

**OFFICIAL  
DOCUMENTS**

LOAN NUMBER 8498-003

# Loan Agreement

(Inclusive Housing Finance Program)

between

ARAB REPUBLIC OF EGYPT

and

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

Date: 10 June , 2015

LOAN NUMBER 8498 1A

## LOAN AGREEMENT

AGREEMENT dated 10 June, 2015, between ARAB REPUBLIC OF EGYPT ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank 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 — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of five hundred million United States Dollars (US\$500,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("Loan") to assist in financing the program described in Schedule 1 to this Agreement ("Program").
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section 2.05 of Schedule 2 to this Agreement. The Borrower's Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Social Housing Fund.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower on the withdrawn Loan Balance and outstanding from time to time for each Interest Period shall be at a rate equal to the Reference Rate (as defined in paragraph 82 of the General Conditions) for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions.
- 2.06. The Payment Dates are January 15 and July 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

- 2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding 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 (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) 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 Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.
- 2.09. The Borrower represents that it has designated its Ministry of Finance for the purpose of handling on behalf of the Borrower, debt service payments with respect to the Loan.

### ARTICLE III — PROGRAM

- 3.01. The Borrower declares its commitment to the objective of the Program. To this end, the Borrower shall carry out the Program and shall cause the Program Implementing Entity to carry out the Program in accordance with the provisions of Article V of the General Conditions, the Program Agreement and this Agreement.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Program is carried out in accordance with the provisions of Schedule 2 to this Agreement.

#### ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following:
- (a) Any legislation, license or other legal instrument related to the implementation of the Program or to the establishment or operation of the SHF has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the achievement of the objective of the Program, or the ability of the SHF to implement the Program or any of its obligations under the Program Agreement. Any suspension based on this Section 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 Borrower that such right to make withdrawals has been restored.

#### ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. Subject to the other provisions of this Article and Section 9.01 of the General Conditions, this Agreement shall become effective once the Bank has received evidence that all necessary constitutional procedures have been taken by the Borrower in accordance with the provisions of Section 9.01 of the General Conditions.
- 5.02. The Effectiveness Deadline is the date one hundred eighty (180) days after the date of this Agreement or such later date as the Bank may establish in accordance with the provisions of Section 9.04 of the General Conditions.

#### ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. Except as provided in Section 2.02 of this Agreement, the Minister of International Cooperation of the Borrower and the Assistant to the Minister for International, Regional and Arab Financing Organizations of the Ministry of International Cooperation of the Borrower are severally designated as the Borrower's Representative.
- 6.02. The Borrower's Address is:  
Ministry of International Cooperation  
8 Adly Street  
Cairo, Arab Republic of Egypt
- |                                       |                 |
|---------------------------------------|-----------------|
| Cable address:                        | Facsimile:      |
| Ministry of International Cooperation | (202) 2391-2815 |
| Cairo, Arab Republic of Egypt         | (202) 2391-5167 |

- 6.03. The Bank's Address is:  
International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED at Cairo, Arab Republic of Egypt, as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

By Naglaa El Elwanay

Authorized Representative

Name: H.E. Dr. Naglaa El Elwanay

Title: Minister of International  
Cooperation, Egypt

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By

Hafez Ghannouchi  
Authorized Representative

Name: Mr. Hafez Ghannouchi

Title: Regional Vice President,  
World Bank

## SCHEDULE 1

### Program Description

The objective of the Program is to improve the affordability of formal housing for low income households in the Arab Republic of Egypt and to strengthen the SHF's capacity to design policies and coordinate programs in the social housing sector.

The Program is a part of the Borrower's Social Housing Program and consists of the following components:

#### Part A: Institutional Strengthening of SHF

1. Enhancing the capacity of SHF to improve the Borrower's housing sector through, *inter alia*: (a) coordination and consolidation of housing entities and functions; (b) formulation of social housing policy, programs, regulations and procedures; and (c) preparation and implementation of reforms to improve the efficiency and equitability of the housing system.
2. Enhancing the effectiveness of SHF to provide oversight to the implementation of the Program through, *inter alia*: (a) the establishment of an improved management information system; (b) the establishment of a sound fiduciary management and governance structure and (c) improving monitoring and evaluation capacity.

#### Part B: Demand-side Housing Subsidy Support

1. ***Affordable Mortgage Program (AMP)***: Financing of demand-side subsidies provided to households with income of up to LE 3,000 per month to complement a mortgage loan and a down-payment for the purchase of a new or existing housing unit.
2. ***Public Rental Subsidy Program for Tenants***: Provision of a demand-side subsidy to households with income of up to LE 1,500 per month to rent a publically owned and managed housing unit.
3. ***Private Rental Subsidy Programs for Investors***: Provision of financial incentive package to private investors in rental housing for moderate income households who commit to rent their units to households with income of up to LE 3,000 for a given period of time.
4. ***Private Rental Subsidy Programs for Tenants***. Provision of a demand-side subsidy to enable households with an income to be specified by the SHF to rent a privately owned and managed housing unit.

## SCHEDULE 2

### Program Execution

#### Section I. Implementation Arrangements

##### A. Program Fiduciary, Environmental and Social Systems

Without limitation on the provisions of Article V of the General Conditions, the Borrower shall cause the Program to be carried out by the Program Implementing Entity, in accordance with financial management, procurement and environmental and social management systems acceptable to the Bank ("Program Fiduciary, Environmental and Social Systems") which are designed to ensure that:

1. the Loan proceeds are used for their intended purposes, with due attention to the principle of economy, efficiency, effectiveness, transparency, and accountability; and
2. the actual and potential adverse environmental and social impacts of the Program are identified, avoided, minimized, or mitigated, as the case may be, all through an informed decision-making process.

##### B. Anti-Corruption

Without limitation on the provisions of Part A of this Section, the Borrower shall cause the Program Implementing Entity to carry out the Program, in accordance with the provisions of the Anti-Corruption Guidelines.

##### C. Other Program Institutional and Implementation Arrangements

1. Without limitation on the generality of Part A of this Section I, the Borrower shall, through the Program Implementing Entity, carry out the Action Plan, in accordance with the schedule set out in the said Action Plan in a manner satisfactory to the Bank. Except as the Bank may agree after consultation with the Borrower, the Borrower shall ensure that the Action Plan is not amended, waived, suspended, terminated or abrogated, by the Program Implementing Entity.
2. The Borrower shall, no later than June 30, 2016, cause the Program Implementing Entity to establish, a complaints and grievance redressal mechanism to handle complaints and grievances from Program beneficiaries or third parties relating to any aspects of the Program including adverse social and environmental impacts, and allegations of fraud and corruption. Such mechanism shall, *inter alia*, contain procedures for recording of complaints and grievances, directing the complainants to the appropriate level for action, the review process, and provision of feedback to the complainant on the action taken on the basis of best practice service standards.
3. The Borrower shall, no later than December 31, 2016 or such later date as the Bank may establish by notice to the Borrower, cause the Program Implementing Entity to establish an internal audit function providing assurance service for the ownership and rental

programs affiliated with the Program Implementing Entity referred to in Part B of the Program.

4. The Borrower shall, no later than December 31, 2016 or such later date as the Bank may establish by notice to the Borrower, cause the Program Implementing Entity to establish a housing monitoring and evaluation unit within the Program Implementing Entity with powers, functions, staff and resources satisfactory to the Bank, including a system for monitoring and evaluation of the Program.
5. The Borrower shall, no later than three months after the Effective Date, cause the Program Implementing Entity to engage an independent Verification Agent, to prepare and provide verification reports certifying the achievement of the DLRs, all in accordance with procedures and arrangements satisfactory to the Bank as referred to in Section IV.B.1(b) of this Schedule.
6. To facilitate the carrying out of the Program, the Borrower shall make the proceeds of the Loan available to the Program Implementing Entity in a timely manner.

**Section II. Excluded Activities**

The Borrower shall ensure that the Program excludes any activities which:

- A. in the opinion of the Bank, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
- B. involve the procurement of: (1) works; (2) goods, estimated to cost US\$30 million equivalent or more per contract; (3) non-consulting services, estimated to cost US\$20 million equivalent or more per contract; or (4) consultants' services, estimated to cost US\$15 million equivalent or more per contract.

**Section III. Program Monitoring, Reporting and Evaluation; Audits**

**A. Program Reports**

The Borrower shall, through the Program Implementing Entity, monitor and evaluate the progress of the Program and prepare Program Reports in accordance with the provisions of Section 5.08 of the General Conditions. Each Program Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than one month after the end of the period covered by such report.



**B. Program Financial Audits**

Without limitation on the generality of Section I.A of this Schedule 2 and Section 5.09 of the General Conditions, the Borrower shall, through the Program Implementing Entity, have the Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be: (a) furnished to the Bank not later than six (6) months after the end of such period and (b) made publically available in a timely fashion and in a manner acceptable to the Bank.

**Section IV. Withdrawal of Loan Proceeds**

**A. General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional arrangements as the Bank may specify from time to time by notice to the Borrower to: (a) pay the Front-end Fee; (b) pay each Interest Rate Cap or Interest Rate Collar premium; and (c) finance the Program Expenditures, on the basis of the results (“Disbursement Linked Results” or “DLRs”) achieved by the Program Implementing Entity, as measured against specific indicators (“Disbursement Linked Indicators” or “DLIs”), all as set forth in the table in paragraph 2 of this Part A.
2. The following table specifies each category of withdrawal of the proceeds of the Loan (including the Disbursement Linked Indicators as applicable) (“Category”), the Disbursement Linked Results for each Category (as applicable), and the allocation of the amounts of the Loan to each Category:

Category (including Disbursement Linked Indicator as applicable)	Disbursement Linked Result (as applicable)	Amount of the Loan Allocated (expressed in USD)	Disbursement Calculation Formula
(1) DLI #1: Establishment and operation of an internal audit function within SHF providing assurance service for the ownership and rental programs affiliated with the SHF referred to in Part B of the Program.	<p><i>DLR #1.1:</i> An internal audit function has been established within SHF providing assurance service for the ownership and rental programs affiliated with the SHF.</p> <p><i>DLR #1.2:</i> the internal audit function established within SHF is</p>	25,000,000	<p>DLR #1.1: \$15,000,000</p> <p>DLR #1.2: \$5,000,000 for FY 18, and \$ 2,500,000 for each of FY 19 and FY 20</p>

	maintained and is operating satisfactorily.		
(2) DLI #2: Establishment and functioning of a housing monitoring and evaluation system and an M&E unit within SHF, and the preparation of the Multi-Year Plan and Annual Targets informed by the M&E system.	<p>DLR #2.1: The monitoring and evaluation (M&amp;E) unit has been established within SHF with a functioning M&amp;E system.</p> <p>DLR #2.2: The M&amp;E unit and system established within SHF is maintained and functioning satisfactorily and informing the Multi-Year Plan and Annual Targets in each subsequent fiscal year after their establishment.</p>	25,000,000	<p>DLR # 2.1: \$10,000,000 of which 5,000,000 for FY 16 and \$5,000,000 for FY 17</p> <p>DLR #2.2: \$15,000,000 of which \$5,000,000 for each of FY 18, FY 19 and FY 20</p>
(3) DLI #3: The establishment and functioning of an accountability and transparency mechanism within SHF for implementing the Program.	DLR #3: An accountability and transparency mechanism has been established and is functioning within SHF for implementing the Program.	50,000,000	<p>FY 16: \$20,000,000</p> <p>FY 17: \$10,000,000</p> <p>FY 18: \$10,000,000</p> <p>FY 19: \$5,000,000</p> <p>FY 20: \$5,000,000</p>
(4) DLI #4: The establishment by SHF of a functioning mechanism to monitor occupancy and vacancy of housing units by households receiving demand-side housing subsidy under part B of the Program and percentage of ownership housing units	DLR #4.1: SHF has established in FY 16 a mechanism to monitor occupancy and vacancy of housing units by households receiving demand-side housing subsidy	50,000,000	<p>DLR# 4.1: \$20,000,000</p> <p>DLR# 4.2: \$10,000,000 of which \$154,000 for each occupancy percentage achieved.</p>

<p>occupied by low-income households after at least 1 year of receiving subsidies under the AMP referred to in Part B.1 of the Program.</p>	<p>and said mechanism is functioning satisfactorily.</p> <p>DLR #4.2: The percentage of ownership housing units occupied by low income households, after at least 1 year of receiving subsidies under the AMP in excess of 50% and up to 65% in FY 17</p> <p>DLR #4.3: The percentage of ownership housing units occupied by low income households, after at least 1 year of receiving subsidies under the AMP in excess of 50% and up to 75% in FY 18</p> <p>DLR #4.4: The percentage of ownership housing units occupied by low income households, after at least 1 year of receiving subsidies under the AMP in excess of 50% and up to 85% in FY 19</p>		<p>DLR# 4.3: \$10,000,000 of which \$133,000 for each occupancy percentage achieved.</p> <p>DLR# 4.4: \$10,000,000 of which \$118,000 for each occupancy percentage achieved.</p>
<p>(5) DLI #5: Number of households receiving demand-side homeownership subsidies for new housing units in each Fiscal Year during Program implementation under the AMP referred to in Part B.1 of</p>	<p>DLR # 5: Up to 725,000 households</p>	<p>225,000,000</p>	<p>\$225,000,000 out of which \$310.34 for each new household</p>

the Program (Baseline: 0 for FY 16).			
(6) DLI #6: Number of new households participating in rental subsidy programs in each Fiscal Year during Program implementation referred to in Part B.2 and B.4 of the Program (Baseline: 0 for FY 16).	DLR #6: Up to 102,400 households	48,750,000	DLR #6: \$48,750,000 of which \$476.07 for each new household
(7) DLI #7: Percentage of demand-side subsidies provided under Part B of the Program supporting the purchase or rental of housing units located within a commute of 60 minutes or less to an employment center.	DLR #7: At least 20% in each Fiscal Year during the implementation of the Program	25,000,000	\$25,000,000, of which \$100,000 for each percentage of demand-side subsidies provided up to a maximum of \$5,000,000 for each Fiscal Year during the implementation of the Program
(8) DLI #8: Number of demand-side subsidies provided under Part B of the Program supporting the purchase or rental of housing units developed by private sector entities in each Fiscal Year during Program implementation. (Private sector entities are those that are owned at least 51% by private individuals or are listed on the stock exchange) (Baseline: 0 for FY 16).	DLR #8: Up to 250,000 demand-side subsidies	50,000,000	DLR #8: \$50,000,000 of which \$200 for each demand-side subsidy
(9) Front-end Fee to be paid pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions.		1,250,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the

			General Conditions
(10) Interest Rate Cap or Interest Rate Collar premium to be paid pursuant to Section 2.08(c) of this Agreement in accordance with Section 4.05 of the General Conditions.		0	Amount due pursuant to Section 2.08(c) of this Agreement
<b>TOTAL AMOUNT</b>		<b>500,000,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) for purposes of Section 2.05 of the General Conditions, for payments for Program Expenditures made prior to the date of this Agreement, except that withdrawal up to an aggregate amount not to exceed US\$25,000,000 may be made for such payment made prior to this date but on or after August 14, 2014; and
  - (b) for any DLR under Category (1), (2), (3), (4), (5), (6), (7) or (8), unless the Program Implementing Entity has furnished all required verification documents and information satisfactory to the Bank showing that said DLR has been achieved. Such verification documents and information shall include verification reports from the Verification Agent, based on reports prepared by the Program Implementing Entity certifying the achievement of the DLRs in accordance with procedures and arrangements, and verification protocols satisfactory to the Bank.
2. (a) Notwithstanding the provisions of Part B.1(b) of this Section, the Borrower may, through the Program Implementing Entity, withdraw an amount not to exceed \$125,000,000 as an advance under Category (1), (2), (3), (4), (5), (6), (7) or (8).
  - (b) If the DLR/DLEs for any said Category in the opinion of the Bank is not achieved or is only partially achieved by the date by which said DLR is set to be achieved or by the Closing Date, the Borrower shall, promptly upon notice by the Bank, refund to the Bank such advance or portion of such advance as determined by the Bank in accordance with the provisions of paragraph 3 of this Part B.
  - (c) Except as otherwise agreed with the Borrower, the Bank shall cancel the amount so refunded pursuant to paragraph 2 (b) above. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the Bank shall specify by notice to the Borrower.
3. Notwithstanding the provisions of Part B.1(b) of this Section, if in the opinion of the Bank any of the DLRs under Categories (4), (5), (6), (7) or (8) has not been achieved by the date by which the said DLR is set to be achieved, the Bank may, at any time, after consulting with the Borrower, decide to:
  - (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Loan then allocated to said Category which, in the opinion of the Bank,

corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the Disbursement Calculation Formula set out in the fourth column of the table in Section IV.A.2 of this Schedule;

- (b) reallocate all or a portion of the proceeds of the Loan then allocated to said DLR to any other DLR; and/or
  - (c) cancel all or a portion of the proceeds of the Loan then allocated to said DLR.
4. The Closing Date is June 30, 2020.
  5. Notwithstanding the foregoing provisions of this Section IV, if at any time after the Closing Date the Borrower has failed to provide evidence satisfactory to the Bank that the Withdrawn Loan Balance does not exceed the total amount of Program Expenditures paid by the Borrower, exclusive of any such expenditures financed by any other financier or by the Bank or the Association under any other loan, credit or grant, the Borrower shall promptly upon notice from the Bank, refund to the Bank such excess amount of the Withdrawn Loan Balance. The Bank shall cancel the refunded amount of the Withdrawn Loan Balance.

**SCHEDULE 3**

1. 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”). If the proceeds of the Loan have 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 by the Bank by multiplying (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<b>Principal Payment Date</b>	<b>Installment Share (Expressed as a Percentage)</b>
On each January 15 and July 15 Beginning July 15, 2020 through July 15, 2049	1.67%
On January 15, 2050	1.47%

2. 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 paragraph 1 of this Schedule.
  - (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 amount 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 table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) 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 referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
3. (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 amount 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 sub-paragraph (a) 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 such sub-

paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance 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 by multiplying such amount 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.
5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.



## APPENDIX

### Section I. Definitions

1. "Action Plan" means the plan of the SHF dated February 18, 2015, and referred to in Section I.C.1 of Schedule 2 to this Agreement and Section I.C.1 of the Program Agreement, as may be amended from time to time with the agreement of the Bank.
2. "Annual Targets" means yearly goals within SHF's Multi Year Plan for the production of new housing units and delivery of housing subsidies.
3. "Anti-Corruption Guidelines" means the Bank's "Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing", dated February 1, 2012.
4. "Category" means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
5. "Disbursement Linked Indicator" or "DLI" means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
6. "Disbursement Linked Result" or "DLR" means in respect of a given Category, the result under said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the Loan allocated to said result may be withdrawn in accordance with the provisions of said Section IV.
7. "Fiscal Year" or "FY" means the fiscal year of the Borrower and the PIE beginning on July 1 of a calendar year and ending on June 30 of the following calendar year.
8. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012, with the modifications set forth in Section II of this Appendix.
9. "LE" means Egyptian Pound, the lawful currency of the Borrower.
10. "Multi-Year Plan" means the plan of SHF for the planned production of new housing units and delivery of housing subsidies over a projected 3-5 year period based on objectives and priorities set by the Borrower and the budget allocated to the SHF.
11. "Program Fiduciary and Environmental and Social Systems" means the Borrower's and the Program Implementing Entity's systems for the Program referred to in Section I.A of Schedule 2 to this Agreement.
12. "Program Agreement" means the agreement between the Bank and SHF of even date herewith, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to such Program Agreement.

13. "Program Implementing Entity" means SHF.
14. "Social Housing Fund" or "SHF" means the Borrower's Fund established by the Social Housing Law 33 of 2014 as ratified by a Presidential Decree in May 2014, for the purpose of implementing the Social Housing Program, and pursuant to which the SHF operates.
15. "Social Housing Program" means the Borrower's Social Housing Program established by Social Housing Law 33 of 2014 as ratified by a Presidential Decree in May 2014, which program is to be implemented by SHF.
16. "Verification Agent" means an independent entity to be engaged by the SHF for the purposes of certifying the achievement of the DLRs as referred to in Section I.C(5) of Schedule 2 to this Agreement.

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

The General Conditions are hereby modified as follows:

1. Wherever used throughout the General Conditions, the term "the Project" is modified to read "the Program", the term "the Project Agreement" is modified to read "the Program Agreement", the term "Project Implementing Entity" is modified to read "the Program Implementing Entity", the term "Project Report" is modified to read "Program Report", and the term "Eligible Expenditures" is modified to read "Program Expenditures".
2. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the amendments set forth below.
3. Section 2.02, *Special Commitment by the Bank*, is deleted in its entirety, and the subsequent Sections in Article II are renumbered accordingly.
4. In Section 2.02 (originally numbered as Section 2.03), the heading "*Applications for Withdrawal or for Special Commitment*" is replaced with "*Applications for Withdrawal*", and the phrase "or to request the Bank to enter into a Special Commitment" is deleted.
5. The section originally numbered as Section 2.04, *Designated Accounts* is deleted in its entirety, and the subsequent Sections in Article II are renumbered accordingly.
6. Paragraph (a) of Section 2.03 (originally numbered as Section 2.05), *Eligible Expenditures* (renamed "Program Expenditures" in accordance with paragraph 1 of this Section II), is modified to read: "(a) the payment is for the financing of the reasonable cost of expenditures required for the Program and to be financed out of the proceeds of the Loan in accordance with the provisions of the Legal Agreements;"
7. The last sentence of Section 2.04 (originally numbered as Section 2.06), *Financing Taxes*, is modified to read: "To that end, if the Bank at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Bank may, by notice to the Borrower, exclude such amount or such Tax from the Program Expenditures to be financed out of the proceeds of the Loan, as required to ensure consistency with such policy of the Bank."

8. Section 2.06 (originally numbered as Section 2.08), *Reallocation*, is modified to read:

“Notwithstanding any allocation of an amount of the Loan to a withdrawal category under the Loan Agreement, the Bank may, by notice to the Borrower, reallocate any other amount of the Loan to such category if the Bank reasonably determines at any time that such reallocation is appropriate for the purposes of the Program.
9. Section 3.01. (*Front-end Fee*) is modified to read as follows:

“Section 3.01. *Front-end Fee; Commitment Charge*

  - (a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the “Front-end Fee”).
  - (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”). The Commitment Charge shall accrue from a date sixty 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. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date.”
10. Section 7.01, *Cancellation by the Borrower*, is modified to read: “The Borrower may, by notice to the Bank, cancel any amount of the Unwithdrawn Loan Balance.”
11. Paragraph (d) of Section 7.03, *Cancellation by the Bank*, entitled “*Misprocurement*”, is deleted, and subsequent paragraphs are relettered accordingly.
12. Section 7.04, *Amounts Subject to Special Commitment not Affected by Cancellation or Suspension by the Bank*, is deleted in its entirety, and subsequent Sections in Article VII and references to such Sections are renumbered accordingly.
13. In the Appendix, **Definitions**, all references to Section numbers and paragraphs are modified, as necessary, to reflect the modifications set forth above.
14. A new paragraph 19 is inserted with the following definition of “Commitment Charge”, and the remaining paragraphs are renumbered accordingly:

“19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b).”
15. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of “Front-end Fee” is modified by replacing the reference to Section 3.01 with Section 3.01(a).
16. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term “Loan Payment” is modified to read as follows:

“68. “Loan Payment” means any amount payable by the Loan Parties to the Bank

pursuant to the Legal Agreements or these General Conditions, 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 transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”

17. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of “Payment Date” is modified by deleting the word “is” and inserting the words “and Commitment Charge are” after the word “interest”.
18. Renumbered paragraph 88 (originally paragraph 87) of the Appendix, setting forth the definition of “Special Commitment” is deleted in its entirety, and all subsequent paragraphs are renumbered accordingly.