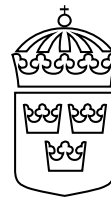


Regeringens proposition

2021/22:152



Extra ändringsbudget för 2022 – Garanti till
Internationella återuppbyggnads- och
utvecklingsbanken för lån till Ukraina

Prop.
2021/22:152

Regeringen överlämnar denna proposition till riksdagen.

Stockholm den 14 mars 2022

Anders Ygeman

Max Elger
(Finansdepartementet)

Propositionens huvudsakliga innehåll

I denna proposition lämnar regeringen förslag om ekonomiskt stöd till Ukraina med anledning av Rysslands invasion av landet. Det föreslås att Sverige garanterar Internationella återuppbyggnads- och utvecklingsbankens kompletterande lån till Ukraina till ett belopp om högst 44,7 miljoner euro plus ränta.

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1 Förslag till riksdagsbeslut

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Regeringens förslag:

1. Riksdagen godkänner avtalet med Internationella återuppbyggnads- och utvecklingsbanken om en garanti för bankens kompletterande lån till Ukraina (avsnitt 3.1).
2. Riksdagen bemyndigar regeringen att under 2022 ställa ut en statlig garanti till Internationella återuppbyggnads- och utvecklingsbanken som uppgår till högst 44 700 000 euro plus ränta för bankens kompletterande lån till Ukraina (avsnitt 3.1).

Riksdagen beslutar att förkorta motionstiden till en dag.

2 Ärendet och dess beredning

Enligt riksdagsordningen får regeringen vid högst två tillfällen lämna en proposition med förslag till ändringar i statens budget för det löpande budgetåret (9 kap. 6 § första stycket). En sådan proposition lämnas i anslutning till budgetpropositionen eller den ekonomiska vårpropositionen (tillägsbestämmelse 9.6.1). Förslag till ändringar i budgeten får dock lämnas vid andra tillfällen om regeringen anser att det finns särskilda skäl (9 kap. 6 § andra stycket).

Natten till den 24 februari 2022 inledde Ryssland ett storskaligt väpnat angrepp mot Ukraina. Invasionen av landet är oprovocerad, olaglig och oförsvarlig. Angreppet är en kränkning av Ukrainas territoriella integritet och suveränitet och innebär ett stort lidande för den ukrainska befolkningen. Det är en allvarlig överträdelse av folkrätten, inklusive FN-stadgan, som hotar internationell fred och säkerhet, och den europeiska säkerhetsordningen. Riksdagen har mot denna bakgrund beslutat om ändringar i statens budget för 2022 som innebär att Sverige bistår Ukraina med ett ekonomiskt bidrag till den ukrainska centralbankens fond till stöd för landets väpnade styrkor och skänker försvarsmateriel till landet (bet. 2021/22:FiU40, rskr. 2021/22:174–175).

Utvecklingen i Ukraina är mycket allvarlig och kommer, utöver den humanitära kris som den ryska invasionen innebär, få omfattande ekonomiska konsekvenser för landet. Redan före invasionen var landets ekonomi påverkad av de ökade geopolitiska spänningarna. Detta har medfört ett utflöde av kapital som har dränerat Ukrainas valutareserver. Landets valuta har försvagats kraftigt och den ukrainska regeringen har förlorat tillgången till de internationella kapitalmarknaderna. Till följd av den rådande situationen befinner sig Ukraina i en akut likviditetskris och landets finansiella och ekonomiska stabilitet förväntas försvagas ytterligare. Ukraina har vänt sig till internationella långgivare och partnerländer för att erhålla finansiellt stöd. Det extraordinära läget kräver betydande åtgärder och regeringen anser därför att Sverige ytterligare bör utöka sitt ekonomiska stöd till Ukraina. Internationella återuppbyggnads- och utvecklingsbanken (IBRD) planerar att ge ett kompletterande lån för att möta Ukrainas akuta behov av likvida medel. Eftersom det planerade lånet är en uppföljning av ett lån med tillhörande reformprogram som Ukraina fick 2021 kommer IBRD omgående att kunna göra utbetalningar till landet.

I denna proposition lämnas mot denna bakgrund förslag om att Sverige ska garantera IBRD:s kompletterande lån till Ukraina. Eftersom situationen i Ukraina är mycket allvarlig, och utvecklas, snabbt är det av avgörande betydelse att likviditet kan tillhandahållas så snart som möjligt. Regeringen anser därför att det finns särskilda skäl för att lämna förslag till ändringar i statens budget för 2022.

Regeringen anser vidare mot bakgrund av vad som ovan anförts att det finns synnerliga skäl för riksdagen att besluta om förkortad motionstid. Regeringen föreslår att motionstiden förkortas till en dag.

I detta avsnitt lämnar regeringen förslag till ändringar i statens budget för 2022 med anledning av Rysslands invasion av Ukraina. Ändringarna är en följd av de åtgärder som regeringen avser att vidta för att stödja Ukraina.

3.1 Garanti till Internationella återuppbyggnads- och utvecklingsbanken

Regeringens förslag: Riksdagen godkänner avtalet med Internationella återuppbyggnads- och utvecklingsbanken om en garanti för bankens kompletterande lån till Ukraina.

Riksdagen bemyndigar regeringen att under 2022 ställa ut en statlig garanti till Internationella återuppbyggnads- och utvecklingsbanken som uppgår till högst 44 700 000 euro plus ränta för bankens kompletterande lån till Ukraina.

Skälen för regeringens förslag: Internationella finansiella institutioner ser mot bakgrund av Rysslands invasion av Ukraina över möjligheterna att utöka sina stöd till landet. IBRD har sedan tidigare ett pågående engagemang i Ukraina genom ett reform- och lånepaket som syftar till att stärka landets långsiktiga ekonomiska tillväxt och hållbarhet. Reformerna ska bl.a. stärka den inhemska kreditmarknaden och det sociala skydds nätet.

IBRD har mot denna bakgrund beslutat om ett kompletterande lån till Ukraina. Lånet består av 312,6 miljoner euro från bankens resurser. IBRD har bett bankens medlemsländer att möjliggöra en utökning av det kompletterande lånet genom att ställa ut garantier till banken. Med stöd av dessa garantier avser IBRD att utöka utlåningen med ett belopp som motsvarar medlemsländernas garantier. Sveriges och Nederländernas regeringar har meddelat att deras länder är intresserade av att ställa ut sådana garantier.

Regeringen bedömer att en lämplig nivå för Sveriges garanti till IBRD:s kompletterande lån till Ukraina är ca 45 miljoner euro. Eftersom lånet till Ukraina utfärdas i euro bör även Sveriges garanti ställas ut i euro. Bankens lån till Ukraina kommer med den garanterade utlåningen från Sverige och Nederländerna att totalt uppgå till drygt 437 miljoner euro.

Det kompletterande lånet syftar till att upprätthålla de reformer som redan genomförts, och samtidigt möta landets akuta likviditetsbehov. Lånet kommer att användas för budgetfinansiering och följer IBRD:s regler för utlåning. Som anförts i avsnitt 2 bedöms utbetalningar av lånet kunna göras skyndsamt.

Sverige har ett nära och långtgående samarbete med Världsbanksgruppen, i vilken IBRD ingår. Banken har djupgående kunskaper om den finansiella och ekonomiska situationen i Ukraina, och bedöms vara en pålitlig institution för att förvalta och övervaka ekonomiskt stöd till landet.

IBRD:s kompletterande lån till Ukraina har en löptid om 18,5 år, med fem amorteringsfria år, och rörlig ränta. Sverige kan, vid uteblivna betalningar av Ukraina, som mest behöva betala hela det garanterade beloppet och utestående räntebetalningar. IBRD bedömer, baserat på den aktuella

Prop. 2021/22:152 räntekurvan, att de totala räntebetalningarna kommer att uppgå till 11,3 miljoner euro, vilket tillsammans med kapitalbeloppet motsvarar ett garanterat belopp om 56 miljoner euro. Det motsvarar för närvarande ca 601 miljoner kronor.

Det framförhandlade garantiavtalet mellan Sverige och IBRD, inklusive IBRD:s allmänna villkor, finns i *bilagorna 1* och *2*. Låneavtalet mellan Ukraina och IBRD finns i *bilaga 3*.

Sveriges eventuella infrianden, dvs. det Sverige behöver betala om Ukraina inte amorterar enligt plan, kommer att spridas ut över lånets löptid. Enligt amorteringsplanen ska Ukraina göra avbetalningar till IBRD två gånger per år. För Sveriges del innebär det att den högsta, potentiella årliga kostnaden skulle infalla 2027 och då uppgå till 4,7 miljoner euro, vilket för närvarande motsvarar ca 51 miljoner kronor. Återbetalningar av lånet som garanteras av Sverige har samma prioritet och villkor som övriga lån från IBRD. Banken har en mycket hög grad av återbetalning på grund av sin status som prioriterad fordringsägare. Ett eventuellt infriande av garantin kommer vidare att leda till att Sverige får en motsvarande regressrätt mot Ukraina.

Det råder stor osäkerhet kring hur den rådande situationen i Ukraina kommer utvecklas och hur den kommer påverka den ekonomiska utvecklingen i landet. Det är därför svårt att bedöma om och i så fall när garantin kommer att infrias. Mot denna bakgrund bör garantin hanteras utanför den statliga garantimodellen, som regleras i 6 kap. 4 och 5 §§ budgetlagen (2011:203). Eventuella infrianden bör därför anslagsfinansieras. Ukraina ingår i OECD:s lista över biståndsländer och kostnaderna för ett eventuellt infriande uppfyller kriterierna för internationellt bistånd, enligt den definition som används av OECD:s biståndskommitté DAC. Dessa kostnader avses därför finansieras från anslaget 1:1 *Biståndsverksamhet* inom utgiftsområde 7 Internationellt bistånd.

Enligt 10 kap. 3 § regeringsformen krävs riksdagens godkännande för att regeringen ska kunna ingå en bindande internationell överenskommelse som gäller ett ämne som riksdagen ska besluta om. Vidare krävs enligt 9 kap. 8 § andra stycket regeringsformen och 6 kap. 3 § första stycket budgetlagen riksdagens medgivande för att regeringen ska kunna göra ekonomiska åtaganden av detta slag.

Mot denna bakgrund föreslår regeringen att riksdagen godkänner avtalet med Internationella återuppbyggnads- och utvecklingsbanken om en garanti för bankens kompletterande lån till Ukraina och bemyndigar regeringen att under 2022 ställa ut en statlig garanti till Internationella återuppbyggnads- och utvecklingsbanken som uppgår till högst 44 700 000 euro plus ränta för bankens kompletterande lån till Ukraina.

3.2 Konsekvenser för statens budget

Förslaget innebär att de statliga garantiåtagandena ökar med ca 0,5 miljarder kronor exklusive ränta. Statens lånebehov och finansiella sparande påverkas inte av utfärdandet av garantin. Om garantin behöver infrias innebär det att staten betalar ut ersättning för förluster på garantin, vilket tar utrymme under utgiftstaket i anspråk, försämrar statens finansiella

sparande och ökar statens lånebehov. Framtida återvinningar av utbetalda belopp till följd av infrianden av garantin kommer att leda till att statens lånebehov minskar och att statens finansiella sparande förbättras. Prop. 2021/22:152

Garantiavtal mellan Sverige och IBRD

IBRD LOAN NUMBER 9366-UA, 9367-UA, 9368-UA

Guarantee Agreement

SUPPLEMENTAL LOAN FOR THE SECOND ECONOMIC
RECOVERY DEVELOPMENT POLICY LOAN

between

GOVERNMENT OF THE KINGDOM OF SWEDEN

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated [_____], 2022

GUARANTEE AGREEMENT

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Bilaga 1

This GUARANTEE AGREEMENT, dated as of [_____], 2022 (as amended, supplemented or otherwise modified from time to time, this “Guarantee Agreement”), entered into between the GOVERNMENT OF THE KINGDOM OF SWEDEN (the “Guarantor”) and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the “Bank”) in connection with the Loan Agreement dated March 8, 2022 entered into between the Bank and UKRAINE (the “Borrower”) with respect to the Supplemental Loan for the Second Economic Recovery Development Policy Loan (as amended or otherwise modified from time to time, the “Loan Agreement”). The Guarantor and the Bank hereby agree as follows:

WHEREAS:

(A) the Borrower has requested that the Bank extend a loan (the “Loan”) in the total amount described in the Loan Agreement, on the terms set forth therein;

(B) the Bank would be unwilling to extend a Loan up to such total requested amount without guarantees or other credit support to reduce its total exposure to the Borrower; and

(C) the Guarantor is entering into this Guarantee Agreement to provide partial guarantee coverage to the Bank, all subject to the terms and conditions described below, in order to facilitate and support the Loan to the Borrower.

NOW, THEREFORE, The Guarantor and the Bank hereby agree as follows:

ARTICLE I – GENERAL CONDITIONS; DEFINITIONS

Section 1.01. Definitions. Unless the context requires otherwise, capitalized terms used in this Guarantee Agreement have the meanings set forth below or, if not defined herein, shall have the meanings ascribed to them in the General Conditions (as defined in the Appendix to the Loan Agreement):

“Bank” has the meaning given in the preamble.

“Borrower” has the meaning given in the preamble.

“Business Day” means a day (other than a Saturday or Sunday) when banks and governmental offices are generally open for business in Washington, DC.

“Demand Notice” means a written notice requesting a payment by the Guarantor under Section 2.01, signed by an authorized representative of the Bank, which shall set forth in reasonable detail a calculation of the Guarantee Amount in accordance with Article II and shall provide the relevant wire transfer details for the Bank or other payment instructions.

“Guarantee Agreement” has the meaning given in the preamble.

“Guarantee Amount” has the meaning given in Section 2.01(b).

“Guarantor” has the meaning given in the preamble.

“Loan” has the meaning given in the preamble.

“Loan Agreement” has the meaning given in the preamble.

“Maximum Guaranteed Amount” means the Maximum Guaranteed Principal plus the interest due and payable at any time on the Loan made under the Loan Agreement, calculated based on an aggregate principal amount equal to the Maximum Guaranteed Principal.

“Maximum Guaranteed Principal” means Euro forty four million seven hundred thousand (€ 44,700,000).

“Party” means each of the Guarantor and the Bank.

“Pro Rata Guaranteed Amount” means, at any time, an amount equal to (i) any amount that the Borrower has failed to pay to the Bank under the Loan Agreement that remains outstanding at such time and that has not been the subject of a previously paid claim under this Guarantee Agreement, multiplied by (ii) a fraction equal to the Maximum Guaranteed Principal divided by the total initial principal amount of the Loan as set forth in Section 2.01 of the Loan Agreement.

“Scheduled Payments” means the repayment of principal and interest (including any interest on overdue amounts but excluding any penalty interest) by the Borrower on the applicable payment dates set forth in the Loan Agreement.

Section 1.02. Incorporation. The provisions of Section 1.04 (References; Headings), Article VIII (Enforceability; Arbitration), Article IX (Effectiveness; Termination), and Article X (Miscellaneous Provisions) of the General Conditions, together with all related definitions, are hereby incorporated by reference and shall apply to this Guarantee Agreement, *mutatis mutandis*, as though specifically set forth herein, with the understanding that the Guarantor constitutes a “Guarantor” and a “Loan Party” for purposes of such provisions.

ARTICLE II – GUARANTEE; PAYMENTS

Section 2.01. Guarantee. On and subject to the terms and conditions of this Guarantee Agreement, the Guarantor guarantees and undertakes that, if

(a) the Borrower fails to make any Scheduled Payment under the Loan Agreement on or by the date provided for pursuant thereto, and

(b) such failure continues for six (6) months after the due date therefor and the Bank declares a non-accrual event with respect to the non-payment of any such amount (the “Guarantee Amount”),

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Bilaga 1

then the Guarantor shall, within thirty (30) days of receiving a Demand Notice from the Bank, make a payment to the Bank in an amount equal to the Guarantee Amount; provided that, (x) in no event shall the Guarantee Amount exceed the Pro Rata Guaranteed Amount, (y) in no event shall the aggregate liability of the Guarantor to make guarantee payments under this Guarantee Agreement exceed the Maximum Guaranteed Amount, and (z) for the avoidance of doubt, the Guarantor’s guarantee obligations are limited to Scheduled Payments, and therefore, in the event of an acceleration by the Bank of the principal payments due under the Loan Agreement in accordance with the terms thereof, the Guarantor’s guarantee obligations shall not be accelerated, but shall continue to be based on any Scheduled Payments to the extent amounts remain outstanding and unpaid by the Borrower.

Section 2.02. Demand Notices.

(a) The Bank shall use its best efforts to send prompt written notice to the Guarantor of (i) any failure by the Borrower to make a Scheduled Payment under the Loan Agreement that continues for ninety (90) days after the due date therefor, and (ii) any non-accrual event with respect to the Loan Agreement, provided that in each case the failure to provide any such notice shall not affect any of the Guarantor’s obligations under this Guarantee Agreement.

(b) Any Demand Notice delivered on or prior to 5 p.m. on any Business Day shall be considered delivered on that Business Day. Any Demand Notice delivered after 5 p.m. or on a day that is not a Business Day shall be considered delivered on the following Business Day.

Section 2.03. Payments. All payments made by the Guarantor to the Bank shall be Euro cash payments in immediately available funds, delivered before 11 a.m. Washington, DC time on the due date therefor, to the account of the Bank specified in the applicable Demand Notice. All payments shall be made without (and free and clear of any deduction for) any set-off or counterclaim.

ARTICLE III – RECOVERIES AND SUBROGATION

Section 3.01. Subrogation. If and to the extent that the Guarantor makes any payment under Section 2.01:

(a) the Guarantor shall be subrogated immediately to the contractual right of repayment of the Bank under the Loan Agreement, to the extent of such payment of Guarantee Amounts; provided that the Guarantor shall not be subrogated to any other rights the Bank may have under the Loan Agreement, including with respect to amounts owed by the Borrower that are not covered by the Guarantor;

(b) the Bank hereby assigns to the Guarantor any right to receive repayment from the Borrower under the Loan Agreement to the extent any amounts have been paid by the Guarantor under this Guarantee Agreement, and the Bank shall notify the Guarantor and the Borrower of such amounts; and

(c) the Bank shall not prevent or interfere with the Guarantor exercising in its own name any rights or remedies available to it, in order to recover from the Borrower any amounts that the Guarantor has paid from time to time under this Guarantee Agreement;

provided that, at the time of making any payment under Section 2.01 or at any time thereafter, the Guarantor may notify the Bank in writing that it elects not to pursue recoveries from the Borrower, in which case the provisions of clauses (a), (b) and (c) above shall not apply. For the avoidance of doubt, any prior assignment under clause (b) above shall be null and void, and all rights of the Bank to receive repayment from the Borrower under the Loan Agreement shall be reinstated, and such payment under Section 2.01 shall be treated as a contribution to the Bank's financial capacity. Any election by the Guarantor under this paragraph shall be irrevocable unless the Guarantor and the Bank otherwise agree in writing.

Section 3.02. Recoveries. The Bank shall have no obligation to pursue recovery of any Guarantee Amounts that the Guarantor has paid under this Guarantee Agreement from the Borrower on behalf of the Guarantor. Furthermore, in the event of any non-payment by the Borrower and non-accrual event that creates an obligation for the Guarantor to make a payment of a Guarantee Amount under Section 2.01, the Bank shall have no obligation to exercise any particular remedies against the Borrower, apply any cross-default, cross-suspension, penalty, or sanctions policies, or otherwise take any action under the Loan Agreement in order to facilitate a recovery of any such Guarantee Amounts from the Borrower.

ARTICLE IV – REPRESENTATIONS AND COVENANTS

Section 4.01. Representations. The Guarantor represents and warrants, as of the date of this Guarantee Agreement:

(a) it has the power, authority and legal right to (i) execute and deliver this Guarantee Agreement and (ii) comply with the provisions of this Guarantee Agreement;

(b) the obligations expressed to be assumed by it in this Guarantee Agreement constitute legal, valid and binding obligations, enforceable against it in accordance with the terms of this Guarantee Agreement; and

(c) all authorizations and consents required in connection with the execution and delivery of this Guarantee Agreement and the performance of its obligations hereunder (including any parliamentary approvals, internal authorizations and consents) have been obtained and are in full force and effect, and such execution, delivery and performance do not and

will not (i) require any further authorization under present laws, or (ii) violate any provision of its constitutive documents or any law or any order, judgment, injunction, decree, resolution, determination or award of any court or arbitrator or any judicial, administrative or governmental authority or organization, in each case presently in effect having applicability over it.

Section 4.02. Legal Opinion. Promptly upon the execution of this Guarantee Agreement, the Guarantor shall furnish to the Bank an opinion of legal counsel acceptable to the Bank that this Guarantee Agreement has been duly authorized, executed and delivered on behalf of the Guarantor and is legally valid, binding, and enforceable upon the Guarantor in accordance with the terms hereof.

ARTICLE V – ASSIGNMENT; WAIVERS; MISCELLANEOUS

Section 5.01. No Assignment. Neither Party shall assign any of its rights or obligations under this Guarantee Agreement, in whole or in part, to any other person or entity without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Any such assignment without the prior written consent of the other Party shall be null and void.

Section 5.02. Waiver and Amendment. Nothing in this Guarantee Agreement shall restrict or prevent the Bank from (a) cancelling, suspending or terminating the Loan Agreement or any related document, (b) amending, varying, modifying, novating, restating, supplementing or replacing or agreeing to or acquiescing in any amendment, variation, modification, novation, restatement, supplement or replacement of the Loan Agreement, (c) giving any consent or waiver pursuant to, or in connection with the Loan Agreement, or (d) taking any other action in respect of the Loan Agreement, provided that, without the written consent of the Guarantor, which shall not be unreasonably withheld, none of the foregoing actions shall increase or accelerate the obligations of the Guarantor under Section 2.01.

Section 5.03. Remedies Cumulative. The rights and remedies of the Bank under this Guarantee Agreement: (a) are cumulative and in addition to and not exclusive of their respective rights under general law; and (b) may be waived only in writing and specifically. Delay in the exercise or non-exercise of any such right or remedy is not a waiver of that right or remedy.

Section 5.04. Waiver of Defenses. Except as expressly provided in this Guarantee Agreement, the Guarantor's obligations under this Guarantee Agreement are irrevocable, unconditional and absolute regardless of the unenforceability, invalidity, illegality or voidability of the Loan Agreement, and neither the rights, powers or remedies conferred on the Bank by this Guarantee Agreement or by law nor the liability of the Guarantor under this Guarantee Agreement shall be discharged, impaired or otherwise affected by any act, omission, circumstance, matter or thing which, but for this provision, might operate to release or prejudice any of the Guarantor's obligations under this Guarantee Agreement or discharge,

impair or diminish or otherwise affect such rights, remedies or obligations in whole or in part, or by any other circumstances which might constitute a legal or equitable discharge or a defense of a surety or guarantor.

Section 5.05. No Waiver of Immunities. Nothing in this Guarantee Agreement shall operate as or be construed to constitute a waiver, renunciation or any other modification of any privilege or immunity of the Bank under its Articles of Agreement or other constitutional document, or under any applicable law.

Section 5.06. Determinations by the Bank. Where this Guarantee Agreement refers to or requires any determination or calculation of any amount or fact to be made by the Bank, the Bank's determinations or calculations shall, in the absence of manifest error, be conclusive and binding for all purposes of this Guarantee Agreement.

ARTICLE VI –REPRESENTATIVE; ADDRESSES

Section 6.01. The Guarantor's Address is:

[_____]

Attn: [*name and designation*]

E-mail:

Section 6.02. The Bank's Address is:

International Bank for Reconstruction and
Development
1818 H Street, N.W.
Washington, DC 20433
United States of America
Facsimile: (202) 477-6391
Attn: [*name and designation*]
E-mail:

[SIGNATURE PAGE FOLLOWS]

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Bilaga 1

AGREED as of the day and year first above written.

GOVERNMENT OF THE KINGDOM OF SWEDEN

By: _____
Name:
Title:

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By: _____
Name:
Title:



IBRD Policy

General Conditions for IBRD Financing: Development Policy Financing

Bank Access to Information Policy Designation
Public

Catalogue Number
LEG5.02-POL.117

Issued
December 15, 2021

Effective
January 01, 2022

Content
General Conditions for IBRD Financing: Development Policy
Financing

Applicable to
IBRD

Issuer
Senior Vice President and General Counsel, LEGVP

Sponsor
Deputy General Counsel, Operations, LEGVP

International Bank for Reconstruction and Development

General Conditions for IBRD Financing

Development Policy Financing

Dated December 14, 2018

**(Revised on August 1, 2020, December 21, 2020, April 1, 2021, and
January 1, 2022)**

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ARTICLE I

Introductory Provisions

Section 1.01. Application of General Conditions

These General Conditions set forth terms and conditions generally applicable to the Legal Agreements, to the extent the Legal Agreements so provide. If the Loan Agreement is between the Member Country and the Bank, references in these General Conditions to the Guarantor and the Guarantee Agreement shall be disregarded. If there is no Program Agreement between the Bank and a Program Implementing Entity or Subsidiary Agreement between the Borrower and the Program Implementing Entity, references in these General Conditions to the Program Implementing Entity, the Program Agreement or the Subsidiary Agreement shall be disregarded.

Section 1.02. Inconsistency with Legal Agreements

If any provision of the Loan Agreement, the Guarantee Agreement, or the Program Agreement is inconsistent with a provision of these General Conditions, the provision of the Loan Agreement, Guarantee Agreement, or Program 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, 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. Loan Account; Withdrawals Generally; Currency of Withdrawal

- (a) The Bank shall credit the amount of the Loan to the Loan Account in the Loan Currency. If the Loan is denominated in more than one currency, the Bank shall divide the Loan Account into multiple sub-accounts, one for each Loan Currency.
- (b) The Borrower may from time to time request withdrawals of Loan amounts from the Loan Account in accordance with the provisions of the Loan Agreement and such additional instructions as the Bank may specify from time to time by notice to the Borrower.
- (c) Each withdrawal of a Loan amount from the Loan Account shall be made in the Loan Currency of such amount. The Bank shall, at the request and acting as an agent of the Borrower, and on such terms and conditions as the Bank shall determine, purchase with the Loan Currency withdrawn from the Loan Account such Currencies as the Borrower shall request pursuant to Section 2.01 (b).

(d) No withdrawal of any Loan amount from the Loan Account shall be made (other than to repay the Preparation Advance) until the Bank has received from the Borrower payment in full of the Front-end Fee.

Section 2.02. *Applications for Withdrawal*

(a) When the Borrower wishes to request a withdrawal from the Loan Account, the Borrower shall promptly deliver to the Bank a written application in such form and substance as the Bank shall reasonably request.

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

(c) The Borrower shall furnish to the Bank such documents and other evidence in support of each such application as the Bank shall reasonably request, whether before or after the Bank 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 Bank that the Borrower is entitled to withdraw from the Loan Account the amount applied for, and that the amount to be withdrawn from the Loan Account shall be used only for the purposes specified in the Loan Agreement.

(e) The Bank shall pay the amounts withdrawn by the Borrower from the Loan Account only to, or on the order of, the Borrower.

Section 2.03. *Deposit of Loan Amounts*

(a) Except as the Bank may otherwise agree, all withdrawals from the Loan Account shall be deposited by the Bank into an account designated by the Borrower and acceptable to the Bank.

(b) The Borrower shall ensure that upon each deposit of an amount of the Loan into this account, an equivalent amount is accounted for in the Borrower's budget management system, in a manner acceptable to the Bank.

Section 2.04. *Eligible Expenditures and Excluded Expenditures*

The Loan proceeds may be used for any Eligible Expenditures, but the Borrower undertakes to ensure that these proceeds shall not be used for Excluded Expenditures.

Section 2.05. *Refinancing Preparation Advance; Capitalizing Front-end Fee, Interest and Other Charges*

(a) If the Borrower requests the repayment out of the proceeds of the Loan of an advance made by the Bank or the Association ("Preparation Advance") and the Bank agrees to such a request, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Loan Account and to pay all accrued and unpaid charges, if any, on the advance

as at such date. The Bank shall pay the amount so withdrawn to itself or the Association and shall cancel the remaining unwithdrawn amount of the advance.

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

(c) If the Borrower requests that interest, Commitment Charge, or other charges on the Loan be paid out of the proceeds of the Loan as applicable and the Bank agrees to such request, the Bank shall, on behalf of the Borrower, withdraw from the Loan 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 Loan Agreement on the amount to be so withdrawn.

Section 2.06. *Allocation of Loan Amounts*

If the Bank reasonably determines that in order to meet the purposes of the Loan it is appropriate to reallocate Loan amounts among withdrawal categories or modify the existing withdrawal categories, the Bank may, after consultation with the Borrower, make such modifications, and shall notify the Borrower accordingly.

ARTICLE III **Loan Terms**

Section 3.01. *Front-end Fee; Commitment Charge; Exposure Surcharge*

(a) The Borrower shall pay the Bank a Front-end Fee on the Loan amount at the rate specified in the Loan Agreement. Except as otherwise provided in Section 2.05 (b), the Borrower shall pay the Front-end Fee not later than sixty (60) days after the Effective Date.

(b) The Borrower shall pay the Bank a Commitment Charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement. The Commitment Charge shall accrue from a date sixty (60) days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. Except as otherwise provided in Section 2.05 (c), the Borrower shall pay the Commitment Charge semi-annually in arrears on each Payment Date.

(c) If, on any given day, the Total Exposure exceeds the Standard Exposure Limit and the Allocated Excess Exposure Amount is applicable to the Loan (or a portion thereof), the Borrower shall pay to the Bank the Exposure Surcharge on such Allocated Excess Exposure Amount for each said day. Whenever the Total Exposure exceeds the Standard Exposure Limit, the Bank shall promptly notify the Member Country thereof. The Bank shall also notify the Loan Parties of the Allocated Excess Exposure Amount, if any, with respect to the Loan. The Exposure Surcharge (if any) shall be payable semi-annually in arrears on each Payment Date.

Section 3.02. *Interest*

(a) The Borrower shall pay the Bank interest on the Withdrawn Loan Balance at the rate specified in the Loan Agreement; provided, however, that the interest rate applicable to any Interest Period 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 Loan are withdrawn and shall be payable semi-annually in arrears on each Payment Date.

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

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

(d) If interest on any amount of the Withdrawn Loan 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 Bank determines that it is in the interest of its borrowers as a whole and of the Bank to apply a basis for determining such interest rate other than as provided in the Loan Agreement, the Bank may modify the basis for determining such interest rate upon not less than three months' notice to the Loan Parties of the new basis. The new basis shall become effective on the expiry of the notice period unless a Loan Party notifies the Bank during such period of its objection to such modification, in which case the modification shall not apply to such amount of the Loan.

(e) Notwithstanding the provisions of paragraph (a) of this Section, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the Borrower shall pay the Default Interest Rate on such overdue amount in lieu of the interest rate specified in the Loan 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 3.03. *Repayment*

(a) The Borrower shall repay the Withdrawn Loan Balance to the Bank in accordance with the provisions of the Loan Agreement and, if applicable, as further provided in paragraphs (b), (c), (d), and (e) of this Section 3.03. The Withdrawn Loan Balance shall be repaid on either a Commitment-linked Amortization Schedule or a Disbursement-linked Amortization Schedule.

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

The Borrower shall repay the Withdrawn Loan Balance to the Bank in accordance with the provisions of the Loan Agreement provided that:

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

Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (x) the Withdrawn Loan Balance as of the first Principal Payment Date; by (y) the Installment Share specified in the Loan Agreement for each Principal Payment Date, adjusted as necessary, to deduct any amounts to which a Currency Conversion applies in accordance with Section 3.03 (e).

- (ii) If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
 - (A) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with the Amortization Schedule under the Loan 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 Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the Loan 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 3.03 (e).
- (iii) (A) Amounts of the Loan 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 Bank 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 Loans with a Disbursement-linked Amortization Schedule:
 - (i) The Borrower shall repay the Withdrawn Loan Balance to the Bank in accordance with the provisions of the Loan Agreement.
 - (ii) The Bank shall notify the Loan Parties of the Amortization Schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.
- (d) If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of the Loan Agreement and this Section 3.03 shall apply separately to the amount denominated in each Loan 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 Loan Agreement, as applicable, upon a Currency Conversion of all or any portion of the Withdrawn Loan 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 Bank in accordance with the Conversion Guidelines.

Section 3.04. *Prepayment*

(a) After giving not less than forty-five (45) days' notice to the Bank, the Borrower may repay the Bank the following amounts in advance of maturity, as of a date acceptable to the Bank (provided that the Borrower has paid all Loan Payments due as at such date, including any prepayment premium calculated pursuant to paragraph (b) of this Section): (i) the entire Withdrawn Loan Balance as at such date; or (ii) the entire principal amount of any one or more maturities of the Loan. Any partial prepayment of the Withdrawn Loan Balance shall be applied in the manner specified by the Borrower, or in the absence of any specification by the Borrower, in the following manner: (A) if the Loan Agreement provides for the separate amortization of specified Disbursed Amounts of the principal of the Loan 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 Loan 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 Bank 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 Loan to be prepaid, a Conversion has been effected and the Conversion Period has not terminated at the time of prepayment: (i) the Borrower shall pay a transaction fee for the early termination of the Conversion, in such amount or at such rate as announced by the Bank from time to time and in effect at the time of receipt by the Bank of the Borrower's notice of prepayment; and (ii) the Borrower or the Bank, 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 Borrower 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 3.04 (a) above and unless the Bank agrees otherwise, the Borrower may not prepay in advance of maturity any portion of the Withdrawn Loan Balance that is subject to a Currency Conversion that has been effected through a Currency Hedge Notes Transaction.

Section 3.05. *Partial Payment*

If the Bank at any time receives less than the full amount of any Loan 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 Loan Agreement as it determines in its sole discretion.

Section 3.06. *Place of Payment*

All Loan Payments shall be paid at such places as the Bank shall reasonably request.

Section 3.07. *Currency of Payment*

(a) The Borrower shall pay all Loan Payments in the Loan Currency; and if a Conversion has been effected in respect of any amount of the Loan, as further specified in the Conversion Guidelines.

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

Section 3.08. *Temporary Currency Substitution*

(a) If the Bank reasonably determines that an extraordinary situation has arisen under which the Bank shall be unable to provide the Loan Currency at any time for purposes of funding the Loan, the Bank may provide such substitute Currency or Currencies (“Substitute Loan Currency”) for the Loan Currency (“Original Loan Currency”) as the Bank shall select. During the period of such extraordinary situation: (i) the Substitute Loan Currency shall be deemed to be the Loan Currency for purposes of the Legal Agreements; and (ii) Loan Payments shall be paid in the Substitute Loan Currency, and other related financial terms shall be applied, in accordance with principles reasonably determined by the Bank. The Bank shall promptly notify the Loan Parties of the occurrence of such extraordinary situation, the Substitute Loan Currency and the financial terms of the Loan related to the Substitute Loan Currency.

(b) Upon notification by the Bank under paragraph (a) of this Section, the Borrower may, within thirty (30) days, thereafter, notify the Bank of its selection of another Currency acceptable to the Bank as the Substitute Loan Currency. In such case, the Bank shall notify the Borrower of the financial terms of the Loan applicable to said Substitute Loan Currency, which shall be determined in accordance with principles reasonably established by the Bank.

(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 Loan.

(d) Once the Bank is again able to provide the Original Loan Currency, it shall, at the Borrower’s request, change the Substitute Loan Currency to the Original Loan Currency in accordance with principles reasonably established by the Bank.

Section 3.09. *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 Bank.

Section 3.10. *Manner of Payment*

- (a) Any Loan Payment required to be paid to the Bank in the Currency of any country shall be made 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 Bank with a depository of the Bank authorized to accept deposits in such Currency.
- (b) All Loan Payments shall be paid without restrictions of any kind imposed by, or in the territory of, the Member Country and without deduction for, and free from, any Taxes levied by or in the territory of the Member Country.
- (c) The Legal Agreements shall be free from any Taxes levied by or in the territory of the Member Country on or in connection with their execution, delivery or registration.

ARTICLE IV
Conversions of Loan Terms

Section 4.01. *Conversions Generally*

- (a) The Borrower may, at any time, request a Conversion of the terms of the Loan in accordance with the provisions of this Section in order to facilitate prudent debt management. Each such request shall be furnished by the Borrower to the Bank in accordance with the Conversion Guidelines and, upon acceptance by the Bank, the conversion requested shall be considered a Conversion for the purposes of these General Conditions.
- (b) Subject to Section 4.01 (e) below, the Borrower 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 Bank and the Borrower.
- (c) Upon acceptance by the Bank of a request for a Conversion, the Bank shall take all actions necessary to effect the Conversion in accordance with the Loan Agreement and the Conversion Guidelines. To the extent that any modification of the provisions of the Loan Agreement providing for withdrawal or repayment of the proceeds of the Loan 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 Bank shall notify the Loan Parties of the financial terms of the Loan, including any revised amortization provisions and modified provisions providing for withdrawal of the proceeds of the Loan.
- (d) The Borrower shall pay a transaction fee in connection with each Conversion, in such amount or at such rate as announced by the Bank from time to time and in effect on the date of the Bank'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 Bank, the Borrower may not request additional Conversions of any portion of the Withdrawn Loan 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 Bank and the Borrower and may include transaction fees to cover the underwriting costs of the Bank in connection with Currency Hedge Notes Transaction.

(f) The Bank reserves the right at any time to terminate a Conversion prior to its maturity if: (i) the underlying hedging arrangements undertaken by the Bank in connection with the said Conversion are terminated as a result of it becoming impractical, impossible or unlawful for the Bank 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) to the 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 Bank is unable to find a replacement hedging arrangement. Upon any such termination, provisions of Section 4.06 apply.

Section 4.02. Conversion to a Fixed Rate or Fixed Spread of Loan that Accrues Interest at a Rate Based on the Variable Spread¹

A Conversion to a Fixed Rate or a Variable Rate with a Fixed Spread of all or any amount of the Loan 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 Loan 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 Borrower.

Section 4.03. Interest Payable Following Interest Rate Conversion or Currency Conversion

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

(b) *Currency Conversion of Unwithdrawn Amounts.* Upon a Currency Conversion of all or any amount of the Unwithdrawn Loan Balance to an Approved Currency, the Borrower 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 Loan Balance to an Approved Currency, the Borrower 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 Loan Balance at a Variable Rate or Fixed Rate, whichever applies to the Conversion.

¹ Suspended until further notice.

² Fixed Rate conversions are not available (except for Special Development Policy Loans) due to the suspension of the Fixed Spread terms until further notice.

Section 4.04. *Principal Payable Following Currency Conversion*

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

(b) *Currency Conversion of Withdrawn Amounts.* In the event of a Currency Conversion of an amount of the Withdrawn Loan Balance to an Approved Currency, the principal amount of the Loan so converted shall be determined by the Bank 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 Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate. The Borrower shall repay such principal amount denominated in the Approved Currency in accordance with the provisions of the Loan Agreement.

(c) *Termination of Conversion Period Prior to Final Loan Maturity.* If the Conversion Period of a Currency Conversion applicable to a portion of the Loan terminates prior to the final maturity of such portion, the principal amount of such portion of the Loan remaining outstanding in the Loan Currency to which such amount shall revert upon such termination shall be determined by the Bank 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 Loan Currency for settlement on the last day of the Conversion Period; or (ii) in such other manner as specified in the Conversion Guidelines. The Borrower shall repay such principal amount in the Loan Currency in accordance with the provisions of the Loan Agreement.

Section 4.05. *Interest Rate Cap; Interest Rate Collar*

(a) *Interest Rate Cap.* Upon the establishment of an Interest Rate Cap on the Variable Rate, the Borrower shall, for each Interest Period during the Conversion Period, pay interest on the amount of the Withdrawn Loan Balance to which the Conversion applies at the Variable Rate, unless with respect to the said Conversion Period: (i) for a Loan 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 Borrower shall pay interest on such amount at a rate equal to the Interest Rate Cap³; or (ii) for a Loan 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 Borrower shall pay interest on such amount at a rate equal to the Interest Rate Cap plus the Variable Spread.

³ Not available (except for Special Development Policy Loans) due to suspension of Fixed Spread terms until further notice.

(b) *Interest Rate Collar.* Upon the establishment of an Interest Rate Collar on the Variable Rate, the Borrower shall, for each Interest Period during the Conversion Period, pay interest on the amount of the Withdrawn Loan Balance to which the Conversion applies at the Variable Rate, unless with respect to the said Conversion Period: (i) for a Loan that accrues interest at a Variable Rate based on a Reference Rate and the Fixed Spread, the Variable Rate⁴: (A) exceeds the upper limit of the Interest Rate Collar, in which case, for the relevant Interest Period, the Borrower 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 Borrower shall pay interest on such amount at a rate equal to such lower limit; or (ii) for a Loan 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 Borrower 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 Borrower 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 Borrower shall pay to the Bank a premium on the amount of the Withdrawn Loan Balance to which the Conversion applies, calculated: (A) on the basis of the premium, if any, payable by the Bank for an interest rate cap or collar purchased by the Bank 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 Borrower (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 Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan 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 Loan Agreement.

Section 4.06. *Early Termination*

(a) The Bank shall have the right to terminate any Conversion effected on such Loan during any period of time in which the Default Interest Rate accrues on the Loan as provided in Section 3.02 (e) above.

(b) Except as otherwise provided in the Conversion Guidelines, upon the early termination of any Conversion by either the Bank as provided in Section 4.01 (f) or Section 4.06 (a), or the Borrower: (i) the Borrower shall pay a transaction fee for the early termination, in such amount or at such rate as announced by the Bank from time to time and in effect at the time of receipt by the Bank of the Borrower's notice of early termination; and (ii) the Borrower or the Bank 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 Borrower pursuant to this paragraph shall be paid not later than sixty (60) days after the effective date of the early termination.

⁴ Not available (except for Special Development Policy Loans) due to suspension of Fixed Spread terms until further notice.

ARTICLE V
The Program

Section 5.01. Performance under the Loan Agreement, Program Agreement, and Subsidiary Agreement

(a) The Guarantor shall not take or permit to be taken any action which would prevent or interfere with the execution of the Program or the performance of the obligations of the Borrower or the Program Implementing Entity under the Legal Agreement to which it is a party.

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

Section 5.02. Provision of Funds and other Resources

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

Section 5.03. Records

The Borrower and the Program Implementing Entity shall retain all relevant documentation evidencing expenditures made from the Loan proceeds until two years after the Closing Date. Upon the Bank's request, the Borrower and the Program Implementing Entity shall enable the Bank's representatives to examine such records.

Section 5.04. Program Monitoring and Evaluation

(a) The Borrower 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 Bank, the progress of the Program and the achievement of its objectives.

(b) The Borrower shall prepare or cause to be prepared and furnish to the Bank not later than twelve (12) months after the Closing Date, a report of such scope and in such detail as the Bank shall reasonably request, on the execution of the Program, the performance by the Loan Parties and the Bank of their respective obligations under the Legal Agreements and the accomplishment of the purposes of the Loan.

Section 5.05. Cooperation and Consultation

The Bank and the Loan Parties shall cooperate fully to assure that the purposes of the Loan and the objectives of the Program will be accomplished. To that end, the Bank and the Loan Parties shall:

- (a) from time to time, at the request of any one of them, exchange views on the Program, the Loan, 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 5.06. *Visits*

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

Section 5.07. *Disputed Area*

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

ARTICLE VI
Financial and Economic Data; Negative Pledge; Financial Condition

Section 6.01. *Financial and Economic Data*

- (a) The Member Country shall furnish to the Bank all such information as the Bank 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 ("DRSM"), dated January 2000, as may be revised from time to time), in accordance with the DRSM, and in particular, to notify the Bank 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 Bank 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) The Member Country represents, as at the date of the Loan Agreement, that no defaults exist in respect of any "external public debt" (as defined in the DRSM) except those listed in a notification from the Member Country to the Bank.

Section 6.02. *Negative Pledge*

(a) It is the policy of the Bank, in making loans 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 loans 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 Bank shall otherwise agree, *ipso facto* and at no cost to the Bank, equally and ratably secure all Loan 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 Bank secure all Loan Payments by an equivalent Lien on other Public Assets satisfactory to the Bank.

(b) The Borrower, which is not the Member Country undertakes that, except as the Bank 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 Loan Payments and in the creation of any such Lien express provision will be made to that effect, at no cost to the Bank; 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 Bank, an equivalent Lien satisfactory to the Bank to secure the payment of all Loan 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 at the date of the Loan 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 Bank and those excluded pursuant to paragraph (c) of this Section 6.02.

Section 6.03. *Financial Condition*

If the Bank has determined that the financial condition of the Borrower, which is not the Member Country, or the Program Implementing Entity, is a material factor in the Bank's decision to lend, the Bank shall have the right, as a condition to lend, to require that such Borrower or Program Implementing Entity provides the Bank with representations and warranties related to its financial and operating conditions, satisfactory to the Bank.

ARTICLE VII
Cancellation; Suspension; Refund; Acceleration

Section 7.01. *Cancellation by the Borrower*

The Borrower may, by notice to the Bank, cancel any amount of the Unwithdrawn Loan Balance.

Section 7.02. *Suspension by the Bank*

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

(a) *Payment Failure.*

- (i) The Borrower has failed to make payment (notwithstanding the fact that such payment may have been made by the Guarantor or a third party) of principal or interest or any other amount due to the Bank or the Association: (A) under the Loan Agreement; or (B) under any other agreement between the Bank and the Borrower; or (C) under any agreement between the Borrower and the Association; or (D) in consequence of any guarantee extended or other financial obligation of any kind assumed by the Bank or the Association to any third party with the agreement of the Borrower.
- (ii) The Guarantor has failed to make payment of principal, interest, or any other amount due to the Bank or the Association: (A) under the Guarantee Agreement; or (B) under any other agreement between the Guarantor and the Bank; or (C) under any agreement between the Guarantor and the Association; or (D) in consequence of any guarantee extended or other financial obligation of any kind assumed by the Bank or the Association to any third party with the agreement of the Guarantor.

(b) *Performance Failure.*

- (i) A Loan Party has failed to perform any other obligation under the Legal Agreement to which it is a party or under any Derivatives Agreement.
- (ii) The Program Implementing Entity has failed to perform any obligation under the Program Agreement or the Subsidiary Agreement.

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

- (d) *Cross Suspension.* The Bank or the Association has suspended in whole or in part the right of a Loan Party to make withdrawals under any agreement with the Bank or with the Association because of a failure by a Loan Party to perform any of its obligations under such agreement or any other agreement with the Bank.
- (e) *Extraordinary Situation; Program.*
- (i) As a result of events which have occurred after the date of the Loan Agreement, an extraordinary situation has arisen which makes it improbable that the Program can be carried out or that a Loan Party or the Program Implementing Entity will be able to perform its obligations under the Legal Agreement to which it is a party.
 - (ii) An extraordinary situation has arisen under which any further withdrawals under the Loan would be inconsistent with the provisions of Article III, Section 3 of the Bank's Articles of Agreement.
- (f) *Event prior to Effectiveness.* The Bank has determined after the Effective Date that prior to such date but after the date of the Loan Agreement, an event has occurred which would have entitled the Bank to suspend the Borrower's right to make withdrawals from the Loan Account if the Loan Agreement had been effective on the date such event occurred.
- (g) *Misrepresentation.* A representation made by a Loan Party in or pursuant to the Legal Agreements, or in or pursuant to any Derivatives Agreement, or any representation or statement furnished by a Loan Party, and intended to be relied upon by the Bank in making the Loan or executing a transaction under a Derivatives Agreement, was incorrect in any material respect.
- (h) *Co-financing.* Any of the following events occurs with respect to any financing specified in the Loan Agreement to be provided for the Program ("Co-financing") by a financier (other than the Bank or the Association) ("Co-financier"):
- (i) If the Loan 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 Bank has established by notice to the Loan Parties ("Co-financing Deadline"); provided, however, that the provisions of this sub-paragraph shall not apply if the Loan Parties establish to the satisfaction of the Bank that adequate funds for the Program are available from other sources on terms and conditions consistent with the obligations of the Loan Parties under the Legal Agreements.
 - (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 Loan Parties establish to the satisfaction of the Bank 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 Program are

available from other sources on terms and conditions consistent with the obligations of the Loan Parties under the Legal Agreements.

- (i) *Assignment of Obligations; Disposition of Assets.* The Borrower or the Program Implementing Entity (or any other entity responsible for implementing any part of the Program) has, without the consent of the Bank:
- (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 Loan; 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 Bank: (A) do not materially and adversely affect the ability of the Borrower or of the Program 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 Program; and (B) do not materially and adversely affect the financial condition or operation of the Borrower (other than the Member Country) or the Program Implementing Entity (or such other entity).
- (j) *Membership.* The Member Country: (i) has been suspended from membership in, or ceased to be, a member of the Bank; or (ii) has ceased to be a member of the International Monetary Fund.
- (k) *Condition of Borrower or Program Implementing Entity.*
- (i) Any material adverse change in the condition of the Borrower (other than the Member Country), as represented by it, has occurred prior to the Effective Date.
 - (ii) The Borrower (other than the Member Country) has become unable to pay its debts as they mature or any action or proceeding has been taken by the Borrower or by others whereby any of the assets of the Borrower shall or may be distributed among its creditors.
 - (iii) Any action has been taken for the dissolution, disestablishment or suspension of operations of the Borrower (other than the Member Country) or of the Program Implementing Entity (or any other entity responsible for implementing any part of the Program).
 - (iv) The Borrower (other than the Member Country) or the Program Implementing Entity (or any other entity responsible for implementing any part of the Program) has ceased to exist in the same legal form as that prevailing as of the date of the Legal Agreements.
 - (v) In the opinion of the Bank, the legal character, ownership or control of the Borrower (other than the Member Country) or of the Program Implementing Entity (or of any other entity responsible for implementing any part of the Program) has changed from that prevailing as of the date of the Legal Agreements so as to materially and adversely affect the ability of the Borrower or of the Program 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 Program.

(l) *Ineligibility.* The Bank or the Association has declared the Borrower (other than the Member Country) or the Program Implementing Entity ineligible to receive proceeds of any financing made by the Bank or the Association or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Bank or the Association, as a result of: (i) a determination by the Bank or the Association that the Borrower or the Program 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 Bank or the Association; and/or (ii) a declaration by another financier that the Borrower or the Program 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 Borrower or the Program 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 Loan Agreement for the purposes of this Section has occurred (“Additional Event of Suspension”).

Section 7.03. *Cancellation by the Bank*

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

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

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

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

(d) *Closing Date.* After the Closing Date, there remains an Unwithdrawn Loan Balance.

(e) *Cancellation of Guarantee.* The Bank receives notice from the Guarantor pursuant to Section 7.05 with respect to an amount of the Loan.

Section 7.04. *Loan Refund*

(a) If the Bank determines that an amount of the Withdrawn Loan Balance has been used in a manner inconsistent with the provisions of the Legal Agreements, the Borrower shall, upon notice by the Bank to the Borrower, promptly refund such amount to the Bank. Such inconsistent use shall include, without limitation:

- (i) use of such amount to make a payment for any Excluded Expenditure; or
 - (ii) engaging in corrupt, fraudulent, collusive, or coercive practices in connection with the use of such amount.
- (b) Except as the Bank may otherwise determine, the Bank shall cancel all amounts refunded pursuant to this Section.
- (c) If any notice of refund is given pursuant to Section 7.04 (a) during the Conversion Period for any Conversion applicable to a Loan: (i) the Borrower 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 Bank from time to time and in effect on the date of such notice; and (ii) the Borrower shall pay any Unwinding Amount owed by it in respect of any early termination of the Conversion, or the Bank shall pay any Unwinding Amount owed by it in respect of any such early termination (after setting off any amounts owed by the Borrower under the Loan Agreement), in accordance with the Conversion Guidelines. Transaction fees and any Unwinding Amount payable by the Borrower shall be paid not later than sixty (60) days after the date of the refund.

Section 7.05. *Cancellation of Guarantee*

If the Borrower has failed to pay any required Loan Payment (otherwise than as a result of any act or omission to act of the Guarantor) and such payment is made by the Guarantor, the Guarantor may, after consultation with the Bank, by notice to the Bank and the Borrower, terminate its obligations under the Guarantee Agreement with respect to any amount of the Unwithdrawn Loan Balance as at the date of receipt of such notice by the Bank. Upon receipt of such notice by the Bank, such obligations in respect of such amount shall terminate.

Section 7.06. *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 Bank may, by notice to the Loan Parties, declare all or part of the Withdrawn Loan Balance as at the date of such notice to be due and payable immediately together with any other Loan Payments due under the Loan Agreement. Upon any such declaration, such Withdrawn Loan Balance and Loan Payments shall become immediately due and payable.

(a) *Payment Default.* A default has occurred in the payment by a Loan Party of any amount due to the Bank or the Association: (i) under any Legal Agreement; or (ii) under any other agreement between the Bank and the Loan Party; or (iii) under any agreement between the Loan Party and the Association (in the case of an agreement between the Guarantor and the Association, under circumstances which would make it unlikely that the Guarantor would meet its obligations under the Guarantee Agreement); or (iv) in consequence of any guarantee extended or other financial obligation of any kind assumed by the Bank, or the Association, to any third party with the agreement of the Loan Party; 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 a Loan Party of any other obligation under the Legal Agreement to which it is a party or under any Derivatives Agreement, and such default

continues for a period of sixty (60) days after notice of such default has been given by the Bank to the Loan Parties.

- (ii) A default has occurred in the performance by the Program Implementing Entity of any obligation under the Program 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 Bank to the Program Implementing Entity and the Loan Parties.
- (c) *Co-financing.* The event specified in sub-paragraph (h) (ii) (B) of Section 7.02 has occurred, subject to the provisions of paragraph (h) (iii) of that Section.
- (d) *Assignment of Obligations; Disposition of Assets.* Any event specified in paragraph (i) of Section 7.02 has occurred.
- (e) *Condition of Borrower or Program Implementing Entity.* Any event specified in sub-paragraph (k) (ii) through (k) (v) of Section 7.02 has occurred.
- (f) *Additional Event.* Any other event specified in the Loan Agreement for the purposes of this Section has occurred and continues for the period, if any, specified in the Loan Agreement (“Additional Event of Acceleration”).

Section 7.07. *Acceleration During a Conversion Period*

If the Loan Agreement provides for Conversions, and if any notice of acceleration is given pursuant to Section 7.06 during the Conversion Period for any Conversion applicable to a Loan: (a) the Borrower 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 Bank from time to time and in effect on the date of such notice; and (b) the Borrower shall pay any Unwinding Amount owed by it in respect of any early termination of the Conversion, or the Bank shall pay any Unwinding Amount owed by it in respect of any such early termination (after setting off any amounts owed by the Borrower under the Loan Agreement), in accordance with the Conversion Guidelines. Transaction fees and any Unwinding Amount payable by the Borrower shall be paid not later than sixty (60) days after the date of the effective date of the acceleration.

Section 7.08. *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 VIII **Enforceability; Arbitration**

Section 8.01. *Enforceability*

The rights and obligations of the Bank and the Loan Parties 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 Bank nor any Loan Party shall be entitled in any proceeding under this Article to assert any claim that any provision of the Legal Agreements are invalid or unenforceable because of any provision of the Articles of Agreement of the Bank.

Section 8.02. Obligations of the Guarantor

Except as provided in Section 7.05, the obligations of the Guarantor under the Guarantee Agreement shall not be discharged except by performance, and then only to the extent of such performance. Such obligations shall not require any prior notice to, demand upon or action against the Borrower, or any prior notice to, or demand upon the Guarantor with regard to any default by the Borrower. Such obligations shall not be impaired by any of the following: (a) any extension of time, forbearance, or concession given to the Borrower; (b) any assertion of, or failure to assert, or delay in asserting, any right, power, or remedy against the Borrower, or in respect of any security for the Loan; (c) any modification or amplification of the provisions of the Loan Agreement contemplated by its terms; or (d) any failure of the Borrower, or of the Program Implementing Entity, to comply with any requirement of any law of the Member Country.

Section 8.03. 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 8.04. Arbitration

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

(b) The parties to such arbitration shall be the Bank on the one side and the Loan Parties on the other side.

(c) The Arbitral Tribunal shall consist of three arbitrators appointed as follows: (i) one arbitrator shall be appointed by the Bank; (ii) a second arbitrator shall be appointed by the Loan Parties or, if they do not agree, by the Guarantor; 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 side 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, any 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 all 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 Loan Agreement and the Guarantee 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. The Bank, the Borrower and the Guarantor shall each defray its own expenses in the arbitration proceedings. The costs of the Arbitral Tribunal shall be divided between, and borne equally, by the Bank on the one side and the Loan Parties on the other. 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 Loan Agreement and Guarantee Agreement, or of any claim by any such party against any other such party arising under such Legal Agreements.

(k) If, within thirty (30) days after counterparts of the award have been delivered to the parties, the award has not been complied with, any party may: (i) enter judgment upon, or institute a proceeding to enforce, the award in any court of competent jurisdiction against any 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 Loan Agreement or Guarantee Agreement. Notwithstanding the foregoing, this Section shall not authorize any entry of judgment or enforcement of the award against the Member Country 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 10.01. The parties to the Loan Agreement and the Guarantee Agreement waive any and all other requirements for the service of any such notice or process.

ARTICLE IX
Effectiveness; Termination

Section 9.01. Conditions of Effectiveness of Legal Agreements

The Legal Agreements shall not become effective until the Loan Party and the Program Implementing Entity confirm, and the Bank 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 Loan Party or the Program 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 Bank so requests, the condition of the Borrower (other than the Member Country) or of the Program Implementing Entity, as represented and warranted to the Bank at the date of the Legal Agreements, has not undergone any material adverse change after such date.
- (c) Each condition specified in the Loan Agreement as a condition of its effectiveness (“Additional Condition of Effectiveness”) has occurred.

Section 9.02. Legal Opinions or Certificates; Representation and Warranty

For the purpose of confirming that the conditions specified in paragraph (a) of Section 9.01 above have been met:

- (a) The Bank may require an opinion or certificate satisfactory to the Bank confirming: (i) on behalf of the Loan Party or the Program 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 Legal Agreement or reasonably requested by the Bank in connection with the Legal Agreements for the purpose of this Section.
- (b) If the Bank does not require an opinion or certificate pursuant to Section 9.02 (a), by signing the Legal Agreement to which it is a party, the Loan Party or the Program 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 Loan Party or the Program Implementing Entity shall notify the Bank when such additional action has been taken. By providing such notification, the Loan Party or the Program 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 9.03. *Effective Date*

(a) Except as the Bank and the Borrower shall otherwise agree, the Legal Agreements shall enter into effect on the date upon which the Bank dispatches to the Loan Parties and the Program Implementing Entity notice confirming it is satisfied that the conditions specified in Section 9.01 have been met (“Effective Date”).

(b) If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Borrower to make withdrawals from the Loan Account if the Loan Agreement had been effective, or the Bank has determined that an extraordinary situation provided for under Section 3.08 (a) exists, the Bank 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 9.04. *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 Loan Agreement for the purpose of this Section, unless the Bank, after consideration of the reasons for the delay, establishes a later Effectiveness Deadline for the purpose of this Section. The Bank shall promptly notify the Loan Parties and Program Implementing Entity of such later Effectiveness Deadline.

Section 9.05. *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 Loan Balance and all other Loan Payments due.

(b) If the Loan Agreement specifies a date by which certain provisions of the Loan 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 Loan Agreement terminates in accordance with its terms.

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

ARTICLE X
Miscellaneous Provisions

Section 10.01. 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 9.03 (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 10.02. Action on Behalf of the Loan Parties and the Program Implementing Entity

- (a) The representative designated by a Loan Party in the Legal Agreement to which it is a party (and the representative designated by the Program Implementing Entity in the Program 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 such Loan Party (or the Program Implementing Entity).
- (b) The representative so designated by the Loan Party or person so authorized by such representative may agree to any modification or amplification of the provisions of such Legal Agreement on behalf of such Loan Party 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 Loan Parties under the Legal Agreements. The Bank 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 10.03. Evidence of Authority

The Loan Parties and the Program Implementing Entity shall furnish to the Bank: (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 10.01(b).

Section 10.04. *Disclosure*

The Bank may disclose the Legal Agreements to which it is a party and any such information related to the 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 Loan Agreement for the purpose of Section 9.01 (c).
2. “Additional Event of Acceleration” means any event of acceleration specified in the Loan Agreement for the purpose of Section 7.06 (f).
3. “Additional Event of Suspension” means any event of suspension specified in the Loan Agreement for the purpose of Section 7.02 (m).
4. “Allocated Excess Exposure Amount” means, for each day during which the Total Exposure exceeds the Standard Exposure Limit, (A) (i) the total amount of said excess, multiplied by (ii) a ratio corresponding to the proportion that all (or, if the Bank so determines, a portion) of the Loan bears to the aggregate amount of all (or, if the Bank so determines, the relevant portions) of the loans made by the Bank to, or guaranteed by, the Member Country that are also subject to an exposure surcharge, as said excess and ratio are reasonably determined from time to time by the Bank; or (B) such other amount as reasonably determined from time to time by the Bank with respect to the Loan; and notified to the Loan Parties pursuant to Section 3.01 (c).
5. “Amortization Schedule” means the schedule for repayment of principal amount specified in the Loan Agreement for purposes of Section 3.03.
6. “Approved Currency” means, for a Currency Conversion, any Currency approved by the Bank, which, upon the Conversion, becomes the Loan Currency.
7. “Arbitral Tribunal” means the arbitral tribunal established pursuant to Section 8.04.
8. “Association” means the International Development Association.
9. “Automatic Conversion to Local Currency” means, with respect to any portion of the Withdrawn Loan Balance, a Currency Conversion from the Loan 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 Loan from the Loan 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 Loan based on a Variable Spread is converted to a Fixed Reference Rate; or (b) the initial Variable Rate for a Loan with a Fixed Spread is converted to a Fixed Rate,⁵ in either case for the aggregate principal amount of the Loan withdrawn from the Loan 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

⁵ Not available (except for Special Development Policy Loans) due to the suspension of the Fixed Spread terms until further notice.

- maturity of such amount, as specified in the Loan Agreement or in a separate request from the Borrower.
11. “Bank” means the International Bank for Reconstruction and Development.
 12. “Borrower” means the party to the Loan Agreement to which the Loan is extended.
 13. “Borrower’s Representative” means the Borrower’s representative specified in the Loan Agreement for the purpose of Section 10.02.
 14. “Closing Date” means the date specified in the Loan Agreement (or such other date as the Bank shall establish, upon a request from the Borrower, by notice to the Loan Parties) after which the Bank may, by notice to the Loan Parties, terminate the right of the Borrower to withdraw from the Loan Account.
 15. “Co-financier” means the financier (other than the Bank or the Association) referred to in Section 7.02 (h) providing the Co-financing. If the Loan Agreement specifies more than one such financier, “Co-financier” refers separately to each of such financiers.
 16. “Co-financing” means the financing referred to in Section 7.02 (h) and specified in the Loan Agreement provided or to be provided for the Program by the Co-financier. If the Loan Agreement specifies more than one such financing, “Co-financing” refers separately to each of such financings.
 17. “Co-financing Agreement” means the agreement referred to in Section 7.02 (h) providing for the Co-financing.
 18. “Co-financing Deadline” means the date referred to in Section 7.02 (h) (i) and specified in the Loan Agreement by which the Co-financing Agreement is to become effective. If the Loan Agreement specifies more than one such date, “Co-financing Deadline” refers separately to each of such dates.
 19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b).”
 20. “Commitment-linked 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 Loan by the Bank and calculated as a portion of the Withdrawn Loan Balance, as specified in the Loan Agreement.
 21. “Conversion” means any of the following modifications of the terms of all or any portion of the Loan that has been requested by the Borrower and accepted by the Bank: (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 Loan Agreement and in the Conversion Guidelines.
 22. “Conversion Date” means, for a Conversion, such date as the Bank 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 Loan Account of the amount in respect of which the Conversion has been requested.
23. “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.
 24. “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.
 25. “Counterparty” means a party with whom the Bank enters into a hedging arrangement for purposes of executing a Conversion.
 26. “Covered Debt” means any debt which is or may become payable in a Currency other than the Currency of the Member Country.
 27. “Currency” means the currency of a country and the Special Drawing Right of the International Monetary Fund. “Currency of a country” means the currency which is legal tender for the payment of public and private debts in that country.
 28. “Currency Conversion” means a change of the Loan Currency of all or any amount of the Unwithdrawn Loan Balance or the Withdrawn Loan Balance to an Approved Currency.
 29. “Currency Hedge Notes Transaction” means one or more notes issued by the Bank and denominated in an Approved Currency for purposes of executing a Currency Conversion.
 30. “Currency Hedge Transaction” means either: (a) a Currency Hedge Swap Transaction; or (b) a Currency Hedge Notes Transaction.
 31. “Currency Hedge Swap Transaction” means one or more Currency derivatives transactions entered into by the Bank with a Counterparty as of the Execution Date for purposes of executing a Currency Conversion.
 32. “Default Interest Period” means for any overdue amount of the Withdrawn Loan Balance, each Interest Period during which such overdue amount remains unpaid; provided, however, that the first such Default Interest Period shall commence on the 31st 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.
 33. “Default Interest Rate” means for any Default Interest Period: (a) in respect of any amount of the Withdrawn Loan 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 Loan 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%).⁶

34. “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 3.02 (e) first becomes overdue.
35. “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 3.02 (d) first becomes overdue; and (b) for an amount of the Withdrawn Loan 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.
36. “Derivatives Agreement” means any derivatives agreement between the Bank and a Loan Party (or any of its sub-sovereign entities) for the purpose of documenting and confirming one or more derivatives transactions between the Bank and such Loan Party (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.
37. “Disbursed Amount” means, for each Interest Period, the aggregate principal amount of the Loan withdrawn from the Loan Account during such Interest Period, in Section 3.03(c)
38. “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 Loan Balance, as specified in the Loan Agreement.
39. “Dollar”, “\$” and “USD” each means the lawful currency of the United States of America.
40. “Effective Date” means the date on which the Legal Agreements enter into effect pursuant to Section 9.03 (a).
41. “Effectiveness Deadline” means the date referred to in Section 9.04 after which the Legal Agreements shall terminate if they have not entered into effect as provided in that Section.
42. “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.
43. “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,

⁶ Not available due to suspension of the Fixed Spread terms until further notice.

- acceptable to the Bank and in accordance with any such additional instructions as the Bank may specify from time to time by notice to the Borrower.
44. “Electronic Document” means information contained in a Legal Agreement or a notice or request under a Legal Agreement that is transmitted by Electronic Means.
 45. “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 Bank.
 46. “Eligible Expenditure” means any use to which the Loan is put in support of the Program, other than to finance Excluded Expenditures.
 47. “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 Bank for the relevant Interest Period.
 48. “Euro”, “€” and “EUR” each means the lawful currency of the Euro Area.
 49. “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.
 50. “Execution Date” means, for a Conversion, the date on which the Bank has undertaken all actions necessary to effect the Conversion, as reasonably determined by the Bank.
 51. “Exposure Surcharge” means the surcharge at the rate established by the Bank in accordance with its policies, and periodically published by the Bank, which may be applicable to the Borrower pursuant to Section 3.01 (c).
 52. “Excluded Expenditure” means any expenditure:
 - (a) for goods or services supplied under a contract which any national or international financing institution or agency other than the Bank or the Association has financed or agreed to finance, or which the Bank or the Association has financed or agreed to finance under another loan, credit, or grant;
 - (b) for goods included in the following groups or sub-groups of the Standard International Trade Classification, Revision 3 (SITC, Rev.3), published by the United Nations in Statistical Papers, Series M, No. 34/Rev.3 (1986) (the SITC), or any successor groups or subgroups under future revisions to the SITC, as designated by the Bank by notice to the Borrower:

Group	Sub-group	Description of Item
112		Alcoholic beverages
121		Tobacco, un-manufactured, tobacco refuse
122		Tobacco, manufactured (whether or not containing tobacco substitutes)
525		Radioactive and associated materials
667		Pearls, precious and semiprecious stones, unworked or worked
718	718.7	Nuclear reactors, and parts thereof; fuel elements (cartridges), non-irradiated, for nuclear reactors
728	728.43	Tobacco processing machinery
897	897.3	Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)
971		Gold, non-monetary (excluding gold ores and concentrates)

- (c) for goods intended for a military or paramilitary purpose or for luxury consumption;
- (d) for environmentally hazardous goods, the manufacture, use or import of which is prohibited under the laws of the Borrower or international agreements to which the Borrower is a party, and any other goods designated as environmentally hazardous by agreement between the Borrower and the Bank;
- (e) on account of any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and
- (f) with respect to which the Bank determines that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Borrower or other recipient of the Loan proceeds, without the Borrower (or other such recipient) having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur.
53. "Fixed Rate" means a fixed rate of interest applicable to the amount of the Loan to which a Conversion applies, as determined by the Bank in accordance with the Conversion Guidelines and notified to the Borrower pursuant to Section 4.01 (c).⁷
54. "Fixed Reference Rate" means a fixed reference rate component of the interest applicable to the amount of the Loan to which a Conversion applies, as determined by the Bank in accordance with the Conversion Guidelines and notified to the Borrower pursuant to Section 4.01 (c).
55. "Fixed Spread" means the Bank's fixed spread for the Original Loan Currency established by the Bank 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 Loan Agreement, expressed as a percentage per annum and as periodically published by the Bank; provided, that: (a) for purposes of determining the Default Interest Rate, pursuant to Section 3.02(e), that is applicable to an amount of the

⁷ Interest Rate Conversions to Fixed Rate are not available (except for Special Development Policy Loans) due to the suspension of the Fixed Spread terms until further notice. Some rate fixing Currency Conversions are available, subject to the Conversion Guidelines.

- Withdrawn Loan Balance on which interest is payable at a Fixed Rate, the “Fixed Spread” means the Bank’s fixed spread in effect at 12:01 a.m. Washington, D.C. time, one calendar day prior to the date of the Loan 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 4.02, “Fixed Spread” means the Bank’s fixed spread for the Loan Currency as reasonably determined by the Bank on the Conversion Date; and (c) upon a Currency Conversion of all or any amount of the Unwithdrawn Loan Balance, the Fixed Spread shall be adjusted on the Execution Date in the manner specified in the Conversion Guidelines.⁸
56. “Front-end Fee” means the fee specified in the Loan Agreement for the purpose of Section 3.01 (a).
57. “Guarantee Agreement” means the agreement between the Member Country and the Bank providing for the guarantee of the Loan, as such agreement may be amended from time to time. “Guarantee Agreement” includes these General Conditions as applied to the Guarantee Agreement, and all appendices, schedules and agreements supplemental to the Guarantee Agreement.
58. “Guarantor” means the Member Country which is a party to the Guarantee Agreement.
59. “Guarantor’s Representative” means the Guarantor’s representative specified in the Loan Agreement for the purpose of Section 10.02.
60. “Installment Share” means the percentage of the total principal amount of the Loan payable on each Principal Payment Date as specified in a Commitment-linked Amortization Schedule.
61. “Interest Hedge Transaction” means, for an Interest Rate Conversion, one or more interest rate swap transactions entered into by the Bank with a Counterparty as of the Execution Date and in accordance with the Conversion Guidelines, in connection with the Interest Rate Conversion.
62. “Interest Period” means the initial period from and including the date of the Loan 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.
63. “Interest Rate Cap” mean, with respect to all or any amount of the Withdrawn Loan Balance, a ceiling that sets an upper limit: (a) in respect of any portion of the Loan that accrues interest at a Variable Rate based on a Reference Rate and the Fixed Spread, for the Variable Rate⁹; or (b) in respect of any portion of the Loan that accrues interest at a Variable Rate based on a Reference Rate and the Variable Spread, for the Reference Rate.
64. “Interest Rate Collar” means, with respect to all or any amount of the Withdrawn Loan Balance, a combination of a ceiling and a floor that sets an upper and a lower limit: (a) in respect of any

⁸ Suspended until further notice.

⁹ Not available (except for Special Policy Development Loans) due to the suspension of the Fixed Spread terms until further notice.

portion of the Loan that accrues interest at a Variable Rate based on a Reference Rate and the Fixed Spread, for the Variable Rate¹⁰; or (b) in respect of any portion of the Loan that accrues interest at a Variable Rate based on a Reference Rate and the Variable Spread, for the Reference Rate.

65. "Interest Rate Conversion" means a change of the interest rate basis applicable to all or any amount of the Withdrawn Loan Balance: (a) from the Variable Rate to the Fixed Rate or vice versa;¹¹ (b) from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread;¹² (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.
66. "Legal Agreement" means any of the Loan Agreement, the Guarantee Agreement, the Program Agreement, or the Subsidiary Agreement. "Legal Agreements" means collectively, all of such agreements.
67. "Lien" includes mortgages, pledges, charges, privileges and priorities of any kind.
68. "Loan" means the loan provided for in the Loan Agreement.
69. "Loan Account" means the account opened by the Bank in its books in the name of the Borrower to which the amount of the Loan is credited.
70. "Loan Agreement" means the loan agreement between the Bank and the Borrower providing for the Loan, as such agreement may be amended from time to time. "Loan Agreement" includes these General Conditions as applied to the Loan Agreement, and all appendices, schedules and agreements supplemental to the Loan Agreement.
71. "Loan Currency" means the Currency in which the Loan is denominated; provided that if the Loan Agreement provides for Conversions, "Loan Currency" means the Currency in which the Loan is denominated from time to time. If the Loan is denominated in more than one currency, "Loan Currency" refers separately to each of such Currencies.
72. "Loan Party" means the Borrower or the Guarantor. "Loan Parties" means collectively, the Borrower and the Guarantor.
73. "Loan Payment" means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any surcharge, 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 the Borrower.

¹⁰ Not available (except for Special Policy Development Loans) due to the suspension of the Fixed Spread terms until further notice.

¹¹ Not available (except for Special Policy Development Loans) due to the suspension of the Fixed Spread terms until further notice.

¹² Not available due to the suspension of the Fixed Spread terms until further notice.

74. “Local Currency” means an Approved Currency that is not a major currency, as reasonably determined by the Bank.
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. “Member Country” means the member of the Bank which is the Borrower or the Guarantor.
77. “Original Loan Currency” means the currency of denomination of the Loan as defined in Section 3.08.
78. “Payment Date” means each date specified in the Loan Agreement occurring on or after the date of the Loan Agreement on which interest and Commitment Charge are payable.
79. “Preparation Advance” means the advance referred to in the Loan Agreement and repayable in accordance with Section 2.05 (a).
80. “Principal Payment Date” means each date specified in the Loan Agreement on which all or any portion of the principal amount of the Loan is payable.
81. “Program” means the program referred to in the Loan Agreement in support of which the Loan is made.
82. “Program Agreement” means the agreement between the Bank and the Program Implementing Entity relating to the implementation of all or part of the Program, as such agreement may be amended from time to time. “Program Agreement” includes these General Conditions as applied to the Program Agreement, and all appendices, schedules and agreements supplemental to the Program Agreement.
83. “Program Implementing Entity” means a legal entity (other than the Borrower or the Guarantor) which is responsible for implementing all or a part of the Program and which is a party to the Program Agreement or the Subsidiary Agreement.
84. “Program Implementing Entity’s Representative” means the Program Implementing Entity’s representative specified in the Program Agreement for the purpose of Section 10.02 (a).
85. “Public Assets” means assets of the Member Country, 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 Member Country 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 Member Country.
86. “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 Bank 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 Bank for purposes of its asset and liability management, and notify the Borrower accordingly;

(b) if the Bank determines that (i) the Reference Rate for the relevant Loan Currency has permanently ceased to be quoted for such currency, or (ii) the Bank is no longer able, or it is no longer commercially acceptable for the Bank, 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 Bank shall determine, and notify to the Borrower pursuant to Section 3.02 (c); and

(c) for any currency other than USD, EUR or JPY: (i) such reference rate for the Original Loan Currency as shall be specified or referred to in the Loan Agreement; or (ii) in the case of a Currency Conversion to such other currency, such reference rate as shall be determined by the Bank in accordance with the Conversion Guidelines and notice thereof given to the Borrower in accordance with Section 4.01 (c).

87. “Relevant Rate Page” means the display page designated by an established financial market data provider selected by the Bank 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 Loan Currency.
88. “Respective Part of the Program” means, for the Borrower and for any Program Implementing Entity, the part of the Program specified in the Legal Agreements to be implemented by it.
89. “Screen Rate” means with respect to a Conversion, such rate as determined by the Bank 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.
90. “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 Bank for the relevant Interest Period.
91. “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 Bank for the relevant Interest Period.
92. “Standard Exposure Limit” means the standard limit on the Bank’s financial exposure to the Member Country, as determined from time to time by the Bank which, if exceeded, would subject the Borrower to the Exposure Surcharge pursuant to Section 3.01 (c).
93. “Sterling”, “£” or “GBP” each means the lawful currency of the United Kingdom.

94. “Subsidiary Agreement” means the agreement that the Borrower enters into with the Program Implementing Entity setting forth the respective obligations of the Borrower and the Program Implementing Entity with respect to the Program.
95. “Substitute Loan Currency” means the substitute currency of denomination of a Loan as defined in Section 3.08.
96. “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.
97. “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 Bank for the relevant Interest Period.
98. “Total Exposure” means, for any given day, the Bank’s total financial exposure to the Member Country, as reasonably determined by the Bank.
99. “Umpire” means the third arbitrator appointed pursuant to Section 8.04 (c).
100. “Unwinding Amount” means, for the early termination of a Conversion: (a) an amount payable by the Borrower to the Bank equal to the net aggregate amount payable by the Bank under transactions undertaken by the Bank to terminate the Conversion, or if no such transactions are undertaken, an amount determined by the Bank on the basis of the Screen Rate, to represent the equivalent of such net aggregate amount; or (b) an amount payable by the Bank to the Borrower equal to the net aggregate amount receivable by the Bank under transactions undertaken by the Bank to terminate the Conversion, or if no such transactions are undertaken, an amount determined by the Bank on the basis of the Screen Rate, to represent the equivalent of such net aggregate amount.
101. “Unwithdrawn Loan Balance” means the amount of the Loan remaining unwithdrawn from the Loan Account from time to time.
102. “Variable Rate” means: (a) a variable rate of interest equal to the sum of: (1) the Reference Rate for the Original Loan 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;¹³ and (b) in case of a Conversion, such variable rate as determined by the Bank in accordance with the Conversion Guidelines and notified to the Borrower pursuant to Section 4.01 (c).
103. “Variable Spread” means, for each Interest Period: (a) (1) the Bank’s standard lending spread for Loans established by the Bank in accordance with its policies in effect at 12:01 a.m.

¹³ Fixed Spread terms are suspended until further notice (except Special Development Policy Loans that have a separate fixed spread).

Washington, D.C. time, one calendar day prior to the date of the Loan 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 Bank's outstanding borrowings or portions thereof allocated by it to fund loans that carry interest at a rate based on the Variable Spread; as reasonably determined by the Bank, expressed as a percentage per annum and periodically published by the Bank; and (b) in case of Conversions, the variable spread, as applicable, as determined by the Bank in accordance with Conversion Guidelines and notified to the Borrower pursuant to Section 4.01(c). In the case of a Loan denominated in more than one Currency, "Variable Spread" applies separately to each of such Currencies.

104. "Withdrawn Loan Balance" means the amounts of the Loan withdrawn from the Loan Account and outstanding from time to time.
105. "Yen", "¥" and "JPY" each means the lawful currency of Japan.

LOAN NUMBER 9368-UA
LOAN NUMBER 9367-UA
LOAN NUMBER 9366-UA

Loan Agreement

(Supplemental Loan For Second Economic Recovery Development Policy Loan)

between

UKRAINE

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between UKRAINE ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Bank has decided to provide this financing on the basis, inter alia, of: (i) the actions which the Borrower has already taken under the Program and which are described in Section I.A of Schedule 1 to the Original Loan Agreement; (ii) the progress achieved by the Borrower in carrying out the Program; and (iii) the Borrower's maintenance of an adequate macroeconomic policy framework. The Borrower and the Bank therefore hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of four hundred thirty-seven million and fifty thousand Euros (€437,050,000) consisting of the following and collectively "Loan":
 - (a) the amount of €312,600,000 as such amount may be converted from time to time through a Currency Conversion ("Loan A");
 - (b) the amount of €79,750,000 as such amount may be converted from time to time through a Currency Conversion ("Loan B"); and
 - (c) the amount of €44,700,000 as such amount may be converted from time to time through a Currency Conversion ("Loan C").
- 2.02. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.03. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.04. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(c) of the General Conditions.

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- 2.05. The Payment Dates are June 15 and December 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with Schedule 2 to this Agreement.
- 2.07. (a) Loan B and Loan C are to be guaranteed by the Dutch Guarantee and the Swedish Guarantee respectively.
- (b) The Borrower agrees that the Bank's payment obligations in connection with Loan B and Loan C guaranteed by the Dutch Guarantee and the Swedish Guarantee respectively is contingent upon the Dutch Guarantee Agreement and the Swedish Guarantee Agreement respectively being signed, delivered to the Bank and effective prior to disbursement of the Loan B and Loan C respectively.
- (c) The Borrower's right to withdraw the portion of the Loan proceeds guaranteed by the Dutch Guarantee and the Sweden Guarantee respectively is subject to the signing, delivery to the Bank and effectiveness of the Dutch Guarantee Agreement and the Swedish Guarantee Agreement respectively.
- 2.08. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Borrower shall promptly furnish to the Bank such information relating to the provisions of this Article II as the Bank may, from time to time, reasonably request.

ARTICLE III — PROGRAM

- 3.01. The Borrower declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions:
- (a) the Borrower and the Bank shall from time to time, at the request of either party, exchange views on the Borrower's macroeconomic policy framework and the progress achieved in carrying out the Program;
- (b) prior to each such exchange of views, the Borrower shall furnish to the Bank for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Bank shall reasonably request; and
- (c) without limitation upon paragraph (a) and (b) of this Section, the Borrower shall promptly inform the Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I.A of Schedule 1 to the Original Loan Agreement.

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ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following, namely that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.
- 4.02. The Additional Event of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Bank to the Borrower.
- 4.03. In addition to events specified in Section 7.03 of the General Conditions, the Bank reserves the right to cancel Loan B and Loan C to be guaranteed by the Dutch Guarantee and the Swedish Guarantee respectively, if, upon consultations with the Dutch Guarantor and the Swedish Guarantor respectively and the Borrower, the Bank determines that the Dutch Guarantee Agreement and the Swedish Guarantee Agreement respectively will not be signed in a reasonable amount of time.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely that, the Bank is satisfied with the progress achieved by the Borrower in carrying out the Program and with the adequacy of the Borrower's macroeconomic policy framework.
- 5.02. The Effectiveness Deadline is the date sixty (60) days after the Signature Date.
- 5.03. Without limitation to Section 10.02(b) of the General Conditions, any modification to this Agreement shall be executed by written instrument agreed by the parties hereto. Such amendment shall become effective as set forth in the amending agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is its Minister of Finance.
- 6.02. For purposes of Section 10.01 of the General Conditions:
 - (a) the Borrower's address is:

Ministry of Finance
12/2 M. Hrushevskoho Str.,
Kyiv, 01008
Ukraine; and

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(b) the Borrower's Electronic Address is:

Facsimile:	E-mail:
+38 (044) 425-90-26	<u>infomf@minfin.gov.ua</u>

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

(a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423(MCI) or 64145(MCI)	1-202-477-6391	abanerji@worldbank.org

AGREED as of the Signature Date.

UKRAINE


By



Authorized Representative
Name: Sergii Marchenko
Title: Minister of Finance of
Date: 08/03/2022

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative
Name: ARUP BANERJI
Title: REGIONAL COUNTRY/DRE
Date: March 8, 2022

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SCHEDULE 1

Program Actions; Availability of Loan Proceeds

Section I. Availability of Loan Proceeds

- A. General.** The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank may specify by notice to the Borrower.
- B. Allocation of Loan Amounts.** The Loan is allocated in: (a) a single withdrawal tranche, from which the Borrower may make withdrawals of the Loan proceeds; and (b) the amounts requested by the Borrower to pay: (A) the Front-end Fee; and (B) each Interest Rate Cap or Interest Rate Collar premium. The allocation of the amounts of the Loan to this end is set out in the table below:

Allocations	Amount of Loan A Allocated (expressed in EUR)	Amount of Loan B Allocated (expressed in EUR)	Amount of Loan C Allocated (expressed in EUR)
(1) Single Withdrawal Tranche	311,818,500	79,550,625	44,588,250
(2) Front-end Fee	781,500	199,375	111,750
(3) Interest Rate Cap or Interest Rate Collar premium (Amount due pursuant to Section 4.05 (c) of the General Conditions			
TOTAL AMOUNT	312,600,000	79,750,000	44,700,000

- C. Withdrawal of Loan Proceeds.**
- No withdrawal shall be made of the Single Withdrawal Tranche -Loan A unless the Bank is satisfied: (a) with the Program being carried out by the Borrower; and (b) with the adequacy of the Borrower's macroeconomic policy framework.
 - No withdrawal shall be made of the Single Withdrawal Tranche – Loan B unless: (a) the Bank and the Dutch Guarantor have signed the Dutch Guarantee Agreement and the Dutch Guarantee Agreement has been delivered to the Bank and has

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become effective; and (b) the Bank is satisfied with: (i) the Program being carried out by the Borrower; and (ii) the adequacy of the Borrower's macroeconomic policy framework.

3. No withdrawal shall be made of the Single Withdrawal Tranche – Loan C unless: (a) the Bank and the Swedish Guarantor have signed the Swedish Guarantee Agreement and the Swedish Guarantee Agreement has been delivered to the Bank and has become effective; and (b) the Bank is satisfied with: (i) the Program being carried out by the Borrower; and (ii) the adequacy of the Borrower's macroeconomic policy framework.

D. Dutch Guarantee

1. In the event the Dutch Guarantee Agreement is signed, the Borrower acknowledges and confirms that the Loan will be guaranteed by a Dutch Guarantee, pursuant to which the Dutch Guarantor will guarantee certain obligations of the Borrower under this Agreement, subject to the terms and conditions set forth therein.
2. The Borrower understands and agrees that, in the event of any payment to the Bank by the Dutch Guarantor under the Dutch Guarantee Agreement as a result of any non-payment by the Borrower under this Agreement, the Dutch Guarantor may have certain rights of subrogation and the Bank may assign to the Dutch Guarantor any right to receive repayment from the Borrower under this Agreement, all subject to the terms and conditions of the Dutch Guarantee Agreement.

E. Swedish Guarantee

1. In the event the Sweden Guarantee Agreement is signed, the Borrower acknowledges and confirms that the Loan will be guaranteed by a Swedish Guarantee, pursuant to which the Swedish Guarantor will guarantee certain obligations of the Borrower under this Agreement, subject to the terms and conditions set forth therein.
2. The Borrower understands and agrees that, in the event of any payment to the Bank by the Swedish Guarantor under the Swedish Guarantee Agreement as a result of any non-payment by the Borrower under this Agreement, the Swedish Guarantor may have certain rights of subrogation and the Bank may assign to the Swedish Guarantor any right to receive repayment from the Borrower under this Agreement, all subject to the terms and conditions of the Swedish Guarantee Agreement.

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F. Deposit of Loan Amounts.

The Borrower, within seven (7) days after the withdrawal of the Loan from the Loan Account, shall report to the Bank: (a) the exact sum received into the account referred to in Section 2.03 (a) of the General Conditions; (b) the details of the account to which the Ukrainian Hryvnia equivalent of the Loan proceeds will be credited; (c) the record that an equivalent amount has been accounted for in the Borrower's budget management systems; and (d) the statement of receipts and disbursement of the account referred to in Section 2.03 (a) of the General Conditions.

G. Audit. Upon the Bank's request, the Borrower shall:

1. have the account referred to in Section 2.03 (a) of the General Conditions audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank;
2. furnish to the Bank as soon as available, but in any case not later than four months after the date of the Bank's request for such audit, a certified copy of the report of such audit, of such scope and in such detail as the Bank shall reasonably request, and make such report publicly available in a timely fashion and in a manner acceptable to the Bank; and
3. furnish to the Bank such other information concerning the account referred to in Section 2.03 (a) of the General Conditions and their audit as the Bank shall reasonably request.

H. Closing Date. The Closing Date is June 30, 2022.

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SCHEDULE 2

Commitment-Linked Amortization Repayment Schedule

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

Level Principal Repayments	
Principal Payment Date	Installment Share
On each June 15 and December 15 Beginning June 15, 2027 through December 15, 2039	3.70%
On June 15, 2040	3.80%

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APPENDIX

Section I. Definitions

1. "Dutch Guarantee" means a guarantee to be extended by the Dutch Guarantor under the Dutch Guarantee Agreement in a principal amount of €79,750,000, in respect of Loan B.
2. "Dutch Guarantee Agreement" means the guarantee agreement to be entered into between the Bank and the Dutch Guarantor providing for the Dutch Guarantee, as such guarantee agreement may be amended from time to time, and such term includes all appendices, schedules and agreements supplemental to the Dutch Guarantee Agreement.
3. "Dutch Guarantor" means the Kingdom of the Netherlands.
4. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for IBRD Financing, Development Policy Financing", dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022), with the modifications set forth in Section II of this Appendix.
5. "Loan A" means the loan provided for under Section 2.01(a) of the Loan Agreement.
6. "Loan B" means the loan provided for under Section 2.01(b) of the Loan Agreement.
7. "Loan C" means the loan provided for under Section 2.01(c) of the Loan Agreement.
8. "Original Loan Agreement" means the Loan Agreement dated December 20, 2021 between the Borrower and the Bank relating to the Program.
9. "Program" means the program of objectives, policies, and actions set forth or referred to in the letter dated November 19, 2021 from the Borrower to the Bank declaring the Borrower's commitment to the execution of the Program, and requesting assistance from the Bank in support of the Program during its execution and comprising actions taken, including those set forth in Section I of Schedule 1 to the Original Loan Agreement, and actions to be taken consistent with the program's objectives.
10. "Signature Date" means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to "the date of the Loan Agreement" in the General Conditions.

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11. "Single Withdrawal Tranche" means the amount of the Loan allocated to the category entitled "Single Withdrawal Tranche" in the table set forth in Part B of Section II of Schedule 1 to this Agreement
12. "Swedish Guarantee" means a guarantee to be extended by the Swedish Guarantor under the Swedish Guarantee Agreement in a principal amount of €44,700,000, together with interest, in respect of Loan B.
13. "Swedish Guarantee Agreement" means the guarantee agreement to be entered into between the Bank and the Swedish Guarantor providing for the Swedish Guarantee, as such guarantee agreement may be amended from time to time, and such term includes all appendices, schedules and agreements supplemental to the Swedish Guarantee Agreement.
14. "Swedish Guarantor" means the Kingdom of Sweden.
15. "Ukrainian Hryvnia" means the Borrower's national currency.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Paragraph (b) of Section 3.0 is deleted in its entirety and replaced with the following:

"The Borrower shall pay the Bank a Commitment Charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement. The Commitment Charge on the Unwithdrawn Loan Balance of:

- (i) Loan A shall accrue from a date sixty (60) days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled.
- (ii) Loan B shall accrue from a date sixty (60) days after the date of the Dutch Guarantee Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled.
- (iii) Loan C shall accrue from a date sixty (60) days after the date of the Guarantee Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled.

Except as otherwise provided in Section 2.05(c), the Borrower shall pay the Commitment Charge semi-annually in arrears on each Payment Date."

Utdrag ur protokoll vid regeringssammanträde den 14 mars 2022

Närvarande: statsråden Ygeman, ordförande, Strandhäll, Säterberg, Gustafsdotter, Axelsson Kihlblom, Elger, Farmanbar

Föredragande: statsrådet Elger

Regeringen beslutar proposition Extra ändringsbudget för 2022 – Garanti till Internationella återuppbyggnads- och utvecklingsbanken för lån till Ukraina

