

**DIRECTIVE**  
**ON**  
**NON-SOVEREIGN-BACKED FINANCINGS**

**October 23, 2017**

**A. OVERRIDING OBJECTIVE**

1. The overriding objective of this Directive on Non-sovereign-backed Financings (**Directive**) is to establish responsibilities and management decision points to enable the Bank's staff to implement the parts of the Bank's Operational Policy on Financing (**Policy**) that apply to Non-sovereign-backed Financings (**Financings**).
2. The exercise and interpretation of this Directive shall seek to give effect to this overriding objective.

**B. IMPLEMENTATION**

3. The Policy and Strategy Vice Presidency shall implement Administrative Guidance under this Directive. The Administrative Guidance shall provide detailed procedures and specifications that support this Directive.

**C. RESPONSIBILITIES**

4. For purposes of this Directive, the following departments of the Bank have the following key responsibilities:
  - (a) Investment Operations Vice Presidency has overall responsibility, with inputs from other departments within their respective areas of responsibility, for the development and delivery of each Financing and for its monitoring.
  - (b) Risk Management Department has overall responsibility for management of credit and reputational risks associated with each Financing by conducting independent risk and integrity assessments of each Project and advising on whether the Financing meets acceptable banking standards.
  - (c) Policy and Strategy Vice Presidency is responsible for providing assurance that each Financing complies with the Bank's policies. In this regard, it is responsible for overseeing the environmental, social and procurement aspects of the Projects.
  - (d) Office of the General Counsel is responsible for providing legal advice and assistance on all aspects of the Financings.

- (e) Office of the Treasurer is responsible for managing financial risk exposures associated with each Financing.
  - (f) Office of the Controller has overall responsibility (i) for all payments under each Financing and (ii) for determining the accounting impact of each Financing.
  - (g) Office of the Vice President and Corporate Secretary is responsible for communications with the Board and management of the overall Board approval process for each Financing.
5. Matters arising under the Policy or this Directive that cannot be resolved between the managers of the respective units shall be brought to the Investment Committee.

**D. APPROVAL OF THE FINANCINGS; CHANGES**

6. The Investment Committee reviews each Financing at the following stages during its preparation:
- (a) A Concept Review is held before significant resources are spent on preparation of the Financing.
  - (b) The Chair of the Investment Committee may require, at the Concept Review or thereafter, that the Financing be returned to the Investment Committee for an Interim Review.
  - (c) Once all appropriate due diligence has been substantially completed and the business terms have been substantively agreed with the client, the Investment Committee conducts a Final Review before the Financing is submitted for Board approval.
7. Material changes to the Project or to the Financing are reviewed by the Investment Committee before they are submitted for Board approval.
8. Pursuant to Section 3.5.3 of the Policy the President delegates the authority to approve non-material changes to the Project or the Financing to: (i) the Director General, Investment Operations; (ii) the credit officer from the Risk Management Department assigned to the Project; (iii) the lawyer from the Office of the General Counsel assigned to the Project; and (iv) as applicable, any other specialist to whose area of responsibility the proposed change relates. For the change to be considered approved, all of the above-mentioned approvers must consent to the change. Each of the approvers individually has the right to refer the matter for consideration of the Investment Committee, in which case the Investment Committee is authorized to take the decision.