

# IDA Policy

## General Conditions for IDA Financing: Investment Project Financing

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**International Development Association**

**General Conditions for IDA Financing**

**Investment Project Financing**

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## Table of Contents

<b>ARTICLE I</b>	<b>Introductory Provisions</b>	1
Section 1.01	<i>Application of General Conditions</i>	1
Section 1.02	<i>Inconsistency with Legal Agreements</i>	1
Section 1.03	<i>Definitions</i>	1
Section 1.04	<i>References; Headings</i>	1
<b>ARTICLE II</b>	<b>Withdrawals</b>	1
Section 2.01	<i>Financing Account; Withdrawals Generally; Currency of Withdrawal</i>	1
Section 2.02	<i>Special Commitment by the Association</i>	2
Section 2.03	<i>Applications for Withdrawal or for Special Commitment</i>	2
Section 2.04	<i>Designated Accounts</i>	2
Section 2.05	<i>Eligible Expenditures</i>	3
Section 2.06	<i>Financing Taxes</i>	3
Section 2.07	<i>Refinancing Preparation Advance; Service, Interest and Other Charges</i>	3
Section 2.08	<i>Allocation of Financing Amounts</i>	4
<b>ARTICLE III</b>	<b>Financing Terms</b>	4
<b>Part A. Financing Terms Applicable to Concessional Financing Only</b>		4
Section 3.01	<i>Application of Part A to Article III</i>	4
Section 3.02	<i>Commitment Charge</i>	4
Section 3.03	<i>Service Charge</i>	5
Section 3.04	<i>Interest Charge</i>	5
Section 3.05	<i>Repayment of the Credit</i>	5
Section 3.06	<i>Prepayment</i>	6
<b>Part B. Financing Terms Applicable to Non-concessional Financing Only</b>		6
Section 3.07	<i>Application of Part B to Article III</i>	6
Section 3.08	<i>Front-end Fee; Commitment Charge</i>	6
Section 3.09	<i>Interest Charge</i>	6
Section 3.10	<i>Repayment of the Credit</i>	7
Section 3.11	<i>Prepayment</i>	9
<b>Part C. Financing Terms Applicable to Both Concessional Financing and Non-concessional Financing</b>		10
Section 3.12	<i>Application of Part C to Article III</i>	10
Section 3.13	<i>Partial Payment</i>	10
Section 3.14	<i>Place of Payment</i>	10

Section 3.15	<i>Currency of Payment</i> .....	10
Section 3.16	<i>Amount of Repayment</i> .....	10
Section 3.17	<i>Valuation of Currencies</i> .....	10
Section 3.18	<i>Manner of Payment</i> .....	11
Section 3.19	<i>Temporary Currency Substitution</i> .....	11
<b>ARTICLE IV</b>	<b>Conversions of Financing Terms</b> .....	11
Section 4.01	<i>Application of Article IV</i> .....	11
Section 4.02	<i>Conversions Generally</i> .....	12
Section 4.03	<i>Conversion to a Fixed Rate or Fixed Spread of Credit that Accrues Interest at a Rate Based on the Variable Spread</i> .....	13
Section 4.04	<i>Interest Payable following Interest Rate Conversion or Currency Conversion</i> .....	13
Section 4.05	<i>Principal Payable following Currency Conversion</i> .....	13
Section 4.06	<i>Interest Rate Cap; Interest Rate Collar</i> .....	14
Section 4.07	<i>Early Termination</i> .....	15
<b>ARTICLE V</b>	<b>Project Execution</b> .....	15
Section 5.01	<i>Project Execution Generally</i> .....	15
Section 5.02	<i>Performance under the Financing Agreement, Project Agreement and Subsidiary Agreement</i> .....	15
Section 5.03	<i>Provision of Funds and other Resources</i> .....	16
Section 5.04	<i>Insurance</i> .....	16
Section 5.05	<i>Land Acquisition</i> .....	16
Section 5.06	<i>Use of Goods, Works and Services; Maintenance of Facilities</i> .....	16
Section 5.07	<i>Plans; Documents; Records</i> .....	16
Section 5.08	<i>Project Monitoring and Evaluation</i> .....	17
Section 5.09	<i>Financial Management; Financial Statements; Audits</i> .....	17
Section 5.10	<i>Cooperation and Consultation</i> .....	18
Section 5.11	<i>Visits</i> .....	18
Section 5.12	<i>Disputed Area</i> .....	18
Section 5.13	<i>Procurement</i> .....	19
Section 5.14	<i>Anti-Corruption</i> .....	19
<b>ARTICLE VI</b>	<b>Financial and Economic Data; Financial Condition</b> .....	19
Section 6.01	<i>Financial and Economic Data</i> .....	19
Section 6.02	<i>Financial Condition</i> .....	19
<b>ARTICLE VII</b>	<b>Negative Pledge</b> .....	20
Section 7.01	<i>Application of Article VII</i> .....	20
Section 7.02	<i>Negative Pledge</i> .....	20

<b>ARTICLE VIII</b>	<b>Cancellation; Suspension; Grant and Credit Refund; Acceleration</b>	21
Section 8.01	<i>Cancellation by the Recipient</i>	21
Section 8.02	<i>Suspension by the Association</i>	21
Section 8.03	<i>Cancellation by the Association</i>	24
Section 8.04	<i>Amounts Subject to Special Commitment Not Affected by Cancellation or Suspension by the Association</i>	25
Section 8.05	<i>Application of Cancelled Amounts to Maturities of the Credit</i>	25
Section 8.06	<i>Events of Acceleration</i>	25
Section 8.07	<i>Grant or Credit Refund</i>	26
Section 8.08	<i>Acceleration during a Conversion Period</i>	27
Section 8.09	<i>Effectiveness of Provisions after Cancellation, Suspension, Refund, or Acceleration</i>	27
<b>ARTICLE IX</b>	<b>Enforceability; Arbitration</b>	27
Section 9.01	<i>Enforceability</i>	27
Section 9.02	<i>Failure to Exercise Rights</i>	27
Section 9.03	<i>Arbitration</i>	27
<b>ARTICLE X</b>	<b>Effectiveness; Termination</b>	29
Section 10.01	<i>Conditions of Effectiveness of Legal Agreements</i>	29
Section 10.02	<i>Legal Opinions or Certificates; Representation and Warranty</i>	29
Section 10.03	<i>Effective Date</i>	30
Section 10.04	<i>Termination of Legal Agreements for Failure to Become Effective</i>	30
Section 10.05	<i>Termination of Legal Agreements on Performance of All Obligations</i>	30
<b>ARTICLE XI</b>	<b>Miscellaneous Provisions</b>	31
Section 11.01	<i>Execution of Legal Agreements; Notices and Requests</i>	31
Section 11.02	<i>Action on Behalf of the Recipient and the Project Implementing Entity</i>	31
Section 11.03	<i>Evidence of Authority</i>	32
Section 11.04	<i>Disclosure</i>	32
<b>APPENDIX</b>	<b>Definitions</b>	33

## **ARTICLE I**

### **Introductory Provisions**

#### *Section 1.01 Application of General Conditions*

(a) These General Conditions set forth terms and conditions generally applicable to the Legal Agreements, to the extent the Legal Agreements so provide. If there is no Project Agreement between the Association and a Project Implementing Entity or Subsidiary Agreement between the Recipient and the Project Implementing Entity, references in these General Conditions to the Project Implementing Entity, the Project Agreement or the Subsidiary Agreement shall be disregarded.

(b) The provisions contained herein shall apply to both Concessional Financing and Non-concessional Financing, unless a particular Section or an Article included in these General Conditions explicitly provides that it shall solely apply to Concessional Financing or Non-concessional Financing, as applicable (a "Specific Provision"). In the event a Specific Provision is inconsistent, contrary or irreconcilable with other provisions of these General Conditions, such Specific Provision shall prevail.

#### *Section 1.02 Inconsistency with Legal Agreements*

If any provision of the Financing Agreement or the Project Agreement is inconsistent with a provision of these General Conditions, the provision of the Financing Agreement or the Project Agreement shall prevail.

#### *Section 1.03 Definitions*

Capitalized terms used in these General Conditions have the meanings set out in the Appendix.

#### *Section 1.04 References; Headings*

References in these General Conditions to Articles, Sections and Appendix are to the Articles and Sections of, and the Appendix to, these General Conditions. The headings of the Articles, Sections and Appendix, and the Table of Contents are inserted in these General Conditions for reference only and shall not be taken into consideration in interpreting these General Conditions.

## **ARTICLE II**

### **Withdrawals**

#### *Section 2.01 Financing Account; Withdrawals Generally; Currency of Withdrawal*

(a) The Association shall credit the amount of the Financing to the Financing Account in Special Drawing Rights or, as the Association may reasonably determine, in any other Currency.

(b) The Recipient may from time to time request withdrawals of Financing amounts from the Financing Account in accordance with the provisions of the Financing Agreement, the Disbursement and Financial Information Letter, and such additional instructions as the Association may specify from time to time by notice to the Recipient.

(c) The Association shall, at the request and acting as an agent of the Recipient, and on such terms and conditions as the Association shall determine, purchase with the Currency withdrawn from the Financing Account such Currencies as the Recipient shall reasonably request to meet payments for Eligible Expenditures. In the event the amount of the Financing has been credited to the Financing Account in Special Drawing Rights, the amount of each withdrawal from the Financing Account shall be calculated as the equivalent in terms of Special Drawing Rights (determined as of the date of withdrawal) of the Currency or Currencies so requested.

#### Section 2.02 *Special Commitment by the Association*

At the Recipient's request and on such terms and conditions as the Recipient and the Association shall agree, the Association may enter into special commitments in writing to pay amounts for Eligible Expenditures notwithstanding any subsequent suspension or cancellation by the Association or the Recipient ("Special Commitment").

#### Section 2.03 *Applications for Withdrawal or for Special Commitment*

(a) When the Recipient wishes to request a withdrawal from the Financing Account or to request the Association to enter into a Special Commitment, the Recipient shall promptly deliver to the Association a written application in such form and substance as the Association shall reasonably request.

(b) The Recipient shall furnish to the Association evidence satisfactory to the Association of the authority of the person or persons authorized to sign such applications and the authenticated specimen signature of each such person.

(c) The Recipient shall furnish to the Association such documents and other evidence in support of each such application as the Association shall reasonably request, whether before or after the Association has permitted any withdrawal requested in the application.

(d) Each such application and accompanying documents and other evidence shall be sufficient in form and substance to satisfy the Association that the Recipient is entitled to withdraw from the Financing Account the amount applied for and that the amount to be withdrawn from the Financing Account shall be used only for the purposes specified in the Financing Agreement.

(e) The Association shall pay the amounts withdrawn by the Recipient from the Financing Account only to, or on the order of, the Recipient.

#### Section 2.04 *Designated Accounts*

(a) The Recipient may open and maintain one or more designated accounts into which the Association may, at the request of the Recipient, deposit amounts withdrawn from the Financing

Account as advances for purposes of the Project. All designated accounts shall be opened in a financial institution acceptable to the Association, and on terms and conditions acceptable to the Association.

(b) Deposits into, and payments out of, any such designated account shall be made in accordance with the Financing Agreement and such additional instructions as the Association may specify from time to time by notice to the Recipient, including the World Bank Disbursement Guidelines for Projects. The Association may, in accordance with the Financing Agreement and such instructions, cease making deposits into any such account upon notice to the Recipient. In such case, the Association shall notify the Recipient of the procedures to be used for subsequent withdrawals from the Financing Account.

#### Section 2.05 *Eligible Expenditures*

Expenditures eligible to be financed out of the Financing proceeds shall, except as otherwise provided in the Legal Agreements, satisfy the following requirements (“Eligible Expenditures”):

- (a) the payment is for the reasonable cost of Project activities that meet the requirements of the relevant Legal Agreements;
- (b) the payment is not prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and
- (c) the payment is made on or after the date of the Financing Agreement, and, except as the Association may otherwise agree, is for expenditures incurred on or before to the Closing Date.

#### Section 2.06 *Financing Taxes*

The use of any proceeds of the Financing to pay for Taxes levied by, or in the territory of, the Recipient on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply, if permitted pursuant to the Legal Agreements, is subject to the Association’s policy of requiring economy and efficiency in the use of the proceeds of its credits and grants. To that end, if the Association at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Association may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Financing.

#### Section 2.07 *Refinancing Preparation Advance; Service, Interest and Other Charges*

(a) If the Recipient requests the repayment out of the proceeds of the Financing of an advance (or a portion thereof) made by the Bank or the Association (“Preparation Advance”) and the Association agrees to such request, the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance (or a portion thereof) as at the date of such withdrawal from the Financing Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Association shall pay the amount so withdrawn to itself or the Bank, and, unless otherwise agreed between the Association and the Recipient, and shall cancel the remaining unwithdrawn amount of the advance.



(b) If the Recipient requests that the Service Charge, Interest Charge, Commitment Charge, or other charges on the Credit, as applicable, be paid out of the proceeds of the Credit and the Association agrees to such a request, the Association shall, on behalf of the Recipient, withdraw from the Credit Account on each of the Payment Dates, and pay to itself the amount required to pay such interest and other charges accrued and payable as at such date, subject to any limit specified in the Financing Agreement on the amount to be so withdrawn.

#### Section 2.08 *Allocation of Financing Amounts*

If the Association reasonably determines that in order to meet the purposes of the Financing it is appropriate to reallocate Financing amounts among withdrawal categories, modify the existing withdrawal categories, or modify the percentage of expenditures to be financed by the Association under each withdrawal category, the Association may, after consultation with the Recipient, make such modifications, and shall notify the Recipient accordingly.

### **ARTICLE III Financing Terms**

*This Article III is divided into Part A, with Financing Terms applicable to Concessional Financing only, Part B, with Financing Terms applicable to Non-concessional Financing only, and Part C, with Financing Terms applicable to both Concessional Financing and Non-concessional Financing.*

#### **Part A. Financing Terms Applicable to Concessional Financing Only**

##### Section 3.01 *Application of Part A to Article III*

The provisions of Part A to this Article III shall apply solely to Concessional Financing.

##### Section 3.02 *Commitment Charge*

(a) The Recipient shall pay the Association a commitment charge on the Unwithdrawn Financing Balance at the rate set by the Association as of June 30 of each year (“Commitment Charge”), which shall not exceed the rate specified in the Financing Agreement (“Maximum Commitment Charge Rate”).

(b) The Commitment Charge shall accrue from a date sixty (60) days after the date of the Financing Agreement to the respective dates on which amounts are withdrawn by the Recipient from the Financing Account or cancelled. The Commitment Charge shall accrue at the rate set as of the June 30 immediately preceding the accrual date and at such other rate as may be set from time to time thereafter pursuant to this Section. The rate set as of June 30 in each year shall be applied from the next Payment Date in that year. Except as otherwise provided in Section 2.07 (b), the Commitment Charge shall be payable semi-annually in arrears on each Payment Date. The Commitment Charge shall be computed on the basis of a 360-day year of twelve 30- day months.

(c) The Association shall notify the Recipient of the applicable Commitment Charge promptly upon its determination.

### Section 3.03 *Service Charge*

The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The service charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

### Section 3.04 *Interest Charge*

The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

### Section 3.05 *Repayment of the Credit*

(a) *Repayment Generally.* Subject to the provisions of paragraph (b) of this Section, the Recipient shall repay the Withdrawn Credit Balance to the Association in installments as provided in the Financing Agreement.

(b) *Accelerated Repayment.*

- (i) The Association may modify the repayment of installments of the Withdrawn Credit Balance as provided in the Financing Agreement in accordance with sub-paragraph (ii) or (iii) of this paragraph whenever all of the following events have occurred: (A) the Recipient's per capita gross national income, as determined by the Association, has exceeded for three consecutive years the level established annually by the Association for determining eligibility to access the Association's resources; (B) the Bank considers the Recipient's creditworthy for Bank lending; and (C) after due consideration of the development of the Recipient's economy, the Executive Directors of the Association have reviewed and approved such modification.
- (ii) The Association shall, upon the occurrence of the events referred to in paragraph (b) (i) of this Section: (A) require the Recipient to repay twice the amount of each installment of the Withdrawn Credit Balance not yet due until the Credit has been fully repaid; and (B) require the Recipient to commence such repayment as of the first semiannual Principal Payment Date falling six (6) months or more after the date on which the Association notifies the Recipient that such events have occurred; provided, however, that there shall be a grace period of a minimum of five years on such repayment.
- (iii) Alternatively, if so requested by the Recipient, the Association may revise the terms specified in sub-paragraph (ii) of this paragraph to include, in lieu of some or all of the increase in the amounts of such installments, the payment of interest at an annual rate agreed with the Association on the Withdrawn Credit Balance; provided that, in the judgment of the Association, such revision shall not change

the grant element provided under such terms.

- (iv) If, at any time after the repayment terms have been modified pursuant to subparagraph (i) of this Section, the Association determines that the Recipient's economic condition has deteriorated significantly, the Association may, if so requested by the Recipient, further revise the terms of repayment of the Withdrawn Credit Balance to conform to the schedule of installments originally provided in the Financing Agreement, taking into account any repayments already made by the Recipient.

#### Section 3.06 *Prepayment*

The Recipient may repay the Association in advance of maturity all or any part of the principal amount of one or more maturities of the Credit specified by the Recipient.

### **Part B. Financing Terms Applicable to Non-concessional Financing Only**

#### Section 3.07 *Application of Part B to Article III*

The provisions of Part B to this Article III shall apply solely to Non-concessional Financing.

#### Section 3.08 *Front-end Fee; Commitment Charge*

(a) The Recipient shall pay the Association a Front-end Fee on the Credit amount at the rate specified in the Financing Agreement (the "Front-end Fee"). Except as otherwise provided in Section 3.08 (b), the Recipient shall pay the Front-end Fee not later than sixty (60) days after the Effective Date.

(b) If the Recipient requests that the Front-end Fee be paid out of the proceeds of the Credit and the Association agrees to such a request, the Association shall, on behalf of the Recipient, withdraw from the Credit Account and pay to itself such fee.

(c) No withdrawal of any Credit amount from the Credit Account shall be made (other than to repay the Preparation Advance) until the Association has received from the Recipient payment in full of the Front-end Fee.

(d) The Recipient shall pay the Association a Commitment Charge on the Unwithdrawn Credit Balance at the rate specified in the Financing Agreement. The Commitment Charge shall accrue from a date sixty (60) days after the date of the Financing Agreement to the respective dates on which amounts are withdrawn by the Recipient from the Credit Account or cancelled. Except as otherwise provided in Section 2.07 (b), the Recipient shall pay the Commitment Charge semi-annually in arrears on each Payment Date.

#### Section 3.09 *Interest Charge*

(a) The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement; provided, however, that the interest rate applicable to any Interest Period payable shall in no event be less than zero percent (0%) per annum; and provided further that, such rate may be modified from time to time in accordance with the provisions of Article

IV. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest Charges shall be computed using a day-count convention reasonably determined by the Association.

(b) If interest on any amount of the Withdrawn Credit Balance is based on a Variable Spread, the Association shall notify the Recipient of the interest rate on such amount for each Interest Period, promptly upon its determination.

(c) If interest on any amount of the Credit is based on a Reference Rate, and the Association determines that (i) such Reference Rate has permanently ceased to be quoted for the relevant Credit Currency, or (ii) the Association is no longer able, or it is no longer commercially acceptable for the Association, to continue to use such Reference Rate, for purposes of its asset and liability management, the Association shall apply such other Reference Rate for the relevant Credit Currency, including any applicable spread, as it may reasonably determine. The Association shall promptly notify the Recipient of such other rate and related amendments to the provisions of the Financing Agreements, which shall become effective as of the date set forth in such notice.

(d) If interest on any amount of the Withdrawn Credit Balance is payable at the Variable Rate, then whenever, in light of changes in market practice affecting the determination of the interest rate applicable to such amount, the Association determines that it is in the interest of its borrowers as a whole and of the Association to apply a basis for determining such interest rate other than as provided in the Financing Agreement, the Association may modify the basis for determining such interest rate upon not less than three months' notice to the Recipient of the new basis. The new basis shall become effective on the expiry of the notice period unless the Recipient notifies the Association during such period of its objection to such modification, in which case the modification shall not apply to such amount of the Credit.

(e) Notwithstanding the provisions of Section 3.09 (a), if any amount of the Withdrawn Credit Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the Recipient shall pay the Default Interest Rate on such overdue amount in lieu of the interest rate specified in the Financing Agreement (or such other interest rate as may be applicable pursuant to Article IV as a result of a Conversion) until such overdue amount is fully paid. Interest at the Default Interest Rate shall accrue from the first day of each Default Interest Period and shall be payable semi-annually in arrears on each Payment Date.

#### Section 3.10 *Repayment of the Credit*

(a) The Recipient shall repay the Withdrawn Credit Balance to the Association in accordance with the provisions of the Financing Agreement, and, if applicable, as further provided in paragraphs (b), (c), (d) and (e) of this Section 3.10. The Withdrawn Credit Balance shall be repaid on either a Commitment-linked Amortization Schedule or a Disbursement-linked Amortization Schedule.

(b) For Credits with a Commitment-linked Amortization Schedule:

The Recipient shall repay the Withdrawn Credit Balance to the Association in accordance with the provisions of the Financing Agreement provided that:

(i) If the proceeds of the Credit have been fully withdrawn as of the first Principal Payment Date specified in the Financing Agreement, the principal amount of the

Credit repayable by the Recipient on each Principal Payment Date shall be determined by the Association by multiplying: (x) the Withdrawn Credit Balance as of the first Principal Payment Date; by (y) the Installment Share specified in the Financing Agreement for each Principal Payment Date, adjusted, as necessary, to deduct any amounts to which a Currency Conversion applies in accordance with Section 3.10 (e).

- (ii) If the proceeds of the Credit have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Credit repayable by the Recipient on each Principal Payment Date shall be determined as follows:

(A) To the extent that any proceeds of the Credit have been withdrawn as of the first Principal Payment Date, the Recipient shall repay the Withdrawn Credit Balance as of such date in accordance with the Amortization Schedule under the Financing Agreement.

(B) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Association by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the Financing Agreement for said Principal Payment Date and the denominator of which is the sum of all remaining original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts to which a Currency Conversion applies in accordance with Section 3.10 (e).

- (iii) (A) Amounts of the Credit withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(B) Notwithstanding the provisions of this paragraph, if at any time the Association adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of this paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

- (c) For Credits with Disbursement-linked Amortization Schedule:

- (i) The Recipient shall repay the Withdrawn Credit Balance to the Association in accordance with the provisions of the Financing Agreement.
- (ii) The Association shall notify the Recipient of the Amortization Schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.

(d) If the Withdrawn Credit Balance is denominated in more than one Credit Currency, the provisions of the Financing Agreement and this Section 3.10 shall apply separately to the amount denominated in each Credit Currency (and a separate Amortization Schedule shall be produced for each such amount, as applicable).

(e) Notwithstanding the provisions in paragraphs (b) (i) and (ii) above and in the Amortization Schedule in the Financing Agreement, as applicable, upon a Currency Conversion of all or any portion of the Withdrawn Credit Balance or Disbursed Amount, as applicable, to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Association in accordance with the Conversion Guidelines.

### Section 3.11 *Prepayment*

(a) After giving not less than forty-five (45) days' notice to the Association, the Recipient may repay the Association the following amounts in advance of maturity, as of a date acceptable to the Association (provided that the Recipient has paid all Financing Payments due as at such date, including any prepayment premium calculated pursuant to paragraph (b) of this Section): (i) the entire Withdrawn Credit Balance as at such date; or (ii) the entire principal amount of any one or more maturities of the Credit. Any partial prepayment of the Withdrawn Credit Balance shall be applied in the manner specified by the Recipient, or in the absence of any specification by the Recipient, in the following manner: (A) if the Financing Agreement provides for the separate amortization of specified Disbursed Amounts of the principal of the Credit, the prepayment shall be applied in the inverse order of such Disbursed Amounts, with the Disbursed Amount which has been withdrawn last being repaid first and with the latest maturity of said Disbursed Amount being repaid first; and (B) in all other cases, the prepayment shall be applied in the inverse order of the Credit maturities, with the latest maturity being repaid first.

(b) The prepayment premium payable under paragraph (a) of this Section shall be an amount reasonably determined by the Association to represent any cost to it of redeploying the amount to be prepaid from the date of its prepayment to its maturity date.

(c) If, in respect of any amount of the Credit to be prepaid, a Conversion has been effected and the Conversion Period has not terminated at the time of prepayment: (i) the Recipient shall pay a transaction fee for the early termination of the Conversion, in such amount or at such rate as announced by the Association from time to time and in effect at the time of receipt by the Association of the Recipient's notice of prepayment; and (ii) the Recipient or the Association, shall pay an Unwinding Amount, if any, for the early termination of the Conversion, in accordance with the Conversion Guidelines. Transaction fees provided for under this paragraph and any Unwinding Amount payable by the Recipient pursuant to this paragraph shall be paid at the time of the prepayment and in any event, no later than sixty (60) days after the date of prepayment.

(d) Notwithstanding Section 3.11 (a) above and unless the Association agrees otherwise, the Recipient may not prepay in advance of maturity any portion of the Withdrawn Credit Balance that is subject to a Currency Conversion that has been effected through a Currency Hedge Notes Transaction.

## **Part C. Financing Terms Applicable to Both Concessional Financing and Non-concessional Financing**

### *Section 3.12 Application of Part C to Article III*

The provisions of Part C to this Article III shall solely apply to both Concessional Financing and Non-concessional Financing.

### *Section 3.13 Partial Payment*

If the Association at any time receives less than the full amount of any Financing Payment then due, it shall have the right to allocate and apply the amount so received in any manner and for such purposes under the Financing Agreement as it determines in its sole discretion.

### *Section 3.14 Place of Payment*

All Financing Payments shall be paid at such places as the Association shall reasonably request.

### *Section 3.15 Currency of Payment*

(a) The Recipient shall pay all Financing Payments in the Payment Currency, and if a Conversion has been effected in respect of any amount of a Credit qualifying as Non-concessional Financing, as further specified in the Conversion Guidelines.

(b) If the Recipient so requests, and the Association agrees to such a request, the Association shall, acting as agent of the Recipient, and on such terms and conditions as the Association shall determine, purchase the Payment Currency for the purpose of paying a Financing Payment upon timely payment by the Recipient of sufficient funds for that purpose in a Currency or Currencies acceptable to the Association; provided, however, that the Financing Payment shall be deemed to have been paid only when and to the extent that the Association has received such payment in the Payment Currency.

### *Section 3.16 Amount of Repayment*

Where the Credit is denominated in SDR, and in accordance with Section 2.01(a), the Withdrawn Credit Balance repayable shall be the equivalent (determined as of the date, or the respective dates, of repayment) of the value of the Currency or Currencies withdrawn from the Credit Account expressed in terms of Special Drawing Rights as of the respective dates of withdrawal.

### *Section 3.17 Valuation of Currencies*

Whenever it becomes necessary for the purposes of any Legal Agreement, to determine the value of one Currency in terms of another, such value shall be as reasonably determined by the Association.

### Section 3.18 *Manner of Payment*

- (a) Any Financing Payment required to be paid to the Association in the Currency of any country shall be paid in such manner, and in the Currency acquired in such manner, as shall be permitted under the laws of such country for the purpose of making such payment and effecting the deposit of such Currency to the account of the Association with a depository of the Association authorized to accept deposits in such Currency.
- (b) All Financing Payments shall be paid without restrictions of any kind imposed by, or in the territory of, the Recipient, and without deduction for, and free from, any Taxes levied by, or in the territory of, the Recipient.
- (c) The Legal Agreements shall be free from any Taxes levied by, or in the territory of the Recipient, or in connection with their execution, delivery or registration.

### Section 3.19 *Temporary Currency Substitution*

- (a) If the Association reasonably determines that an extraordinary situation has arisen under which the Association shall be unable to provide the Credit Currency at any time for purposes of funding the Credit, the Bank may provide such substitute Currency or Currencies (“Substitute Credit Currency”) for the Credit Currency (“Original Credit Currency”) as the Association shall select. During the period of such extraordinary situation: (i) the Substitute Credit Currency shall be deemed to be the Credit Currency for purposes of the Legal Agreements; and (ii) Financing Payments shall be paid in the Substitute Credit Currency, and other related financial terms shall be applied, in accordance with principles reasonably determined by the Association. The Association shall promptly notify the parties of the occurrence of such extraordinary situation, the Substitute Credit Currency and the financial terms of the Credit related to the Substitute Credit Currency.
- (b) Upon notification by the Association under paragraph (a) of this Section, the Recipient may within thirty (30) days thereafter notify the Association of its selection of another Currency acceptable to the Association as the Substitute Credit Currency. In such case, the Association shall notify the Recipient of the financial terms of the Credit applicable to said Substitute Credit Currency, which shall be determined in accordance with principles reasonably established by the Association.
- (c) During the period of the extraordinary situation referred to in paragraph (a) of this Section, no premium shall be payable on prepayment of the Credit.
- (d) Once the Association is again able to provide the Original Credit Currency, it shall, at the Recipient’s request, change the Substitute Credit Currency to the Original Credit Currency in accordance with principles reasonably established by the Association.

## **ARTICLE IV**

### **Conversions of Financing Terms**

#### Section 4.01 *Application of Article IV*

The provisions of this Article IV shall apply solely to Non-concessional Financing.



#### Section 4.02 *Conversions Generally*

(a) The Recipient may, at any time, request a Conversion of the terms of the Non-concessional Financing in accordance with the provisions of this Section in order to facilitate prudent debt management. Each such request shall be furnished by the Recipient to the Association in accordance with the Conversion Guidelines and, upon acceptance by the Association, the conversion requested shall be considered a Conversion for the purposes of these General Conditions.

(b) Subject to Section 4.02 (e) below, the Recipient may at any time request any of the following Conversions: (i) a Currency Conversion, including Local Currency Conversion and Automatic Conversion into Local Currency; (ii) an Interest Rate Conversion, including Automatic Rate Fixing Conversion; and (iii) an Interest Rate Cap or Interest Rate Collar. All Conversions shall be effected in accordance with the Conversion Guidelines and may be subject to such additional terms and conditions as may be agreed between the Association and the Recipient.

(c) Upon acceptance by the Association of a request for a Conversion, the Association shall take all actions necessary to effect the Conversion in accordance with the Financing Agreement and the Conversion Guidelines. To the extent any modification of the provisions of the Financing Agreement providing for withdrawal or repayment of the proceeds of the Credit is required to give effect to the Conversion, such provisions shall be deemed to have been modified as of the Conversion Date. Promptly after the Execution Date for each Conversion, the Association shall notify the Recipient of the financial terms of the Credit, including any revised amortization provisions and modified provisions providing for withdrawal of the proceeds of the Credit.

(d) The Recipient shall pay a transaction fee in connection with each Conversion, in such amount or at such rate as announced by the Association from time to time and in effect on the date of the Association's acceptance of the Conversion request. Transaction fees provided for under this paragraph shall be either: (i) payable as a lump sum not later than sixty (60) days after the Execution Date; or (ii) expressed as a percentage per annum and added to the interest rate payable on each Payment Date.

(e) Except as otherwise agreed by the Association, the Recipient may not request additional Conversions of any portion of the Withdrawn Credit Balance that is subject to a Currency Conversion effected by a Currency Hedge Notes Transaction or otherwise terminate such Currency Conversion, for so long as such Currency Conversion is in effect. Each such Currency Conversion shall be effected on such terms and conditions as may be separately agreed by the Association and the Recipient and may include transaction fees to cover the underwriting cost of the Bank in connection with Currency Hedge Notes Transaction.

(f) The Association reserves the right at any time to terminate a Conversion prior to its maturity if: (i) the underlying hedging arrangements undertaken by the Association in connection with the said Conversion are terminated as a result of it becoming impractical, impossible or unlawful for the Association or its Counterparty to make a payment or to receive a payment on the terms agreed upon due to the: (A) adoption of, or any change in, any applicable law after the date on which such Conversion is executed; or (B) interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date or any change in any such interpretation; and (ii) the Association is unable to find a replacement hedging arrangement. Upon any such termination, provisions of Section 4.07 apply.

Section 4.03 *Conversion to a Fixed Rate or Fixed Spread of Credit that Accrues Interest at a Rate Based on the Variable Spread*<sup>1</sup>

A Conversion to a Fixed Rate or a Variable Rate with a Fixed Spread of all or any amount of the Credit that accrues interest at a rate based on the Variable Spread shall be effected by fixing the Variable Spread applicable to such amount into the Fixed Spread for the Credit Currency, applicable on the date of the Conversion request, and in the case of a Conversion to a Fixed Rate, followed immediately by the Conversion requested by the Recipient.

Section 4.04 *Interest Payable following Interest Rate Conversion or Currency Conversion*

(a) *Interest Rate Conversion.* Upon an Interest Rate Conversion, the Recipient shall, for each Interest Period during the Conversion Period, pay interest on the amount of the Withdrawn Credit Balance to which the Conversion applies at the Variable Rate or the Fixed Rate,<sup>2</sup> whichever applies to the Conversion.

(b) *Currency Conversion of Unwithdrawn Amounts.* Upon a Currency Conversion of all or any amount of the Unwithdrawn Credit Balance to an Approved Currency, the Recipient shall, for each Interest Period during the Conversion Period, pay interest and any applicable charges denominated in the Approved Currency on such amount as subsequently withdrawn and outstanding from time to time at the Variable Rate.

(c) *Currency Conversion of Withdrawn Amounts.* Upon a Currency Conversion of all or any amount of the Withdrawn Credit Balance to an Approved Currency, the Recipient shall, for each Interest Period during the Conversion Period, pay interest denominated in the Approved Currency in accordance with the Conversion Guidelines on such Withdrawn Credit Balance at a Variable Rate or Fixed Rate, whichever applies to the Conversion.

Section 4.05 *Principal Payable following Currency Conversion*

(a) *Currency Conversion of Unwithdrawn Amounts.* In the event of a Currency Conversion of an amount of the Unwithdrawn Credit Balance to an Approved Currency, the principal amount of the Credit so converted shall be determined by the Association by multiplying the amount to be so converted in its Currency of denomination immediately prior to the Conversion by the Screen Rate. The Recipient shall repay such principal amount as subsequently withdrawn in the Approved Currency in accordance with the provisions of the Financing Agreement.

(b) *Currency Conversion of Withdrawn Amounts.* In the event of a Currency Conversion of an amount of the Withdrawn Credit Balance to an Approved Currency, the principal amount of the Credit so converted shall be determined by the Association by multiplying the amount to be so converted in its Currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Association under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Association so determines in accordance with the Conversion Guidelines, the exchange rate

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<sup>1</sup> This Section is not available due to the suspension of the Fixed Spread terms until further notice by the Bank.

<sup>2</sup> Fixed Rate conversions are not available due to the suspension of the Fixed Spread terms, until further notice by the Bank.

component of the Screen Rate. The Recipient shall repay such principal amount denominated in the Approved Currency in accordance with the provisions of the Financing Agreement.

(c) *Termination of Conversion Period prior to Final Credit Maturity.* If the Conversion Period of a Currency Conversion applicable to a portion of the Credit terminates prior to the final maturity of such portion, the principal amount of such portion of the Credit remaining outstanding in the Credit Currency to which such amount shall revert upon such termination shall be determined by the Association either: (i) by multiplying such amount in the Approved Currency of the Conversion by the spot or forward exchange rate prevailing between the Approved Currency and said Credit Currency for settlement on the last day of the Conversion Period; or (ii) in such other manner as specified in the Conversion Guidelines. The Recipient shall repay such principal amount in the Credit Currency in accordance with the provisions of the Financing Agreement.

#### Section 4.06 *Interest Rate Cap; Interest Rate Collar*

(a) *Interest Rate Cap.* Upon the establishment of an Interest Rate Cap on the Variable Rate, the Recipient shall, for each Interest Period during the Conversion Period, pay interest on the amount of the Withdrawn Credit Balance to which the Conversion applies at the Variable Rate, unless with respect to the said Conversion Period: (i) for a Credit that accrues interest at a Variable Rate based on the Reference Rate and the Fixed Spread, the Variable Rate exceeds the Interest Rate Cap, in which case, for the relevant Interest Period, the Recipient shall pay interest on such amount at a rate equal to the Interest Rate Cap<sup>3</sup>; or (ii) for a Credit that accrues interest at a Variable Rate based on a Reference Rate and the Variable Spread, the Reference Rate exceeds the Interest Rate Cap, in which case, for the relevant Interest Period, the Recipient shall pay interest on such amount at a rate equal to the Interest Rate Cap plus the Variable Spread.

(b) *Interest Rate Collar.* Upon the establishment of an Interest Rate Collar on the Variable Rate, the Recipient shall, for each Interest Period during the Conversion Period, pay interest on the amount of the Withdrawn Credit Balance to which the Conversion applies at the Variable Rate, unless with respect to the said Conversion Period: (i) for a Credit that accrues interest at a Variable Rate based on a Reference Rate and the Fixed Spread, the Variable Rate<sup>4</sup>: (A) exceeds the upper limit of the Interest Rate Collar, in which case, for the relevant Interest Period, the Recipient shall pay interest on such amount at a rate equal to such upper limit; or (B) falls below the lower limit of the Interest Rate Collar, in which case, for the relevant Interest Period, the Recipient shall pay interest on such amount at a rate equal to such lower limit; or (ii) for a Credit that accrues interest at a Variable Rate based on a Reference Rate and the Variable Spread, the Reference Rate: (A) exceeds the upper limit of the Interest Rate Collar, in which case, for the relevant Interest Period, the Recipient shall pay interest on such amount at a rate equal to such upper limit plus the Variable Spread; or (B) falls below the lower limit of the Interest Rate Collar, in which case, for the relevant Interest Period, the Recipient shall pay interest on such amount at a rate equal to such lower limit plus the Variable Spread.

(c) *Interest Rate Cap or Collar Premium.* Upon the establishment of an Interest Rate Cap or an Interest Rate Collar, the Recipient shall pay to the Association a premium on the amount of the Withdrawn Credit Balance to which the Conversion applies, calculated: (A) on the basis of the

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<sup>3</sup> Not available due to suspension of Fixed Spread terms until further notice.

<sup>4</sup> Not available due to suspension of Fixed Spread terms until further notice.

premium, if any, payable by the Association for an interest rate cap or collar purchased by the Association from a Counterparty for the purpose of establishing the Interest Rate Cap or Interest Rate Collar; or (B) otherwise as specified in the Conversion Guidelines. Such premium shall be payable by the Recipient (i) not later than sixty (60) days after the Execution Date; or (ii) promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Recipient has requested that the premium be paid out of the proceeds of the Credit, the Association shall, on behalf of the Recipient, withdraw from the Credit Account and pay to itself the amounts required to pay any premium payable in accordance with this Section up to the amount allocated from time to time for that purpose in the Financing Agreement.

#### Section 4.07 *Early Termination.*

(a) The Association shall have the right to terminate any Conversion effected on such Credit during any period of time in which the Default Interest Rate accrues on the Credit as provided in Section 3.09 (e).

(b) Except as otherwise provided in the Conversion Guidelines, upon the early termination of any Conversion by either the Association as provided in Section 4.02(f) or Section 4.07 (a) or the Recipient: (i) the Recipient shall pay a transaction fee for the early termination, in such amount or at such rate as announced by the Association from time to time and in effect at the time of receipt by the Association of the Recipient's notice of early termination; and (ii) the Recipient or the Association shall pay an Unwinding Amount, if any, for the early termination, in accordance with the Conversion Guidelines. Transaction fees provided for under this paragraph and any Unwinding Amount payable by the Recipient pursuant to this paragraph shall be paid not later than sixty (60) days after the effective date of the early termination.

### **ARTICLE V**

#### **Project Execution**

#### Section 5.01 *Project Execution Generally*

The Recipient and the Project Implementing Entity shall carry out their Respective Parts of the Project:

- (a) with due diligence and efficiency;
- (b) in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices; and
- (c) in accordance with the provisions of the Legal Agreements.

#### Section 5.02 *Performance under the Financing Agreement, Project Agreement and Subsidiary Agreement*

The Recipient shall: (a) cause the Project Implementing Entity to perform all of the obligations of the Project Implementing Entity set forth in the Project Agreement or the Subsidiary Agreement in accordance with the provisions of the Project Agreement or Subsidiary Agreement; and (b) not take or permit to be taken any action which would prevent or interfere with such performance.

### Section 5.03 *Provision of Funds and other Resources*

The Recipient shall provide or cause to be provided, promptly as needed, the funds, facilities, services and other resources: (a) required for the Project; and (b) necessary or appropriate to enable the Project Implementing Entity to perform its obligations under the Project Agreement or the Subsidiary Agreement.

### Section 5.04 *Insurance*

The Recipient and the Project Implementing Entity shall make adequate provision for the insurance of any goods required for their Respective Parts of the Project and to be financed out of the proceeds of the Financing, against hazards incident to the acquisition, transportation and delivery of the goods to the place of their use or installation. Any indemnity for such insurance shall be payable in a freely usable Currency to replace or repair such goods.

### Section 5.05 *Land Acquisition*

The Recipient and the Project Implementing Entity shall take (or cause to be taken) all action to acquire as and when needed all land and rights in respect of land as shall be required for carrying out their Respective Parts of the Project and shall promptly furnish to the Association, upon its request, evidence satisfactory to the Association that such land and rights in respect of land are available for purposes related to the Project.

### Section 5.06 *Use of Goods, Works and Services; Maintenance of Facilities*

(a) Except as the Association shall otherwise agree, the Recipient and the Project Implementing Entity shall ensure that all goods, works and services financed out of the proceeds of the Financing are used exclusively for the purposes of the Project.

(b) The Recipient and the Project Implementing Entity shall ensure that all facilities relevant to their Respective Parts of the Project shall at all times be properly operated and maintained and that all necessary repairs and renewals of such facilities shall be made promptly as needed.

### Section 5.07 *Plans; Documents; Records*

(a) The Recipient and the Project Implementing Entity shall furnish to the Association all plans, schedules, specifications, reports and contract documents for their Respective Parts of the Project, and any material modifications of or additions to these documents, promptly upon their preparation and in such detail as the Association shall reasonably request.

(b) The Recipient and the Project Implementing Entity shall maintain records adequate to record the progress of their Respective Parts of the Project (including its cost and the benefits to be derived from it), to identify the Eligible Expenditures financed out of the proceeds of the Financing and to disclose their use in the Project, and shall furnish such records to the Association upon its request.

(c) The Recipient and the Project Implementing Entity shall retain all records (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures under their Respective Parts of the Project until at least the later of: (i) one (1) year after the Association has received the audited Financial

Statements covering the period during which the last withdrawal from the Financing Account was made; and (ii) two (2) years after the Closing Date. The Recipient and the Project Implementing Entity shall enable the Association's representatives to examine such records.

#### Section 5.08 *Project Monitoring and Evaluation*

(a) The Recipient and the Project Implementing Entity shall maintain or cause to be maintained policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators acceptable to the Association, the progress of the Project and the achievement of its objectives.

(b) The Recipient shall prepare or cause to be prepared periodic reports ("Project Report"), in form and substance satisfactory to the Association, integrating the results of such monitoring and evaluation activities and setting out measures recommended to ensure the continued efficient and effective execution of the Project, and to achieve the Project's objectives. The Recipient shall furnish or cause to be furnished each Project Report to the Association promptly upon its preparation, afford the Association a reasonable opportunity to exchange views with the Recipient and the Project Implementing Entity on such report, and thereafter implement such recommended measures, taking into account the Association's views on the matter.

(c) Except as the Association may reasonably determine otherwise, the Recipient shall prepare, or cause to be prepared, and furnish to the Association not later than six (6) months after the Closing Date: (i) a report, of such scope and in such detail as the Association shall reasonably request, on the execution of the Project, the performance by the Recipient, the Project Implementing Entity and the Association of their respective obligations under the Legal Agreements and the accomplishment of the purposes of the Financing; and (ii) a plan designed to ensure the sustainability of the Project's achievements.

#### Section 5.09 *Financial Management; Financial Statements; Audits*

(a) (i) The Recipient shall maintain or cause to be maintained a financial management system and prepare financial statements ("Financial Statements") in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Project; and (ii) the Project Implementing Entity shall maintain or cause to be maintained a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, in a manner adequate to reflect its operations, resources and expenditures, and/or those of the Project, as may be further specified in the Disbursement and Financial Information Letter.

(b) The Recipient and the Project Implementing Entity shall:

- (i) have the Financial Statements periodically audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association;
- (ii) not later than the date specified in the Disbursement and Financial Information Letter, furnish or cause to be furnished to the Association the Financial Statements as so audited, and such

other information concerning the audited Financial Statements and such auditors, as the Association may from time to time reasonably request;

- (iii) make the audited Financial Statements, or cause the audited Financial Statements to be made, publicly available in a timely fashion and in a manner acceptable to the Association; and
- (iv) if requested by the Association, periodically furnish or cause to be furnished to the Association interim unaudited financial reports for the Project, in form and substance satisfactory to the Association and as further specified in the Disbursement and Financial Information Letter.

#### Section 5.10 *Cooperation and Consultation*

The Recipient and the Association shall cooperate fully to assure that the purposes of the Financing and the objectives of the Project will be accomplished. To that end, the Recipient and the Association shall:

- (a) from time to time, at the request of either one of them, exchange views on the Project, the Financing, and the performance of their respective obligations under the Legal Agreements, and furnish to the other party all such information related to such matters as it shall reasonably request; and
- (b) promptly inform each other of any condition which interferes with, or threatens to interfere with, such matters.

#### Section 5.11 *Visits*

- (a) The Recipient shall afford all reasonable opportunity for representatives of the Association to visit any part of its territory for purposes related to the Financing or the Project.
- (b) The Recipient and the Project Implementing Entity shall enable the Association's representatives: (i) to visit any facilities and construction sites included in their Respective Parts of the Project; and (ii) to examine the goods financed out of the proceeds of the Financing for their Respective Parts of the Project, and any plants, installations, sites, works, buildings, property, equipment, records and documents relevant to the performance of their obligations under the Legal Agreements.

#### Section 5.12 *Disputed Area*

In the event that the Project is in an area which is or becomes disputed, neither the Association's financing of the Project, nor any designation of or reference to such area in the Legal Agreements, is intended to constitute a judgment on the part of the Association as to the legal or other status of such area or to prejudice the determination of any claims with respect to such area.

### Section 5.13 *Procurement*

All goods, works and 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 the Procurement Regulations and the provisions of the Procurement Plan.

### Section 5.14 *Anti-Corruption*

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

## **ARTICLE VI**

### **Financial and Economic Data; Financial Condition**

### Section 6.01 *Financial and Economic Data*

(a) The Member Country shall furnish to the Association all such information as the Association shall reasonably request with respect to financial and economic conditions in its territory, including its balance of payments and its external debt as well as that of its political or administrative subdivisions and of any entity owned or controlled by, or operating for the account or benefit of, the Member Country or any such subdivision, and of any institution performing the functions of a central bank or exchange stabilization fund, or similar functions, for the Member Country.

(b) The Member Country shall report “long-term external debt” (as defined in the World Bank’s Debtor Reporting System Manual, dated January 2000 (“DRSM”), as may be revised from time to time), in accordance with the DRSM, and in particular, to notify the Association of new “loan commitments” (as defined in the DRSM) not later than thirty (30) days after the end of the quarter during which the debt is incurred, and to notify the Association of “transactions under loans” (as defined in the DRSM) annually, not later than March 31 of the year following the year covered by the report.

(c) If the Association has notified the Recipient that the Recipient is subject to its policies on non-concessional borrowing, the Recipient shall: (i) notify the Association at least three months prior to incurring any non-concessional long-term external debt, of its intention to incur such debt, together with the proposed terms of such debt; and (ii) afford the Association reasonable opportunity to exchange views with the Recipient on the matter. For purposes of this paragraph, “non-concessional long-term external debt” means any long-term external debt (as defined in DRSM), but excluding private debt (as so defined), with an estimated grant element calculated in the manner published from time to time by the Association.

(d) The Recipient represents, as at the date of the Financing Agreement, that no defaults exist in respect of any “external debt” (as defined in the DRSM), except those listed in a notification from the Recipient to the Association.

### Section 6.02 *Financial Condition*

If the Association has determined that the financial condition of the Recipient, which is not the



Member Country, or the Project Implementing Entity, is a material factor in the Association's decision to lend, the Association shall have the right, as a condition to lend, to require that such recipient or Project Implementing Entity provides the Association with representations and warranties related to its financial and operating conditions, satisfactory to the Association.

## **ARTICLE VII**

### **Negative Pledge**

#### **Section 7.01   *Application of Article VII***

The provisions of this Article VII shall apply solely to Non-concessional Financing.

#### **Section 7.02   *Negative Pledge***

(a) It is the policy of the Association, in providing Credits to, or with the guarantee of, its member countries not to seek, in normal circumstances, special security from the member country concerned but to ensure that no other Covered Debt shall have priority over its Credits in the allocation, realization or distribution of foreign exchange held under the control or for the benefit of such member country. To that end, if any Lien is created on any Public Assets as security for any Covered Debt, which will or might result in a priority for the benefit of the creditor of such Covered Debt in the allocation, realization or distribution of foreign exchange, such Lien shall, unless the Association shall otherwise agree, *ipso facto* and at no cost to the Association, equally and ratably secure all Financing Payments, and the Member Country, in creating or permitting the creation of such Lien, shall make express provision to that effect; provided, however, that if for any constitutional or other legal reason such provision cannot be made with respect to any Lien created on assets of any of its political or administrative subdivisions, the Member Country shall promptly and at no cost to the Association secure all Financing Payments by an equivalent Lien on other Public Assets satisfactory to the Association.

(b) The Recipient which is not a Member Country undertakes that, except as the Association shall otherwise agree:

- (i) if it creates any Lien on any of its assets as security for any debt, such Lien will equally and ratably secure the payment of all Financing Payments and in the creation of any such Lien express provision will be made to that effect, at no cost to the Association; and
- (ii) if any statutory Lien is created on any of its assets as security for any debt, it shall grant at no cost to the Association, an equivalent Lien satisfactory to the Association to secure the payment of all Financing Payments.

(c) The provisions of paragraphs (a) and (b) of this Section shall not apply to: (i) any Lien created on property, at the time of purchase of such property, solely as security for the payment of the purchase price of such property or as security for the payment of debt incurred for the purpose of financing the purchase of such property; or (ii) any Lien arising in the ordinary course of banking

transactions and securing a debt maturing not more than one year after the date on which it is originally incurred.

(d) The Member Country represents, as of the date of the Financing Agreement, that no Liens exist on any Public Assets, as security for any Covered Debt, except those listed in a notification from the Member Country to the Association and those excluded pursuant to paragraph (c) of this Section 7.02.

(e) Solely for the purposes of interpreting this Article VII, “Financing Payment” means any amount: (i) payable by the Member Country to the Association; or (ii) payable by the party to the Financing Agreement which is not a Member Country, to the Association; pursuant to the Financing Agreement or these General Conditions, including (but not limited to) any amount of the Withdrawn Credit Balance, the Service Charge, the Interest Charge, the Front-end Fee, the Commitment Charge, any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by such party, as applicable; *provided that* no amount referred to in this Section 7.02 (e) shall be an amount payable in respect of Concessional Financing.

(f) Solely for the purposes of this Article VII, “Financing Agreement” means the financing agreement between: (i) the Recipient and the Association; or (ii) another party and the Association; providing for the Financing, as such agreement may be amended from time to time. “Financing Agreement” includes these General Conditions as applied to the Financing Agreement, and all appendices, schedules and agreements supplemental to the Financing Agreement.

## **ARTICLE VIII**

### **Cancellation; Suspension; Grant and Credit Refund; Acceleration**

#### **Section 8.01    *Cancellation by the Recipient***

The Recipient may, by notice to the Association, cancel any amount of the Unwithdrawn Financing Balance, except that the Recipient may not cancel any such amount that is subject to a Special Commitment.

#### **Section 8.02    *Suspension by the Association***

If any of the events specified in paragraphs (a) through (m) of this Section occurs and is continuing, the Association may, by notice to the Recipient, suspend in whole or in part the right of the Recipient to make withdrawals from the Financing Account. Such suspension shall continue until the event (or events) which gave rise to suspension has (or have) ceased to exist, unless the Association has notified the Recipient that such right to make withdrawals has been restored.

(a) *Payment Failure.* The Recipient has failed to make payment (notwithstanding the fact that such payment may have been made by a third party) of principal, service charges, interest charges, or any other amount due to the Association or the Bank: (i) under the Financing Agreement; or (ii) under any other agreement between the Recipient and the Association; or (iii) under any agreement between the Recipient and the Bank; or (iv) in consequence of any guarantee extended or other financial obligation of any kind assumed by the Association or the Bank to any

third party with the agreement of the Recipient.

(b) *Performance Failure.*

- (i) The Recipient has failed to perform any other obligation under the Financing Agreement, or to the extent applicable, under any Derivatives Agreement.
- (ii) The Project Implementing Entity has failed to perform any obligation under the Project Agreement or the Subsidiary Agreement.

(c) *Fraud and Corruption.* At any time, the Association determines that any representative of the Recipient or the Project Implementing Entity (or any other recipient of any of the proceeds of the Financing) has engaged in corrupt, fraudulent, coercive or collusive practices in connection with the use of the proceeds of the Financing, without the Recipient or the Project Implementing Entity (or any other such recipient) having taken timely and appropriate action satisfactory to the Association to address such practices when they occur.

(d) *Cross Suspension.*

- (i) The Association or the Bank has suspended in whole or in part the right of the Recipient to make withdrawals under any agreement with the Association or with the Bank because of a failure by the Recipient to perform any of its obligations under such agreement or any other agreement with the Association.
- (ii) The Bank has suspended in whole or in part the right of any borrower to make withdrawals under a loan agreement with the Bank guaranteed by the Recipient because of a failure by such borrower to perform any of its obligations under such agreement or any other agreement with the Bank.

(e) *Extraordinary Situation.* As a result of events which have occurred after the date of the Financing Agreement, an extraordinary situation has arisen which makes it improbable that the Project can be carried out or that the Recipient or the Project Implementing Entity will be able to perform its obligations under the Legal Agreement to which it is a party.

(f) *Event prior to Effectiveness.* The Association has determined after the Effective Date that prior to such date but after the date of the Financing Agreement, an event has occurred which would have entitled the Association to suspend the Recipient's right to make withdrawals from the Financing Account if the Financing Agreement had been effective on the date such event occurred.

(g) *Misrepresentation.* A representation made by the Recipient in or pursuant to the Financing Agreement, or any representation or statement furnished by the Recipient, and intended to be relied upon by the Association in making the Financing, was incorrect in any material respect.

(h) *Co-financing.* Any of the following events occurs with respect to any financing specified in the Financing Agreement to be provided for the Project ("Co-financing") by a financier (other than the Association or the Bank) ("Co-financier"):

- (i) If the Financing Agreement specifies a date by which the agreement with the Co-financier providing for the Co-financing (“Co-financing Agreement”) is to become effective, the Co-financing Agreement has failed to become effective by that date, or such later date as the Association has established by notice to the Recipient (“Co-financing Deadline”); provided, however, that the provisions of this sub-paragraph shall not apply if the Recipient establishes to the satisfaction of the Association that adequate funds for the Project are available from other sources on terms and conditions consistent with its obligations under the Financing Agreement.
- (ii) Subject to sub-paragraph (iii) of this paragraph: (A) the right to withdraw the proceeds of the Co-financing has been suspended, canceled or terminated in whole or in part, pursuant to the terms of the Co-financing Agreement; or (B) the Co-financing has become due and payable prior to its agreed maturity.
- (iii) Sub-paragraph (ii) of this paragraph shall not apply if the Recipient establishes to the satisfaction of the Association that: (A) such suspension, cancellation, termination or prematuring was not caused by the failure of the recipient of the Co-financing to perform any of its obligations under the Co-financing Agreement; and (B) adequate funds for the Project are available from other sources on terms and conditions consistent with the Recipient’s obligations under the Financing Agreement.

(i) *Assignment of Obligations; Disposition of Assets.* The Recipient or the Project Implementing Entity (or any other entity responsible for implementing any part of the Project), has, without the consent of the Association: (i) assigned or transferred, in whole or in part, any of its obligations arising under or entered into pursuant to the Legal Agreements; or (ii) sold, leased, transferred, assigned, or otherwise disposed of any property or assets financed wholly or in part out of the proceeds of the Financing; provided, however, that the provisions of this paragraph shall not apply with respect to transactions in the ordinary course of business which, in the opinion of the Association: (A) do not materially and adversely affect the ability of the Recipient or of the Project Implementing Entity (or such other entity) to perform any of its obligations arising under or entered into pursuant to the Legal Agreements or to achieve the objectives of the Project; and (B) do not materially and adversely affect the financial condition or operation of the Project Implementing Entity (or such other entity).

(j) *Membership.* The Recipient: (i) has been suspended from membership in or ceased to be a member of the Association; or (ii) has ceased to be a member of the International Monetary Fund.

(k) *Condition of Project Implementing Entity.*

- (i) Any action has been taken for the dissolution, disestablishment or suspension of operations of the Project Implementing Entity (or of any other entity responsible for implementing any part of the Project).
- (ii) The Project Implementing Entity (or any other entity responsible for implementing any part of the Project) has ceased to exist in the same legal form as that prevailing as of the date of the Financing Agreement.

- (iii) In the opinion of the Association, the legal character, ownership or control of the Project Implementing Entity (or of any other entity responsible for implementing any part of the Project) has changed from that prevailing as of the date of the Legal Agreements so as to materially and adversely affect the ability of the Recipient or of the Project Implementing Entity (or such other entity) to perform any of its obligations arising under or entered into pursuant to the Legal Agreements, or to achieve the objectives of the Project.

(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: (i) 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; and/or (ii) a declaration by another financier that the Project Implementing Entity is ineligible to receive proceeds of any financing made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier 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 such financier.

(m) *Additional Event.* Any other event specified in the Financing Agreement for the purposes of this Section has occurred (“Additional Event of Suspension”).

#### Section 8.03 *Cancellation by the Association*

If any of the events specified in paragraphs (a) through (e) of this Section occurs with respect to an amount of the Unwithdrawn Financing Balance, the Association may, by notice to the Recipient, terminate the right of the Recipient to make withdrawals with respect to such amount. Upon the giving of such notice, such amount of the Financing shall be cancelled.

(a) *Suspension.* The right of the Recipient to make withdrawals from the Financing Account has been suspended with respect to any amount of the Unwithdrawn Financing Balance for a continuous period of thirty (30) days.

(b) *Amounts not Required.* At any time, the Association determines, after consultation with the Recipient, that an amount of the Unwithdrawn Financing Balance will not be required to finance Eligible Expenditures.

(c) *Fraud and Corruption.* At any time, the Association determines, with respect to any amount of the proceeds of the Financing, that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient or the Project Implementing Entity (or other recipient of the proceeds of the Financing) without the Recipient or the Project Implementing Entity (or other recipient of the proceeds of the Financing) having taken timely and appropriate action satisfactory to the Association to address such practices when they occur.

(d) *Misprocurement.* At any time, the Association: (i) determines that the procurement of any contract to be financed out of the proceeds of the Financing is inconsistent with the procedures set forth or referred to in the Legal Agreements; and (ii) establishes the amount of expenditures under such contract which would otherwise have been eligible for financing out of the proceeds of the Financing.

(e) *Closing Date.* After the Closing Date, there remains an Unwithdrawn Financing Balance.

Section 8.04 *Amounts Subject to Special Commitment Not Affected by Cancellation or Suspension by the Association*

No cancellation or suspension by the Association shall apply to amounts of the Financing subject to any Special Commitment except as expressly provided in the Special Commitment.

Section 8.05 *Application of Cancelled Amounts to Maturities of the Credit*

Except as the Recipient and the Association shall otherwise agree, any cancelled amount of the Credit provided under the Concessional Financing terms shall be applied *pro rata* to the installments of the principal amount of the Credit falling due after the date of such cancellation.

Section 8.06 *Events of Acceleration*

If any of the events specified in paragraphs (a) through (f) of this Section occurs and continues for the period specified (if any), then at any subsequent time during the continuance of the event, the Association may, by notice to the Recipient, declare all or part of the Withdrawn Credit Balance as at the date of such notice to be due and payable immediately together with any other Financing Payments due under the Financing Agreement. Upon any such declaration, such Withdrawn Credit Balance and Financing Payments shall become immediately due and payable.

(a) *Payment Default.* A default has occurred in the payment by the Recipient of any amount due to the Association or the Bank: (i) under the Financing Agreement; or (ii) under any other agreement between the Recipient and the Association; or (iii) under any agreement between the Recipient and the Bank; or (iv) in consequence of any guarantee extended or other financial obligation of any kind assumed by the Association or the Bank to any third party with the agreement of the Recipient; and such default continues in each case for a period of thirty (30) days.

(b) *Performance Default.*

(i) A default has occurred in the performance by the Recipient of any other obligation under the Financing Agreement, and such default continues for a period of sixty (60) days after notice of such default has been given by the Association to the Recipient.

(ii) A default has occurred in the performance by the Project Implementing Entity of any obligation under the Project Agreement or the Subsidiary Agreement, and such default continues for a period of sixty (60) days after notice of such default has been given by the Association to the Project Implementing Entity and the Recipient.

- (c) *Co-financing.* The event specified in sub-paragraph (h)(ii)(B) of Section 8.02 has occurred, subject to the provisions of sub-paragraph (h)(iii) of that Section.
- (d) *Assignment of Obligations; Disposition of Assets.* Any event specified in paragraph (i) of Section 8.02 has occurred.
- (e) *Condition of Project Implementing Entity.* Any event specified in sub-paragraph (k)(i), (k)(ii), or (k)(iii) of Section 8.02 has occurred.
- (f) *Additional Event.* Any other event specified in the Financing Agreement for the purposes of this Section has occurred and continues for the period, if any, specified in the Financing Agreement (“Additional Event of Acceleration”).

#### Section 8.07 *Grant or Credit Refund*

- (a) If the Association determines that an amount of the Withdrawn Grant Balance or Withdrawn Credit Balance, as applicable, has been used in a manner inconsistent with the provisions of the Legal Agreement, the Recipient shall, upon notice by the Association to the Recipient, promptly refund such amount to the Association. Such inconsistent use shall include, without limitation:
  - (i) use of such amount to make a payment for an expenditure that is not an Eligible Expenditure; or
  - (ii) (A) engaging in corrupt, fraudulent, collusive or coercive practices in connection with the use of such amount; or (B) use of such amount to finance a contract during the procurement or execution of which such practices were engaged in by representatives of the Recipient or the Project Implementing Entity (or other recipient of such amount of the Withdrawn Grant Balance or Withdrawn Credit Balance), in either case without the Recipient or the Project Implementing Entity (or other such recipient) having taken timely and appropriate action satisfactory to the Association to address such practices when they occur.
- (b) Except as the Association may otherwise determine, the Association shall cancel all amounts refunded pursuant to this Section.
- (c) If any notice of refund is given pursuant to Section 8.07 (a) during the Conversion Period for any Conversion applicable to a Credit: (i) the Recipient shall pay a transaction fee in respect of any early termination of such Conversion, in such amount or at such rate as announced by the Association from time to time and in effect on the date of such notice; and (ii) the Recipient shall pay any Unwinding Amount owed by it in respect of any early termination of the Conversion, or the Association shall pay any Unwinding Amount owed by it in respect of any such early termination (after setting off any amounts owed by the Recipient under the Financing Agreement), in accordance with the Conversion Guidelines. Transaction fees and any Unwinding Amount payable by the Recipient shall be paid not later than sixty (60) days after the date of the refund.

Section 8.08 *Acceleration during a Conversion Period*

If the Financing Agreement provides for Conversions, and if any notice of acceleration is given pursuant to Section 8.06 during the Conversion Period for any Conversion applicable to a Credit: (a) the Recipient shall pay a transaction fee in respect of any early termination of the Conversion, in such amount or at such rate as announced by the Association from time to time and in effect on the date of such notice; and (b) the Recipient shall pay any Unwinding Amount owed by it in respect of any early termination of the Conversion, or the Association shall pay any Unwinding Amount owed by it in respect of any such early termination (after setting off any amounts owed by the Recipient under the Financing Agreement), in accordance with the Conversion Guidelines. Transaction fees and any Unwinding Amount payable by the Recipient shall be paid not later than sixty (60) days after the effective date of the acceleration.

Section 8.09 *Effectiveness of Provisions after Cancellation, Suspension, Refund, or Acceleration*

Notwithstanding any cancellation, suspension, refund, or acceleration under this Article, all the provisions of the Legal Agreements shall continue in full force and effect except as specifically provided in these General Conditions.

**ARTICLE IX**  
**Enforceability; Arbitration**

Section 9.01 *Enforceability*

The rights and obligations of the Recipient and the Association under the Legal Agreements shall be valid and enforceable in accordance with their terms notwithstanding the law of any state or political subdivision thereof to the contrary. Neither the Recipient nor the Association shall be entitled in any proceeding under this Article to assert any claim that any provision of the Legal Agreements is invalid or unenforceable because of any provision of the Articles of Agreement of the Association.

Section 9.02 *Failure to Exercise Rights*

No delay in exercising, or omission to exercise, any right, power or remedy accruing to any party under any Legal Agreement upon any default shall impair any such right, power or remedy or be construed to be a waiver thereof or an acquiescence in such default. No action of such party in respect of any default, or any acquiescence by it in any default, shall affect or impair any right, power or remedy of such party in respect of any other or subsequent default.

Section 9.03 *Arbitration*

(a) Any controversy between the parties to the Financing Agreement and any claim by either such party against the other arising under the Financing Agreement which has not been settled by agreement of the parties shall be submitted to arbitration by an arbitral tribunal ("Arbitral Tribunal") as hereinafter provided.



- (b) The parties to such arbitration shall be the Association and the Recipient.
- (c) The Arbitral Tribunal shall consist of three arbitrators appointed as follows: (i) one arbitrator shall be appointed by the Association; (ii) a second arbitrator shall be appointed by the Recipient; and (iii) the third arbitrator (“Umpire”) shall be appointed by agreement of the parties or, if they do not agree, by the President of the International Court of Justice or, failing appointment by said President, by the Secretary-General of the United Nations. If either party fails to appoint an arbitrator, such arbitrator shall be appointed by the Umpire. In case any arbitrator appointed in accordance with this Section resigns, dies or becomes unable to act, a successor arbitrator shall be appointed in the same manner as prescribed in this Section for the appointment of the original arbitrator and such successor shall have all the powers and duties of such original arbitrator.
- (d) An arbitration proceeding may be instituted under this Section upon notice by the party instituting such proceeding to the other party. Such notice shall contain a statement setting forth the nature of the controversy or claim to be submitted to arbitration, the nature of the relief sought and the name of the arbitrator appointed by the party instituting such proceeding. Within thirty (30) days after such notice, the other party shall notify to the party instituting the proceeding the name of the arbitrator appointed by such other party.
- (e) If within sixty (60) days after the notice instituting the arbitration proceeding, the parties have not agreed upon an Umpire, either party may request the appointment of an Umpire as provided in paragraph (c) of this Section.
- (f) The Arbitral Tribunal shall convene at such time and place as shall be fixed by the Umpire. Thereafter, the Arbitral Tribunal shall determine where and when it shall sit.
- (g) The Arbitral Tribunal shall decide all questions relating to its competence and shall, subject to the provisions of this Section and except as the parties shall otherwise agree, determine its procedure. All decisions of the Arbitral Tribunal shall be by majority vote.
- (h) The Arbitral Tribunal shall afford to the parties a fair hearing and shall render its award in writing. Such award may be rendered by default. An award signed by a majority of the Arbitral Tribunal shall constitute the award of the Arbitral Tribunal. A signed counterpart of the award shall be transmitted to each party. Any such award rendered in accordance with the provisions of this Section shall be final and binding upon the parties to the Financing Agreement. Each party shall abide by and comply with any such award rendered by the Arbitral Tribunal in accordance with the provisions of this Section.
- (i) The parties shall fix the amount of the remuneration of the arbitrators and such other persons as are required for the conduct of the arbitration proceedings. If the parties do not agree on such amount before the Arbitral Tribunal convenes, the Arbitral Tribunal shall fix such amount as shall be reasonable under the circumstances. Each party shall defray its own expenses in the arbitration proceedings. The costs of the Arbitral Tribunal shall be divided between and borne equally by the parties. Any question concerning the division of the costs of the Arbitral Tribunal or the procedure for payment of such costs shall be determined by the Arbitral Tribunal.
- (j) The provisions for arbitration set forth in this Section shall be in lieu of any other procedure for the settlement of controversies between the parties to the Financing Agreement or

of any claim by either party against the other party arising under the Financing Agreement.

(k) If, within thirty (30) days after counterparts of the award have been delivered to the parties, the award has not been complied with, either party may: (i) enter judgment upon, or institute a proceeding to enforce, the award in any court of competent jurisdiction against the other party; (ii) enforce such judgment by execution; or (iii) pursue any other appropriate remedy against such other party for the enforcement of the award and the provisions of the Financing Agreement. Notwithstanding the foregoing, this Section shall not authorize any entry of judgment or enforcement of the award against the Recipient except as such procedure may be available otherwise than by reason of the provisions of this Section.

(l) Service of any notice or process in connection with any proceeding under this Section or in connection with any proceeding to enforce any award rendered pursuant to this Section may be made in the manner provided in Section 11.01. The parties to the Financing Agreement waive any and all other requirements for the service of any such notice or process.

## **ARTICLE X**

### **Effectiveness; Termination**

#### *Section 10.01 Conditions of Effectiveness of Legal Agreements*

The Legal Agreements shall not become effective until the Recipient and the Project Implementing Entity confirm and the Association is satisfied that the conditions specified in paragraphs (a) through (c) of this Section are met.

(a) The execution and delivery of each Legal Agreement on behalf of the Recipient or the Project Implementing Entity which is a party to such Legal Agreement have been duly authorized by all necessary actions and delivered on behalf of such party, and the Legal Agreement is legally binding upon such party in accordance with its terms.

(b) If the Association so requests, the condition of the Project Implementing Entity, as represented and warranted to the Association at the date of the Legal Agreements, has not undergone any material adverse change after such date.

(c) Each condition specified in the Financing Agreement as a condition of its effectiveness has occurred ("Additional Condition of Effectiveness").

#### *Section 10.02 Legal Opinions or Certificates; Representation and Warranty*

For the purpose of confirming that the conditions specified in paragraph (a) of Section 10.01 above have been met:

(a) The Association may require an opinion or certificate satisfactory to the Association confirming: (i) on behalf of the Recipient or the Project Implementing Entity that the Legal Agreement to which it is a party has been duly authorized by, and executed and delivered on behalf of, such party, and is legally binding upon such party in accordance with its terms; and (ii) each other

matter specified in the Financing Agreement or reasonably requested by the Association in connection with the Legal Agreements for the purpose of this Section.

(b) If the Association does not require an opinion or certificate pursuant to Section 10.02 (a), by signing the Legal Agreement to which it is a party, the Recipient or the Project Implementing Entity shall be deemed to represent and warrant that on the date of such Legal Agreement, the Legal Agreement has been duly authorized by, and executed and delivered on behalf of, such party and is legally binding upon such party in accordance with its terms, except where additional action is required to make such Legal Agreement legally binding. Where additional action is required following the date of the Legal Agreement, the Recipient or the Project Implementing Entity shall notify the Association when such additional action has been taken. By providing such notification, the Recipient or the Project Implementing Entity shall be deemed to represent and warrant that on the date of such notification the Legal Agreement to which it is a party is legally binding upon it in accordance with its terms.

#### Section 10.03 *Effective Date*

(a) Except as the Recipient and the Association shall otherwise agree, the Legal Agreements shall enter into effect on the date upon which the Association dispatches to the Recipient and the Project Implementing Entity notice confirming it is satisfied that the conditions specified in Section 10.01 have been met (“Effective Date”).

(b) If, before the Effective Date, any event has occurred which would have entitled the Association to suspend the right of the Recipient to make withdrawals from the Financing Account if the Financing Agreement had been effective, or the Association has determined that an extraordinary situation provided for under Section 3.19 (a) exists, the Association may postpone the dispatch of the notice referred to in paragraph (a) of this Section until such event (or events) or situation has (or have) ceased to exist.

#### Section 10.04 *Termination of Legal Agreements for Failure to Become Effective*

The Legal Agreements and all obligations of the parties under the Legal Agreements shall terminate if the Legal Agreements have not entered into effect by the date (“Effectiveness Deadline”) specified in the Financing Agreement for the purpose of this Section, unless the Association, after consideration of the reasons for the delay, establishes a later Effectiveness Deadline for the purpose of this Section. The Association shall promptly notify the Recipient and the Project Implementing Entity of such later Effectiveness Deadline.

#### Section 10.05 *Termination of Legal Agreements on Performance of All Obligations*

(a) Subject to the provisions of paragraphs (b) and (c) of this Section, the Legal Agreements and all obligations of the parties under the Legal Agreements shall forthwith terminate upon full payment of the Withdrawn Credit Balance and all other Financing Payments due.

(b) If the Financing Agreement specifies a date by which certain provisions of the Financing Agreement (other than those providing for payment obligations) shall terminate, such provisions and all obligations of the parties under them shall terminate on the earlier of: (i) such date; and (ii) the date on which the Financing Agreement terminates in accordance with its terms.

(c) If the Project Agreement specifies a date on which the Project Agreement shall terminate, the Project Agreement and all obligations of the parties under the Project Agreement shall terminate on the earlier of: (i) such date; and (ii) the date on which the Financing Agreement terminates in accordance with its terms. The Association shall promptly notify the Project Implementing Entity if the Financing Agreement terminates in accordance with its terms prior to the date so specified in the Project Agreement.

## **ARTICLE XI**

### **Miscellaneous Provisions**

#### *Section 11.01 Execution of Legal Agreements; Notices and Requests*

(a) Each Legal Agreement executed by Electronic Means shall be deemed an original, and in the case of any Legal Agreement not executed by Electronic Means in several counterparts, each counterpart shall be an original.

(b) Any notice or request required or permitted to be made or given under any Legal Agreement or any other agreement between the parties contemplated by the Legal Agreement shall be in writing. Except as otherwise provided in Section 10.03(a), such notice or request shall be deemed to have been duly given or made when it has been delivered by hand, mail, or Electronic Means, to the party to which it is to be given or made at such party's address or Electronic Address specified in the Legal Agreement or at such other address or Electronic Address as such party shall have designated by notice to the party giving such notice or making such request. Any notice or request delivered by Electronic Means shall be deemed dispatched by the sender from its Electronic Address when it leaves the Electronic Communications System of the sender and shall be deemed received by the other party at its Electronic Address when such notice or request becomes capable of being retrieved in machine readable format by the Electronic Communications System of the receiving party.

(c) Unless the Parties otherwise agree, Electronic Documents shall have the same legal force and effect as information contained in a Legal Agreement or a notice or request under a Legal Agreement that is not executed or transmitted by Electronic Means.

#### *Section 11.02 Action on Behalf of the Recipient and the Project Implementing Entity*

(a) The representative designated by the Recipient in the Financing Agreement (and the representative designated by the Project Implementing Entity in the Project Agreement or the Subsidiary Agreement) for the purpose of this Section, or any person authorized by such representative for that purpose, may take any action required or permitted to be taken pursuant to such Legal Agreement, and execute any documents or dispatch any Electronic Document required or permitted to be executed pursuant to such Legal Agreement on behalf of the Recipient (or the Project Implementing Entity).

(b) The representative so designated by the Recipient or person so authorized by such representative may agree to any modification or amplification of the provisions of the Financing Agreement on behalf of the Recipient by Electronic Document or by written instrument executed by such representative or authorized person; provided that, in the opinion of such representative, the modification or amplification is reasonable in the circumstances and will not substantially increase the obligations of the Recipient under the Financing Agreement. The Association may accept the

execution by such representative or other authorized person of any such instrument as conclusive evidence that such representative is of such opinion.

#### Section 11.03 *Evidence of Authority*

The Recipient and the Project Implementing Entity shall furnish to the Association: (a) sufficient evidence of the authority of the person or persons who will, on behalf of such party, take any action or execute any documents, including Electronic Documents, required or permitted to be taken or executed by it under the Legal Agreement to which it is a party; and (b) the authenticated specimen signature of each such person as well as the Electronic Address referred to in Section 11.01(b).

#### Section 11.04 *Disclosure*

The Association may disclose the Legal Agreements to which it is a party and any information related to such Legal Agreements in accordance with its policy on access to information, in effect at the time of such disclosure.

## **APPENDIX**

### **Definitions**

1. “Additional Condition of Effectiveness” means any condition of effectiveness specified in the Financing Agreement for the purpose of Section 10.01(c).
2. “Additional Event of Acceleration” means any event of acceleration specified in the Financing Agreement for the purpose of Section 8.06(f).
3. “Additional Event of Suspension” means any event of suspension specified in the Financing Agreement for the purpose of Section 8.02 (m).
4. “Amortization Schedule” means the schedule for repayment of principal amount specified in the Financing Agreement for purposes of Section 3.10.
5. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, as further defined in the Financing Agreement.
6. “Approved Currency” means, for a Currency Conversion, any Currency approved by the Association, which, upon the Conversion, becomes the Credit Currency.
7. “Arbitral Tribunal” means the arbitral tribunal established pursuant to Section 9.03.
8. “Association” means the International Development Association.
9. “Automatic Conversion to Local Currency” means, with respect to any portion of the Withdrawn Credit Balance, a Currency Conversion from the Credit Currency to a Local Currency for either the full maturity or the longest maturity available for the Conversion of such amount with effect from the Conversion Date upon withdrawals of amounts of the Credit from the Credit Account.
10. “Automatic Rate Fixing Conversion” means an Interest Rate Conversion whereby either (a) the initial Reference Rate component of the interest rate for a Credit based on a Variable Spread is converted to a Fixed Reference Rate; or (b) the initial Variable Rate for a Credit with a Fixed Spread is converted to a Fixed Rate;<sup>5</sup> in either case for the aggregate principal amount of the Credit withdrawn from the Credit Account during any Interest Period or any of the two or more consecutive Interest Periods that equals or exceeds a specified threshold, and for the full maturity of such amount, as specified in the Financing Agreement or in a separate request from the Recipient.
11. “Bank” means the International Bank for Reconstruction and Development.
12. “Closing Date” means the date specified in the Financing Agreement (or such other date as the Association shall establish, upon a request from the Recipient, by notice to the

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<sup>5</sup> Not available due to the suspension of the Fixed Spread terms until further notice.

Recipient) after which the Association may, by notice to the Recipient, terminate the right of the Recipient to withdraw from the Financing Account.

13. “Co-financier” means the financier (other than the Association or the Bank) referred to in Section 8.02 (h) providing the Co-financing. If the Financing Agreement specifies more than one such financier, “Co-financier” refers separately to each of such financiers.
14. “Co-financing” means the financing referred to in Section 8.02 (h) and specified in the Financing Agreement provided or to be provided for the Project by the Co-financier. If the Financing Agreement specifies more than one such financing, “Co-financing” refers separately to each of such financings.
15. “Co-financing Agreement” means the agreement referred to in Section 8.02 (h) providing for the Co-financing.
16. “Co-financing Deadline” means the date referred to in Section 8.02 (h) (i) and specified in the Financing Agreement by which the Co-financing Agreement is to become effective. If the Financing Agreement specifies more than one such date, “Co-financing Deadline” refers separately to each of such dates.
17. “Commitment Charge” means the commitment charge payable by the Recipient on the Unwithdrawn Financing Balance pursuant to Section 3.02 or Section 3.08 (d), as applicable. If the Financing includes a Credit and a Grant, “Commitment Charge” refers separately to the commitment charge on the Unwithdrawn Credit Balance and the commitment charge on the Unwithdrawn Grant Balance.
18. “Commitment-linked Repayment Amortization Schedule” means an Amortization Schedule in which timing and amount of principal repayments is determined by reference to the date of approval of the Credit by the Association and calculated as a portion of the Withdrawn Credit Balance, as specified in the Financing Agreement.
19. “Concessional Financing” means any Financing not explicitly designated as Non-concessional Financing in the Financing Agreement.
20. “Conversion” means any of the following modifications of the terms of all or any portion of the Non-concessional Financing that has been requested by the Recipient and accepted by the Association: (a) an Interest Rate Conversion; (b) a Currency Conversion; or (c) the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate; each as provided herein, in the Financing Agreement and in the Conversion Guidelines.
21. “Conversion Date” means, for a Conversion, such date as the Association shall determine on which the Conversion enters into effect, as further specified in the Conversion Guidelines; provided that in case of an Automatic Conversion to Local Currency, the Conversion Date shall be the date of withdrawal from the Credit Account of the amount in respect of which the Conversion has been requested.
22. “Conversion Guidelines” means, for a Conversion, the Directive “Conversion of Financial

Terms of IBRD and IDA Loans and Financing Instruments” issued and revised from time to time, by the Bank and the Association, in effect at the time of the Conversion.

23. “Conversion Period” means, for a Conversion, the period from and including the Conversion Date to and including the last day of the Interest Period in which the Conversion terminates by its terms; provided, that solely for the purpose of enabling the final payment of interest and principal under a Currency Conversion to be made in the Approved Currency, such period shall end on the Payment Date immediately following the last day of said final applicable Interest Period.
24. “Counterparty” means a party with whom the Association enters into a hedging arrangement for purposes of executing a Conversion.
25. “Credit” means the portion of the Financing specified in the Financing Agreement as a credit, and which is repayable pursuant to the provisions of the Financing Agreement; it being understood that, when “Credit” is used in Specific Provisions, the terms “Financing” shall be replaced in the foregoing sentence by “Non-concessional Financing” or “Concessional Financing”, as applicable under the considered Specific Provisions.
26. “Covered Debt” means any debt which is or may become payable in a Currency other than the Currency of the Recipient.
27. “Credit Account” means the account opened by the Association in its books in the name of the Recipient to which the amount of the Credit is credited.
28. “Credit Currency” means the Currency in which the Credit is denominated; provided that if the Financing Agreement provides for Conversions, “Credit Currency” means the Currency in which the Credit is denominated from time to time. If the Credit is denominated in more than one currency, “Credit Currency” refers separately to each of such Currencies.
29. “Currency” means the currency of a country and the Special Drawing Right. “Currency of a country” means the currency which is legal tender for the payment of public and private debts in that country.
30. “Currency Conversion” means a change of the Credit Currency of all or any amount of the Unwithdrawn Credit Balance or the Withdrawn Credit Balance to an Approved Currency.
31. “Currency Hedge Transaction” means either: (a) a Currency Hedge Swap Transaction; or (b) a Currency Hedge Notes Transaction.
32. “Currency Hedge Notes Transaction” means one or more notes issues by the Association and denominated in an Approved Currency for purposes of executing a Currency Conversion.
33. “Currency Hedge Swap Transaction” means one or more Currency derivatives transactions entered into by the Association with a Counterparty as of the Execution Date for purposes of executing a Currency Conversion.



34. “Default Interest Period” means for any overdue amount of the Withdrawn Credit Balance, each Interest Period during which such overdue amount remains unpaid; provided, however, that the first such Default Interest Period shall commence on the 31<sup>st</sup> day following the date on which such amount becomes overdue, and the final such Default Interest Period shall end on the date at which such amount is fully paid.
35. “Default Interest Rate” means for any Default Interest Period:
- (a) in respect of any amount of the Withdrawn Credit Balance to which the Default Interest Rate applies and for which interest was payable at a Variable Rate immediately prior to the application of the Default Interest Rate: the Default Variable Rate plus one half of one percent (0.5%); and
  - (b) in respect of any amount of the Withdrawn Credit Balance to which the Default Interest Rate applies and for which interest was payable at a Fixed Rate immediately prior to the application of the Default Interest Rate: Default Reference Rate plus the Fixed Spread plus one half of one percent (0.5%).<sup>6</sup>
36. “Default Reference Rate” means the Reference Rate for the relevant Interest Period; it being understood that for the initial Default Interest Period, Default Reference Rate shall be equal to Reference Rate for the Interest Period in which the amount referred to in Section 3.09(e) first becomes overdue.
37. “Default Variable Rate” means the Variable Rate for the relevant Interest Period; provided that:
- (a) for the initial Default Interest Period, Default Variable Rate shall be equal to the Variable Rate for the Interest Period in which the amount referred to in Section 3.09(e) first becomes overdue; and
  - (b) for an amount of the Withdrawn Credit Balance to which the Default Interest Rate applies and for which interest was payable at a Variable Rate based on a Fixed Reference Rate and the Variable Spread immediately prior to the application of the Default Interest Rate, “Default Variable Rate” shall be equal to the Default Reference Rate plus the Variable Spread.
38. “Derivatives Agreement” means any derivatives agreement between the Association and the Recipient (or any of its sub-sovereign entities) for the purpose of documenting and confirming one or more derivatives transactions between the Association and the Recipient (or any of its sub-sovereign entities), as such agreement may be amended from time to time. “Derivatives Agreement” includes all schedules, annexes and agreements supplemental to the Derivatives Agreement.
39. “Disbursed Amount” means, for each Interest Period, the aggregate principal amount of the Credit withdrawn from the Credit Account during such Interest Period referred to in Section 3.11(a).

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<sup>6</sup> Not available due to suspension of the Fixed Spread terms until further notice.

40. “Disbursement-Linked Amortization Schedule” means an Amortization Schedule in which principal amount repayments are determined by reference to the date of disbursement and the Disbursed Amount and calculated as a portion of the Withdrawn Credit Balance, as specified in the Financing Agreement.
41. “Disbursement and Financial Information Letter” means the letter transmitted by the Association to the Recipient as part of the additional instructions to be issued under Section 2.01(b).
42. “Dollar”, “\$” and “USD” each means the lawful currency of the United States of America.
43. “Effective Date” means the date on which the Legal Agreements enter into effect pursuant to Section 10.03(a).
44. “Effectiveness Deadline” means the date referred to in Section 10.04 after which the Legal Agreements shall terminate if they have not entered into effect as provided in that Section.
45. “Electronic Address” means the designation of a party that uniquely identifies a person within a defined electronic communications system for purposes of authenticating the dispatch and receipt of electronic documents.
46. “Electronic Communications System” means the collection of computers, servers, systems, equipment, network elements and other hardware and software used for the purposes of generating, sending, receiving or storing or otherwise processing electronic documents, acceptable to the Association and in accordance with any such additional instructions as the Association may specify from time to time by notice to the Recipient.
47. “Electronic Document” means information contained in a Legal Agreement or a notice or request under a Legal Agreement that is transmitted by Electronic Means.
48. “Electronic Means” means the generation, sending, receiving, storing or otherwise processing of an electronic document by electronic, magnetic, optical or similar means, including, but not limited to, electronic data interchange, electronic mail, telegram, telex or telecopy, acceptable to the Association.
49. “Eligible Expenditure” means an expenditure which meets the requirements of Section 2.05.
50. “EURIBOR” means for any Interest Period, the EUR interbank offered rate for deposits in EUR for six months, expressed as a percentage per annum, that appears on the Relevant Rate Page at the customary publication time as specified by the EURIBOR benchmark administrator in the EURIBOR benchmark methodology, as reasonably determined by the Association for the relevant Interest Period.
51. “Euro”, “€” and “EUR” each means the lawful currency of the member states of the Euro Area.
52. “Euro Area” means the economic and monetary union of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European

Community, as amended by the Treaty on European Union.

- 53. “Execution Date” means, for a Conversion, the date on which the Association has undertaken all actions necessary to effect the Conversion, as reasonably determined by the Association.
- 54. “Financial Statements” means the financial statements to be maintained for the Project as provided in Section 5.09.
- 55. “Financing” means: (a) the Credit if the Financing Agreement provides for a Credit only; (b) the Grant if the Financing Agreement provides for a Grant only; or both the Credit and the Grant if the Financing Agreement provides for both a Credit and a Grant; it being understood that, except when “Financing” is used in Specific Provisions where it shall mean either “Non-concessional Financing” or “Concessional Financing”, as applicable under the considered Specific Provisions, “Financing” means both Concessional Financing and Non-Concessional Financing.
- 56. “Financing Account” means: (a) the Credit Account if the Financing Agreement provides for a Credit only; (b) the Grant Account if the Financing Agreement provides for a Grant only; or (c) the Credit Account in respect of the Credit and the Grant Account in respect of the Grant if the Financing Agreement provides for a Credit and a Grant.
- 57. “Financing Agreement” means the financing agreement between the Recipient and the Association providing for the Financing, as such agreement may be amended from time to time. “Financing Agreement” includes these General Conditions as applied to the Financing Agreement, and all appendices, schedules and agreements supplemental to the Financing Agreement.
- 58. “Financing Payment” means any amount payable by the Recipient to the Association pursuant to the Financing Agreement, including (but not limited to) any amount of the Withdrawn Credit Balance, the Service Charge, the Interest Charge, the Front-end Fee, the Commitment Charge, any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, any Unwinding Amount payable by the Recipient, and any refund of the Withdrawn Grant Balance payable by the Recipient, as applicable.
- 59. “Fixed Rate” means a fixed rate of interest applicable to the amount of the Credit to which a Conversion applies, as determined by the Association in accordance with the Conversion Guidelines and notified to the Recipient pursuant to Section 4.02 (c).<sup>7</sup>
- 60. “Fixed Reference Rate” means a fixed reference rate component of the interest applicable to the amount of the Credit to which a Conversion applies, as determined by the Association in accordance with the Conversion Guidelines and notified to the Recipient pursuant to Section 4.02 (c).
- 61. “Fixed Spread” means the Association’s fixed spread for the Original Credit Currency

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<sup>7</sup> Interest Rate Conversions to Fixed Rate are not available due to the suspension of the Fixed Spread terms until further notice by the Bank. Some rate fixing Currency Conversions are available, subject to the Conversion Guidelines.

established by the Association in accordance with its policies in effect at 12:01 a.m. Washington, D.C. time, one calendar day prior to the date of the Financing Agreement, expressed as a percentage per annum and as periodically published by the Association; provided, that: (a) for purposes of determining the Default Interest Rate, pursuant to Section 3.09(e), that is applicable to an amount of the Withdrawn Credit Balance on which interest is payable at a Fixed Rate, the “Fixed Spread” means the Association’s fixed spread in effect at 12:01 a.m. Washington, D.C. time, one calendar day prior to the date of the Financing Agreement, for the Currency of denomination of such amount; (b) for purposes of a Conversion of the Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread, and for purposes of fixing the Variable Spread pursuant to Section 4.03, “Fixed Spread” means the Association’s fixed spread for the Credit Currency as reasonably determined by the Association on the Conversion Date; and (c) upon a Currency Conversion of all or any amount of the Unwithdrawn Credit Balance, the Fixed Spread shall be adjusted on the Execution Date in the manner specified in the Conversion Guidelines.<sup>8</sup>

- 62. “Front-end Fee” means the fee specified in the Financing Agreement for the purpose of Section 3.08(a).
- 63. “Grant” means the portion of the Financing specified in the Financing Agreement as a grant.
- 64. “Grant Account” means the account opened by the Association in its books in the name of the Recipient to which the amount of the Grant is credited.
- 65. “Installment Share” means the percentage of the total principal amount of the Financing payable on each Principal Payment Date as specified in a Commitment-linked Amortization Schedule.
- 66. “Interest Charge” means the interest charge specified in the Financing Agreement for the purpose of Section 3.04 or Section 3.09.
- 67. “Interest Hedge Transaction” means, for an Interest Rate Conversion, one or more interest rate swap transactions entered into by the Association with a Counterparty as of the Execution Date and in accordance with the Conversion Guidelines, in connection with the Interest Rate Conversion.
- 68. “Interest Period” means the initial period from and including the date of the Financing Agreement to but excluding the first Payment Date occurring thereafter, and after the initial period, each period from and including a Payment Date to but excluding the next following Payment Date.
- 69. “Interest Rate Cap” means, with respect to all or any amount of the Withdrawn Credit Balance, a ceiling that sets an upper limit: (a) in respect of any portion of the Credit that accrues interest at a Variable Rate based on a Reference Rate and the Fixed Spread, for the Variable Rate<sup>9</sup>; or (b) in respect of any portion of the Credit that accrues interest at a Variable Rate based on a Reference Rate and the Variable Spread, for the Reference Rate.

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<sup>8</sup> Suspended until further notice.

<sup>9</sup> Not available due to the suspension of the Fixed Spread terms until further notice.

70. “Interest Rate Collar” means, with respect to all or any amount of the Withdrawn Credit Balance, a combination of a ceiling and a floor that sets an upper and a lower limit: (a) in respect of any portion of the Credit that accrues interest at a Variable Rate based on a Reference Rate and the Fixed Spread, for the Variable Rate<sup>10</sup>; or (b) in respect of any portion of the Credit that accrues interest at a Variable Rate based on a Reference Rate and the Variable Spread, for the Reference Rate.
71. “Interest Rate Conversion” means a change of the interest rate basis applicable to all or any amount of the Withdrawn Credit Balance: (a) from the Variable Rate to the Fixed Rate or vice versa;<sup>11</sup> (b) from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread;<sup>12</sup> (c) from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread or vice versa; or (d) Automatic Rate Fixing Conversion.
72. “Legal Agreement” means the Financing Agreement, the Project Agreement, or the Subsidiary Agreement. “Legal Agreements” means collectively, all of such agreements.
73. “Lien” includes mortgages, pledges, charges, privileges and priorities of any kind.
74. “Local Currency” means an Approved Currency that is not a major currency, as reasonably determined by the Association.
75. “Maturity Fixing Date” means, for each Disbursed Amount, the first day of the Interest Period next following the Interest Period in which the Disbursed Amount is withdrawn.
76. “Maximum Commitment Charge Rate” means the maximum rate specified in the Financing Agreement at which the Association may set the Commitment Charge pursuant to Section 3.02.
77. “Member Country” means the member of the Association which is the Recipient or the guarantor.
78. “Non-concessional Financing” means any Financing deemed by the Association to be on non-concessional terms, as more particularly specified in the Financing Agreement.
79. “Original Credit Currency” means the currency of denomination of the Credit as defined in Section 3.19(a).
80. “Payment Currency” means: (a) for Credits and Grants denominated in SDR, the Currency specified in the Financing Agreement; and (b) for all other Credits, the Credit Currency.
81. “Payment Date” means each date specified in the Financing Agreement occurring on or after the date of the Financing Agreement on which Service Charges, Interest Charges or Commitment Charges are payable, as applicable.

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<sup>10</sup> Not available due to the suspension of the Fixed Spread terms until further notice.

<sup>11</sup> Not available due to the suspension of the Fixed Spread terms until further notice.

<sup>12</sup> Not available due to the suspension of the Fixed Spread terms until further notice.

82. “Preparation Advance” means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.
83. “Principal Payment Date” means each date specified in the Financing Agreement on which an installment of the principal amount of the Credit is payable.
84. “Procurement Plan” means the Recipient’s procurement plan for the Project provided for under Section IV of the Procurement Regulations, as such plan may be updated from time to time with the Association’s approval.
85. “Procurement Regulations” means the “World Bank Procurement Regulations for Borrowers under Investment Project Financing”, as further defined in the Financing Agreement.
86. “Project” means the project described in the Financing Agreement, for which the Financing is extended, as the description of such project may be amended from time to time by agreement between the Recipient and the Association.
87. “Project Agreement” means the agreement between the Association and the Project Implementing Entity relating to the implementation of all or part of the Project, as such agreement may be amended from time to time. “Project Agreement” includes these General Conditions as applied to the Project Agreement, and all appendices, schedules and agreements supplemental to the Project Agreement.
88. “Project Implementing Entity” means a legal entity (other than the Recipient) which is responsible for implementing all or a part of the Project and which is a party to the Project Agreement or the Subsidiary Agreement.
89. “Project Implementing Entity’s Representative” means the Project Implementing Entity’s representative specified in the Project Agreement for the purpose of Section 11.02(a).
90. “Project Report” means each report on the Project to be prepared and furnished to the Association for the purpose of Section 5.08 (b).
91. “Public Assets” means assets of the Recipient, of any of its political or administrative subdivisions and of any entity owned or controlled by, or operating for the account or benefit of, the Recipient or any such subdivision, including gold and foreign exchange assets held by any institution performing the functions of a central bank or exchange stabilization fund, or similar functions, for the Recipient.
92. “Recipient” means the member of the Association which is a party to the Financing Agreement and to which the Financing is extended.
93. “Recipient’s Representative” means the representative of the Recipient specified in the Financing Agreement for the purpose of Section 11.02.

94. “Reference Rate” means, for any Interest Period:
- (a) (i) for USD, SOFR; (ii) for EUR, EURIBOR; (iii) for GBP, SONIA; and (iv) for JPY, TONA; provided that if the relevant Reference Rate is not available through the normal sources of information at the customary publication times in respect of the relevant Interest Period, the Association shall reasonably determine such Reference Rate taking into account the prevailing market practice with respect to alternative methods for calculating the Reference Rate, their market representativeness and acceptability to the Association for purposes of its asset and liability management, and notify the Recipient accordingly;
  - (b) if the Association determines that (i) the Reference Rate for the relevant Credit Currency has permanently ceased to be quoted for such currency, or (ii) the Association is no longer able, or it is no longer commercially acceptable for the Association, to continue to use such Reference Rate, for purposes of its asset and liability management, such other comparable reference rate for the relevant currency, including any applicable spread, as the Association shall determine, and notify to the Borrower pursuant to Section 3.09(c); and
  - (c) for any currency other than USD, EUR, JPY, or GBP: (i) such reference rate for the Original Credit Currency as shall be specified or referred to in the Financing Agreement; or (ii) in the case of a Currency Conversion to such other currency, such reference rate as shall be determined by the Association in accordance with the Conversion Guidelines and notice thereof given to the Recipient in accordance with Section 4.02 (c).
95. “Relevant Rate Page” means the display page designated by an established financial market data provider selected by the Association as the page for the purpose of displaying at customary publication times the Reference Rate (including any applicable spread to the relevant prior benchmark rate) for the Credit Currency.
96. “Respective Part of the Project” means, for the Recipient and for any Project Implementing Entity, the part of the Project specified in the Legal Agreements to be carried out by it.
97. “Screen Rate” means with respect to a Conversion, such rate as determined by the Association on the Execution Date taking into account the applicable interest rate, or a component thereof, and market rates displayed by established information vendors in accordance with the Conversion Guidelines.
98. “SOFR” means for any Interest Period, the Secured Overnight Financing Rate (SOFR) for the relevant Interest Period (whether calculated on a term basis, or other basis designed to replicate a term structure, and which may include an applicable spread to the relevant prior benchmark rate), expressed as a percentage per annum, that appears on the Relevant Rate Page at customary publication times specified by the applicable benchmark administrator, as reasonably determined by the Association for the relevant Interest Period.
99. “SONIA” means for any Interest Period, the Sterling Overnight Index Average (SONIA) rate for the relevant Interest Period (whether calculated on a term basis, or other basis designed to replicate a term structure, and which may include an applicable spread to the relevant prior benchmark rate), expressed as a percentage per annum, that appears on the Relevant Rate

Page at customary publication times specified by the applicable benchmark administrator, as reasonably determined by the Association for the relevant Interest Period.

- 100. “Service Charge” means the charge specified in the Financing Agreement for the purpose of Section 3.03.
- 101. “Special Commitment” means any special commitment entered into or to be entered into by the Association pursuant to Section 2.02.
- 102. “Special Drawing Right” and “SDR” each means the special drawing right of the International Monetary Fund as valued by it in accordance with its Articles of Agreement.
- 103. “Specific Provision” has the meaning defined in Section 1.01(b) above.
- 104. “Sterling”, “£” or “GBP” each means the lawful currency of the United Kingdom.
- 105. “Subsidiary Agreement” means the agreement that the Recipient enters into with the Project Implementing Entity setting forth the respective obligations of the Recipient and the Project Implementing Entity with respect to the Project.
- 106. “Substitute Credit Currency” means the substitute currency of denomination of a Credit referred as defined in Section 3.19(a).
- 107. “Taxes” includes imposts, levies, fees and duties of any nature, whether in effect at the date of the Legal Agreements or imposed after that date.
- 108. “TONA” means for any Interest Period, the Tokyo Overnight Average Rate (TONA) for the relevant Interest Period (whether calculated on a term basis, or other basis designed to replicate a term structure, and which may include an applicable spread to the relevant prior benchmark rate), expressed as a percentage per annum, that appears on the Relevant Rate Page at customary publication times specified by the applicable benchmark administrator, as reasonably determined by the Association for the relevant Interest Period.
- 109. “Umpire” means the third arbitrator appointed pursuant to Section 9.03 (c).
- 110. “Unwinding Amount” means, for the early termination of a Conversion: (a) an amount payable by the Recipient to the Association equal to the net aggregate amount payable by the Association under transactions undertaken by the Association to terminate the Conversion, or if no such transactions are undertaken, an amount determined by the Association on the basis of the Screen Rate, to represent the equivalent of such net aggregate amount; or (b) an amount payable by the Association to the Recipient equal to the net aggregate amount receivable by the Association under transactions undertaken by the Association to terminate the Conversion, or if no such transactions are undertaken, an amount determined by the Association on the basis of the Screen Rate, to represent the equivalent of such net aggregate amount.



111. “Variable Rate” means (a) a variable rate of interest equal to the sum of: (1) the Reference Rate for the Original Credit Currency; plus (2) the Variable Spread, if interest accrues at a rate based on the Variable Spread, or the Fixed Spread if interest accrues at a rate based on the Fixed Spread;<sup>13</sup> and (b) in case of a Conversion, such variable rate as determined by the Association in accordance with the Conversion Guidelines and notified to the Recipient pursuant to Section 4.02 (c).
112. “Variable Spread” means, for each Interest Period: (a)(1) the Association’s standard lending spread for Credits established by the Association in accordance with its policies in effect at 12:01 a.m. Washington, D.C. time, one calendar day prior to the date of the Financing Agreement (including the maturity premium, if applicable); and (2) plus or minus the adjusted weighted average margin to the Reference Rate for the relevant Interest Period, in respect of the Association’s outstanding borrowings or portions thereof allocated by it to fund credits that carry interest at a rate based on the Variable Spread; as reasonably determined by the Association, expressed as a percentage per annum and periodically published by the Association; and (b) in case of Conversions, the variable spread, as applicable, as determined by the Association in accordance with Conversion Guidelines and notified to the Recipient pursuant to Section 4.02 (c). In the case of a Credit denominated in more than one Currency, “Variable Spread” applies separately to each of such Currencies.
113. “Unwithdrawn Credit Balance” means the amount of the Credit remaining unwithdrawn from the Credit Account from time to time.
114. “Unwithdrawn Financing Balance” means the amount of the Financing remaining unwithdrawn from the Financing Account from time to time.
115. “Unwithdrawn Grant Balance” means the amount of the Grant remaining unwithdrawn from the Grant Account from time to time.
116. “Withdrawn Credit Balance” means the amounts of the Credit withdrawn from the Credit Account and outstanding from time to time.
117. “Withdrawn Grant Balance” means the amounts of the Grant withdrawn from the Grant Account and outstanding from time to time.
118. “World Bank Disbursement Guidelines for Projects” means the World Bank guidelines, as revised from time to time, and issued as part of the additional instructions under Section 2.01 (b).
119. “Yen”, “¥” and “JPY” each means the lawful currency of Japan.

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<sup>13</sup> Fixed Spread terms are suspended until further notice.