

EXECUTION VERSION

Dated 31 March 2014

CONDITIONAL LOAN AGREEMENT

for a maximum of US\$80,880,000
plus the US\$ equivalent of GBP18,000,000

BETWEEN:

(1) The Trustees, SG Hambros Trust Company Ltd.

Minimax Ltd. and

MultiConsult Trustees Ltd,

acting as trustees of the Private Infrastructure Development Group Trust

and

(2) The Secretary of State for International Development of the Government of the
United Kingdom of Great Britain and Northern Ireland

EXECUTION VERSION

TABLE OF CONTENTS

1.	DEFINITIONS	2
2.	THE LOAN FACILITY	8
3.	DFID CONTESTABILITY MECHANISM	9
4.	CONDITIONS PRECEDENT	9
5.	DISBURSEMENTS	10
6.	REPORTING	11
7.	REPAYMENT OF THE LOAN FACILITY	13
8.	TRUSTEE LIABILITY	15
9.	INTEREST	16
10.	PAYMENTS AND CURRENCY	16
11.	REPRESENTATIONS AND WARRANTIES	17
12.	COVENANTS	18
13.	EVENTS OF DEFAULT	18
14.	IRREGULARITY EVENT	19
15.	NOTICES AND DEMANDS	19
16.	ASSIGNMENTS	20
17.	NO WAIVER	20
18.	FORCE MAJEURE, LIABILITY	21
19.	MISCELLANEOUS	21
20.	GOVERNING LAW AND JURISDICTION	21
	SCHEDULE 1	26
	The DFID Contributions	26
	SCHEDULE 2	27
	Form of Disbursement Request	27
	SCHEDULE 3	29
	DFID Contestability Mechanism	30

THIS CONDITIONAL LOAN AGREEMENT hereinafter called the "Agreement", as the same may be amended from time to time, is dated 31 March 2014 and made as a Deed between:

- (1) The Secretary of State for International Development of the Government of the United Kingdom of Great Britain and Northern Ireland at the Department for International Development, of 22 Whitehall, SW1A 2EG (hereinafter referred to as the "**DFID**"); and
- (2) SG Hambros Trust Company Ltd. of Norfolk House, 31 St James's Square, London, SW1 4JR, United Kingdom, Multiconsult Trustees Ltd. of Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius and Minimax Ltd. of Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius (each a "**Trustee**" of the Private Infrastructure Development Group Trust (hereinafter referred to as the "**PIDG Trust**").

INTRODUCTION AND BACKGROUND

- A. DFID, the Swedish Government, acting through the Swedish International Development Cooperation Agency ("**Sida**"), The Government of the Netherlands represented by the Directorate for Sustainable Economic Development – The Netherlands Minister for Development Co-operation ("**DGIS**"), and the Government of the Swiss Confederation acting through the State Secretariat for Economic Affairs ("**SECO**"), in December 2001 and January 2002 exchanged letters of intent and subsequently executed a Memorandum of Understanding, dated 14 March 2003 for the establishment of the Private Infrastructure Development Group, (the "**PIDG**").
- B. The members of the PIDG are currently DFID, Sida, DGIS, SECO, the Austrian Development Agency; the Australian Government Department of Foreign Affairs and Trade, the Government of Ireland's programme of assistance to developing countries, through the Department of Foreign Affairs; Kreditanstalt für Wiederaufbau, acting in its own name but for the account of the Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung of the Federal Republic of Germany and the World Bank Group, currently represented by International Finance Corporation (the "**PIDG Members**").
- C. On 1 December 2001 the Trustees executed a declaration of trust, as amended by an Amended and Restated Declaration of Trust dated 14 March 2003, for the establishment of the PIDG Trust (the "**Declaration of Trust**").
- D. The PIDG Members from time to time make contributions to the PIDG Trust by way of grant or conditional loan ("**the Contributions**") under the terms of funding instruments entered into between the relevant PIDG Member and the PIDG Trust (the "**Funding Instruments**").

- E. The PIDG Trust uses a portion of the Contributions to make investments (the “**Investments**”) in corporate vehicles established by the PIDG Trust (the “**Companies**” and each, a “**Company**”).
- F. In particular, DFID has provided Contributions to the PIDG Trust to make Investments in The Emerging Africa Infrastructure Fund Limited (“**EAIF**”). The Funding Instruments include Letters of Arrangement or Memoranda of Understanding which DFID has entered into with the PIDG Trust to make Investments in EAIF (“**the DFID Funding Instruments**”).
- G. Since October 2013, DFID has disbursed funds by way of grants in an amount of US\$80,880,000 to the PIDG Trust under the DFID Funding Instrument dated 12 March 2012 (the “**March 2012 DFID Funding Instrument**”) for the PIDG Trust to use to make Investments in EAIF as set out in Schedule 1 (“**the DFID Grant Contributions**”).
- H. The PIDG Trust has used the DFID Grant Contributions to make Investments in EAIF in the amounts as set out in Schedule 1.
- I. DFID and the PIDG Trust have entered into agreements and intend to enter into a further agreement between funders, EAIF and shareholders in relation to the funding and operation of EAIF as may be amended from time to time (the “**EAIF Funders’ Agreement**”).
- J. The PIDG Trust holds and applies the Contributions received in relation to EAIF under the terms of the Declaration of Trust, the Funding Instruments and the EAIF Funders’ Agreements.
- K. The Administration Provisions set out in Schedule 4 of the Declaration of Trust require the Trustees to open an account in the name of each PIDG Member for EAIF with respect to which that PIDG Member has agreed to make a Contribution (an “**Investment Account**”). In practice these are book-keeping entries, not separate bank accounts.
- L. DFID now wishes to re-designate the DFID Grant Contributions as loans on the terms and conditions of this Agreement and the PIDG Trust has agreed to such re-designation.
- M. The Parties have now agreed that this Agreement shall supersede and replace the provisions of the March 2012 DFID Funding Instrument to the extent that they relate to the DFID Grant Contributions and that the March 2012 DFID Funding Instrument shall itself be amended and restated by DFID and the PIDG Trust in order to reflect the provisions of this Agreement within 20 days of the date of this Agreement.

1. DEFINITIONS

- 1.1 For the purpose of the Agreement, the following definitions will be applicable:

“Available Commitment”	means the undisbursed amount of the Loan Facility. The amount of the Available Commitment at the date of this Agreement is as set out in Clause 2.2iii;
“Banking Day”	means a day (other than a Saturday, Sunday or any other day which is a legal holiday) on which banks are open for general business in Mauritius and London;
“Constitution”	means the constitution of EAIF for the time being;
“DFID Contestability Mechanism”	means the mechanism attached as Schedule 4 in accordance with which the total amount of the Available Commitment may be revised by DFID in line with the achievement by EAIF of its corresponding Pre-Agreed Targets as defined in the DFID Contestability Mechanism;
“DFID Proceeds”	means the pro-rata share of any EAIF Proceeds payable to DFID by the PIDG Trust in accordance with EAIF the Funders’ Agreement;
“Disbursed Amount”	The amount of the Loan Facility that has been disbursed to the PIDG Trust as at the date of this Agreement as shown in Clause 2.2ii;
“Disbursement”	means a disbursement of a Loan made in accordance with the provisions of this Agreement;
“Disbursement Request”	means a disbursement request substantially in the form set out in Schedule 2 signed by a duly authorised officer of the PIDG Trust;
“EAIF Donors”	means DFID, Sida, SECO and DGIS;
“EAIF Proceeds”	means all dividends, interest and other monies received by the PIDG Trust in respect of EAIF and all other proceeds received in respect of EAIF (whether by way of redemption, bonus, preference, option, substitution, conversion or otherwise) and any monies received by the PIDG Trust from or in connection with any sale, expropriation, requisition or seizure, or

	similar action, with respect to EAIF;
“Event of Default”	means an event or circumstance specified in Clause 13;
“Final Disbursement Date”	means 31 March 2015;
“IFRS”	means the International Financial Reporting Standards issued by the International Accounting Standards Board, as amended from time to time;
“Irregularity Event”	means an event or circumstance specified in Clause 14;
“Loan”	means a loan made or to be made under the Loan Facility by DFID to the PIDG Trust or the principal amount outstanding for the time being of that loan;
“Loan Facility”	means the loan facility to be made available under this Agreement as described in Clause 2.1;
“Needs”	means, EAIF, (i) the commercial requirements of EAIF to maintain a stable and commercially sound business model, and (ii) the financial funding requirements of EAIF based on its expected short term corporate operating costs and financial contractual obligations (over the following 6 months from the date of the proposed Disbursement) referred to as “working capital requirements” and long term (longer than six months from the date of the proposed Disbursement) financial contractual obligations. Long term financial commitments will be determined by the Board of Directors of EAIF which may include an amount representing the expected working capital requirements of EAIF for a rolling six month period;
“Needs Letter”	means a letter in form and substance satisfactory to DFID setting out the Need for the Disbursement during the following six-month period from the date of the proposed Disbursement together with the management accounts for the PIDG Trust and EAIF in respect of the immediately preceding quarter(s) and any other such information as DFID may require, to

	be set out in a Funders' Agreement;
"Net DFID Investment Value"	means DFID's share of the overall investment value of EAIF, calculated in accordance with Trustees adopted accounting policy, such share to be calculated pro rata to the amount of DFID Contributions which have been used to subscribe for equity in EAIF and the total amount of Contributions which have been used to subscribe for equity in EAIF;
"PIDG Code of Conduct and Operating Policies and Procedures"	means the Code of Conduct and the operating policies and procedures approved by the PIDG Members from time to time (or equivalent policies and procedures) and which the PIDG Members require all the Companies to adopt and incorporate into their governing documents as a minimum standard including the PIDG Procurement Policy and Procedures, the PIDG Environmental and Social Policy and Procedures, the PIDG Disclosure Policy and Procedures, the PIDG Anti-corruption and Integrity Policy and Procedures, the PIDG Appointment and Evaluation of Directors Policy and Procedures, the PIDG Remuneration Policy and Procedures, the PIDG Travel and Expense Reimbursement Policy and Procedures, the PIDG Conflict of Interest and Share Dealing Policy and Procedures, the PIDG Complaints Policy and Procedures and the PIDG Risk Management Policy and Procedures;
"PIDG Constitution"	means the constitution of the PIDG from time to time;
"Protector"	has the meaning given to it under the Declaration of Trust;
"Tax"	means any tax, levy, impost, toll, customs, duty or other charge of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same); and
"Withdrawal Notice"	means a notice served by DFID on the PIDG Trust in accordance with Clause 2.3 of its intention to seek

	prompt repayment of the Loans.
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- 1.2 Any express reference to an enactment (which includes any legislation in any jurisdiction) includes references to:
- i. that enactment as re-enacted, amended, extended or applied by or under any other enactment before or after the date of this Agreement;
 - ii. any enactment which that enactment re-enacts (with or without modification); and
 - iii. any subordinate legislation (including regulations) made (before or after the date of this Agreement) under any enactment, as re-enacted, amended, extended or applied as described in this Clause 1.2, or under any enactment referred to in sub-clause ii above.
- 1.3 References to an “agreement” or “document” shall be construed as a reference to such agreement or document as the same may have been amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such agreement or document and, if applicable, of this Agreement.
- 1.4 References to a “company” shall be construed so as to include a company, subsidiary, corporation or other body corporate or other legal entity, wherever and however incorporated or established.
- 1.5 References to a “person” shall be construed so as to include any individual, firm, company, government, state or agency of a state or any joint venture, association, partnership, works council or employee representative body (whether or not having a separate legal personality).
- 1.6 References to any English legal term for any action, remedy, method or judicial proceeding, legal document, legal status, court, official, or any legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates in that jurisdiction to the English legal term.
- 1.7 References to “US dollars” or “US\$” are to the lawful currency from time to time of the United States of America and references to “£” or “GBP” are to the lawful currency from time to time of the United Kingdom.
- 1.8 Where there is any inconsistency between the definitions set out in this Clause and the definitions set out in any Clause or Schedule, then for the purposes of

construing such Clause or Schedule, the definitions set out in such Clause or Schedule shall prevail.

- 1.9 The singular shall include the plural and vice versa and words importing the masculine shall include the feminine and neuter and vice versa.
- 1.10 The index and the headings in this Agreement do not affect its interpretation.
- 1.11 Any Schedule or Annexure to this Agreement shall take effect as if set out in this Agreement and references to this Agreement shall include its Schedules and Annexures.
- 1.12 References to (i) a “Party” or “Parties” is to a party to or parties to this Agreement respectively, and (ii) “Clauses”, “Paragraphs”, “Schedules” and “Annexures” are references to the clauses, paragraphs, schedules and annexures of this Agreement.
- 1.13 An Event of Default or Irregularity Event is outstanding if it has not been remedied or waived.
- 1.14 Clauses 1.2 to 1.13 apply unless the contrary intention appears.

2. THE LOAN FACILITY

2.1 The Parties agree that this Agreement shall supersede and replace the provisions of the March 2012 DFID Funding Instrument to the extent that the provisions of the March 2012 DFID Funding Instrument itself relate to the DFID Grant Contributions and that the Parties shall amend and restate the March 2012 DFID Funding Instrument within 20 days of the date of this Agreement. Subject to the terms and conditions of this Agreement, DFID will make available to the PIDG Trust an unsecured loan facility of a total principal amount not exceeding the US\$80,880,000 plus the US\$ equivalent of GBP18,000,000 on the terms and conditions of this Agreement. The Parties acknowledge that repayment of the Loans is conditional upon the PIDG Trust receiving sufficient DFID Proceeds.

2.2 The Parties acknowledge and agree that:

- i. from the date of this Agreement and regardless of when they were made the DFID Grant Contributions shall be treated as Loans under this Loan Facility;
- ii. as of the date of this Agreement the Disbursed Amount is US\$80,880,000; and
- iii. as of the date of this Agreement the amount of the Available Commitment is the US\$ equivalent of GBP18,000,000.

2.3 Notwithstanding the provisions of this Clause 2 and Clause 3, DFID may in its absolute discretion upon 3 months prior written notice to the relevant PIDG Members and the PIDG Trust:

- i. reduce the Available Commitment;
- ii. change the amounts and/or timing of Disbursements; and
- iii. seek prompt repayment of the Loans by issuing a Withdrawal Notice.

Within 10 Banking Days of any such reduction the PIDG Trust shall issue a revised Schedule 3 to DFID and upon DFID's agreement to the revised Schedule 3, this Agreement shall be deemed to have been amended accordingly to include the revised Schedule 3.

2.4 The Parties agree that the amount of the Available Commitment will be:

- i. subject to any reduction in the Available Commitment under Clause 2.3i or Clause 3.1i; and

- ii. subject to any increase in the Available Commitment under Clause 3.1ii.

3. DFID CONTESTABILITY MECHANISM

3.1 The Parties acknowledge that in the period 1 April 2014 – 31 March 2015 (inclusive):

- i. under the DFID Contestability Mechanism, DFID may reduce the Available Commitment by an amount of up to 5 per cent of the amount set out in Schedule 3. The process by which the amount of Available Commitment may be reduced is as set out in the DFID Contestability Mechanism; and
- ii. under the DFID Contestability Mechanism, DFID may increase the Available Commitment where DFID has approved an application by a Company for additional funding in accordance with the provisions of the DFID Contestability Mechanism.

3.2 In the event that the Available Commitment is reduced or increased in accordance with the DFID Contestability Mechanism DFID shall promptly notify the PIDG Trust and the other PIDG Members in writing of the reduction or increase, and within 10 Banking Days of any such reduction or increase the PIDG Trust shall issue a revised Schedule 3 to DFID and upon DFID's agreement to the revised Schedule 3, this Agreement shall be deemed to have been amended accordingly to include the revised Schedule 3.

3.3 USE OF THE LOAN FACILITY

The PIDG Trust shall use all Loans to subscribe for shares in EAIF.

4. CONDITIONS PRECEDENT

4.1 Conditions precedent for effectiveness

The obligation of DFID to make the first Loan after the date of this Agreement shall be subject to the following conditions having been fulfilled (and remaining fulfilled):-

- (a) the execution of this Agreement;
- (b) to the satisfaction of DFID the individuals who have signed this Agreement on behalf of the PIDG Trust have been duly authorised to sign the same at the time of execution;
- (c) to the satisfaction of DFID legal opinions from] Mauritian counsel in connection with this Agreement and the documentation and transactions contemplated by it;

- (d) to the satisfaction of the PIDG Trust evidence that the Protector and the other PIDG Members have irrevocably and unconditionally consented to the execution of this Agreement and the transactions contemplated by it;
- (e) to the satisfaction of the PIDG Trust legal opinions from Fladgate and Mauritian counsel in connection with this Agreement and the documentation and transactions contemplated by it; and
- (f) delivery to DFID of a list of specimen signatures of persons authorised to submit a Disbursement Request on behalf of the PIDG Trust.

4.2 Conditions Precedent for each Disbursement

Subject to the conditions in Clause 4.1 having been fulfilled, the PIDG Trust shall request a Disbursement in accordance with the terms and conditions set out in this Clause 4 by delivering to DFID the following documents in a form satisfactory to DFID no less than 30 Banking Days before the date proposed by the PIDG Trust for Disbursement which, unless agreed in writing between DFID and the PIDG Trust, must be the last Banking Day of a month (the “**Disbursement Date**”):

- a Disbursement Request; and
- a Needs Letter.

4.3 Upon receipt of the Disbursement Request and Needs Letter in form and substance satisfactory to DFID, DFID will consider whether or not it is willing to make the relevant Loan and where DFID decides to make the relevant Loan, this shall be made within 20 Banking Days of the date of DFID’s receipt of the relevant Disbursement Request provided that and notwithstanding any other provision of this Agreement, DFID shall have the sole and absolute right to not respond favourably to any Disbursement Request.

4.4 No Loan may be disbursed after the Final Disbursement Date.

4.5 No Loan may be made if (i) an Event of Default is outstanding; or (ii) an Irregularity Event is outstanding; or (iii) DFID has served a Withdrawal Notice.

4.6 Effectiveness

Each Party undertakes to provide to the other Party a declaration of effectiveness when the conditions precedent indicated in Clause 4.1 above have been fulfilled to the satisfaction of the relevant Party.

5. DISBURSEMENTS

- 5.1 Each Disbursement will be effected by direct payment to the following account:

SG Hambros Trust Company Limited - Trust 1759

Swift Code: HAMB GB2L

IBAN: GB64 HAMB 4048 5802 0141 20

Account Number: 02014120

Payments to be sent through the Correspondence Bank:

Societe Generale - New York

Swift Code: SOGE US 33

Account Name: SG Hambros Bank Limited

Account Number: 190063

5.2 Disbursement Currency

A Loan shall be disbursed in US dollars.

5.3 Maximum number of Loans

Unless otherwise agreed by DFID, the Available Commitment at the date of this Agreement shall be disbursed in no more than three Loans.

6. REPORTING

- 6.1 The PIDG Trust shall provide or shall use its reasonable endeavours to procure that EAIF provide the following documentation and information to DFID:

- (i) on or prior to 1 November in each financial year of EAIF a copy of EAIF's annual business plan and budget for the following financial year prepared in accordance with IFRS (or equivalent);
- (ii) within 45 days of the end of each financial quarter of EAIF:
 - a) management accounts or unaudited financial statements prepared in accordance with IFRS (or equivalent) which shall include, as a minimum, a balance sheet and profit and loss account (or equivalent) providing financial performance information for the relevant financial quarter and appropriate comparable preceding periods including valuations (updated for the relevant financial quarter) of EAIF's project interests or investments, based on a valuation methodology which is

consistent with that applied in the relevant company's audited financial statements referred to in clause 6.1(v) below and also including, if appropriate, information on liquidity management;

- b) a cash forecast report for EAIF providing a summary of expected sources and uses of funds by financial quarter for the current financial year and for each financial year thereafter (up to the latest end date for Disbursements set out in Schedule 3 or such other date as the Parties may agree), which shall include:
- indicative and committed funding anticipated from PIDG Members for EAIF identifying each PIDG Member, their Funding Instrument;
 - funding anticipated from other sources (e.g. loan drawings);
 - receipts from any other sources e.g. asset sales;
 - expected uses of funds including, for example, project pipeline requirements, payments of fees and expenses, loan repayments and any other requirements;
 - overheads and corporate operating costs;
 - expected opening and closing cash balances.

The format of (a) the management accounts or unaudited financial statements and (b) the cash forecast report on expected sources and uses of funds can be the same as any equivalent accounts or report required by any other stakeholder to whom EAIF owes a similar reporting obligation;

- c) the assumptions and risks behind the information provided under Clause 6.1 (ii) (b) including any material management decision(s) about any impairment or provision in respect of any project or other asset EAIF;
- (iii) within 45 days of the end of each financial quarter progress reports on the status of the activities of the PIDG Trust including a report on material risks for EAIF at that time (including in relation to any of the projects, for example, any actual or potential impairment or provision in respect of any project or other asset of EAIF) a summary and status update of EAIF's projects and any special reports relating to projects in such form and detail as DFID may require;
- (iv) within 60 days of the end of each calendar quarter the PIDG Trust management accounts which shall include an updated statement of the ownership interests of the PIDG Trust in EAIF;

- (v) within 90 days after the end of EAIF's financial year, a copy of EAIF's audited consolidated financial statements for such financial year prepared in accordance with IFRS (or equivalent) together with an audit report thereon signed by EAIF's auditors and a management letter signed on behalf of EAIF which shall contain a summary of the findings from the audit process;
- (vi) within 120 days after the end of the financial year of the PIDG Trust the audited consolidated financial statements of the PIDG Trust, which shall include an updated valuation of EAIF;
- (vii) notice of any event or circumstance which may cause or will cause an impairment or provision to be recorded in respect of EAIF's project interest, investment or other asset, as soon as EAIF becomes aware of such event or circumstance;
- (viii) logframes and reports on the development impact of EAIF's projects in accordance with the results monitoring methodology, format and timetable agreed by the PIDG Members and set out in the PIDG Results Monitoring Handbook as may be amended from time to time;
- (ix) any reports or information requested by DFID in connection with the DFID Contestability Mechanism; and
- (x) without limitation to the above, any information reasonably requested by DFID (and the PIDG Trust will allow (and shall use its best endeavours to procure that a Company shall allow) representatives of DFID the right to review the progress of EAIF and allow the representatives of DFID the right to audit the books and records of the PIDG Trust and EAIF) provided that the PIDG Trust and EAIF shall not be obliged to disclose any information which is subject to confidentiality or non-disclosure undertakings in favour of a third party.

Nothing in this Clause will oblige the PIDG Trust to initiate legal, **enforcement**, default or other proceedings against EAIF or other party.

7. REPAYMENT OF THE LOAN FACILITY

- 7.1 The Parties agree that the amount repayable by the PIDG Trust under this Agreement at any time shall not be greater than the Net DFID Investment Value at that time.
- 7.2 The Loans may only be repaid with DFID Proceeds and the PIDG Trust shall not be obliged to use any other funds to repay the Loans.

- 7.3 Subject to Clause 7.7, it is acknowledged that the PIDG Trust shall only be able to repay the Loans to the extent it holds sufficient DFID Proceeds.

7.4 Conditions for Repayment using Proceeds

If the PIDG Trust receives EAIF Proceeds, such EAIF Proceeds shall be applied by the PIDG Trust as follows:

- (a) *First*, to be paid pro rata to each EAIF Donor (at the option of each such EAIF Donor) in repayment of the amount of each such EAIF Donor's Contribution to the PIDG Trust for EAIF (to the extent of such EAIF Donor's Contribution) *plus* such amount of any surplus Proceeds (after full repayment of each EAIF Donor's Contribution) pro rata to the amount of each such EAIF Donor's aggregate Contribution to the PIDG Trust for EAIF.
- (b) *Second*, to the extent that any EAIF Donor has elected not to be repaid from the relevant EAIF Proceeds under (a) above to be recycled in the PIDG Trust; and
- (c) *Third*, to the extent that any EAIF Proceeds referred to in (b) above have not been recommitted by the Trustees (in accordance with the provisions of the Declaration of Trust) to the activities of the PIDG Trust within 2 years from the date on which they were received by the PIDG Trust to be paid pro rata to each relevant EAIF Donor (or as such EAIF Donor shall otherwise direct) in repayment of the amount of each such EAIF Donor's Contribution to the extent not already repaid in accordance with the provisions of this Agreement.

It is acknowledged that any amount of DFID Proceeds received by DFID in accordance with the provisions of (a) to (c) above shall reduce the aggregate outstanding amount of the Loans by the amount of DFID Proceeds received by DFID.

7.5 Conditions for Other Repayment

Subject to Clause 7.4, Clause 7.6 and Clause 8.4, the PIDG Trust shall repay the Loans or an amount equal to the DFID Net Investment Value, whichever is the lesser amount, in the following circumstances:

- (a) if the PIDG Trust is wound up or at the expiration of the Trust Period (as defined in the Declaration of Trust) there are any Funds (as defined in the Declaration of Trust) and any other assets; or
- (b) in the case of an Event of Default as described in Clause 13 or an Irregularity Events as described in Clause 14 having occurred and not having been remedied within a reasonable time period; or
- (c) if DFID has served a Withdrawal Notice.

The PIDG Trust shall use its best endeavours to (and procure that any necessary third party shall) execute and deliver all such documents and perform such acts as may be required for the purpose of enabling the repayment of the Loans including, at DFID's request liquidating its investment in EAIF (through whatever means) subject always to the consent of each EAIF Donor, where required in accordance with the PIDG Constitution, and the Protector (in accordance with the Declaration of Trust).

- 7.6 The PIDG Trust's obligation to repay any amounts under Clause 7.5 is subject to (i) any requirements under applicable law, (ii) compliance with the Declaration of Trust and (iii) compliance with Clause 7.4.
- 7.7 Notwithstanding any other provision of this Agreement, in the case of a part repayment of the Loans by the PIDG Trust, DFID retains its right to repayment of any outstanding balance of the Loans until all Loans have been repaid in full but subject always to the PIDG Trust at any time not being required to repay more than the Net DFID Investment Value at that time.

8. TRUSTEE LIABILITY

- 8.1 DFID acknowledges that (i) the Trustees have very limited independent investment discretion in relation to the activities of the PIDG Trust and (ii) consequently, the functions of the Trustees in relation to the PIDG Trust are essentially of an administrative nature.
- 8.2 Having regard to the background stated in Clause 8.1 above, DFID acknowledges that it is reasonable and appropriate for the Trustees to have the benefit of the exclusions and protections set out in the ensuing provisions of this Clause 8. The provisions of this Clause 8 are in addition to, and shall not detract from, any other exemptions and protections that may be available to the Trustees under the terms of the Declaration of Trust or any other document pertaining to the PIDG Trust, or pursuant to any applicable law.
- 8.3 The liability of the PIDG Trust and the Trustees to make any payment under or pursuant to this Agreement (including, for the avoidance of doubt, under Clause 7.5) is not a general or personal obligation but is limited by reference to the assets of the PIDG Trust under its/their control which represent DFID Proceeds and which are available to make the payments concerned.
- 8.4 The personal liability of each Trustee under this Agreement is limited to any liability arising as a consequence of a breach of trust arising from its own wilful misconduct or fraud.
- 8.5 The Trustees shall have no personal liability in respect of any breach of any representation, warranty, covenant or other provision of this Agreement, it being the intention that DFID's remedies shall be limited to any action that

DFID may elect to take in respect of that breach pursuant to Clause 7.5 and Clause 13.

- 8.6 Where any provision of this Agreement (including, for the avoidance of doubt, under Clause 6.1 and Clause 7.5) requires the Trustees to use its best endeavours or reasonable endeavours (or any similar formulation) to obtain information, documentation or cooperation from EAIF or any third party or take any other action pursuant to this Agreement, then where the Trustees are obliged to use their best endeavours and this involves using the financial resources of the PIDG Trust in order to fulfil such a requirement, the Trustees shall obtain the prior written consent of DFID in order to expend any such financial resources and DFID shall either provide such financial resources to the Trustees or reimburse the Trustees for such financial resources expended as the case may be. Provided that in order for DFID to provide such financial resources or reimburse the same to the Trustees, the Trustees shall submit to DFID and to the satisfaction of DFID, evidence of the expenditure or the need for the expenditure of such financial resources.
- 8.7 Nothing in this Agreement shall require the Trustees to initiate any legal, enforcement, default or other proceedings of any nature against EAIF or any other person, unless it has first been indemnified by DFID to their satisfaction in respect of such steps.
- 8.8 The terms of this Clause 8 shall override any other term of this Agreement that may be inconsistent with it.

9. INTEREST

9.1 Interest Rate

Each Loan shall bear interest at the rate of zero (0) percent per annum.

10. PAYMENTS AND CURRENCY

10.1 Currency

All payments to DFID due hereunder shall be made to DFID in US dollars. If any DFID Proceeds are not received in US dollars, the PIDG Trust shall convert DFID's pro-rata share of any EAIF Proceeds in accordance with the mechanism set out in the EAIF Funders' Agreement.

10.2 Payments to be made without Notice

Payment by the PIDG Trust of any amount due hereunder shall be made without notice, demand or protest of any kind, unless otherwise expressly stipulated in this Agreement.

11. REPRESENTATIONS AND WARRANTIES

11.1 As at the date of this Agreement (for all but Clauses 11(c) and 11(f)) and for the duration of this Agreement (in respect of Clauses 11(c) and 11(f)), the Trustees of the PIDG Trust represent and warrant to DFID that:

- (a) they have all requisite power and authority to enter into and perform this Agreement and have taken all necessary action to authorise the borrowing under this Agreement and to authorise the execution, delivery and performance of this Agreement;
- (b) the individual(s) having signed this Agreement were duly authorised so to sign;
- (c) this Agreement constitutes and will constitute valid and legally binding obligations of the PIDG Trust enforceable in accordance with its terms and would be so treated in the courts of the proper law of the PIDG Trust and this Agreement is in proper form for its enforcement in such courts;
- (d) the PIDG Trust has duly obtained all authorisations of, and has duly effected any declarations or registrations with any authority which are required or appropriate in connection with the execution, delivery and performance of this Agreement and such approvals, consents and authorisations are in full force and effect;
- (e) no Taxes will be levied on this Agreement, except for payment of registration and stamp duty to the Registrar General in Mauritius upon registration of this Agreement;
- (f) the PIDG Trust is subject to civil and commercial laws. Thus, neither the PIDG Trust nor any of its respective property enjoys any right of immunity;
- (g) the PIDG Trust is not in breach of or in default under any agreement to which it is a party or which is binding on the PIDG Trust or any of its respective assets to an extent or in a manner which might have an adverse effect on the condition (financial or otherwise), prospects, results or operations, or general affairs of it or would adversely affect the ability of it to fulfil its obligations hereunder;
- (h) no action or administrative proceeding of or before any court or agency, which might have a material adverse effect on the financial condition of the PIDG Trust, has been started or is threatening; and
- (i) the execution of this Agreement and the PIDG Trust's performance of its obligations hereunder do not and will not (i) contravene any provisions of any law, statute, decree, rule or regulation to which it or any of its assets or revenues is subject, (ii) violate any provisions of its

Declaration of Trust or (iii) result in any breach of any agreement or treaty to which it is a party.

12. COVENANTS

12.1 The Trustees of the PIDG Trust undertake to:

- i. use reasonable endeavours to enter into amended and restated EAIF Funders' Agreement with EAIF substantially in the form of the attached as an Annex to this Agreement by no later than 30 April 2014, subject to the approval of the amended and restated EAIF Funders' Agreement by the relevant PIDG Members;
- ii. to comply with the PIDG Code of Conduct and Operating Policies and Procedures;
- iii. not to change the accounting policy of the PIDG Trust without the consent of the PIDG Members; and
- iv. to retain or cause to be retained until at least 7 years after DFID has received the audit report for the fiscal year in which the last Loan was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing the expenditures and ensure that such records and accounts are included in the annual audit of the PIDG Trust and enable DFID's representatives to examine such records and accounts of the PIDG Trust,

without limitation to (iii) above, furnish or cause to be furnished to DFID any information reasonably requested by DFID and allow representatives of DFID the right to audit the books and records of the PIDG Trust provided that the PIDG Trust shall not be obliged to disclose any information which is subject to confidentiality or non-disclosure undertakings in favour of a third party.

13. EVENTS OF DEFAULT

13.1 The following constitute Events of Default if:

- (a) the PIDG Trust fails to pay on the due date any amount due under this Agreement and such failure is not remedied within 30 days; or
- (b) any representation or warranty of the PIDG Trust herein or in any other document furnished pursuant hereto proves to be or becomes at any time incorrect in any material respect or the PIDG Trust defaults in the performance of any other material provision of this Agreement and the breach continues unremedied for 60 days after written notice thereof has been given to the PIDG Trust; or
- (c) any change in the laws of England or any other relevant jurisdiction occurs which has the effect to render any material provision of this

Agreement invalid, illegal or unenforceable or the PIDG Trust's operation becomes illegal; or

- (d) any governmental licence, authorisation, consent, approval or registration necessary to permit DFID to enforce its rights hereunder is revoked, withdrawn, modified or withheld or shall otherwise fail to remain in full force and effect; or
- (e) the PIDG Trust declares a moratorium or stops payment of all or part of its indebtedness or admits in writing its inability to pay its debts as they fall due or is declared bankrupt, or has taken steps to liquidate or wind up its business; or
- (f) any other event occurs which may materially jeopardise the ability of the PIDG Trust to perform or observe any of its obligations hereunder; or
- (g) the continuing of the Loan Facility should be considered to be against public policy as officially declared by competent authority of the European Union or the United Nations.

14. IRREGULARITY EVENT

- 14.1 The following constitutes an Irregularity Event: if the PIDG Trust, engages in any conduct that may be characterised as corruption or fraudulent practices.
- 14.2 For the purpose of this provision corrupt shall mean: "the offering, giving, receiving, or soliciting of anything of value to influence the action in the procurement process, in contract execution or in contract performance" and fraudulent practice shall mean "a misrepresentation of facts in order to influence a procurement process or the execution or fulfilment of a contract to the detriment of the PIDG Trust and includes collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the PIDG Trust of the benefits of free and open competition" relating to its business activities.

15. NOTICES AND DEMANDS

- 15.1 Any notice and demand in relation to this Agreement shall be given or made by fax, e-mail or otherwise in writing, sent or delivered to the addressee at its address set forth below or to such other address or fax number as it may from time to time designate in writing to the other Party.

DFID:

22 Whitehall

London SW12 2EG

FAO: Alistair Fernie

The PIDG Trust:

c/o SG Hambros Trust Company Ltd

Norfolk House, 31 St James's Square

London SW1Y 4JR

FAO: Rachel Iles

Tel: +44 (0) 207 023 0639

Tel: +44 (0) 207 597 3000

Fax: +44 (0) 207 023 0072

Fax: +44 (0) 207 702 9263

- 15.2 Each communication as aforesaid shall be deemed to have been effectively given:
- (a) if by fax or e-mail, upon receipt by the sender of a confirmation/reading-receipt;
 - (b) if by certified or registered mail, fourteen days after such communication was deposited in the mail (postage prepaid); and
 - (c) if by any other means, when delivered.
- 15.3 Notwithstanding the provisions of Clauses 15.1 and 15.2, it is agreed that all notices and demands shall be sent by certified or registered mail if not of a routine nature.
- 15.4 Any communication to either Party hereunder which is received by that Party after 4.00 p.m. (local time in the place of receipt) shall be deemed to have been received by that Party on the next day on which commercial banks in the place of receipt are open for business.
- 15.5 If the PIDG Trust or DFID should change its address, fax or e-mail address/number, it shall promptly give written notice to that effect to the other Party.

16. ASSIGNMENTS

- 16.1 The PIDG Trust may not assign or transfer its rights or obligations under this Agreement without the prior written consent of DFID.
- 16.2 DFID may at any time assign or transfer its rights or obligations to another governmental or state agency, bank or financial institution upon notice to the PIDG Trust by way of registered mail with proof of delivery.

17. NO WAIVER

No failure to exercise and no delay in exercising, on the part of DFID, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other power or right.

18. FORCE MAJEURE, LIABILITY

- 18.1 No Party shall be held responsible for any loss or damage or failure to perform any of its obligations hereunder resulting from a English legal enactment, the intervention of an English public authority, an act of war, a strike, a blockade, a boycott, a lockout, or any other similar circumstance. The reservation in respect of strikes, blockades, boycotts, lockouts applies even if that Party is subject to such measures or takes such measures.

19. MISCELLANEOUS

- 19.1 The illegality, invalidity or unenforceability of any provision of this Agreement under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision hereof, and any illegal, invalid or unenforceable provisions shall at the request of DFID be replaced by other provisions in accordance with the purpose and meaning of this Agreement.
- 19.2 Each document, certificate and statement referred to in this Agreement or to be delivered hereunder shall, unless otherwise agreed by DFID and the PIDG Trust, be in English.
- 19.3 Subject to Clause 2.3 and 3.2, any amendment to this Agreement shall be made in writing and signed by both DFID and the PIDG Trust.
- 19.4 This Agreement shall remain in full force and effect until all Loans hereunder have been repaid in full.
- 19.5 This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement and any Party may enter into this Agreement by executing a counterpart.

20. GOVERNING LAW AND JURISDICTION

- 20.1 Governing law
- 20.2 This Agreement shall be governed by the laws of England and Wales.
- 20.3 Immunity
- 20.4 The PIDG Trust hereby irrevocably waives any claim it may now or hereafter have that any proceeding has been brought in an inconvenient forum or claim immunity due to sovereignty or otherwise.
- 20.5 Dispute resolution

- (i) If any dispute, claim, controversy or disagreement of whatever nature arises out of or in connection with this Agreement, including any question regarding its existence, validity, termination or enforceability (a "Dispute"), the Parties shall use all reasonable endeavours to resolve the matter amicably. If one Party gives any other Party notice that a material Dispute has arisen and the Parties are unable to resolve such Dispute within 30 days of service of such notice, then such Dispute shall be referred to the respective chairmen or chief executives or equivalents of the Parties in dispute. No Party shall resort to arbitration against any other Party under this Agreement until at least 30 days after such referral. This shall not affect a Party's right, where appropriate, to seek interim relief.
- (ii) All Disputes which are unresolved by the chairmen or chief executives or equivalents pursuant to (i) above shall be referred to and finally resolved by arbitration under the London Court of International Arbitration ("LCIA") Rules, which Rules are deemed to be incorporated herein.
- (iii) Arbitration under the LCIA Rules shall consist of one arbitrator who shall be either a barrister or a solicitor admitted to practice in England and Wales for at least 15 years. The parties to an arbitration under this Agreement shall attempt to agree the arbitrator within 20 days of the commencement of the arbitration. Failing such agreement the sole arbitrator shall be appointed by the LCIA Court. The seat of the arbitration shall always be, and all arbitration proceedings shall be in London, England (though if the parties to an arbitration agree, any arbitration proceeding may be held in such other venue as may be mutually convenient). The language of the arbitration shall be English.
- (iv) None of the Parties shall make an application pursuant to Sections 45 or 69 of the Arbitration Act 1996. The decision of the arbitrator shall be final and binding and non appealable.
- (v) The arbitrator shall have power after the commencement of an arbitration to allow, only on the application of a party to that arbitration, another Party to this Agreement to be joined in the arbitration as a party, and thereafter to make a single final award, or separate awards, in respect of all parties so implicated in the arbitration.

20.6 Jurisdiction

All Parties irrevocably submit to the non-exclusive jurisdiction of the courts of England to support and assist the arbitration process pursuant to this Clause 20 including, if necessary, the grant of interlocutory relief pending the outcome of that process.

This Agreement is made on this 31st day of March 2014 in the English language in good faith and in four originals of which the PIDG Trust has taken three and DFID has taken one.

EXECUTED and DELIVERED as a DEED by affixing the common seal of the Secretary of State for International Development of the Government of the United Kingdom of Great Britain and Northern Ireland,

RCW

Authenticated by

in the presence of:

Witness' Signature:

Radhika

Name: RADHIKA OIL

Occupation: POLICY ADVISER

Address: 22 WHITEHALL, SW1A 2EG

Executed and Delivered as a Deed by
the Trustees, representing The Private
Infrastructure Development Group
Trust by

}

SG Hambros Trust Company Ltd

By:

Date:

in the presence of:

Witness' Signature:

Name:

Occupation:

Address:

EXECUTED and DELIVERED as a DEED by affixing the common seal of the Secretary of State for International Development of the Government of the United Kingdom of Great Britain and Northern Ireland,

Authenticated by

in the presence of:

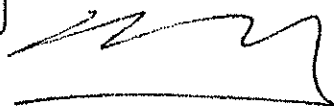
Witness' Signature: _____

Name:

Occupation:

Address:

Executed and Delivered as a Deed by
the Trustees, representing The Private
Infrastructure Development Group
Trust by

} Rachel Tles



SG Hambros Trust Company Ltd

By: RACHEL TLES ANDREW COSTARD

Date: 31st March 2014

in the presence of:

LISA JONES


Witness' Signature: 

Name: LISA JONES

Occupation: BUSINESS DEVELOPMENT
MANAGER


Address: NORFOLK HOUSE,
31, ST JAMES SQUARE
LONDON
SW1Y 4JE

Minimax Ltd

By:  /  Rajiv Gujjala

Date: 31 March 2014

in the presence of:

Witness' Signature: 

Name: Ugeswar Ramdhony

Occupation: Member - Assessment Review Committee

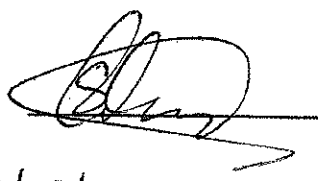
Address: Selfridge way, Vacoas, Mauritius

Multiconsult Trustees Ltd

By:  R. Prith  Deven Coopooosamy

Date: 31 March 2014

in the presence of:

Witness' Signature: 

Name: Shakeel Imith

Occupation: Software Analyst

Address: Royal Road, Eau-Claire
Aurepire, Mauritius

SCHEDULE 1

The DFID Contributions

Funding Instrument	Amount Disbursed	Amount Undisbursed
Letter of Arrangement dated 12 March 2012	US\$80,800,000	US\$ equivalent of GBP18,000,000

SCHEDULE 2

Form of Disbursement Request

Place and date

To: DFID

[insert details]

Attention:

Dear Sirs,

Re: Conditional Loan Agreement dated [] between the Secretary of State for International Development and the PIDG Trust (the “Conditional Loan Agreement”)

We refer to the above Conditional Loan Agreement and hereby request a Loan in the following amount [] in respect of EAIF. Terms not defined hereunder shall have the same meanings as in the Conditional Loan Agreement.

Payment Instructions:
Beneficiary/Payee:
Bank, name branch and address:
Swift code:

On behalf of the PIDG Trust we confirm that:-

1. the conditions set out in clause 4.2 of the Conditional Loan Agreement inclusive have been fulfilled;
2. the representations and warranties made in the Conditional Loan Agreement are correct as of this day and, to our best knowledge and belief, no Event of Default or Irregularity Event has occurred or is threatening.

We enclose the following documents supporting our request:

- (i) an un-audited financial statement of the PIDG Trust and the Management Accounts of EAIF for the preceding financial quarter showing the use of the previous Loan; and
- (ii) a Needs Letter setting out the proposed use of this Loan (where applicable); and

SG Hambros Trust Company Ltd representing the Trustees acting for and on behalf of The Private Infrastructure Development Group Trust by

Signature:

Printed name:

Title:

Place and date

200_

SCHEDULE 3

Schedule of Disbursements

Disbursement Period	Amount of Disbursement
2014 / 2015	US\$ equivalent of GBP18,000,000

SCHEDULE 4

DFID Contestability Mechanism

Introduction

In DFID's 2011 Business Case for the uplift in funding for the PIDG it was proposed to introduce a "Contestability Mechanism" in order to create better Value for Money for DFID's investments in PIDG. This mechanism would introduce performance assessments for each PIDG facility that DFID funds in order that both DFID's baseline funding through the PIDG Trust for PIDG facilities (£357.1m of DFID's commitment for PIDG activities for the period 1 April 2013 to 31 March 2015 as set out in the Letter of Arrangement between DFID and the PIDG Trust dated 12 March 2012 as amended from time to time (the "DFID Letter of Arrangement")) and DFID's additional contestable funding (£223m for the period 1 April 2013 to 31 March 2015) can be revised up or down based upon annual performance.

This document sets out the criteria that will be used for defining performance and how the Contestability Mechanism will operate.

This Contestability Mechanism will apply to any amendment to the DFID Letter of Arrangement and/or additional funding instrument that DFID may enter into with the PIDG Trust in relation to its funding commitment set out in the DFID Letter of Arrangement.

Mechanism Operation

1. Each PIDG facility that DFID funds is set weighted targets for development outcomes for each calendar year (such year being year "N") as laid out below in the section 'DFID's Contestability Targets for PIDG Facilities', which will be drawn from the approved logframe for each PIDG facility that DFID funds for each calendar year.
2. The weighted targets will be revised annually in line with any revisions to the logframes approved by the PIDG Members in accordance with the procedure set out in the PIDG Results Monitoring Handbook (i.e. by 31 March of each year N+1).
3. In accordance with the reporting obligations of each PIDG facility that DFID funds, within 45 days of the end of each calendar year N, the PIDG Programme Management Unit ("PMU") will (in its report for Q4 of year N, the "Q4 Report") report to DFID (and the other PIDG Members) on the actual achievements of each PIDG facility that DFID funds against each facility's logframe targets for calendar year N, along with details of any extenuating circumstances provided by a facility, where relevant, that prevented the facility from achieving all its logframe targets.

4. In accordance with the procedure set out in the PIDG Results Monitoring Handbook, by 31 March of each calendar year N, the PMU will submit the logframe targets for PIDG and each PIDG facility for years N + 4 (i.e. a 5 year rolling logframe) to the PIDG Members for approval. These will be compiled by the PMU's Development Advisor in close consultation with the Facilities and will be based on future pipeline projections as well as extrapolation based on past achievements. The logframe will contain details of the original targets for the years N+4 along with the revised targets for years N+5 (along with explanations justifying each revised target), for ease of reference.

Base line funding

5. Failure by a PIDG facility that DFID funds to reach its weighted targets in calendar year N may trigger a possible reduction by DFID of its commitment to that facility as set out in the DFID Letter of Arrangement for calendar year N+2.

6. The amount of any reduction will be determined by DFID's Private Sector Department during DFID's financial year starting on 1 April in calendar year N+1, will depend on the number of targets missed and by how much they are missed (calculated using the formula set out in paragraph 11 below) and will be subject to the approval of DFID's International Director.

7. Any reduction in funding will be capped at 5% of DFID's commitment as set out in the DFID Letter of Arrangement (as amended or as set out in any additional funding instrument relating to DFID's commitment) for that Facility for year N+2.

8. DFID will review any evidence of extenuating circumstances provided by the facility (via the Q4 Report) before deciding on any reduction.

9. DFID will confirm to the PMU by 15th April of each calendar year N+1 whether (i) each PIDG facility that DFID funds has met its targets for calendar year N for the purposes of the contestability mechanism, (ii) the reasons for any failure to meet targets have been accepted and the facility is therefore deemed to have satisfied its targets, or (iii) DFID intends to amend the DFID Letter of Arrangement (or any other funding instrument that sets out DFID's commitment) and reduce its commitment to the facility in year N+2.

10. If its funding for year N+2 is reduced, the facility will review the impact of any reduction on its business plan and if necessary will submit a revised business plan to the PIDG members funding that Facility.

11. Any reduction in respect of DFID's commitments for calendar year N+2 will be calculated as follows (subject to the caveats set out in paragraphs 12 and 13):

the amount of DFID's commitment set out in the DFID Letter of Arrangement in respect of calendar year N+2 will be multiplied by the aggregate of:

$(\text{Target 1 Achievement}/\text{target}) \times \text{weighting} + (\text{Target 2 Achievement}/\text{target}) \times \text{weighting} + (\text{Target 3 Achievement}/\text{target}) \times \text{weighting} + (\text{Target 4 Achievement}/\text{target}) \times \text{weighting} + (\text{Target 5 Achievement}/\text{target}) \times \text{weighting}$

(and so on in respect of each additional Target (if any) applicable to calendar year N).

12. There will be no reduction in DFID's commitments for calendar year N+2 if the weighted targets for calendar year N are missed by less than 2.5% overall i.e. if the value of the above formula is 97.5% or higher.

13. This mechanism shall only be used to calculate any reduction in DFID's commitments to each PIDG facility that DFID funds for calendar year N+2. Any actual targets in excess of a facility's applicable targets will not be included for the purposes of calculating any reduction in commitments, but such excess performance may be carried forward to future calendar years to determine the achievement of targets, as noted in the section headed "DFID's Contestability Targets for PIDG Facilities" below.

14. If DFID's commitment for a facility is reduced as a result of the mechanism, it will not be rolled over to a future year but may be used by DFID for other purposes within or outside PIDG.

Additional contestable funding

Proposals by Facilities

15. Where a facility that DFID funds meets (or is deemed to meet in accordance with paragraph 9 above) the targets applicable in respect of calendar year N (the "Target Gate"), they will be able to submit a proposal to the PMU during calendar year N+1 for additional funding commitments starting on 1 April during calendar year N+2.

16. The proposal will need to (a) set out the case for the need for these funds and (b) set out the development outcomes that could be expected from any increase in funding from DFID (see diagram attached as Annex 1).

(i) any proposal should be in line with DFID priorities and set out clearly the development outcomes that will be delivered through the contestable funding. DFID's priorities include working in DAC I and II countries, Fragile States (set out in Schedule 1) and opening up regional trade corridors.

(ii) the proposal will set out how the expected pipeline of projects that the additional funds will be used for will result in increased investment in DFID's priority sectors and in all cases have a clear narrative about how the funds will generate benefits for poor people.

(iii) proposals would need to include strategic, financial, commercial and management cases. Log-frame targets will need to be amended to show how additional funding will lead to additional activities, outputs and outcomes.

17. The additional contestable funding (£223m in aggregate (subject to adjustment as noted herein) over the period from 1 April 2013 to 31 March 2015) is available for commitment during the financial year from 1 April to 31 March shown in the table below (£100m in 2013/14 and £123m in 2014/15) but will be disbursed over a three financial year period.

18. On receipt of a proposal (which will be submitted via the PMU), DFID's Private Sector Department would firstly check that it complies with the priorities above and that it represents good value for money. Once satisfied with the proposal, DFID seek approval at the appropriate level depending on the amount of extra funds requested.

19. The approval of the other PIDG Members funding the PIDG Facility applying for additional contestability funding is required for each application. This may be sought prior to or subsequent to DFID's approval of the application depending on the agreement between DFID and the PIDG Facility.

Proposals by the PMU on behalf of the PIDG

20. There will also be the opportunity for the PMU, on behalf of the PIDG members, to apply for funding under the Contestability Mechanism should the PIDG approve the development of a new facility and for a new facility to apply for funding under the Contestability Mechanism. Any such application will need to set out the same information as set out in paragraph 16 above.

21. When considering whether funding will be available for the development or funding of a new facility, DFID will also take into consideration PIDG overall performance.

General

22. If DFID considers that the PIDG as a whole has failed to meet its targets, it may reallocate some or all of the additional contestable funding at any time for any other

purpose outside of PIDG. Should the PIDG fail to demonstrate that it is using DFID's money for highly developmental projects and that is continuing to represent value for money, the additional contestable funding will be reallocated by DFID to better performing institutions and or/programmes. DFID will immediately notify the PMU of any decision to reallocate any additional contestable funding.

23. Any approved additional contestable funding will be committed by DFID under a new funding instrument with the PIDG Trust, which will set out the terms and conditions of such additional contestable funding. In the absence of any agreement to the contrary, any additional contestable funding for a Facility will be drawn down by the PIDG Trust from DFID in accordance with any funders' agreement in place for that Facility, i.e. upon submission by the PIDG Trust of a disbursement request and evidence of need provided by the PIDG facility, which shall include such financial information as set out in that funders' agreement.

DFID's Contestability Targets for PIDG Facilities

24. The targets for the PIDG facilities that DFID funds for the purposes of this Contestability Mechanism have been set in line with DFID's MAR priorities. They are a sub-set of the annual facility logframe targets as approved by the PIDG members, calculated on a cumulative basis over the period (i.e. over-performance in respect of a calendar year N target would count towards determining the achievement of the corresponding calendar year N+1 target).

25. As noted above, the contestability targets will be revised annually to reflect any revisions to the annual logframe targets, as approved by the PIDG members. The table below details the selected Contestability indicators and related weightings allocated by DFID, for each Facility. Please refer to the latest approved PIDG logframe for the actual targets.

Weighting	40%	20%	10%	20%	10%
EAIF	Cumulative additional PSI commitments catalysed	Percentage of private investment catalysed in DAC I & II countries	Percentage of private investment catalysed in fragile states	Cumulative increased availability/quality of infrastructure services per annum	Gender reporting mechanism in place*
GuarantCo	Cumulative additional PSI commitments generated	Percentage of private investment catalysed in DAC I, II & III countries	Percentage of private investment catalysed in fragile	Cumulative increased availability/quality of infrastructure services	Gender reporting mechanism in place*

			states		
InfraCo Africa	Cumulative additional PSI commitments generated p.a.	Percentage of private investment catalysed in DAC I & II countries	Percentage of private investment catalysed in fragile states	Cumulative increased availability/quality of infrastructure services.	Gender reporting mechanism in place*
InfraCo Asia	Cumulative additional PSI commitments generated p.a.	At least half of projects in project portfolio to be in Bangladesh, Cambodia, Laos, Nepal, Vietnam, Pakistan and DFID focus states in India (Andhra Pradesh, Madhya Pradesh, Orissa, West Bengal and Bihar). Remaining half or less of all projects to be in Philippines, Indonesia, Sri Lanka, other states of India, Papua New Guinea and Pacific Islands.	Percentage of private investment catalysed in fragile states	Cumulative increased availability/quality of infrastructure services.	Gender reporting mechanism in place*
PIDG	Cumulative additional PSI commitments catalysed (90% of PIDG logframe target)	Minimum number of facilities with gender reporting mechanism in place*			

* For 2012 only, evidence only that gender reporting mechanism is under development.

Approved List of Fragile States

For the purpose of the Contestability Mechanism projects carried out in the following states (as approved by the PIDG GC in 2012) will count towards the fragile states target in 2011 and 2012, thereafter this will be replaced by the PIDG list of fragile states:

Africa

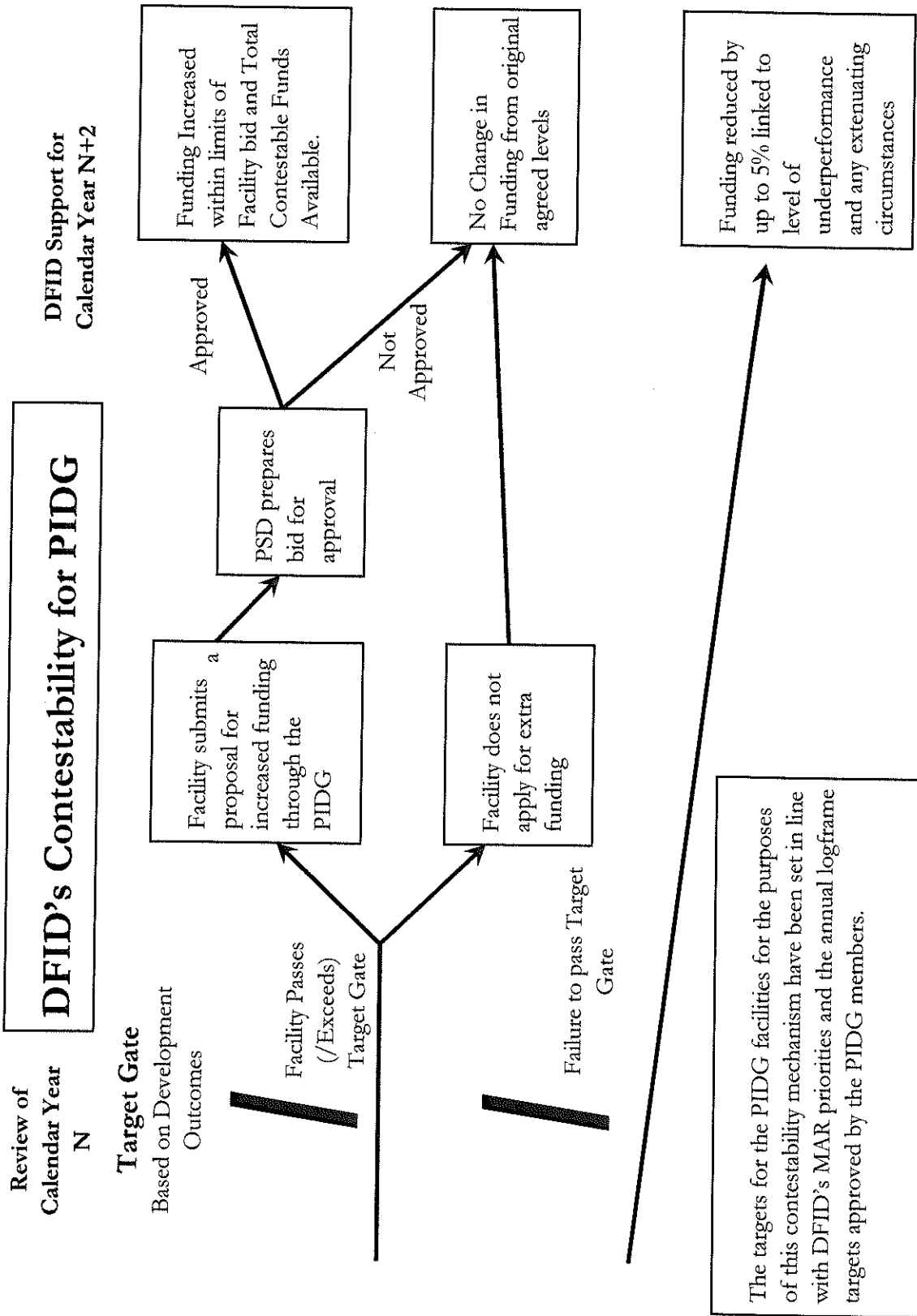
Angola	Congo, Democratic Republic of	Kenya	Somalia
Burkina Faso	Congo, Republic of	Liberia	South Sudan
Burundi	Côte d'Ivoire	Malawi	Sudan
Cameroon	Eritrea	Niger	Togo
Central African Republic	Ethiopia	Nigeria	Uganda
Chad	Guinea	São Tomé and Príncipe	Zimbabwe
Comoros	Guinea-Bissau	Sierra Leone	

Europe, Asia, Middle East and Australasia

Afghanistan	Lebanon	Papua New Guinea	Timor-Leste
Bangladesh	Myanmar	Solomon Islands	Uzbekistan
Georgia	Nepal	Sri Lanka	West Bank & Gaza Strip
Iraq	North Korea	Tajikistan	Yemen, Republic of
Kiribati	Pakistan		

Latin America and the Caribbean

Haiti



ANNEX

FORM OF AMENDED AND RESTATED EAIF FUNDERS' AGREEMENT