

Public Disclosure Authorized

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**CREDIT NUMBER 4620-NG**

# **Financing Agreement**

**(Nigeria Electricity and Gas Improvement Project)**

**between**

**FEDERAL REPUBLIC OF NIGERIA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated May 11, 2010**

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Public Disclosure Authorized

**FINANCING AGREEMENT**

AGREEMENT dated May 11, 2010, entered into between the FEDERAL REPUBLIC OF NIGERIA (“Recipient”) and the 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 credit in an amount equivalent to one hundred thirty four million four hundred thousand Special Drawing Rights (SDR 134,400,000) (variously, “Credit” 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.
- 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are March 1 and September 1 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollar.

**ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Project as set forth in Schedule 1 to this Agreement. To this end, the Recipient shall cause the Project Implementing Entity to carry out the Project, 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 Event of Suspension consists of the following: the Project Implementing Entity's Legislation 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.

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

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (i) the Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity;
  - (ii) the Recipient has adopted the PIM; and
  - (iii) the Recipient has established the stakeholders' consultations forum referred to in paragraph 4 of Section 1 A of Schedule 2 to this Agreement in form and substance satisfactory to the Association.
- 5.02 The Additional Legal Matter consists of the following: the Subsidiary 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.
- 5.03. The Effectiveness Deadline is the date one hundred and eighty (180) 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 under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

6.01. The Recipient's Representative is its Federal Minister responsible for finance.

6.02. The Recipient's Address is:

The Honorable Minister  
Federal Ministry of Finance  
Ahmadu Bello Way  
Central Business District  
Abuja, Nigeria

Facsimile:

234 9 6273609

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

248423 (MCI)

1-202-477-6391

Washington, D.C.

AGREED at Abuja, Nigeria, as of the day and year first above written.

**FEDERAL REPUBLIC OF NIGERIA**

**By /s/ Olusegun Olutoyin Aganga**

**Authorized Representative**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By /s/ Onno Ruhl**

**Authorized Representative**

## SCHEDULE 1

### Project Description

The objectives of the Project are to: (i) improve the availability and reliability of gas supply to increase power generation in existing public sector power plants; and (ii) improve the power network's capacity and efficiency to transmit and distribute quality electricity to the consumer.

The Project consists of the following Parts:

**Part A: Gas Supplies to Increase Power Generation in Existing Public Sector Plants**

Acquisition by the Project Implementing Entity of bulk gas delivered under a partial risk guarantee scheme provided by the Association to secure payment obligations incurred by the Project Implementing Entity for the purposes of carrying out Part A of the Project.

**Part B: Enhancement of Transmission and Distribution Infrastructure**

1. Rehabilitation and reinforcement of aging 330 kV and 132 kV transmission stations including Afam, Akangba, Kaduna, Birnin Kebbi, Ikeja West, Ayede, Aba, Biu, Akure, Jerico, Ijebu-Ode, Eket, Ikorodu, Osogbo, Dan Agundi, Port Harcourt and Alagbon.
2. Rehabilitation/retooling of existing power transformer workshop.
3. Rectification/corrections of switchyard deficiencies and malfunctioning in 330/132 kV transmission stations so as to improve man-to-man and man-to-machine communications to strengthen electrical systems' performance efficiency and reliability.
4. Reinforcement of distribution networks to increase electricity supply in selected cities including Kano, Kaduna, Eko, Ikeja, Ibadan, Abuja, Benin, Port Harcourt, Yola, Jos and Enugu.
5. Installation of 11 kV sectionalizers in Karu, Kubwa, Lagos University Teaching Hospital, Ogba, Agege and Idiaraba to increase customer satisfaction by reducing economic loss resulting from chronic power outages affecting customers in these service areas.
6. Acquisition and installation of metering and other relevant equipment required to analyze and to measure the quality and quantity of gas supplied to the Project Implementing Entity under Part A of the Project.

**Part C Technical Advisory Services**

1. Provision of logistical support and technical advisory services required to sustain ongoing reforms undertaken by the Recipient to improve the performance of its power sector including:
  - (i) carrying out of studies to identify and select rehabilitation and management options to be adopted to promote efficiency for the Project Implementing Entity's power generation subsidiary companies;

- (ii) improvement of the subsidies model and delivery mechanisms adopted under the MYTO;
  - (iii) design of gas infrastructure and transmission and distribution systems needed to handle expected increases in power supply;
  - (iv) activities aimed at building capacity for relevant institutions of the Recipient responsible for the power sector;
  - (v) enhancing capacity for FME and DPR, specifically with respect to implementation and enforcement of environmental rules/regulations governing the undertaking of gas and oil operations within the Recipient's territory;
  - (vi) formulation and execution of community outreach activities including a communication program to foster and to sustain open and continuous dialogue amongst all relevant stakeholders about the Project; and
  - (vii) carrying out of selected feasibility and re-engineering studies and supervision activities needed for execution of investments identified under Part B of the Project.
- 2.
- (i) Carrying out of activities designed to strengthen NPTI's operational capacity; and
  - (ii) acquisition of equipment, materials and supplies needed to enhance the said NPTI's operational capacity.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. (a) The Recipient shall adopt a Project Implementation Manual, in form and substance satisfactory to the Association, outlining the institutional and operational arrangements for implementation of the Project, including procurement procedures, disbursement arrangements, performance indicators, environmental safeguards, monitoring and evaluation arrangements, terms of reference of staff and other administrative, financial and organizational arrangements, as shall have been agreed with the Association, and proceed thereafter to carry out the Project in accordance with the Project Implementation Manual; and, except as the Association shall otherwise agree, shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof; provided, however, that in the event of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, the latter shall prevail.
- (b) The Recipient shall cause the Project Implementing Entity to carry out the Project in accordance with the provisions of the PIM and the ESMF; and except as the Association shall otherwise agree, the Recipient shall not amend or waive any provision of any of these documents.
2. The Recipient shall: (a) maintain the ERSU throughout the implementation of the Project; and (b) cause the Project Implementing Entity to maintain the PMU throughout the implementation of the Project with membership, functions and responsibilities satisfactory to the Association, including financial sections, and with staff in adequate numbers with qualifications and experience satisfactory to the Association. The PMU shall, inter alia, prepare the following documents and reports prior to their submission to the Association for its approval: (i) annual work programs and the budgets related thereto prepared for the Project; and (ii) all periodic reports documenting the progress achieved during implementation of the Project.
3. Wherever required in terms of the ESMF for the purposes of carrying out any of the Project activities referred to under Part B of the Project and prior to implementation thereof, the Recipient shall: (a) cause the Project Implementing Entity to prepare a draft ESMP as appropriate for any such activity; (b) submit any such draft ESMP to the Association for its review and approval; (c) finalize the draft ESMP by taking duly into account all comments and recommendations made by the Association; and (d) implement the relevant Project activities in accordance with the provisions of the ESMP as duly approved by the Association.
4. For the purposes of carrying out Part C (vi) of the Project, the Recipient shall establish and thereafter maintain throughout the implementation of the Project a stakeholders' consultation forum with mandate, functions, membership, consultations procedures, and



civil society organizations and community participation mechanisms satisfactory to the Association.

5. **Work Plans and Budgets**

- (a) The Recipient shall cause the Project Implementing Entity to prepare and furnish to the Association for its approval, not later than June 30 in each year during the implementation of the Project or such later date as the Association may agree, annual work plans (including an annual schedule of power plants to be rehabilitated) and budgets containing all activities to be carried out in the following calendar year.
- (b) The Recipient shall cause the Project Implementing Entity to implement, monitor and evaluate its annual work plan and budget in accordance with the provisions set forth in this Agreement and in more detail in the PIM and the Subsidiary Agreement as they shall have been approved by the Association pursuant to the provisions of paragraph (a) above.

**B. Subsidiary Agreement**

- 1. To facilitate the carrying out of the Project, the Recipient shall onlend the proceeds of the Financing to the Project Implementing Entity under a Subsidiary Agreement entered into between the Recipient and the Project Implementing Entity, under terms and conditions which shall have been approved by the Association.
- 2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

**C. Anti-Corruption**

The Recipient shall cause the Project Implementing Entity to carry out the Project in accordance with the provisions of the Anti-Corruption Guidelines.

**D. Safeguards**

- 1. The Recipient shall cause the Project Implementing Entity to take all measures necessary on its part to regularly collect, compile, and submit to the Association, on a quarterly basis, reports on the status of compliance with the ESMF and any ESMP, giving details of:
  - (a) measures taken in furtherance of such ESMF and ESMP;
  - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such ESMF and ESMP; and
  - (c) remedial measures taken or required to be taken to address such conditions.

## **Section II. Project Monitoring, Reporting and Evaluation**

### **A. Project Reports**

1. The Recipient shall cause the Project Implementing Entity 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 in paragraph 2 below. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than 45 days after the end of the period covered by such report.
2. The performance indicators referred to in paragraph 1 above consist of the following:
  - (a) the annual plant load factor has been increased from --% to -- %;
  - (b) revenues collected from billed customers have increased by a ratio of -- % per annum; and
  - (c) the ratio of customers billed has increased from -- % to -- % per year;
  - (d) the revenue yield per kwh generated has increased from – to – per year; and
  - (e) the volume of gas used for power generation has increased by – % per year from January 2011 onward.

### **B. Financial Management, Financial Reports and Audits**

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association, not later than 60 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. The Recipient shall cause the Project Implementing Entity to have its Financial Statements for the Project 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.

## **Section III. Procurement**

### **A. General**

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants’ Services.** All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement method or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods and Works**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used.

<b><u>Procurement Methods</u></b>
(a) National Competitive Bidding
(b) Shopping
(c) Direct Contracting

**C. Particular Methods of Procurement of Consultants’ Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<b><u>Procurement Methods</u></b>
(a) Quality-Based Selection
(b) Single Source Selection
(c) Selection Based on the Consultants’ Qualifications
(d) Individual Consultants
(e) Least-Cost Selection

**D. Review by the Association of Procurement Decisions**

Except as the Association shall otherwise determine by notice to the Recipient, the following contract shall be subject to Prior Review by the Association: (a) each contract for goods estimated to cost the equivalent of \$750,000 or more and each contract for works estimated to cost \$5,000,000 or procured on the basis of International Competitive Bidding; (b) each contract procured on the basis of Direct Contracting; (c) each contract for consultants’ services provided by a firm estimated to cost the equivalent of \$200,000

or more; (d) each contract for consultants' services provided by individual consultants estimated to cost the equivalent of \$50,000 or more; and (e) each contract for consultants' services procured on the basis of Single Source Selection. All other contracts shall be subject to Post Review by the Association.

**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 Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods and works for Parts B and C of the Project	121,000,000	100%
(2) Consultants' services and training for Parts B and C of the Project	10,800,000	100%
(3) Operating Costs	1,350,000	100%
(4) Unallocated	1,250,000	
<b>Total Amount</b>	<b>134,400,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is December 31, 2014.

**Section V. Other Undertakings**

1. Without limitation to the provisions of Section 4.06 (b) of the General Conditions, the Recipient shall take all measures required to ensure that the recommendations of the ELPS Integrity Study are promptly implemented in accordance with timetables agreed upon with the Association.
2. Without limitation to the provisions of Section 4.03 of the General Conditions, the Recipient shall take all measures required on its part to ensure that the stream of revenues earmarked for the Project Implementing Entity pursuant to the MYTO shall be: (i) periodically adjusted in accordance with the formula set forth in the MYTO; and (ii) promptly made available to the Project Implementing Entity as and when they are needed.
3.
  - (a) The Recipient and the Association shall, from time to time, at the request of either party, exchange views with regard to the Recipient's pricing policies and its plans in respect of the overall development of the power sector.
  - (b) The Recipient agrees, as long as it exercises control over the setting of prices of the companies, to establish prices for electricity and gas sold by such companies which would: (i) allow the companies, under conditions of efficient operation at reasonable levels of capacity utilization, to cover their operating costs including taxes, earn an adequate return on funds invested in them, meet their financial obligations and make a reasonable contribution to future investment for expansion of capacity; (ii) be reasonably competitive with prices for electricity and gas in other major producing countries; and (iii) subject to the achievement of objectives (i) and (ii) above, pass on the benefit of declines in the real costs of production to the customers through reduction in prices in real terms.
4. The Recipient shall: cause the Project Implementing Entity to (a) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about June 30, 2012, a report integrating the results of the monitoring and evaluation activities on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and (b) review with the Association, by September 30, 2012, or such later date as the Association shall request, the report referred to in paragraph (a) above, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

**SCHEDULE 3****Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each March 1 and September 1	
commencing September 1, 2019 to and including March 1, 2029	<b>1%</b>
Commencing September 1, 2029 to and including March 1, 2049	<b>2%</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 3.03 (b) of the General Conditions.

**APPENDIX****Section I. Definitions**

1. “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.
2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
4. “DPR” means the Department of Petroleum Resources established with the Recipient’s Federal Ministry of Petroleum.
5. “ELPS Integrity Study” means the study referred to in paragraph 1 of Section V of Schedule 2 to this Agreement.
6. “ERSU” means the Environment, Resettlement, and Social Unit established within the PMU and further referred to under Part D. 2 of Schedule 2 to the Development Credit Agreement (Credit No 4085- UNI) for the National Energy Development Project.
7. “ESMF” means the Environmental and Social Management Framework prepared and adopted by the Recipient, dated October 20, 2008, defining the set of mitigation, enhancement, monitoring, and institutional measures to be taken during implementation of the Project to eliminate any adverse environmental and social impacts, offset them, reduce them to acceptable levels, or to enhance positive impacts of the Project activities, as such framework may be amended by the Recipient from time to time, with the prior written agreement of the Association.
8. “ESMP” means the Environmental and Social Management Plan to be adopted by the Recipient in accordance with the guidelines and procedures set out in the ESMF for the purposes of carrying out any of the Project activities referred to under Part B of the Project, as such ESMP may be amended by the Recipient from time to time, with the prior written agreement of the Association.
9. “FME” means the Federal Ministry of the Environment of the Recipient.
10. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
11. “MYTO” means the Multi-Year Tariff Order No: NERC/GL059 adopted by the Recipient on June 27, 2008 for purposes of regulating the allocation of budgetary subsidies to the Project Implementing Entity.

12. “NPTI” means the National Power Training Institute established and operating within the Project Implementing Entity.
13. “Operating Costs” means the incremental expenses incurred by the Recipient and the Implementing Entity, based on amounts and budgets approved by the Association, for Project implementation, management, and monitoring, on account of office space rental and utilities, office supplies and equipment, bank charges, communications, vehicle operation, maintenance, insurance cost, building and equipment maintenance, travel, supervision and advertising, salaries of contractual staff but excluding salaries for members of the Recipient’s civil service.
14. “Project Implementation Manual” or PIM” means the Project Implementation Manual referred to in Section 1. A. (a) of Schedule 2 to this Agreement, including any schedules to the manual, as such manual may be amended by the Recipient from time to time, with the prior written agreement of the Association.
15. “PMU” means the Project Management Unit established within the Project Implementing Entity and further referred to under Part D. 2 of Schedule 2 to the Development Credit Agreement (Credit No 4085- UNI) for the National Energy Development Project.
16. “Project Implementing Entity” means the Power Holding Company of Nigeria, which is party to the Project Agreement.
17. “Project Implementing Entity’s Legislation” means the Electric Power Sector Reform Act, 2005 establishing the Project Implementing Entity.
18. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
19. “Procurement Plan” means the procurement plan for the Project, dated May 8, 2009 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of the said paragraphs.
20. “Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity.
21. “Training” means incremental reasonable expenditures approved by the Association on the basis of budgets acceptable to the Association to finance the cost of training activities, workshops and seminars related to the Project including expenses for rental of conference rooms, acquisition of materials and supplies and required office equipment.



**Section II. Modifications to the General Conditions**

The modifications to the General Conditions for Credits and Grants of the Association, dated July 1, 2005 (as amended through October 15, 2006) are as follows:

1. Paragraph (i) of Section 6.02 is modified to read as follows:

“Section 6.02. *Suspension by the Association*

- ...
- (l) *Ineligibility*. The Association or the Bank has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by the Association or the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Association or the Bank, as a result of a determination by the Association or the Bank that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Association or the Bank.”