
56. “Security Trust Accounts” means the interest-bearing, Dollar denominated trust accounts opened at the Security Trust Account Trustee, on terms and conditions satisfactory to the Association, by ATI.
57. “Security Trust Account Trustee” means the Depository Bank, as the trustee pursuant to the Security Trust Account Agreement in respect of the funds held in the relevant Security Trust Account, and includes any successor thereto or assignee thereof acceptable to the Insurers and the Association.
58. “Security Trust Account Agreement” means the Security Trust Account Agreement, dated December 18, 2001, as amended and restated as of March 2, 2008, among ATI, the insurers that are a party to the Insurance Facility Agreement and the Depository Banks, pursuant to which, *inter alia*, the legal title in the funds held in the relevant Security Trust Account is declared to be held by the Security Trust Account Trustee on trust for the insurers that are a party to the Insurance Facility Agreement for application in the manner set out therein, as such agreement may be amended and limited to the Cash Collateralized Policies.
59. “Share Repurchase” means the repurchase by ATI of all or some of the ownership shares of ATI held by the Recipient.
60. “War or Civil Disturbance” has the meaning given to such expression in the Operations Manual or in the general conditions of an Insurance Contract or a Contract of Guarantee that may be issued by ATI or an Insurer to an Insured from time to time.
61. “World Bank Disbursement Guidelines” means the World Bank Disbursement Guidelines for Projects dated May 2006, as revised from time to time by the Association.

Section II. Modifications to the General Conditions

The modifications to the General Conditions for Credits and Grants of the Association, dated July 31, 2010 are as follows:

1. The following sentence is added at the end of Section 6.01:

“or in respect of which an Insurance Contract or Contract of Guarantee
(as such terms are defined in this Agreement) has been issued and
remains outstanding.”