Financing Agreement

(WAEMU Affordable Housing Finance Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

WEST AFRICAN DEVELOPMENT BANK

Dated OCTOBER 13, 2017
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date, entered into between the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and the WEST AFRICAN DEVELOPMENT BANK ("Recipient" or "BOAD").

WHEREAS: (A) in a regional effort to support access to affordable housing finance in parts of western Africa, the Association has decided to support access to housing finance in the WAEMU region;

(B) Having satisfied itself as to the feasibility and priority of the Project described in Schedule 1 to this Agreement ("Project"), the Recipient has requested the Association to extend a Credit to assist in the financing of Parts 1 and 2 of the Project;

WHEREAS, a WAEMU Commission Financing Agreement, of the same date as this Agreement, has been executed between the Association and the WAEMU Commission to extend a grant to carry out Parts 3, 4 and 5 of the Project;

WHEREAS, the Recipient and the WAEMU Commission will enter into a Cooperation Agreement setting out terms and conditions for the effective coordination and cooperation between them for the implementation of the Project;

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to extend a Credit to the Recipient upon the terms and conditions set forth in this Agreement.

NOW THEREFORE, the Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — CREDIT

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in the amount of one hundred sixteen million Euros (EUR1 16,000,000) ("Credit" or "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
2.02. The Recipient may withdraw the proceeds of the Credit in accordance with Section III of Schedule 2 to this Agreement.

2.03. The Front-end Fee is equal to one quarter of one percent (1/4 of 1%) of the Credit amount.

2.04. The Commitment Charge is one quarter of one percent (1/4 of 1%) per annum on the Unwithdrawn Credit Balance.

2.05. The Interest rate is the Reference Rate plus the Fixed Spread or such rate as may apply following a Conversion; subject to Section 3.09(e) of the General Conditions.

2.06. The Payment Dates are April 15 and October 15 in each year.

2.07. The principal amount of the Credit shall be repaid in accordance with Schedule 3 to this Agreement.

2.08. The Payment Currency is Euro.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out Parts 1 and 2 of the Project through the Project Implementing Entity in accordance with the provisions of Article IV of the General Conditions, Schedule 2 to this Agreement and the Project Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Events of Suspension consist of the following:

(a) The Recipient’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely its ability to perform any of its obligations under this Agreement.

(b) The Project Implementing Entity’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.

(c) The Association has suspended in whole or in part the right of the WAEMU Commission to make withdrawals under the WAEMU Commission Financing Agreement.
ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Subsidiary Agreement has been duly executed on behalf of the Recipient and the Project Implementing Entity under terms and conditions satisfactory to the Association.

(b) The Cooperation Agreement has been duly executed between the Recipient and the WAEMU Commission under terms and conditions satisfactory to the Association.

(c) CRRH-UEMOA has updated and adopted the CRRH-UEMOA Implementation Manual, in form and substance satisfactory to the Association.

(d) CRRH-UEMOA has prepared an ESMS for Parts 1 and 2 of the Project, satisfactory to the Association and has disclosed it in a manner acceptable to the Association.

(e) All conditions for the effectiveness of the WAEMU Commission Financing Agreement have been met other than for the effectiveness of this Agreement.

5.02. The Additional Legal Matters consist of the following:

(a) The Subsidiary Agreement has been duly authorized by, and executed and delivered on behalf of the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.

(b) The Cooperation Agreement has been duly authorized by, and executed and delivered on behalf of the Recipient and the WAEMU Commission and is legally binding upon the Recipient and the WAEMU Commission in accordance with its terms.

5.03. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

5.04. For purposes of Section 10.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the President of the West African Development Bank.
6.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient’s Address is:

Banque Ouest Africaine de Developpement  
68, Avenue de La Libération  
Lomé, Togo

(b) the Recipient’s Electronic Address is:

Telephone: +228 22 21 59 06  
Facsimile: +228 22 21 52 67

6.03. For purposes of Section 10.01 of the General Conditions: (a) the Association’s Address is:

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

(b) the Association’s Electronic Address is:

Telex: 248423 (MCI)  
Facsimile: 1-202-477-6391
AGREED at Washington D.C, United States of America, as of the Signature Date.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

Rachid Benmessoud
Country Director for Nigeria and
Coordinating Director for the West Africa Regional Integration Program

Date: OCTOBER 13, 2017

WEST AFRICAN DEVELOPMENT BANK

By:

Christian Adovelande
President

Date: OCTOBER 13, 2017
Project Description

The objective of the Project is to expand access to long-term housing finance in the WAEMU, including for underserved households.

The Project consists of the following parts:

Part 1: Participating Banks Mortgage Refinancing

(a) Provision of financing from the Recipient to CRRH-UEMOA to be utilized for providing Mortgage Refinancing to Participating Banks.

(b) Provision of financing from the Recipient to CRRH-UEMOA in the form of capital through a Subordinated Loan, in order to strengthen its financial standing and capacity.

Part 2: Non-Bank Financial Institutions Mortgage Refinancing

Provision of financing from the Recipient to CRRH-UEMOA to be utilized for providing Mortgage Refinancing to Non-Bank Financial Institutions.

Part 3: Affordable Housing Policies Technical Assistance

Carrying out of a technical assistance and capacity building program designed to support the increase in affordable housing supply in the WAEMU Region; through, inter alia: (a) the establishment of a regional land and housing information system aimed at supporting selected affordable national housing policies; (b) the provision of advisory services to selected National Housing Programs; and (c) the carrying out of feasibility studies addressing constraints on access to fully serviced land.

Part 4: Technical Assistance for Non-Bank Financial Institutions and CRRH-UEMOA

Carrying out of a technical assistance and capacity building program designed to support the access of Non-Bank Financial Institutions to Mortgage Refinancing from CRRH-UEMOA through, inter alia: (a) designing new rules and policies with CRRH-UEMOA to ensure access to Mortgage Refinancing of Non-Bank Financial Institutions; (b) developing a risk management framework, including procedures and sample legal agreements; and (c) supporting CRRH-UEMOA to provide capacity building activities for Mortgage Refinancing activities and environmental and Social risk management for selected financial institutions.
Part 5: Regional Guarantee Product for Housing Loans

Supporting the Recipient in designing a housing loan guarantee product, through *inter alia:* (a) carrying out of a feasibility study on the design of said guarantee product; (b) developing a business plan and internal procedures to operationalize the said guarantee product; and (c) providing Training and Workshops for the Participating Banks and Non-Bank Financial Institutions.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall, no later than one (1) month after the Effective Date, establish, nominate and thereafter maintain throughout the period of Project implementation:
   (a) its representative or representatives in the Steering Committee; and
   (b) the Steering Committee in form and with functions, composition and mandate, under terms of reference satisfactory to the Association. To this end, the Recipient shall ensure that the Steering Committee is responsible for oversight and strategic guidance of Project implementation and shall be chaired by the BOAD representative and comprised of representatives from the WAEMU Commission, BCEAO and CRRH-UEMOA.

2. The Recipient shall, not later than three (3) months after the Effective Date, engage an Independent Verification Agent under terms of reference acceptable to the Association, to prepare and provide verification reports certifying the achievement of the DLIs under Part 1(b) of the Project.

B. CRRH-UEMOA Implementation Manual

1. The Recipient shall cause CRRH-UEMOA to carry out Parts 1 and 2 of the Project in accordance with the CRRH-UEMOA Implementation Manual.

2. The Recipient shall ensure that the CRRH-UEMOA Implementation Manual is not amended, suspended, repealed or abrogated without the prior written approval of the Association.

3. In the event of any conflict between the provisions of the CRRH-UEMOA Implementation Manual and this Agreement, the provisions of this Agreement shall prevail.

C. Subsidiary Agreement

1. To facilitate the carrying out of Parts 1(a) and 2 of the Project, the Recipient shall on-lend the proceeds of the Financing allocated from time to time to Categories (1) and (3) of the table set forth in Section III of this Schedule, available to CRRH-UEMOA, under a Subsidiary Agreement between the Recipient and CRRH-UEMOA under terms and conditions satisfactory to the Association, which shall include, inter alia, the following:
(a) the principal amount of the Financing made available under the Subsidiary Agreement ("Subsidiary Credit") shall be: (i) denominated and repayable in EUROS; (ii) charged interest on the principal amount withdrawn and outstanding from time to time at the rate of 0.5%; and (iii) repayable over a period not exceeding 30 years from the date of the Subsidiary Agreement, inclusive of a grace period not exceeding 5 years; 

(b) the obligation of the Project Implementing Entity to carry out Parts 1 and 2 of the Project with due diligence and efficiency, in conformity with appropriate administrative, financial and technical practices and in accordance with the CRRH-UEMOA Implementation Manual, and provide, or cause to be provided, promptly as needed, the facilities, services and other resources required for the Project; 

(c) the obligation of the Project Implementing Entity to comply with record keeping, auditing and reporting requirements set forth in this Agreement (operations, resources and expenditure) for Parts 1 and 2 of the Project; 

(e) the obligation of the Project Implementing Entity, at the request of the Recipient or the Association, to exchange views with the Recipient and the Association with regard to the progress of the Project and the performance of its obligations under the Subsidiary Agreement; 

(f) the obligation of the Project Implementing Entity to promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of Parts 1 and 2 of the Project, or the performance of its obligations under the Subsidiary Agreement; and 

(g) the Recipient shall obtain rights adequate to protect its interests and those of the Recipient and the Association, including the right to suspend or terminate the right of the CRRH-UEMOA to use the proceeds of the Subsidiary Credit, or obtain a refund of all or any part of the amount of the Subsidiary Credit then withdrawn, upon CRRH-UEMOA's material failure to perform any of its obligations under the Subsidiary Agreement. 

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect its own interests and the interests of the Association in order to accomplish the purposes of the Financing. The Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement without the prior written approval of the Association. 

3. In the event of any conflict between the provisions of the Subsidiary Agreement and the provisions of this Agreement, the provisions of this Agreement shall prevail.
D. **Subordinated Loan**

1. For the purposes of carrying out Part 1(b) of the Project, the Recipient shall on-lend the proceeds of the Financing allocated to Category (2) ("Subordinated Loan") to CRRH-UEMOA under a Subordinated Loan Agreement between the Recipient and CRRH-UEMOA, under terms and conditions satisfactory to the Association, which shall, *inter alia*, include the following:

   a) The Subordinated Loan shall be: (i) denominated and repayable in Euros; (ii) charged interest on the principal amount withdrawn and outstanding from time to time at the rate of 0.5%; (iii) repayable over a period not exceeding 30 years from the date of the Subordinated Loan Agreement, inclusive of a grace period not exceeding 5 years; and (iv) solely utilized to strengthen CRRH-UEMOA capital base in accordance with sound prudential principles and standards, with the objective of maintaining the principle value of the Subordinated Loan and protecting CRRH-UEMOA against foreign exchange fluctuations.

   b) The Recipient shall obtain rights adequate to protect its interests and those of the Recipient and the Association, including the right to suspend or terminate the right of the CRRH-UEMOA to use the proceeds of the Subordinated Loan, or obtain a refund of all or any part of the amount of the Subordinated Loan then withdrawn, upon CRRH-UEMOA’s material failure to perform any of its obligations under the Subordinated Loan Agreement.

2. The Recipient shall exercise its rights under the Subordinated Loan Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Recipient and/or the Association shall otherwise agree, CRRH-UEMOA shall not assign, amend, abrogate or waive the Subordinated Loan Agreement or any of its provisions.

E. **Environmental and Social Risk Management for Parts 1 and 2 of the Project**

1. For purposes of managing the environmental and social risks and impacts associated with the implementation of Parts 1 and 2 of the Project, the Recipient shall ensure, and cause CRRH-UEMOA to ensure, that:

   (a) Financing proceeds are provided only to Participating Banks and Non-Bank Financial Institutions for carrying out Mortgage Refinancing that meet the criteria detailed in the CRRH-UEMOA Implementation Manual and that are not utilized for refinancing Eligible Mortgage Loans that support Excluded Activities as set out in Schedule 6 of this Agreement;
(b) all Eligible Mortgage Loans refinanced under Parts 1 and 2 of the Project by Participating Banks and Non-Bank Financial institutions meet the Applicable Environmental and Social Requirements through adequate implementation of the ESMS; 

(c) all Participating Banks and Non-Bank Financial institutions fulfill their respective obligations with regard to carrying out environmental and social due diligence and monitoring of Eligible Mortgage Loans, in accordance with the ESMS; and 

(d) all Participating Banks and Non-Bank Financial institutions manage the working conditions of their workforce in accordance with relevant aspects of the World Bank Performance Standard 2 on Labor and Working Conditions.

2. For purposes of carrying out Parts 1 and 2 of the Project, the Recipient shall cause CRRH-UEMOA to ensure that Participating Banks and Non-Bank Financial institutions:

(a) (i) disclose (a) summary(ies) of the key elements of their ESMS; and (ii) issue written authorizations to the Association to disclose such summaries; and 

(b) notify CRRH-UEMOA (which in turn shall promptly notify the Association), of any social, labor, health and safety, security or environmental incident, accident or circumstance which may have any material impact on the compliance of the Applicable Environmental and Social Requirements.

3. The Recipient shall cause CRRH-UEMOA to regularly collect and compile, and submit to the Association, as part of the Project Reports, information on the status of compliance with environmental and social risk management requirements set forth in this Agreement, providing details on measures taken, conditions, if any, which interfere or threaten to interfere with the implementation of the Applicable Environmental and Social Requirements and the ESMS; and remedial measures taken or required to be taken to address such conditions. The Recipient shall cause CRRH-UEMOA to furnish to the Association a consolidated annual environmental and social performance report within ninety (90) days after the end of each calendar year.

4. Prior to the carrying out of any activities under Parts 1 and 2 of the Project, the Recipient shall cause CRRH-UEMOA to establish, and thereafter maintain through the period of implementation of the Project, an easily accessible grievance redress mechanism acceptable to the Association, to address feedback and grievances relating to the Project.
F. Participating Agreements

1. In order to implement Parts 1(a) and 2 of the Project, the Recipient through CRRH-UEMOA shall: (a) enter into Participating Agreements with Participating Banks or Non-Bank Financial Institutions (“Participating Agreements”), as the case may be, on terms and conditions acceptable to the Association, which shall include terms and conditions set forth in Schedule 5 to this Agreement to make the proceeds of the Subsidiary Credit available to said Participating Banks or Non-Bank Financial Institution, as the case may be; and (b) except as the Association shall otherwise agree, not assign, amend, abrogate or waive any such Participating Agreements.

2. The Recipient shall cause CRRH-UEMOA to exercise its rights under the Participating Agreements in such manner as to protect its interests and the interests of the Association in order to accomplish the purposes of the Financing. CRRH-UEMOA may not assign, amend, abrogate or waive the Participating Agreements without the prior written approval of the Association.

G. Cooperation Agreement

1. To facilitate the carrying out of the Project, the Recipient maintain the Cooperation Agreement with the WAEMU Commission setting out implementation and coordination aspects between them and under the terms and conditions approved by the Association.

2. The Recipient shall exercise its rights under the Cooperation Agreement in such manner as to protect the interests of the Recipient and the Association in order to accomplish the purposes of the Project. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Cooperation Agreement or any of its provisions without the prior written agreement of the Association.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall furnish to the Association each Project Report, not later than one month after the end of each calendar semester, covering the calendar semester.
Section III. **Withdrawal of the Proceeds of the Credit**

1. Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Credit to: (a) finance Eligible Expenditures; and (b) pay Interest Rate Cap or Interest Rate Collar premium; in the amount allocated and, if applicable, up to the percentage set forth against each category in the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in EUR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Mortgage Refinancing under Part 1(a) of the Project.</td>
<td>35,700,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Subordinated Loan under Part 1(b) of the Project.</td>
<td>35,700,000</td>
<td>100% of each DLI Amount set out in Schedule 4</td>
</tr>
<tr>
<td>(3) Mortgage Refinancing under Part 2 of the Project.</td>
<td>44,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Interest Rate Cap or Interest Rate Collar Premium</td>
<td>0</td>
<td>Amount due in accordance with Section 4.06(c) of the General Conditions.</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>116,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

2. Notwithstanding the provisions of Paragraph 1 of this Section, no withdrawal shall be made from the Credit Account until the Association has received payment in full of the Front End Fee:

(a) for payments made prior to the date of this Agreement; except withdrawals under Category (2) up to an aggregate amount not to exceed 23,000,000 Euros may be made for payments made prior to this date but on or after October 15, 2016, for Eligible Expenditures, subject to fulfilling other disbursement conditions set out in Paragraph (c) below;

(b) any payments under Category (1), until and unless evidence satisfactory to the Association is furnished to the Association that: (i) CRRH-UEMOA has adopted a Pipeline for the first 12 months following the Effective Date;
and; (iii) CRRH-UEMOA has entered into at least three Participating Agreements with Participating Banks;

(c) any payments under Category (2) until and unless the Subordinated Loan Agreement has been executed, with terms and conditions acceptable to the Association;

(d) payments under Category (3), until and unless evidence satisfactory to the Association is furnished to the Association that: (i) CRRH-UEMOA has adopted a Pipeline for the first twelve (12) months following the Effective Date, and; (ii) CRRH-UEMOA has entered into at least three Participating Agreements with Non-Bank Financial Institutions; and

(e) for any DLI under Category (2), until and unless the Recipient, through CRRH-UEMOA, has furnished all required verification documents and information acceptable to the Association within sixty (60) days from the date said DLI was achieved, or such later date as may be established by the Association, showing that said DLI has been achieved. Such verification documents and information shall include verification reports from the Independent Verification Agent, based on reports prepared by the Recipient certifying the achievements of the DLIs in accordance with procedures and arrangements, and verification protocols acceptable to the Association.

3. The Closing Date is December 31, 2022.

Section IV. Other Undertakings

To facilitate the implementation of Part 1(a) of the Project, the Recipient shall cause CRRH-UEMOA to provide satisfactory evidence that it has issued a bond in the regional capital market, every 18 months, starting on the Effective Date and during the implementation period of the Project.
SCHEDULE 3

Amortization Schedule

1. Subject to the provisions of Section 3.10 of the General Conditions, the Recipient shall repay each Disbursed Amount in semiannual installments payable on each 15 April and 15 October, the first installment to be payable on the 11th Payment Date following the Maturity Fixing Date for the Disbursed Amount and the last installment to be payable on the 60th Payment Date following the Maturity Fixing Date for the Disbursed Amount. Each installment except for the last one shall be equal to two (2%) of the Disbursed Amount. The last installment shall be equal to the remaining outstanding amount of the Disbursed Amount.

2. If any one or more installments of principal of the Disbursed Amount would, pursuant to the provisions of paragraph 1 of this Schedule, be payable after April 15, 2051, the Recipient shall also pay on such date the aggregate amount of all such installments.

3. The Association shall notify the Recipient of the amortization schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.
### SCHEDULE 4

**Disbursement Linked Indicators for Category (2) of the Withdrawal Table**

<table>
<thead>
<tr>
<th>Tranche</th>
<th>Maximum Amount Allocated (EURO)</th>
<th>Disbursement Linked Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>17,850,000</td>
<td>CRRH-UEMOA has issued a bond in the regional capital market and refinanced Eligible Mortgage Loans for Participating Banks, for a total amount of at least FCFA 12,400,000 with the proceeds of the bond.</td>
</tr>
<tr>
<td>II</td>
<td>17,850,000</td>
<td>CRRH-UEMOA has issued an additional bond in the regional capital market and refinanced additional Eligible Mortgage Loans for Participating Banks, for a total amount of at least an additional FCFA 12,400,000 with the proceeds of the additional bond.</td>
</tr>
</tbody>
</table>
SCHEDULE 5

Principal Terms and Conditions of Participating Agreements

The provisions of this Annex shall apply for the purposes of the implementation of Part 1(a) and 2 of the Project, as the case may be, and in accordance with Section I.F of Schedule 2 to this Agreement.

1. The principal amount to be relent out of the proceeds of the Subsidiary Credit to a Participating Bank or Non-Bank Financial Institution, as the case may be, under a Participating Agreement shall be: (i) denominated and repayable in FCFA; (ii) charged interest on the principal amount withdrawn and outstanding from time to time at a rate reasonable to cover the cost of borrowing of the Recipient; (iii) on lent at a maturity of at least 10 years in the case of Participating Banks and a maturity of between 3 and 10 years in the case of Non-Bank Financial Institutions.

2. Each Participating Agreement shall contain requirement that the Proceeds of the Subsidiary Credit shall: (a) be used only to refinance Eligible Mortgage Loans, made by the Participating Banks or Non-Bank Financial Institutions, as the case may be, and for no other purpose; and (b) not utilized for refinancing Eligible Mortgage Loans that finance Excluded Activities as set out in Schedule 6 of this Agreement.

3. Each Participating Agreement shall contain provisions pursuant to which CRRH-UEMOA has the right to:

(i) suspend or terminate the right of a Participating Bank or Non-Bank Financial Institution, as the case may be, to use the proceeds of the Subsidary Credit, declare it to be immediately due and payable, or obtain a refund of all or any part of the amount of the Subsidiary Credit then withdrawn, upon the Participating Bank or Non-Bank Financial Institution’s failure to perform any of its obligations under a Participating Agreement; and

(ii) require each Participating Bank or Non-Bank Financial Institution, as the case may be to:

(A) carry out its activities under Part 1(a) and 2 of the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including in accordance with the provisions of the Performance Standards, and the provisions of the Anti-Corruption Guidelines applicable to recipients of Subsidiary Credit proceeds other than the Recipient;
(B) provide, promptly as needed, the resources required for achievement of the objectives of the Project;

(C) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the Association, the refinancing of Eligible Mortgage Loans and the achievement of the Project objectives;

(D) provide adequate financial and technical information to CRRH-UEMOA to justify that only Eligible Mortgage Loans have been refinanced out of the proceeds of the Subsidiary Credit;

(E) enable the Recipient, the Association and CRRH-UEMOA to inspect the Eligible Mortgage Loans, its operation and any relevant records and documents;

(F) not assign, amend, abrogate or waive any of its agreements providing for Eligible Mortgage Loans, or any provision thereof, without prior approval of CRRH-UEMOA; and

(G) (1) exchange views with, and furnish all such information to CRRH-UEMOA and the Recipient, as may be, reasonably requested by the Association, the Recipient or CRRH-UEMOA, with regard to the progress of its activities under Parts 1(a) and 2 of the Project, the performance of its obligations under its respective Participating Agreement, and other matters relating to the purposes of Part 1(a) and 2 of the Project; and (2) promptly inform the Association, the Recipient and CRRH-UEMOA of any condition which interferes or threatens to interfere with the progress of its activities under its respective Participating Agreement.
SCHEDULE 6

Excluded Activities

A. List of Excluded Activities

1. Real estate construction deemed illegal or non-compliant according to applicable national and local laws and regulations.

2. Properties or land associated with illegal forced evictions of previous owners or occupants.

3. Properties built on land from which government agencies or builders have removed/ involuntarily resettled local communities, including squatters or encroachers, without proper compensation.

4. Properties involving outstanding land disputes.

5. Properties built in locations and/or in a manner that involves significant degradation or conversion of critical habitats and/or legally protected areas.

6. Properties built in locations and/or in a manner that involves significant adverse impacts on critical cultural heritage.

B. Footnotes on Excluded Activities

1. Examples include unauthorized construction; housing construction in zones not designated as residential; encroachment on public/ government land or private land etc.

2. Permanent or temporary removal against their will of individuals, families and/or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection. Prohibition on forced evictions does not, however, apply to evictions carried out by force in accordance with the law and in conformity with the provisions of the International Covenants on Human Rights. This criteria will only apply where such evictions took place specifically in anticipation or preparation for the construction of housing for which primary mortgages had been subsequently originated by Participating Banks and Non-Bank Financial Institutions.

3. Resettlement activities should follow the process through which adverse social and economic impacts are minimized through: (a) providing compensation for loss of assets at replacement cost defined as the market value of the assets plus transaction costs and (b) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected. This criteria will only apply to such resettlement/ displacement that took
place specifically in anticipation or preparation for the construction of housing for which primary mortgages had been subsequently originated by Participating Banks and Non-Bank Financial Institutions.

4. Critical habitat is a subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value that meet the criteria of the World Conservation Union (IUCN) classification, including habitats of significant importance for critically endangered or endangered species as defined by the IUCN Red List of Threatened Species; habitats of significant importance for endemic or restricted-range species; habitats supporting globally significant concentrations of migratory species and/or congregatory species; areas with unique assemblages of species or which are associated with key evolutionary processes. Primary Forests or forests of High Conservation Value (HCV) shall be considered Critical Habitats. HCV areas do not directly correspond with definitions for modified, natural and critical habitat. The HCV Resource Network, an internationally-recognized group, provides information and support on the evolving usage of HCV to ensure a consistent approach. https://www.hcvnetwork.org/.

5. This criteria will only apply where such degradation or conversion took place specifically in anticipation or preparation for the construction of housing for which primary mortgages had been subsequently originated by Participating Banks and Non-Bank Financial Institutions and/or are likely to occur or continue post-construction.

6. Critical cultural heritage consists of one or both of the following types of cultural heritage: (a) the internationally recognized heritage of communities who use, or have used within living memory the cultural heritage for long-standing cultural purposes; or (b) legally protected cultural heritage areas, including those proposed by host governments for such designation.

7. This criteria will only apply where such impacts took place specifically in anticipation or preparation for the construction of housing for which primary mortgages had been subsequently originated by PFIs and/or are likely to occur or continue post-construction.
APPENDIX

Definitions

1. "Annual Work Plans and Budget" means the Annual Work Program to be prepared by the Project Implementing Entity in each calendar year during Project implementation including a program of activities proposed for inclusion in the Project during the following calendar year.

2. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.

3. “Applicable Environmental and Social Requirements” means the technical requirements applicable to the eligible Mortgage Loans using the proceeds of the Credit supported under Parts 1 and 2 of the Project and which are comprised of: (a) applicable environmental and social national and local laws and regulations of the member states of the WAEMU, which may include national and local laws, municipal by-laws and other provision regulating housing development and certification by relevant authorities (e.g. building safety); waste management; life and fire safety; access to basic services such as water and sanitation; and (b) Excluded Activities set forth in Schedule 6 of this Agreement.

4. “BCEAO” means the Central Bank of the WAEMU Region (Banque Centrale des Etats de l'Afrique de L'Ouest).

5. “BOAD” means West Africa Development Bank (Banque Ouest-Africaine de Developpement), established by an agreement in 1973 and operates in accordance with its statute of March 2016.

6. “Category” means a category set forth in the table in Section III of Schedule 2 to this Agreement.

7. “Cooperation Agreement” means the agreement to be signed between the Recipient and WAEMU Commission setting forth the cooperation and collaboration logistics and relevant responsibilities for their activities under the Project.

8. “Credit Currency” means the means the currency in which the Credit is denominated.

9. “CRRH-UEMOA” or Project Implementing Entity, means the Regional Mortgage Refinancing Company (Caisse Regionale de Refinancement Hypothecaire de L’UEMOA - “CRRH-UEMOA”) established and operating by virtue of its Statute of May 11, 2015.
10. “CRRH-UEMOA Implementation Manual” means the manual to be updated and adopted by CRRH-UEMOA as referred to in Article 5.01 and Section I.B of this Agreement, for the implementation of Parts 1, 2, 4 and 5 of the Project in accordance with the provisions of Section I.A.2 of the Schedule to the Project Agreement as said manual may be amended from time to time with the Association’s prior approval.

11. “Disbursement Linked Indicator” or “DLI” means, in respect of Category (2), the indicator related to said Category as set forth in the table in Schedule 4 to this Agreement.

12. “Eligible Mortgage Loans” means:

(a) In the case of Participating Banks, mortgage loans which meet the following criteria: (i) being equal or less than FCFA 15 million at origination; (ii) meeting CRRH-UEMOA’s eligibility criteria; and (iii) being extended to beneficiaries who do not have an outstanding mortgage loan.

(b) In the case of Non-Bank Financial Institutions, mortgage loans which meet the following criteria: (i) being equal or less than FCFA 10 million at origination; (ii) meeting the requirements set forth in the operational manual; and (iii) being extended to beneficiaries who do not have an outstanding mortgage loan.

13. “Environmental and Social Management System” or “ESMS” means systematic process for identifying, assessing and managing environmental and social risks and impacts associated with activities supported under Parts 1 and 2 of the Project and managing exposure to such risks and impacts by CRRH-UEMOA and Participating Banks and Participating Non-Bank Financial institutions in a manner that enables the Eligible Mortgage Loans to meet Applicable Environmental and Social Requirements; which systematic process contains the following core elements: (a) adequate environmental and social policies and procedures prepared by CRRH-UEMOA, as amended from time to time; (b) a customized ESMS prepared and implemented at the level of Participating Banks and Non-Bank Financial Institutions in accordance with the relevant regulations of the member states of the WAEMU and the Applicable Environmental and Social Requirements; and (c) adequate capacity within CRRH-UEMOA and Participating Banks and Non-Bank Financial Institutions to develop and maintain adequate policies, procedures, organizational structure, budget, and capacity for identifying, managing, monitoring, and reporting on risks and impacts of activities supported under Parts 1 and 2 of the Project.

14. “EURIBOR” means for any Interest Period, the Euro interbank offered rate for deposits in Euro for six months, expressed as a percentage per annum, that appears
on the Relevant Rate Page as of 11:00 a.m., Brussels time, on the Reference Rate Reset Date for the Interest Period.

15. “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.


17. “Fixed Spread” means the Association’s fixed spread for the Credit Currency in effect at 12:01 a.m. Washington, D.C. time, one calendar day prior to the date of this Agreement and expressed as a percentage per annum.


19. “Interest Period” means the initial period from and including the date of this 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.

20. “Mortgage Refinancing” means refinancing made or proposed to be made out of the proceeds of the Subsidiary Credit to refinance Eligible Mortgage Loans, by the CRRH-UEMOA to a Participating Bank or a Non-Bank Financial Institution (as such term is hereinafter defined) which meets the eligibility criteria set forth in Schedule 5 to this Agreement.

21. “Non-Bank Financial Institutions” means the selected financial institutions to carry out Part 2 of the Project as set forth in the CRRH-UEMOA Implementation Manual in accordance with the Participating Agreements.

22. “Participating Agreements” means any of the agreements entered into between the Recipient and Participating Banks or Non-Bank Financial Institutions, as the case may be, in accordance with Schedule 5 of this Agreement.

23. “Participating Banks” means the selected banks to carry out Part 1(a) of the Project as set forth in the CRRH-UEMOA Implementation Manual in accordance with the Participating Agreements.

24. “Pipeline” means a list prepared by CRRH-UEMOA for the purposes of the paragraph (b) and (d) under the Withdrawal Table in Section III of this Agreement setting out the proposed Mortgage Refinancing to refinance Eligible Mortgage Loans.

26. "Project Implementing Entity’s Legislation" means the statute by which CRRH-UEMOA is established and operating dated May 11, 2015, and notarized on December 2, 2016.

27. "Recipient" means for the purposes of Parts 1 and 2, the BOAD, and for the purposes of Parts 3, 4 and 5, the WAEMU, represented by its Commission.

28. "Recipient’s Legislation" means the WAEMU treaty dated January 10, 1994 and establishing the Commission responsible for the executive functions of the WAEMU.

29. "Reference Rate" means, for any Interest Period:

   (a) EURIBOR. If such rate does not appear on the Relevant Rate Page, the Association shall request the principal Euro Area office of each of four major banks to provide a quotation of the rate at which it offers six-month deposits in Euro to leading banks in the Euro area interbank market at approximately 11:00 a.m. Brussels time on the Reference Rate Reset Date for the Interest Period. If at least two such quotations are provided, the rate for the Interest Period shall be the arithmetic mean (as determined by the Association) of the quotations. If less than two quotations are provided as requested, the rate for the Interest Period shall be the arithmetic mean (as determined by the Association) of the rates quoted by four major banks selected by the Association in the relevant Financial Center, at approximately 11:00 a.m. in the Financial Center, on the Reference Rate Reset Date for the Interest Period for loans in Euro to leading banks for six months. If less than two of the banks so selected are quoting such rates, the Reference Rate for Euro for the Interest Period shall be equal to the Reference Rate in effect for the Interest Period immediately preceding it; and

   (b) if the Association determines that EURIBOR has permanently ceased to be quoted for EURO, such other comparable reference rate for the relevant currency as the Association shall reasonably determine.

30. "Reference Rate Reset Date" means the day two TARGET Settlement Days prior to the first day of the relevant Interest Period (or in the case of the initial Interest Period, the day two TARGET Settlement Days prior to the first or fifteenth day of the month in which this Agreement is signed, whichever day immediately precedes the date of this Agreement; provided that if the date of this Agreement falls on the first or fifteenth day of such month, the Reference Rate Reset Date shall be the day two TARGET Settlement Days prior to the date of this Agreement).
31. "Respective Part" means CRRH-UEMOA respective Parts of Part 1, 2, 4 and 5 of the Project.

32. "Signature Date" means the latest of the two dates on which the Recipient and the Association signed this Agreement and such definition applied to all references to "the date of the Financing Agreement" in the General Conditions.

33. "Subsidiary Credit" means the proceeds of Category (1) and (3) to be on lent to the Project Implementing Entity under the Subsidiary Agreement to carry out Part 1(a) and 2 of the Project.

34. "Subsidiary Agreement" means the agreement referred to in Section I.C of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Subsidiary Credit available to the Project Implementing Entity.

35. "TARGET Settlement Day" means any day on which the Trans European Automated Real-Time Gross Settlement Express Transfer system is open for the settlement of Euro.

36. "Training and Workshops" means the training of persons involved in Project-supported activities, based on the Annual Work Program approved by the Association, such term including scholarships, seminars, workshops, and study tours, and costs associated with such activity including international and local travel and subsistence costs for training participants, per diems, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.

37. "WAEMU" means the West African Economic and Monetary Union established on January 10, 1994, which includes the countries of Benin, Burkina Faso, Ivory Coast, Guinea-Bissau, Mali, Niger, Senegal and Togo.

38. "WAEMU Commission" means the Recipient's commission established by the WAEMU treaty dated January 10, 1994, and responsible for the executive functions of the WAEMU.

39. "WAEMU Commission Financing Agreement" means the agreement executed of the same date as this Agreement between the Association and the WAEMU, represented by its Commission to carry out Parts 3, 4 and 5 of the Project.