
LOAN NUMBER 9718-AO

Loan Agreement

(Enhancing the Social Protection System for Human Capital and Resilience Project)

between

REPUBLIC OF ANGOLA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF ANGOLA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”).

NOW THEREFORE, 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) apply to and form 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 the amount of four hundred million Dollars (USD 400,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are February 15 and August 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out Parts 2.B and 3.B of the Project through MASFAMU and shall cause the Project Implementing Entity to carry out Parts 1, 2.A, and 3.A the Project in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement, and the Subsidiary Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The PIE Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Bank, the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement or the Subsidiary Agreement.
 - (b) The Kwenda Program has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Bank, the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement or the Subsidiary Agreement.
- 4.02. The Additional Events of Acceleration consist of the following:
- (a) Any of the events specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Bank to the Borrower.
 - (b) The Project Implementing Entity has failed to perform any obligation under the Project Agreement or the Subsidiary Agreement and this failure is continuing for a period of sixty (60) days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Borrower has caused the Project Implementing Entity to establish the Project Implementation Team with a mandate, terms of reference and resources, satisfactory to the Bank, and has appointed or hired in said Project Implementation Team relevant key staff as mentioned in Section I.A2(b)(i) of Schedule 2 to this Agreement, all in form and substance satisfactory to the Bank.
 - (b) The Borrower has established the MASFAMU Focal Team with a mandate, terms of reference and resources, satisfactory to the Bank, and has appointed or hired in said MASFAMU Focal Team the relevant key staff as mentioned in Section I.A3(b)(i) of Schedule 2 to of this Agreement, all in form and substance satisfactory to the Bank.

- (c) The Borrower and the Project Implementing Entity have prepared and adopted the Project Implementation Manual, in form and substance satisfactory to the Bank.
 - (d) The Subsidiary Agreement has been executed on behalf of the Borrower and the Project Implementing Entity and all conditions precedent to its effectiveness shall have been met.
- 5.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the Signature Date.
- 5.03. For purposes of Section 9.05 (b) of the General Conditions, the date on which the obligations of the Borrower under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower's Representative is the minister responsible for planning.

6.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower's address is:

Ministry of Planning
Avenida 1º Congresso do MPLA, Edifício CIF Luanda One
Luanda, Angola; and

(b) the Borrower's Electronic Address is:

E-mail:

DNCID.MINPLAN@minplan.gov.ao

6.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank's Electronic Address is:

Telex:

Facsimile:

Email:

248423(MCI) or
64145(MCI)

1-202-477-6391

azeufack@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF ANGOLA

By

Dass Daves

Authorized Representative

Name: H.E. Vera Daves de Sousa

Title: Mrs Minister of Finance

Date: 31-Dec-2024

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Albert G. Zeufack

Authorized Representative

Name: Albert G. zeufack

Title: Country Director

Date: 18-Dec-2024

SCHEDULE 1

Project Description

The objectives of the Project are to increase access to opportunities to build foundational human capital and household resilience and to strengthen the social protection system in the Borrower's territory.

The Project consists of the following parts:

Part 1: Human Capital and Resilience Building

- A. Increasing investments in human capital among Beneficiary Households, including:
 - (i) piloting innovative approaches and co-responsibilities to incentivize the utilization of early stimulation, health (e.g., immunization), nutrition, and education services, including its monitoring;
 - (ii) encouraging the adoption of practices to improve human capital through group-based caregiver groups;
 - (iii) carrying out home visits to “at risk” pregnant women, lactating mothers, and children under five years old; and
 - (iv) provision of transport and meal stipends to ADECOS to support the carrying out of selected activities under this Part of the Project.

- B. Strengthening Beneficiary Households' resilience and adaptiveness to shocks, including:
 - (i) cash transfers to existing Beneficiary Households;
 - (ii) expansion of cash transfers in urban areas to new Beneficiary Households; and
 - (iii) adaptive social protection (cash transfers) to those affected by shocks.

- C. Enhancing productive opportunities, including:
 - (i) providing a light package to Beneficiary Households comprising: (a) basic financial literacy; (b) digital literacy; (c) life skills training; (d) climate resilience training, and (e) linkages to productive inclusion-related programs offered by other stakeholders;
 - (ii) providing an intensive productive inclusion package to Beneficiary Households comprising: (a) the light package described under Part 1.C(i) of the Project; (b) technical, financial, and business skills training; (c) grants or asset transfers to carry out investments, including the purchase of goods and tools to improve their livelihoods; (d) coaching/mentorship; and (e) facilitation of savings groups; and

- (iii) provision of transport and meal stipends to ADECOS to support the carrying out of this Part of the Project.

Part 2: Improving Social Protection Implementation and Institutional Capacity

- A. Improving efficiency of Kwenda Program delivery systems, including:
 - (i) updates to existing Beneficiary Household information;
 - (ii) updates and improvements to Kwenda Program's management information system;
 - (iii) improvements in automatization, digitization, frequency, and timeliness of payments;
 - (iv) investments to improve responsiveness of grievance redress mechanism;
 - (v) development of shock response objective triggers and delivery system adaptations;
 - (vi) implementation of a payment service for the delivery of Cash Transfers and Productive Inclusion Grants; and
 - (vii) provision of transport and meal stipends to ADECOS to support the carrying out of this Part of the Project.
- B. Strengthening social protection systems, policy, and develop social protection skills including:
 - (i) procurement of information technology systems, software licenses, and consultants to support the development of the CSU;
 - (ii) operationalization of the CSU through household data collection and functional interoperability with social protection programs;
 - (iii) development of relevant social protection policies and strategies; and
 - (iv) development of a national social protection curriculum, trainings, and certification.

Part 3: Project Management, and Monitoring and Evaluation

- A. PIE Project management and monitoring and evaluation, including:
 - (i) equipment, vehicles, fuel, office space, and incremental Project-related operating costs under PIE;
 - (ii) strengthening of the PIE's capacity based on a staff training plan;
 - (iii) training of ADECOS staff and supervisors;

- (iv) carrying out PIE's outreach, communication, and documentation;
 - (v) carrying out regular fiduciary audits;
 - (vi) implementing a comprehensive monitoring and evaluation plan, including spot checks conducted by a third party, a robust impact evaluation, and process evaluations of novel activities; and
 - (vii) covering staff costs associated with a core technical unit including a Project coordinator, financial management, procurement, monitoring and evaluation, social development, IT specialists, and provincial directors.
- B. MASFAMU Project management and capacity building, including:
- (i) hiring short-term consultants to build capacity of MASFAMU staff working on the Project;
 - (ii) capacity-building and trainings (based on a staff training plan) to strengthen MASFAMU's capacity to deliver Project activities; and
 - (iii) covering the purchase of vehicles, and other costs related to the implementation of the Project.

Part 4: Contingency Emergency Response Component

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Minister of State for Social Affairs

The Minister of State for Social Affairs shall have the overall oversight, responsibility and coordination for the implementation of the Project.

2. Project Implementation Team

(a) The Borrower shall throughout Project implementation, cause the Project Implementing Entity to maintain the Project Implementation Team (“PIT”) with composition, mandate, and resources satisfactory to the Bank as detailed in the Project Implementation Manual.

(b) Without limitation to the provisions of subparagraph (a) immediately above, the Borrower shall cause the Project Implementing Entity to ensure that, throughout Project implementation, the PIT shall be maintained with adequate staff including: (i) a Project coordinator, and a procurement specialist on or before the Effective Date; and (ii) no later than thirty (30) days after the Effective Date, a chief accountant, accountant, and assistant accountant, a social specialist, a social technical assistant, an environmental technical assistant, a health and safety specialist, and an internal auditor and such other specialists as may have been agreed with the Bank, all with qualifications, experience and terms of reference acceptable to the Bank, as further detailed in the Project Implementation Manual.

(c) The PIT shall be responsible for the implementation of Parts 1, 2.A., and 3.A., and day-to-day coordination of its respective parts of the Project including: (i) financial management and procurement aspects; (ii) monitoring and evaluating Project activities; (iii) preparing annual work plans and budgets, Project progress reports and monitoring and evaluation reports; (iv) environmental and social management aspects (*i.e.*, ensuring compliance with the Environmental and Social Commitment Plan and Environmental and Social Standards); and (v) coordinating with MASFAMU and other relevant MDAs.

3. MASFAMU Focal Team

(a) The Borrower shall throughout Project implementation, establish, and maintain during Project implementation, the MASFAMU Focal Team with composition, mandate, and resources satisfactory to the Bank as detailed in the Project Implementation Manual.

(b) Without limitation to the provisions of subparagraph (a) immediately above, the Borrower shall ensure that, throughout Project implementation, the MASFAMU Focal Team shall be maintained with adequate staff including: (i) a Project

coordinator, and a procurement specialist on or before the Effective Date; and (ii) no later than thirty (30) days after the Effective Date, four accountants, an environmental and social technical assistant, and an internal auditor and such other specialists as may have been agreed with the Bank, all with qualifications, experience and terms of reference acceptable to the Bank, as further detailed in the Project Implementation Manual.

- (c) The MASFAMU Focal Team shall be responsible for the implementation of Parts 2.B. and 3.B., and day-to-day coordination of its respective parts of the Project including: (i) financial management and procurement aspects;(ii) monitoring and evaluating Project activities; (iii) preparing annual work plans and budgets, Project progress reports and monitoring and evaluation reports; (iv) environmental and social management aspects (*i.e.*, ensuring compliance with the Environmental and Social Commitment Plan and Environmental and Social Standards); and (v) coordinating with FAS-IDL and other relevant MDAs.

4. **Inter-sectoral Steering Committee (SteerCo)**

The Borrower shall maintain throughout Project implementation, the SteerCo, with composition, *modus operandi* and mandate acceptable to the Bank, which shall include, high level representatives of the line ministries involved in Project implementation, as further detailed in the PIM. The SteerCo shall meet regularly and shall be responsible for coordinating, including at the inter-ministerial level, and providing overall strategic guidance for Project implementation.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity under a subsidiary agreement between the Borrower and the Project Implementing Entity (“Subsidiary Agreement”) under terms and conditions approved by the Bank, which shall include the following:
 - (a) the proceeds of the Loan made available under the Subsidiary Agreement shall be provided to the Project Implementing Entity pursuant to arrangements adequate to ensure the prompt and efficient implementation of the Project by the Project Implementing Entity; and
 - (b) the proceeds of the Loan so made available shall be provided on grant terms, and on a non-refundable basis.
2. The Subsidiary Agreement shall include the following provisions:
 - (a) the obligation of the Project Implementing Entity to carry out of the Project with due diligence and efficiency, in conformity with appropriate administrative, financial and technical practices, the Project Implementation Manual, Procurement Regulations, Anti-Corruption Guidelines and Environmental and Social Commitment Plan, and provide, or cause to be provided, promptly as needed, the facilities, services and other resources required for the Project;

- (b) the right of the Borrower to exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purpose of the Loan, including the right of the Bank, as applicable, to suspend or terminate the Project Implementing Entity's ability to benefit from the proceeds of the Loan, or to obtain a refund of all or any part of the amount of the Loan then withdrawn, upon the Project Implementing Entity failure to perform any of the obligations under the Subsidiary Agreement;
 - (c) the obligation of the Project Implementing Entity to: (i) comply with record keeping, auditing and reporting requirements set forth in this Agreement (operations, resources and expenditure) for the Project; (ii) at the Bank's or the Borrower's request, have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank; and (iii) promptly furnish the statements as so audited to the Borrower and the Bank;
 - (d) the obligation of the Project Implementing Entity to: (i) at the request of the Borrower or the Bank, exchange views with the Borrower and the Bank with regard to the progress of the Project and the performance of its obligations under the Subsidiary Agreement; (ii) enable the Borrower and the Bank to inspect the Project Implementing Entity's implementation of activities under the Project and any relevant records and documents; and (iii) prepare and furnish to the Borrower and the Bank all such information as the Borrower or the Bank shall reasonably request;
 - (e) the obligation of the Project Implementing Entity to provide Stipends in accordance with Section I.K of Schedule 2 to this Agreement;
 - (f) enter into the ENFOTSS Agreement in accordance with Section I.L of Schedule 2 to this Agreement; and
 - (g) the obligation of the Project Implementing Entity to promptly inform the Borrower and the Bank of any condition which interferes or threatens to interfere with the progress of the Project, or the performance of its obligations under the Subsidiary Agreement.
3. The Borrower shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except, as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, or waive the Subsidiary Agreement or any of its provisions.
4. In the event of any conflict between the provisions of the Subsidiary Agreement and the provisions of this Agreement, the provisions of this Agreement shall prevail.

C. Project Manuals

1. Project Implementation Manual

- (a) The Borrower shall cause the Project Implementing Entity to prepare the Project Implementation Manual in coordination with MASFAMU. The Borrower shall, and shall cause the Project Implementing Entity to, adopt the PIM.
- (b) The Borrower shall carry out the Project and shall cause the Project Implementation Entity to carry out Parts 1, 2.A and 3.A of the Project, in accordance with the Project Implementation Manual (“PIM”), which shall set out detailed guidelines and procedures for the implementation of the Project, including: (i) administration and coordination of Project activities, including Training programs and the model form for Cooperation Agreements; (ii) performance indicators; (iii) roles and responsibilities of various agencies involved in the implementation of the Project; (iv) budget and budgetary control; (v) disbursement procedures and banking arrangements; (vi) financial, procurement and accounting procedures; (vii) internal control procedures, accounting system and transaction records; (viii) reporting requirements; (ix) audit arrangements; (x) corruption and fraud mitigation measures; (xi) Environmental and Social Standards; (xii) annual work plans and budgets; (xiii) monitoring and evaluation; (xiv) codes of conduct, citizen engagement and grievance resolution mechanisms; (xv) Personal Data collection and processing requirements in accordance with applicable national law and good international practice; (xvi) the Annual Work Plans and Budget for the first year of Project implementation; (xvii) detailed arrangements, including ADECOS selection criteria, payment modalities, frequency, deadlines, and verification mechanisms for the payment of Stipends; and (xviii) such other technical, administrative, fiduciary or coordination arrangements as may be necessary to ensure effective Project implementation.
- (c) The Borrower shall not assign, amend, abrogate, or waive and shall ensure that the Project Implementing Entity shall not assign, amend, abrogate, or waive any provision of the PIM without prior approval of the Bank.
- (d) In case of any conflict between the terms of the PIM and those of this Agreement, the terms of this Agreement shall prevail.

2. Cash Transfers and Grants Manual

- (a) The Borrower shall cause the Project Implementing Entity to prepare and adopt, and cause the Payment Agent to adopt, a manual acceptable to the Bank (the “Cash Transfers and Grants Manual”), setting out the guidelines and procedures for the implementation of Parts 1.B and 1.C of the Project, including, *inter alia*:
 - (i) the Sub-project typology, cycle, process, forms, and fiduciary and social and environmental requirements for managing funds;
 - (ii) the criteria for the selection of Beneficiary Households and Sub-projects;

- (iii) the criteria for Beneficiary Households to receive Productive Inclusion Grants;
 - (iv) the models for the Grant Forms and for the Agency Agreements;
 - (v) the process for verifying receipt of Cash Transfers, and Productive Inclusion Grants; and
 - (vi) the process for and substance of exit interviews for Beneficiary Households after receiving a Cash Transfer or a Productive Inclusion Grant.
3. The Borrower shall cause the Project Implementing Entity to carry out the Project in accordance with the Project Implementation Manual and the Cash Transfer and Grants Manual.
 4. The Borrower shall not, and cause the Project Implementing Entity to not, amend, abrogate, or suspend, or permit to be amended, abrogated or suspended any provision of the Project Implementation Manual or the Cash Transfer and Grants Manual without the prior written agreement of the Bank.
 5. Notwithstanding the foregoing, if any provision of the Project Implementation Manual or the Cash Transfers and Grants Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail.

D. Sub-projects

1. The Borrower shall cause the Project Implementing Entity to make Productive Inclusion Grants in accordance with eligibility criteria and procedures acceptable to the Bank, further detailed in the Cash Transfers and Grants Manual, assisted by Payment Agents.
2. The Borrower shall cause the Project Implementing Entity to make each Productive Inclusion Grant under a Grant Form with the respective Beneficiary Household on terms and conditions approved by the Bank, which shall include the following:
 - (a) The Productive Inclusion Grant shall be denominated and payable in Kwanzas or in-kind.
 - (b) The Borrower shall cause the Project Implementing Entity to obtain rights adequate to protect the interests of the Borrower and those of the Bank, including the right to:
 - (i) suspend or terminate the right of the Beneficiary Household to use the proceeds of the Productive Inclusion Grant upon the Beneficiary Household's failure to perform any of its obligations under the Grant Form; and

- (ii) require each Beneficiary Household to:
 - (A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Borrower;
 - (B) provide, promptly as needed, the resources required for the purpose;
 - (C) procure the goods and services to be financed out of the Productive Inclusion Grant in accordance with the provisions of this Agreement;
 - (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the Sub-project and the achievement of its objectives;
 - (E) (1) maintain a simple financial management system and prepare final financial reports in accordance with basic accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (2) at the Bank's or the Borrower's request, have such financial reports audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the financial reports as so audited to the Borrower and the Bank;
 - (F) enable the Project Implementing Entity, the Borrower and the Bank to inspect the Sub-project, its operation and any relevant records and documents; and
 - (G) prepare and furnish to the Project Implementing Entity, the Borrower and the Bank all such information as the Project Implementing Entity, the Borrower or the Bank shall reasonably request relating to the foregoing.
3. The Borrower shall cause the Project Implementing Entity to exercise its rights under each Grant Form in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive any Grant Form or any of its provisions.

E. Cash Transfers

1. For purposes of implementing Part 1.B of the Project, the Borrower shall cause the Project Implementing Entity, assisted by Payment Agents, to:
 - (a) make Cash Transfers to Beneficiary Households in accordance with eligibility criteria and procedures acceptable to the Bank, further detailed in the Cash Transfers and Grants Manual;
 - (b) make each Cash Transfer to an eligible Beneficiary, on terms and conditions approved by the Bank;
 - (c) ensure that:
 - (i) the Beneficiary Households receive the Cash Transfers on a timely basis;
 - (ii) an easily accessible grievance redress mechanism is established and implemented throughout the implementation of the Project, in a manner satisfactory to the Bank, in order to address grievances relating to errors or omissions in the list of Beneficiary Households selected to receive Cash Transfers; and
 - (iii) public awareness and information campaigns, including public disclosure of the lists of Beneficiary Households selected to receive Cash Transfers, are carried out in a manner satisfactory to the Bank.
2. The Borrower shall cause the Project Implementing Entity to collect and analyze data and information on Cash Transfer payments and related grievance complaints in a manner satisfactory to the Bank.

F. Agency Agreements

1. The Borrower shall cause the Project Implementing Entity to enter into agreements (“Agency Agreements”) with financial institutions (“Payment Agents”) to be selected in accordance with Section 5.13 of the General Conditions, on terms and conditions satisfactory to the Bank, for purposes of: (a) defraying Cash Transfers to selected Beneficiary Households; and/or (b) disbursing Productive Inclusion Grants to Beneficiary Households (as the case may be); and/or (c) assisting with the implementation of Parts 1.B and 1.C of the Project (as the case may be); said Agency Agreements to include the Payment Agents’ responsibility for, *inter alia*: (i) verifying selected Beneficiary Households; (ii) delivering pre-paid cards, opening pooled or individual bank accounts or using mobile money; (iii) electronic trail payments; (iv) establishing payment centers, automatic teller machines and/or point of sales in publicly accessible places; (v) providing monthly reconciliations of Cash Transfer amounts defrayed and outstanding or withdrawn by the Beneficiary Households, and/or of Productive Inclusion Grant amounts disbursed to Beneficiary Households; (vi) reporting arrangement; (vii) balance of payments management; and/or (viii) providing reports with respect to the implementation of Parts

1.B and 1.C of the Project, all in accordance with the Project Implementation Manual and the Cash Transfers and Grants Manual.

2. The Borrower shall cause the Project Implementing Entity to exercise its rights under each Agency Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall cause the Project Implementing Entity to not assign, amend, abrogate or waive any Agency Agreement or any of its provisions. In the event of conflict between the provisions of any Agency Agreement and those of this Agreement, those of this Agreement shall prevail.

G. Cooperation Agreements

1. To facilitate the carrying out of the Project, the Borrower may during the implementation of the Project, enter into Cooperation Agreements with Project Partners, and thereafter maintain said Cooperation Agreements during the implementation of the Project, on terms and conditions acceptable to the Association, including, *inter alia*: the Borrower's obligation to make parts of the proceeds of the Financing available to Project Partners in order to assist the Borrower in the carrying out of the Project in accordance with the Anti-Corruption Guidelines, the Procurement Regulations, the Environmental and Social Standards, the ESCP and the Project Implementation Manual.
2. The Borrower shall exercise its rights or carry out its obligations under the Cooperation Agreements in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, waive, terminate, or fail to enforce the Cooperation Agreements, or any of their provisions.

H. Annual Work Plans and Budgets

1. Each calendar year, the Borrower shall prepare and shall cause the Project Implementing Entity to prepare a draft annual work plan and budget for the Project for each subsequent year of Project implementation, of such scope and detail as the Bank shall have reasonably requested.
2. The Borrower shall furnish and shall cause the Project Implementing Entity to furnish to the Bank, not later than November 15 of each year, the proposed annual work plans and budgets for the Bank's review and final approval; except for the first annual work plan and budget for the Project for the first two year(s) of Project implementation, which shall be furnished no later than two (2) months after the Effective Date. Only the activities included in an annual work plan and budget expressly approved by the Bank (each an "Annual Work Plan and Budget") are eligible to be financed from the proceeds of the Loan.
3. The Borrower shall ensure that the Project is carried out in accordance with the approved Annual Work Plans and Budgets.

I. Environmental and Social Standards

1. The Borrower shall, and shall cause the Project Implementing Entity to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Borrower shall, and shall cause the Project Implementing Entity to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Borrower shall, and shall cause the Project Implementing Entity to, ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended, or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Borrower shall, and shall cause the Project Implementing Entity to, ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Borrower shall, and shall cause the Project Implementing Entity to, establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all

measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

6. The Borrower shall, and shall cause the Project Implementing Entity to, ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, and subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

J. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project (“Contingent Emergency Response Part”), the Borrower shall ensure that:
 - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Bank, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
 - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Bank;
 - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
 - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed, or waived without the prior written approval by the Bank.
2. The Borrower shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Bank.

3. The Borrower shall ensure that:
 - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Bank; and
 - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Bank.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

K. Stipends

1. The Borrower shall cause the Project Implementing Entity to provide Stipends to ADECOS in accordance with eligibility and selection criteria, procedures, mechanisms and using appropriate documentation, acceptable to the Bank and set forth in the Project Implementation Manual, such criteria to include, *inter alia*, the following: (i) the ADECOS has been selected by the Borrower to participate under Part 1.A, Part 1.C and Part 2.A. of the Project based on having the skills, attributes, knowledge and qualifications defined by the Borrower as being essential for the implementation of the relevant activities; and (ii) the ADECOS has participated in the relevant activity.
2. The Borrower shall cause the Project Implementing Entity to, prior to providing any Stipend, hire one or more payment agents in accordance with Section 5.13 of the General Conditions, with terms of reference, qualifications and experience satisfactory to the Bank, to assist in administering Stipends.
3. The Borrower shall cause the Project Implementing Entity to monitor and evaluate, under terms of reference satisfactory to the Bank, the implementation of the Stipends, so as to ensure that payments made under the Stipends are made exclusively to ADECOS for productive purposes consistent with the objectives of the Project.

L. ENFOTSS Agreement

1. The Borrower shall cause the Project Implementing Entity to enter into an agreement with ENFOTSS (“ENFOTSS Agreement”), on terms and conditions satisfactory to the Bank, for purposes of developing and implementing a social protection training program for ADECOS, under Part 3.A.(iii) of the Project, in accordance with the Project Implementation Manual, including:
 - (i) the obligation of the Project Implementing Entity:
 - (1) to exercise its rights under the ENFOTSS Agreement in such a manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan; and
 - (2) except as the Bank shall otherwise agree, to not assign, amend, abrogate or waive the ENFOTSS Agreement or any of its provisions; and

- (ii) that in the event of conflict between the provisions of the ENFOTSS Agreement and those of this Agreement, those of this Agreement shall prevail.

Section II. Project Monitoring Reporting and Evaluation

The Borrower shall furnish to the Bank each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Bank, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Borrower shall ensure that such information, report or document does not include Personal Data.

Section III. Withdrawal of Loan Proceeds

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to: (a) finance Eligible Expenditures; (b) repay the Preparation Advance; and (c) pay the Front-end Fee; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Operating Costs and Training for Parts 1, 2.A, 3.A of the Project (except for Category (3) below) and Stipends	113,500,000	100%
(2) Goods, works, non-consulting services, consulting services, Operating Costs for Part 2.B and 3.B of the Project	15,000,000	100%
(3) Cash Transfers under Part 1.B of the Project, and Productive Inclusion Grants under Part 1.C of the Project	270,500,000	100%
(4) Emergency Expenditures under Part 4 of the Project	0	100%
(5) Front-end Fee	1,000,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
TOTAL AMOUNT	400,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date; or
 - (b) under Category (3), unless the Project Implementing Entity has: (i) hired at least one Payment Agent; and (ii) adopted the Cash Transfers and Grants Manual, all in a manner acceptable to the Bank; or
 - (c) under Category (4) for Emergency Expenditures unless the following conditions have been met in respect of said expenditures:
 - (i) (A) the Borrower has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Bank a request to withdraw Financing amounts under Category (4); and (B) the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and;
 - (ii) the Borrower has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Bank.
2. The Closing Date is October 31, 2029.

SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

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”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each February 15 and August 15 Beginning February 15, 2030, through August 15, 2042	3.7%
On February 15, 2043	3.8%

APPENDIX

Section I. Definitions

1. “ADECOS” means community-based health and sanitation agent (*Agente de Desenvolvimento Comunitário e Sanitário*).
2. “Agency Agreements” means the agreements referred to under Section I.F of Schedule 2 to this Agreement; and “Agency Agreement” means one such Agency Agreements.
3. “Annual Work Plans and Budgets” means each of the annual work programs and budget to be prepared by the Borrower and referred to in Section I.H of Schedule 2 to this Agreement.
4. “Anti-Corruption Guidelines” means, for purposes of paragraph 6 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
5. “Beneficiary Household” or “Beneficiary Households” means one or several households who meet the eligibility criteria set forth in the Cash Transfers and Grants Manual to receive a Cash Transfer and/or a Productive Inclusion Grant.
6. “Cash Transfer” means an unconditional cash transfer made out of the proceeds of the Loan to a Beneficiary Household under Part 1.B of the Project.
7. “Cash Transfers and Grants Manual” means the manual referred to under Section I.C.2 of Schedule 2 to this Agreement.
8. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
9. “CERC Manual” means the manual referred to in Section I.J of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Bank.
10. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 4 of the Project to respond to an Eligible Crisis or Emergency.
11. “CSU” means the Borrower’s Single Social Registry (*Cadastro Social Unico*) established through the Borrower’s Presidential Decree No. 136/19 dated May 10, 2019, or any successor initiative acceptable to the Bank.
12. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Borrower, associated with a natural or man-made crisis or disaster.
13. “Emergency Action Plan” means the plan referred to in Section I.J of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.

14. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.J of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
15. “ENFOTSS Agreement” means the agreement referred to under Section I.B.L of Schedule 2 to this Agreement.
16. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated July 17, 2024, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
17. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
18. “FAS-IDL” means *Instituto de Desenvolvimento Local*, the Borrower’s institute for local development, established and operating under the Borrower’s PIE Legislation, or any successor thereto acceptable to the Bank.
19. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (Last revised on July 15, 2023).
20. “Grant Form” means the form included in the Cash Transfers and Grants Manual to be completed and signed by a Beneficiary Household to receive a Productive Inclusion Grant.
21. “Inter-sectoral Steering Committee” or “SteeCo” means the committee referred to in Section I.A.4 of Schedule 2 to this Agreement (*Comissão Intersectorial*), created pursuant to Presidential Decree No. 175/20.
22. “Kwanza” means the lawful currency of the Republic of Angola.
23. “Kwenda Program” means the Borrower’s program as established and operating pursuant Presidential Decree No. 125/20 dated May 4, 2020, Presidential Decree No. 175/20 and Presidential Decree No. 132/23, or any successor program acceptable to the Bank.

24. “MDAs” means the relevant government ministries, departments, and agencies of the Borrower.
25. “MASFAMU” means *Ministério da Acção Social, Família e Promoção da Mulher*, the Borrower’s Ministry in charge of social action, family and women’s promotion, or any successor thereto acceptable to the Bank.
26. “MAT” means the Borrower’s Ministry of Territorial Administration (*Ministério da Administração do Território*), or any successor thereto acceptable to the Bank.
27. “Minister of State for Social Affairs” means the Borrower’s minister within the Recipient’s Office of the President, in charge of social affairs, or any successor thereto acceptable to the Bank.
28. “Operating Costs” means the reasonable incremental expenses incurred by the Borrower, the Project Implementing Entity and ENFOTSS in connection with Project implementation, including consumable materials and supplies, administrative fees, communications, mass media and printing services, vehicle insurance, health insurance for the PIE and MASFAMU staff working on the Project, rental, operation and maintenance, utilities, office rental and maintenance, charges for the opening and operation of bank accounts required for the Project, travel, lodging and per diems, and salaries of contractual staff working on the Project (other than consulting services), but excluding salaries of officials of the Borrower.
29. “PIE Legislation” means the Borrower’s Presidential Decree No. 317/20 of December 17, 2020.
30. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification, number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
31. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
32. “Productive Inclusion Grant” or “Productive Inclusion Grants” means one or several grants to be made to a Beneficiary Household under Part 1.C of the Project to finance a Sub-project in accordance with the eligibility criteria established in the Cash Transfers and Grants Manual.
33. “Project Agreement” means the agreement of even date as this Agreement between the Bank and the Project Implementing Entity.
34. “Project Implementation Team” means the Project implementation team maintained by the Project Implementing Entity (*Departamento de Monitorização e Avaliação de Projectos*),

referred to in Section I.A.2 of Schedule 2 to this Agreement and existing pursuant to Article 12 of the PIE Legislation.

35. “Project Implementing Entity” or “PIE” means Local Development Institute (*Instituto de Desenvolvimento Local - FAS-IDL*).
36. “Project Manuals” means collectively the Project Implementation Manual, and the Cash Transfers and Grants Manual, all referred to in Section I.C of Schedule 2 to this Agreement.
37. “Project Implementation Manual” or “PIM” means the manual, acceptable to the Bank, prepared and adopted by the Borrower and the Project Implementing Entity pursuant to Section I.C.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior agreement of the Bank.
38. “Project Partner” means any legal entity established in the territory of the Borrower with which the Borrower may sign a Cooperation Agreement for the implementation of the Project, as further detailed in the Project Implementation Manual.
39. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
40. “Stipend” means the stipend referred to under Part 1.A.(iv), Part 1.C(iii) and Part 2.A(vii) of the Project; and “Stipends” means, collectively, all such Stipend.
41. “Sub-project” means any activities described in Part 1.C(ii)(c) of the Project, selected in accordance with the provisions of this Agreement and the Cash Transfers and Grants Manual, and proposed to be financed with the proceeds of a Productive Inclusion Grant.
42. “Subsidiary Agreement” means the agreement between the Borrower and the Project Implementing Entity and referred to in Section I.B of Schedule 2 to this Agreement.
43. “Training” means the reasonable costs, as shall have been approved by the Bank in the Annual Work Plan and Budgets, for expenses incurred for Project-related training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities; preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consultants’ services).

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 3.01 (*Front-end Fee; Commitment Charge; Exposure Surcharge*) 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. Except as otherwise provided in Section 2.07 (b), the Borrower shall pay the Front-end Fee not later than sixty (60) days after the Effective Date.

(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 shall accrue from the date of the Loan Agreement or the date which falls on the fourth anniversary of the date of approval of the Loan by the Bank, whichever is later, to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. Except as otherwise provided in Section 2.07 (c), the Borrower shall pay the Commitment Charge semi-annually in arrears on each Payment Date.”

2. Section 3.04 (*Prepayment*) is modified to read as follows:

“Section 3.04. *Prepayment*

(a) After giving not less than forty-five (45) days’ notice to the Bank, the Borrower may repay the Bank the following amounts in advance of maturity, as of a date acceptable to the Bank (provided that the Borrower has paid all Loan Payments due as at such date): (i) the entire Withdrawn Loan Balance as at such date; or (ii) the entire principal amount of any one or more maturities of the Loan. Any partial prepayment of the Withdrawn Loan Balance shall be applied in the manner specified by the Borrower, or in the absence of any specification by the Borrower, in the following manner: (A) if the Loan Agreement provides for the separate amortization of specified Disbursed Amounts of the principal of the Loan the prepayment shall be applied in the inverse order of such Disbursed Amounts, with the Disbursed Amount which has been withdrawn last being repaid first and with the latest maturity of said Disbursed Amount being repaid first; and (B) in all other cases, the prepayment shall be applied in the inverse order of the Loan maturities, with the latest maturity being repaid first.

(b) If, in respect of any amount of the Loan to be prepaid, a Conversion has been effected and the Conversion Period has not terminated at the time of prepayment, the provisions of Section 4.06 shall apply.”

3. In paragraphs originally numbered 75 and 81 of the Appendix, the terms “Loan Payment” and “Payment Date”, respectively are modified to read as follows:

“75. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements, 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 surcharge, any transaction fee for a Conversion or early termination of a Conversion, any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”

“81. “Payment Date” means each date specified in the Loan Agreement occurring on or after the date of the Loan Agreement on which interest, Commitment Charge and other Loan charges and fees (other than the Front-end Fee) are payable, as applicable.”

4. Definitions in paragraphs 4 (Allocated Excess Exposure Amount); 53 (Exposure Surcharge); 99 (Standard Exposure Limit) and 105 (Total Exposure) of the Appendix are deleted in their entirety and the subsequent paragraphs are renumbered accordingly.