
CTF GRANT NUMBER B0302

Clean Technology Fund Grant Agreement

(Regional Off-Grid Electrification Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

**acting not in its individual capacity but solely in its capacity as an implementing
entity of the Clean Technology Fund**

and

WEST AFRICAN DEVELOPMENT BANK

Dated 05-Oct-2020

CTF GRANT NUMBER B0302

CLEAN TECHNOLOGY FUND GRANT AGREEMENT

AGREEMENT dated 05-oct-2020, entered into between the INTERNATIONAL DEVELOPMENT ASSOCIATION (“World Bank”), acting not in its individual capacity but solely in its capacity as an implementing entity of the Clean Technology Fund (“CTF”) and the WEST AFRICAN DEVELOPMENT BANK (“Recipient” or “BOAD”).

WHEREAS (A) certain member states of the West Africa and Sahel regions intend to participate in a program designed to establish a regional market of stand-alone solar products in the regions and increase electricity access of households, businesses, and public institutions using modern off-grid technology through a harmonized regional approach (“Program”);

(B) the Recipient, having satisfied itself as to the feasibility and priority of the project (“Project”, as described in Schedule 1 to this Agreement) under the first phase of the Program, has requested the Association to assist in the financing of part of the cost of Part 2.A of the Project;

(C) by a financing agreement (“BOAD Financing Agreement”, as further defined in Section I of the Appendix to this Agreement) to be entered into between the Association and the Recipient, the Association will extend to the Recipient a credit in the amount of one hundred twenty-one million nine hundred thousand Euro (EUR 121,900,000) (“Credit”) to assist the Recipient in financing part of the cost of Part 2.A of the Project on the terms and conditions set forth in the BOAD Financing Agreement; and

(D) by a financing agreement (“ECREEE Financing Agreement”) to be entered into between the Association and the ECOWAS Center for Renewable Energy and Energy Efficiency (“ECREEE”), the Association will extend to ECREEE a grant in an amount equivalent to seven million two hundred thousand Special Drawing Rights (SDR 7,200,000) (“Grant”) to assist ECREEE in financing part of the cost of activities under Parts 1.A and 1.B of the Project on the terms and conditions set forth in the ECREEE Financing Agreement.

WHEREAS the World Bank has agreed, on the basis, *inter alia*, of the foregoing, to extend the grant provided for in Article III of this Agreement to the Recipient upon the terms and conditions set forth in this Agreement.

NOW THEREFORE the World Bank and the Recipient hereby agree as follows:

Article I
Standard Conditions; Definitions

- 1.01. The “Standard Conditions for Grants Made by the World Bank Out of Various Funds”, dated February 15, 2012 (“Standard Conditions”), with the modifications set forth in Section II of 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 Standard Conditions or in the Appendix to this Agreement.

Article II
The Project

- 2.01. The Recipient declares its commitment to the objective of the Project and the Program. To this end, the Recipient shall, through the Project Team, carry out Part 2.B of the Project in accordance with the provisions of Article II of the Standard Conditions.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the World Bank and the Recipient shall otherwise agree, the Recipient shall ensure that Part 2 of the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III
The Grant

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount not to exceed sixty-seven million two hundred thousand United States Dollars (\$67,200,000) (“Grant”) to assist in financing Part 2.B of the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the CTF for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the CTF, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Effectiveness; Termination

- 4.01. This Agreement shall not become effective until the BOAD Financing Agreement shall have become effective.
- 4.02. This Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 4.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article V
Recipient's Representative; Addresses

- 5.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its President.
- 5.02. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Telex:	Facsimile:
248423 (MCI) or 64145 (MCI)	(1) 202-477-6391

- 5.03. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

West African Development Bank
68 av. de la Libération
BP 1172, Lomé
Republic of Togo

Facsimile:

(228) 22-21-52-67

AGREED as of the day and year first above written.

**INTERNATIONAL DEVELOPMENT ASSOCIATION
acting not in its individual capacity but solely in its capacity
as an implementing entity of the Clean Technology Fund**

By



Authorized Representative

Name: Deborah L. Wetzel

Title: Director, Regional Integration, Africa and ME

WEST AFRICAN DEVELOPMENT BANK

By



Authorized Representative

Name: Mr. Serge EKUE, President

Title: PRESIDENT

SCHEDULE 1

Project Description

The objective of the Project is to increase electricity access of households and businesses using modern stand-alone solar systems through a harmonized regional approach.

The Project constitutes the first phase of the Program and consists of the following parts:

Part 1: Developing a Regional Market

Part 1.A: Enabling Environment

Strengthening by ECREEE of a regional energy access policy benefitting the Project Countries, through the establishment and maintenance of the Project Implementation Unit in ECREEE, including the provision of goods, services, training, workshops and the financing of operational costs, as required for the implementation, monitoring and evaluation of the following activities:

1.A.A. Supporting Regional Policy and Regulatory Frameworks for Stand-alone Solar Systems

Carrying out by ECREEE of a program aimed at:

1. Strengthening the Regional Energy Access Policy by means of the integration of stand-alone solar systems into the regional access policies, through the provision to the CTF Eligible Countries of technical assistance for analytical studies, regional workshops and exchange programs designed to provide the policy makers and regional leaders with opportunities to understand and appreciate the broad range of services that the stand-alone solar systems can provide along with various business models from the delivery point of view.
2. Influencing national energy access policies/strategies within the CTF Eligible Countries through regional engagement, the provision of technical assistance and the delivery of workshops required for national policy adoption.
3. Developing and adopting regional standards and a quality assurance framework for stand-alone solar systems, encompassing the provision of the technical assistance required for the implementation of pilot schemes in selected CTF Eligible Countries aimed to electrify public institutions and other productive use applications to test innovative stand-alone solar business models.

4. Removing trade barriers and moving toward a simplified tax regime to enhance stand-alone solar product affordability in the CTF Eligible Countries, through the provision of technical assistance and the carrying out of awareness campaigns to study and promote measures aimed at enhancing the commercial attractiveness of stand-alone solar systems to households and to develop and/or improve harmonized description codes for solar stand-alone systems and equipment, and thereby facilitate the informed decision making on import duties in the framework of the CET at the regional level.
5. Enabling mobile money, through the provision of technical assistance required in the CTF Eligible Countries for the carrying out of studies and other analytical work to develop adequate policy and regulatory measures for the use of mobile money by stand-alone solar companies.

1.A.B. Supporting Development of a Regional Ecosystem for Sustainable Growth of the Stand-alone Solar Systems Industry

Establishment and operation by ECREEE in the CTF Eligible Countries of regional entrepreneurship development centers targeted at the entire value chain of the stand-alone solar systems industry and aimed at developing standard materials and modules for, among others, entrepreneurship and business training, customized business acceleration support, facilitation of entry into the solar business, and encompassing the provision of technical assistance, services, goods and training required for, *inter alia*, developing standard materials and modules and enhance the understanding of the technology and risks, the initial business support for permits, licenses, product logistics, inventory management, product quality and standards, financing, environmental requirements, for enabling the less privileged categories of stakeholders to participate and take advantage of the opportunities offered through the stand-alone solar systems value chain, and for establishing and implementing a regional certification scheme for solar photovoltaic installers at the regional level.

1.A.C. Sharing Market Intelligence and Facilitating Stakeholder Exchange

Carrying out by ECREEE of a set of support initiatives in the CTF Eligible Countries aimed at fostering industry collaboration with key stakeholders and at promoting meaningful dialogue for scaling up electrification through stand-alone solar systems solutions, and encompassing the provision of technical assistance, training, and delivery of workshops and conferences required for the carrying out of studies aimed to gather relevant data and market intelligence and to disseminate such information regionally and nationally for the benefit of all companies.

1.A.D. Unlocking Regional Demand through Consumer Awareness and Promotional Campaigns

Carrying out by ECREEE of a program in the CTF Eligible Countries to create demand for the solar businesses through the provision of services, goods, media services (clips) and publications required for the delivery of awareness and promotional campaigns, including the carrying out of face-to-face campaigns, experiential events such as fora, training of trainers sessions, roadshows and mass media, print, mass distribution activities such as local vernacular radio and educational material/posters.

1.A.E. Removing Supply Constraints through Capacity Building of Commercial Financial Institutions and Other Relevant Stakeholders

Carrying out by ECREEE of a capacity building program in the CTF Eligible Countries to develop the capacity of the West African and Sahel regions' CFIs of the solar industry and its structure, including its supply chain, evolving nature and accompanying innovations, through the provision of technical assistance required for the delivery of regional and national workshops, training, analytical studies, the carrying out of a feasibility study to determine the possibility of establishing a specialized debt fund aimed at tapping the West African Economic and Monetary Union capital market to finance solar equipment receivables, and the carrying out of consultations and capacity building measures on, *inter alia*, stand-alone solar systems energy project due diligence, compliance with environmental requirements, portfolio supervision, and hedging to attract new investment in the solar industry.

1.A.F. Exploring New Business Models to Promote Use of Stand-alone Solar Systems in Public Institutions and Productive Use Applications

Carrying out by ECREEE of a pilot in selected CTF Eligible Countries to develop service-oriented standards and a quality assurance framework and new delivery models supported through appropriate payment risk mitigation arrangements to attract private investments to electrify public institutions through stand-alone solar technologies, through the provision, as required, of works for the installation of equipment, and the provision of technical assistance required for piloting public institutions and productive use electrification activities.

Part 1.B: Entrepreneurship Technical Support

Carrying out by ECREEE of a program in the CTF Eligible Countries aimed to attract reputable solar companies in the West African market, attract existing and established businesses operating in non-solar industries to engage in providing electricity service through stand-alone solar systems, and support local entrepreneurs to set up energy service companies to provide electricity services in

the CTF Eligible Countries, and encompassing the provision of consulting services, goods and training and the financing of operational costs required to enhance the capacity, skills, and expertise of the businesses, including:

- (a) provision of entrepreneurship and business training to Stage 1 Solar Companies and Stage 2 Solar Companies across the CTF Eligible Countries to support already operational national service providers in enhancing their portfolio through training on stand-alone solar businesses, incubation activities and the carrying out of an annual regional stand-alone business plan competition and workshop;
- (b) provision of customized business acceleration support to Stage 2 Solar Companies in the CTF Eligible Countries through the delivery of specialized training and awareness raising campaigns by a network of business incubators and accelerators in the CTF Eligible Countries, including training to refine business strategies and business models, mentoring from seasoned entrepreneurs and investors, transaction advice and investment facilitation, and technology and product development support;
- (c) facilitation of entry to the solar industry in the CTF Eligible Countries, through the provision of training, specialized technical assistance and knowledge sharing activities to successful local businesses in the CTF Eligible Countries operating in non-solar industries to support them in developing strong, local distribution chains and similar operational capabilities that might be transferred to the solar industry; and
- (d) provision of targeted training for women entrepreneurs in all the precedent areas mentioned above in subparagraphs (a), (b) and (c).

Part 1.C: Entrepreneurship Financing Support

Financing by ECREEE of Matching Grants for Stage 1 Solar Companies in CTF Eligible Countries to support the entry of new solar businesses and their business model development and to Stage 2 Solar Companies to assist them in the expansion of their activities to a CTF Eligible Country.

Part 1.D: Barrier Removal for Challenging Markets

Financing by ECREEE for Stage 2 Solar Companies and for Stage 3 Solar Companies both in CTF Eligible Countries of Market-Entry Grants to extend upfront capital support aimed to remove market-entry barriers and Performance-Based Grants to help make the solar products affordable to consumers in challenging markets.

Part 2: Access to Finance for Stand-alone Solar System Businesses

Part 2.A: Line of Credit to Stand-alone Solar Businesses

Facilitation of access to debt financing to support the off-grid solar equipment market in the West African and Sahel regions, through the establishment and operation by BOAD of a credit facility for the financing of Sub-Credits from Commercial Financial Institutions to Beneficiary Enterprises for the purposes of carrying out of Sub-Projects.

Part 2.B: Contingent Grant Facility for Commercial Financial Institutions

Establishment and operation by BOAD of a grant facility for the financing of Contingent Recovery Grants for CFIs in CTF Eligible Countries to mitigate and partially cover the eventual financial losses incurred by the CFIs in supporting Stage 2 Solar Companies and Stage 3 Solar Companies both in CTF Eligible Countries in the employment of innovative technologies with higher efficiency, increased reliability, and innovative business models that ultimately support end consumers with access to electricity through stand-alone solar systems.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

The Recipient shall carry out Part 2 of the Project through the Project Team, under the coordination of the Recipient's Enterprise and Financial Institutions Department (*Direction des Entreprises and des Institutions Financières*). The Project Team shall be headed by Deputy Director of the aforementioned Enterprise and Financial Institutions Directorate acting as the Project Team coordinator and its composition shall include a lawyer, an electricity expert, a resource mobilization specialist, a financial institutions specialist, an accountant, an internal auditor, a planning expert, and a dedicated environmental, health and safety specialist and a dedicated specialist in social development issues, including labour as required, all with qualifications and experience satisfactory to the World Bank. The Recipient shall maintain the composition and terms of reference of the Project Team until the completion of the Project, ensuring its functions are at all times carried out in a manner and with budgetary resources satisfactory to the Association and suitable to enable it to implement Part 2 of the Project, including compliance with all of the Association's fiduciary, environmental and social requirements.

B. Contingent Recovery Grant Application

1. When applying for a Contingent Recovery Grant under Part 2.B of the Project, the CFI shall furnish to the Recipient an application, in form satisfactory to the World Bank, containing:
 - (a) an appraisal of the Beneficiary Enterprise and of the Sub-Project, including a description of the business plan of the Beneficiary Enterprise and the expenditures proposed to be financed out of the Sub-Credit;
 - (b) the proposed terms and conditions of the Sub-Credit, including the schedule of amortization of the Sub-Credit;
 - (c) evidence of compliance by the Beneficiary Enterprise with the Project Operations Manual;
 - (d) assurances that the CFI shall obtain, by written contract with the Beneficiary Enterprise or by other appropriate legal means, rights adequate to protect its interests and those of the World Bank, including the right:

- (i) to require the Beneficiary Enterprise to carry out and operate the facilities financed under the Sub-Project with due diligence and efficiency and in accordance with sound technical, financial and managerial standards, the provisions of Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient, and to maintain adequate records;
- (ii) without limitation to the generality of the provisions of the preceding paragraph (i), to require the Beneficiary Enterprise to carry out and operate the Sub-Project with due regard to applicable social impact, ecological, environmental and pollution control standards and in accordance with the provisions of the Project Operations Manual and to comply with the provisions of all the Applicable Environmental and Social Laws, the Environmental and Social Instruments, and the Performance Standards;
- (iii) to require that the goods, works and services to be financed out of the proceeds of the Sub-Credits shall be used exclusively in the carrying out of the Sub-Project;
- (iv) require that, in the case of a Sub-Credit made to finance investment capital: (i) the Beneficiary Enterprise shall take out and maintain with responsible insurers such insurance, against such risks and in such amounts, as shall be consistent with sound business practice; and (ii) without any limitation upon the foregoing, such insurance shall cover hazards incident to the acquisition, transportation and delivery of goods financed out of the proceeds of the Sub-Credit to the place of use or installation, any indemnity thereunder to be made payable in a currency freely usable by the Beneficiary Enterprise to replace or repair such goods;
- (v) to inspect, by itself or jointly with representatives of the World Bank, if the World Bank shall so request, such goods and the sites, works, plants and construction included in the Sub-Project, the operation thereof, and any relevant records and documents; and
- (vi) to suspend or terminate the right of the Beneficiary Enterprise to the use of the proceeds of the Sub-Credit upon failure by such Beneficiary Enterprise to perform its obligations under its contract with the CFI; and

- (e) such other information as the Recipient shall reasonably request.

C. Contingency Recovery Grant Agreement and Claim Filing

1. Upon approval by the Recipient of the CFI's application, the Recipient shall conclude with the CFI a Contingent Recovery Grant Agreement, in form and substance satisfactory to the World Bank, stipulating among others, and in compliance with the eligibility criteria and terms and conditions set forth in the Project Operations Manual, the procedure for claim filing, the requirements relating to the submission of a verification report on the technical loss prepared by an independent agent and those related to the audited report on the insurable expenses actually incurred, and the terms and conditions for the disbursement of the Contingent Recovery Grant. The Recipient shall exercise its rights under the Contingent Recovery Grant Agreement in such manner as to protect the interests of the World Bank and the Recipient and to accomplish the purposes of the Grant, and, except as the World Bank shall otherwise agree, not assign, amend, abrogate or waive the Contingent Recovery Grant Agreement or any provision thereof.
2. The Recipient shall:
 - (a) monitor the overall execution of Part 2.B of the Project and the carrying out by each CFI of its obligations under the respective Contingency Recovery Grant Agreement in accordance with policies and procedures satisfactory to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Loan proceeds other than the Recipient;
 - (b) take or cause to be taken all action necessary or appropriate on its part to enable the CFI to perform in accordance with the provisions of its respective Contingent Recovery Grant Agreement all the obligations of the CFI therein set forth, and not take or permit to be taken any action which would prevent or interfere with such performance;
 - (c) exercise its rights under each Contingent Recovery Grant Agreement in such manner as to protect the interests of the World Bank and the Recipient and to accomplish the purposes of the Grant, and, except as the World Bank shall otherwise agree, not assign, amend, abrogate or waive any such Contingent Recovery Grant Agreement or any provision thereof; and
 - (d) (i) suspend the right of the CFI to use the proceeds of the Contingent Recovery Grant upon failure of the CFI to perform any of its obligations under the Contingent Recovery Grant Agreement or to continue to be in compliance with any of the applicable eligibility criteria and terms and conditions set forth in the Project Operations Manual; and (ii) thereafter, terminate the right of the CFI to use of the proceeds of the Contingent

Recovery Grant if such right shall have been suspended for a continuous period of sixty (60) days.

3. Furthermore, failure by the CFI to comply with the terms and requirements of the Contingent Recovery Grant Agreement and submit the complete evidence required in a manner satisfactory to the Recipient and World Bank before the Closing Date shall result in the denial of the underlying claim and termination of the Contingent Recovery Grant Agreement without any liability to the Recipient. Any amounts remaining in the Grant Account after disbursement of all amounts due under Category (1) shall be cancelled from the Grant Account and promptly refunded to the World Bank.
4. If and to the extent the Recipient determines that a payment shall be made under the Contingency Recovery Grant Agreement, such payment shall be made within thirty (30) days after the approval of the claim by the Recipient.

D. Environment and Social Management under Part 2.B of the Project

The Recipient shall:

- (a) ensure that the design, construction, permitting, completion, testing, commissioning and decommissioning (including but not limited to appropriate disposal of solar panels), insurance, ownership, operation, maintenance, management and monitoring of Part 2.B of the Project are undertaken in compliance with: (i) the Environmental and Social Instruments; (ii) the applicable requirements of the Performance Standards; and (iii) the Applicable Environmental and Social Laws;
- (b) ensure that the Environmental and Social Instruments are fully and completely implemented at all times in a manner satisfactory to the World Bank;
- (c) ensure that the implementation of the Environmental and Social Management System is continued and effective and that the Environmental and Social Management System is operated and the social and environmental performance of Part 2.B of the Project is managed in a manner consistent with the Performance Standards and the Environmental and Social Instruments;
- (d) ensure that Part 2.B of the Project is carried out, including through its employees as well as the CFIs and the Beneficiary Enterprises, in conformity with the provisions of all Applicable Environmental and Social Laws, the Environmental and Social Instruments, and the Performance Standards;

- (e) maintain, throughout Project implementation, at least one (1) dedicated environmental, health and safety specialist and one (1) dedicated specialist in social development issues, including labour as required, and adequate numbers of qualified supporting staff, to be responsible for the management of the environmental, social, labour and health and safety matters for Part 2.B of the Project and for the coordination of the implementation of the Environmental and Social Instruments;
- (f) revise and/or update, as the case may be, the Environmental and Social Instruments and ESMS as required to maintain compliance with the Performance Standards and Applicable Environmental and Social Laws; provided, however, that the Recipient shall obtain the prior written consent of the World Bank for any substantive amendments to the Environmental and Social Instruments and/ or ESMS;
- (g) within sixty (60) days after the end of each Fiscal Year, deliver to the World Bank an Annual Environmental and Social Monitoring Report in the form (Form of Annual Environmental and Social Monitoring Report) attached to the Project Operations Manual, confirming compliance with the Performance Standards, the relevant provisions of the Environmental and Social Instruments and Applicable Environmental and Social Laws or, as the case may be, detailing any non-compliance or Project-related complaints, including but not limited to any alleged Project-related violation pertaining to labour matters, Project-related incidents and accidents as well as any Project-related allegations of gender-based violence, and setting out the action being taken to ensure compliance and/or address Project-related complaints;
- (h) ensure that for Sub-Projects which require an environmental and social management plan or similar environmental and social instrument pursuant to the Environmental and Social Instruments, applicable Performance Standards, or Applicable Environmental and Social Laws, the Beneficiary Enterprise shall implement such plan in a timely manner, requiring such environmental mitigation plan to be in compliance with the Environmental and Social Instruments, applicable Performance Standards, or Applicable Environmental and Social Laws;
- (i) ensure that terms of reference for the feasibility studies, environmental and social studies and any other pertinent studies to be prepared under Part 2.B of the Project are prepared in a manner satisfactory to the World Bank and duly incorporate and take into consideration the requirements of the World Bank's safeguard policies and environmental and health and safety guidelines; and

- (j) without limitation to the excluded expenditures provisions set forth in the Project Operations Manual and/or in the Environmental and Social Instruments, ensure the following activities shall not be eligible to be included in, or proposed to be financed under, Part 2.B of the Project (“Negative List”):
 - (i) production or activities involving forced or child labor, as per the Performance Standards;
 - (ii) production or activities involving cross-border trade in waste and waste products, where such trade is not compliant with the Basel Convention;
 - (iii) production or activities that would lead to conversion or degradation of critical natural habitats or their supporting areas;
 - (iv) production or activities that would lead to conversion or degradation of critical forest areas, related critical natural habitats, clearing of forests or forest ecosystems;
 - (v) activities involving Involuntary Resettlement;
 - (vi) activities involving financing the rehabilitation or construction of dams;
 - (vii) activities whose implementation or operation depend on an existing dam;
 - (viii) activities involving nuclear reactors and parts thereof and fuel elements (cartridges), non-irradiated, for nuclear reactors; and
 - (ix) goods intended for a military or paramilitary purpose.

E. Annual Work Plan and Budget (AWP&B)

The Recipient, through the Project Team, shall:

- (a) prepare a draft AWP&B for each Fiscal Year, setting forth, *inter alia*: (i) a detailed description of planned activities under Part 2.B of the Project for the following Fiscal Year; (ii) the sources and uses of funds therefor; and (iii) responsibility for execution of said Project activities, budgets, start and completion date, outputs, and monitoring indicators to track progress of each activity;

- (b) on or about November 30 of each Fiscal Year, furnish to the World Bank for its comments and approval, the draft AWP&B and, promptly thereafter, finalize the AWP&B taking into account the World Bank's views and recommendations thereon; and
- (c) adopt and sign the final version of the AWP&B in the form approved by the World Bank not later than December 31 of such Fiscal Year.

F. Project Operations Manual

The Recipient shall take all action required: (i) to carry out Part 2.B of the Project in accordance with the provisions and requirements set forth or referred to in the Project Operations Manual; (ii) to submit recommendations to the World Bank for its consideration for changes and updates of the Project Operations Manual as they may become necessary or advisable during Project implementation in order to achieve the objective of the Project; and (iii) to not assign, amend, abrogate or waive the Project Operations Manual or any of its provisions without the World Bank's prior agreement. Notwithstanding the foregoing, if any of the provisions of the Project Operations Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail and govern.

G. Accounting Systems and Auditing

The Recipient shall:

- (a) not later than three (3) months after the Effective Date, configure and set up a "multi-project" computerized accounting system, satisfactory to the World Bank, to fit the needs of Part 2.B of the Project and generate useful information and financial statements;
- (b) ensure that its external auditor, when acting as the independent auditor acceptable to the World Bank for purposes of the provisions of Section 2.07 (b)(i) of the Standard Conditions, shall have qualifications and experience satisfactory to the Association and shall carry out its functions under terms of reference approved by the World Bank;
- (c) ensure that its internal audit department includes the Project within its work plan and provides a semi-annual internal audit report to the World Bank not later than forty (45) days after the end of the relevant semi-annual period; and
- (d) prepare and submit annual audited financial statements of BOAD to the World Bank not later than June 30 of each Fiscal Year.

H. Grievance Redress Mechanism

The Recipient shall, not later than three (3) months after the Effective Date, establish, and thereafter maintain, operate and publicize the availability of, throughout Project implementation, a functional grievance redress mechanism for Part 2.B of the Project, with adequate staffing and processes, and in form and substance satisfactory to the World Bank, to register, hear and determine fairly and in good faith all complaints raised in relation to Part 2.B of the Project, including those related to the environmental and social matters, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the World Bank.

I. Anti-Corruption

The Recipient shall ensure that Part 2.B of the Project is carried out in accordance with the provisions of 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 (“Anti-Corruption Guidelines”).

J. Donor Visibility and Visit

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the support of the CTF for Part 2.B of the Project.
2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the CTF to visit any part of the Project Countries’ territory for purposes related to Part 2.B of the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of Part 2.B of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the Monitoring and Evaluation Indicators. Each Project Report shall cover the period of one calendar semester and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

B. Mid-Term Review

The Recipient shall:

- (a) prepare, under terms of reference satisfactory to the World Bank and on the basis of the Monitoring and Evaluation Indicators, and furnish to the World Bank, not later than June 30, 2022, a report integrating the results of the monitoring and evaluation activities and setting out the measures recommended to ensure the efficient carrying out of Part 2.B of the Project and achievement of the objective thereof during the period following such date; and
- (b) review with the World Bank, not later than September 30, 2022, or such later date as the World Bank shall request, the report referred to in the preceding paragraph (a) and, thereafter, take all measures required to ensure the efficient completion of Part 2.B of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of the said report and the World Bank's views on the matter.

C. Completion Report

The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

B. Financial Management; Financial Reports; Audits

- 1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
- 2. The Recipient shall ensure that interim unaudited financial reports for Part 2.B of the Project are prepared and furnished to the World Bank as part of the Project Report not later than sixty (60) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.
- 3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard 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 World Bank not later than six (6) months after the end of such period.

Section III. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (i) Article III of the Standard Conditions; (ii) this Section; and (iii) such additional instructions as the World Bank may specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Contingent Recovery Grants under Part 2.B of the Project	67,200,000	100% of the Maximum Compensation Amount
TOTAL AMOUNT	67,200,000	

For the purposes of the table set forth above, the term “Maximum Compensation Amount” means: (i) in the case of a Sub-Credit extended to a Stage 2 Solar Company, an amount not exceeding eighty percent (80%) of the amount of the Sub-Credit; and (ii) in the case of a Sub-Credit extended to a Stage 3 Solar Company, an amount not exceeding fifty percent (50%) of the amount of the Sub-Credit, as such amounts are determined on a case by case basis by the Recipient upon the non-objection of the World Bank.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:
 - (a) for Contingent Recovery Grants guaranteeing the loss against Sub-Credits approved by the Recipient prior to the date of this Agreement; or

- (b) for each Contingent Recovery Grant under Category (1), unless and until the Recipient, upon the non-objection of the World Bank, shall have approved the financial loss of the CFI as verified by an independent agent due to the underperformance of the technology for which a Sub-Credit has been extended.
- 2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2030.

APPENDIX

Section I: Definitions

1. “Annual Environmental and Social Monitoring Report” means the annual monitoring report (**Form of Annual Environmental and Social Monitoring Report**) substantially in the form attached to the Project Operations Manual (as hereinafter defined), setting forth the specific environmental and social performance data and developmental impact information to be prepared by the Recipient in respect of Part 2.B the Project, as such form of annual environmental and social monitoring report may be amended or supplemented from time to time with the World Bank’s prior written consent.
2. “Annual Work Plan and Budget” and “AWP&B” means, each, the annual work plan and budget to be prepared on an annual basis by the Project Team (as hereinafter defined) for Part 2.B of the Project.
3. “Applicable Environmental and Social Laws” means, collectively, any Applicable Law (as hereinafter defined) of the relevant Project Country (as hereinafter defined) 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 Law” means, collectively and indistinctively, any law, rule, regulation or judicial, arbitral or official decision, order, or directive, which is binding upon or otherwise applicable to the Recipient or to the Project.
5. “Basel Convention” means “The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal” signed in Basel, Switzerland, on March 22, 1989.
6. “Beneficiary Enterprise” means a solar enterprise operating in the territory of a CTF Eligible Country (as hereinafter defined), including Stage 1 Solar Companies, Stage 2 Solar Companies and Stage 3 Solar Companies (as such terms are hereinafter defined), which satisfies the appropriate criteria set forth in the Project Operations Manual (as hereinafter defined) and to which: (i) a CFI (as hereinafter defined) proposes to make or has made a Sub-Credit (as hereinafter defined); or (ii) the Recipient proposes to make or has made a Contingent Recovery Grant (as hereinafter defined).
7. “BOAD Financing Agreement” means the financing agreement for the Project to be entered into between the Association and BOAD, as such financing agreement may be amended from time to time. “BOAD Financing Agreement” includes all appendices, schedules and agreements supplemental to the BOAD Financing Agreement.

8. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
9. “CET” means the common external tariffs adopted by ECOWAS (as hereinafter defined) in January 2015 with the goal of minimizing lost revenues that may arise from competition in external tariff rates between the ECOWAS (as hereinafter defined) member states.
10. “Commercial Financial Institution” or “CFI” means, each: (i) a commercial bank; (ii) a leasing company; (iii) a micro finance institution; or (iv) a debt fund, which has been judged satisfactory to the World Bank and which is duly registered in the territory of a Member State and is in a CTF Eligible Country (as hereinafter defined).
11. “Contingent Recovery Grant” means a contingent grant payment made or proposed to be made by the Recipient to a CFI under Part 2.B of the Project for purposes of covering a portion of the eventual loss incurred by such CFI on a loan principal extended to a Stage 2 Solar Company or Stage 3 Solar Company for goods, services and works under a Sub-Project (as hereinafter defined).
12. “Contingent Recovery Grant Agreement” means an agreement to be concluded between the Recipient and a CFI, and referred to in paragraph 1 of Section I.C of Schedule 2 to this Agreement pursuant to which the Recipient shall make a portion of the proceeds of the Grant available to a CFI lending to local entrepreneurs for their solar businesses to mitigate the financial losses due to the underperformance of the technology.
13. “CTF Eligible Countries” means the countries in the territories of which Parts 1 and 2.B of the Project shall be implemented with the financing to be provided to ECREEE and the Recipient, respectively, from the CTF, and which comprises the Republic of Benin, Burkina Faso, the Republic of Cameroon, the Republic of Côte d’Ivoire, The Gambia, the Republic of Ghana, the Republic of Liberia, the Republic of Mali, the Republic of Niger, the Federal Republic of Nigeria, the Republic of Sierra Leone and any other country which the CTF may have included in its list of eligible countries; and “CTF Eligible Country” means individually and indistinctively any of the CTF Eligible Countries.
14. “ECOWAS” means the Economic Community of West African States established and operating pursuant to the ECOWAS Revised Treaty (as hereinafter defined).
15. “ECOWAS Commission” means the commission referred to in Article 17 of the Supplementary Protocol A/SP/06/06, amending the ECOWAS Revised Treaty.
16. “ECOWAS Revised Treaty” means the establishment treaty of ECOWAS, signed in Cotonou, Benin, on July 24, 1993.

17. “Environmental and Social Instruments” means the environmental and safeguards instruments that have been prepared, adopted and disclosed by the Recipient in connection with the Project, and which include the Environmental and Social Risk Management Strategy and the Sector Guide on Off-Grid Solar (as such terms are hereinafter defined).
18. “Environmental and Social Management System” or “ESMS” means, each, the health, safety, and environment integrated management system and the sustainability management system, implemented or to be implemented by the Recipient to manage the environmental and social performance of Part 2.B of the Project in compliance with the Performance Standards (as hereinafter defined) and the Applicable Environmental and Social Laws.
19. “Environmental and Social Risk Management Strategy” means the strategy, incorporated in Annex 6 to the Project Operations Manual (as hereinafter defined), and disclosed in the Recipient’s website on February 8, 2019, and the World Bank’s website on February 12, 2019, which has been developed and adopted by the Recipient to identify, avoid and mitigate the risks associated with the operations of the businesses under the Project along the value chain including the end users.
20. “Fiscal Year” means the twelve (12) month period corresponding to any of the Recipient’s fiscal years, which period commences on January 1 and ends on December 31 in each calendar year.
21. “Involuntary Resettlement” means the involuntary (i.e., an action that may be taken without a person’s informed consent or power of choice): (i) taking of land, including anything growing on or permanently affixed to such land, such as buildings and crops, resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected persons must move to another location; or (ii) restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the affected persons, and encompassing restrictions on the use of resources imposed on people living outside a park or protected area, or on those who continue living inside the park or protected area during and after Project implementation.
22. “Market-Entry Grant” means a grant made or proposed to be made by ECREEE to a Stage 2 Solar Company or Stage 3 Solar Company for the purposes of financing all or a portion of the expenditures incurred by said Stage 2 Solar Company or Stage 3 Solar Company under Part 1.D of the Project for goods, services and works under a Sub-Project when moving into a challenging market.
23. “Matching Grant” means a grant made or proposed to be made by ECREEE to a Stage 1 Solar Company or Stage 2 Solar Company in an amount not exceeding the

equivalent of \$25,000 for the purposes of financing all or a portion of the expenditures incurred by said Stage 1 Solar Company or Stage 2 Solar Company under Part 1.C of the Project for goods, services and works under a Sub-Project.

24. “Member State” means any of the member states of BOAD, and which comprises the Republic of Benin, Burkina Faso, the Republic of Côte d’Ivoire, the Republic of Guinea Bissau, the Republic of Mali, the Republic of Niger, the Republic of Senegal, and the Republic of Togo.
25. “Monitoring and Evaluation Indicators” means the agreed monitoring and evaluation indicators set forth in the Project Operations Manual (as hereinafter defined) to be utilized by the Recipient to measure the progress in the implementation of Part 2.B of the Project and the degree to which the objective thereof is being achieved.
26. “Performance-Based Grant” means a grant made or proposed to be made by ECREEE to a Stage 2 Solar Company or Stage 3 Solar Company (as such terms are hereinafter defined) for the purposes of financing all or a portion of the expenditures incurred by said Stage 2 Solar Company or Stage 3 Solar Company under Part 1.D of the Project for goods, services and works under a Sub-Project upon the successful move into a challenging market.
27. “Performance Standards” means the World Bank’s Performance Standards for Private Sector Activities, as approved by the Association’s Board of Executive Directors on June 26, 2012, copies of which have been delivered to, and receipt of which has been acknowledged by, the Recipient by entering into this Agreement.
28. “Program” means the program designed to establish a regional market of stand-alone solar products in the West Africa and Sahel regions, through increase electricity access of households, businesses, and public institutions using modern off-grid technology through a harmonized regional approach.
29. “Project Countries” means the countries in the territories of which Parts 1.A and 1.B of the Project shall be implemented with the financing to be provided to ECREEE from the Association, and which comprises the Republic of Benin, Burkina Faso, Cabo Verde, the Republic of Cameroon, the Republic of Chad, the Central African Republic, the Republic of Côte d’Ivoire, The Gambia, the Republic of Ghana, the Republic of Guinea, the Republic of Guinea Bissau, the Republic of Liberia, the Republic of Mali, the Islamic Republic of Mauritania, the Republic of Niger, the Federal Republic of Nigeria, the Republic of Sierra Leone, the Republic of Senegal and the Republic of Togo; and “Project Country” means individually and indistinctively any of the Project Countries.
30. “Project Operations Manual” or “POM” means, each, the manual to be adopted by the Recipient for the purposes of defining the detailed implementation

arrangements for Part 2 of the Project, and including: (i) the operational manual describing the Project activities and implementation arrangements; (ii) the procurement manual; (iii) the financial management manual; (iv) the monitoring and evaluation manual; (v) the grievance handling mechanism manual; and (vi) the Environmental and Social Risk Management Strategy and the Sector Guide on Off-Grid Solar (as hereinafter defined), as the same may be amended from time to time with the agreement of the World Bank.

31. “Project Team” means the team established within the Recipient’s structure pursuant to the Recipient’s Decision No. DOP-DEIF-2019L 01706, dated February 5, 2019, with the specific mandate of carrying out the Project.
32. “Regional Energy Access Policy” means the framework adopted by the 43rd Ordinary Session of the Conference of Heads of State and Government of ECOWAS, held in Abuja, Federal Republic of Nigeria, on 17 and 18 July 2013, aimed to double, by 2020, the annual improvement in energy efficiency, to attain levels comparable to those of world leaders.
33. “Sahel” means the eco climatic and biogeographic zone of transition in Africa between the Sahara to the north and the Sudanian Savanna to the south.
34. “Sector Guide on Off-Grid Solar” means the “Environmental and Social Risk Management Sector Guide on Off-Grid Standalone Solar for Financial Service Providers”, incorporated in Annex 7 to the Project Operations Manual, and disclosed in the Recipient’s website on February 8, 2019, and the Association’s website on February 12, 2019, which has been developed and adopted by the Recipient to assist CFIs assess the potential environmental and social risks and opportunities associated with providing debt or grant financing to the solar off-grid standalone businesses and activities under the Project.
35. “Stage 1 Solar Company” means a stand-alone solar business in a CTF Eligible Country which is a Member State at the start-up phase which: (i) has less than 3 full-time employees; (ii) has less than 300 solar home systems; (iii) has sold less than 1,500 lanterns; (iv) has an annual revenue of less than US\$100,000; and (v) does not have access to outside finance (except personal loans) and may have a business bank account.
36. “Stage 2 Solar Company” means a stand-alone solar business which: (i)(A) for purposes of Parts 1.B, 1.D and 2.B of the Project, is in a CTF Eligible Country which is a Member State; and (B) for purposes of Part 1.C of the Project, is in a Member State; and (ii) is at the early stage development; (iii) has 3-25 full-time employees; (iv) has between 300 and 30,000 solar home systems; (v) has sold 1,500 to 50,000 lanterns; (vi) has an annual revenue between US\$100,000 and US\$3,000,000; and (vii) may have access to some outside funding and has a business bank account.

37. “Stage 3 Solar Company” means a stand-alone solar business in a CTF Eligible Country which is a Member State at the growth, mature stage which: (i) has more than 25 full-time employees; (ii) has more than 30,000 solar home systems; (iii) has sold more than 50,000 lanterns; (iv) has an annual revenue above US\$3,000,000; and (v) has a credit line at a bank and financial statements (possibly audited) and is likely raising equity or other outside financing.
38. “Sub-Credit” means a loan made or proposed to be made by a Commercial Financial Institution for purposes of financing all or a portion of the expenditures incurred by a Beneficiary Enterprise under Part 2.A of the Project for goods, services and works under a Sub-Project.
39. “Sub-Project” means a specific development project aimed to support solar equipment distributors supplying stand-alone solar products to households and productive end users, to households and productive end users of solar equipment, and to energy service companies electrifying public institutions (such as schools and health centers), selected in accordance with the provisions of the Project Operations Manual and which is proposed to be carried out by: (i) a Stage 1 Solar Company or Stage 2 Solar Company under Part 1.C of the Project; (ii) a Stage 2 Solar Company or Stage 3 Solar Company under Part 1.D of the Project; (iii) a Beneficiary Enterprise under Part 2.A of the Project; or (iv) a Stage 2 Solar Company or Stage 3 Solar Company under Part 2.B of the Project.
40. “West Africa” means the region of coastal countries and island states in Western Africa between the Sahara Desert and the Gulf of Guinea.
41. “West African Economic and Monetary Union” means the *Union économique et monétaire ouest-africaine*, the organization established in 1994 to promote economic integration among the countries that share the franc of the Financial Community of Africa as a common currency and comprising eight states (Benin, Burkina Faso, Cote d’Ivoire, Guinea Bissau, Mali, Niger, Senegal, Togo).

Section II: Modifications to the Standard Conditions

The reference to “Member Country” in paragraph 17 of the Appendix to the Standard Conditions is modified to read as follows:

- “17. “Member Country” means the member of the World Bank in whose territory the Project is carried out or any of such member’s political or administrative subdivisions. If the Project is carried out in the territory of more than one member of the World Bank, “Member Country” refers separately to each such member.”