African Trade Insurance Agency
Agence pour l'Assurance du Commerce en Afrique

NON-BINDING INDICATION (NBI) for RLSF projects

Date of NBI	NBI Expiry Date	Broker of Record	Underwriter

Note to the NBI:

This NBI has been issued based strictly on the information provided by the applicant. In the absence of all the necessary information, ATI underwriters may have made certain assumptions in order to be able to provide this NBI. You should check diligently that (a) the information reproduced in summary is materially accurate, and (b) the assumptions, if any, are correct and advise us immediately if this is not the case.

This indication is non-binding and does not commit ATI to any terms, conditions or create any obligation to provide coverage and may be withdrawn or amended without notice. It is subject to risk underwriting and approval by ATI management, and full Policy Wording to be agreed between ATI and the Applicant.

Amount and Type of Cover Requested:	(value of up to 6 months of non-payment by national off-taker)
Insured:	(name of IPP)
Project company, if different from IPP:	(name of insured if different from IPP)
Counterparty/Obligor:	(offtaker/national utility)
Risk Country:	(country of investment)
Lenders/DFIs/MFIs:	(involved parties)
Contract/Transaction Description:	(agreement/PPA signed between IPP and national utility)
Contract/Transaction Value:	(investment volume)
Disbursement/drawdown Terms:	(according to the term sheet of the lender)
Repayment Terms of the Loan:	(according to the term sheet of the lender)
Tenor of the PPA:	(tenor of PPA)
Details of information provided by Applicant:	(e.g. PIM, PPA, financial model, ESIA, term sheet)
Policy Period:	(case by case, up to 10 years)
Expected Date of Policy:	(expected date when cover will be needed)
Expected Date of COD:	(expected date when COD becomes effective)
Cover Parameters	
Risk Cover Indicated:	(non-payment by the national utility under the PPA)
Maximum Exposure to Loss:	(value of up to six months of non-payment by national off-taker)
Indemnified Percentage:	(up to 100%)
Maximum Sum Insured:	(maximum value insured by ATI, equivalent to max. exposure to loss multiplied by indemnified percentage)
Earliest Date for Demand [1)]:	(15 days after due date)
Latest Date for Demand [2)]:	(12 months after due date)
Waiting Period [3)]:	(14 calendar days after demand)
LC Validity Period [4)]:	(tenor of the LC)
Number of LC draws [5)]:	(max. 6 draws within any period of 12 months)

Standby Fee Rate [6]: **(no further administrative or legal fees apply)**	(normally between 2.0% and 4.0% p.a., case-by case depending on the risk)
Issuance Fee Rate [7]: **(no further administrative or legal fees apply)**	(1/3 of standby fee rate until LC On Risk Date)
LC Draw Fee Rate [8]:	(interest rate on drawn LC amount: LIBOR + 2% p.a.)
Expression of Interest from:	(latest date of EoI)

This NBI is issued subject to the following

1	Signed application form
2	Satisfactory review of the PIM including the technical, legal, financial and economic viability of the project
3	Satisfactory KYC of the sponsors/developers/investors
4	Satisfactory PPA and concession agreement
5	Satisfactory review of the EPC and O&M contracts and the track record of the contractors in performing similar projects
6	Satisfactory review of the term sheet and risk assessment of the lending bank(s)
7	Satisfactory review of the environmental and social impact assessment in line with the IFC Performance Standards
8	Signing of the MoU by the national Ministry of Finance, Ministry of Energy and the national utility for the acknowledgement of their obligations in respect of the project and ATI
9	No objection letter signed by the Ministry of Finance (with ATI's lead on the content)
10	Approval of the project by KfW

Environmental and Social Due Diligence (ESDD) *(if applicable!)*

ATI's current underwriting policy requires that all project related transactions undergo an environmental and social due diligence assessment. Initially this process involves a preliminary screening of the project, and then, if applicable, each project is classified according to the risk profile and whether the undertaking can be considered either an existing operation or a new project.

Depending on further assessment, the underlying project may be classified as category A or B. In either case the potential insured would then have to prove how the project company aims to achieve international standards (as outlined by IFC/Worldbank). In the event that the project is classified as category A, ATI would potentially have to engage an external consultant to support the environmental and social due diligence process, unless ATI can rely on the due diligence of a reputable Financial Institution or on any other available robust documentation. Any additional cost that may arise in the context of the environmental and social due diligence process would exclusively have to be borne by the potential insured.

It is important to consider that any such due diligence procedures are not unique to ATI and would most likely be required by any reputable financial institution that may be involved in the project.

Notes:

1) The earliest date for the IPP to demand for the LC is 15 days after due date. This period of time allows the offtaker/utility to settle payment arrears.
2) The latest date for the IPP to demand for the LC is 12 months after the initial due date of the invoice.
3) The LC bank will pay the IPP upon presentation of the first written demand but no later than 14 calendar days after receipt of the demand letter.
4) This period begins with the issuance/effectiveness of the LC and terminates with the end of the policy period.
5) The number of draws is limited to maximum 3 times within any period of 12 months. One draw can include several invoices.
6) The standby fee rate includes the annual standby fee for the LC bank and the annual guarantee fee for ATI. It applies to the period from the LC On Risk Date until the end of the LC Validity Period. The IPP has to pay the full premium to the LC bank. Thereafter, the premium will be shared internally between the LC bank and ATI.
7) The issuance fee rate includes the issuance fee for the LC Effective Date and the guarantee commitment fee for ATI. This fee applies to the period from the LC issuance by the LC bank/effectiveness of the LC until the LC On Risk Date. The IPP has to pay the full fee to the LC bank. Thereafter, the premium will be shared internally between the LC bank and ATI.
8) The draw fee is due only once an LC has been drawn by the IPP. The fee applies to the period from the date of drawing until the date of repayment by the offtaker/utility or the end of the LC validity period. The IPP has to pay the full fee to the LC bank. Thereafter, the premium will be shared internally between the LC bank and ATI.