

Date: 17-Jul-2023

H. E. Vera Daves De Sousa
Minister of Finance
Ministry of Finance
Largo da Mutamba
Luanda
Republic of Angola

**Re: Republic of Angola: Advance Agreement for Preparation of Proposed Tertiary Education, Science, and Technology Project
Project Preparation Advance No. IBRD P507-AO**


Honorable Minister:

In response to the request for financial assistance made on behalf of Republic of Angola (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“Bank”) proposes to extend to the Recipient an advance out of the Bank’s Project Preparation Facility in an amount not to exceed six million Dollars (\$ 6,000,000) (“Advance”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in financing the activities described in the Annex (“Activities”). The objective of the Activities is to facilitate the preparation of a proposed project designed to improve equity and quality in higher education, expand teacher preparation programs, and strengthen the enabling environment for higher education (“Project”), for the carrying out of which the Recipient has requested the Bank’s financial assistance.

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the Bank. Upon receipt by the Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the Bank has not received this countersigned copy within 90 days after the date of signature of this Agreement by the Bank, unless the Bank has established a later date for such purpose.

Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By 
Albert G. Zeufack
Country Director for Angola
Africa Region

AGREED:
REPUBLIC OF ANGOLA

By 
Authorized Representative

Name Vera Daves De Sousa

Title Mrs

Date 17-Jul-2023

Enclosures:

- (1) "Standard Conditions for Advances Made by the Bank under its Project Preparation Facility", dated August 1, 2022; and
- (2) Disbursement and Financial Information Letter for the Advance of the same date as this Agreement, together with "Disbursement Guidelines for Investment Project Financing", dated February 2017.

**PPA No. IBRD P507-AO
ANNEX**

**Article I
Standard Conditions; Definitions**

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Section

- (a) “AfricaConnect3” means the third phase of the AfricaConnect project building on the success of predecessor projects in supporting the creation, development and use of advanced, reliable internet connectivity for the teaching, learning and research communities of Africa.
- (b) “Anti-Corruption Guidelines” means, for purposes of paragraph 11 of the Appendix to the Standard 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.
- (c) “Category” means a category set forth in the table in Section 3.01 of this Agreement.
- (d) “Environmental and Social Commitment Plan” or the acronym “ESCP” means the Recipient’s environmental and social commitment plan, acceptable to the Bank, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Activities, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.
- (e) “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 African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
- (f) “HEI” means higher education institutions.

- (g) “*O Instituto Nacional de Avaliação, Acreditação e Reconhecimento de Estudos do Ensino Superior*” or “INAAREES” means the Recipient’s National Institute for Assessment, Accreditation and Recognition of Higher Education Studies.
- (h) “*Ministério de Ensino Superior, Ciência, Tecnologia, e Inovação*” or “MESCTP” means Recipient’s Ministry of Higher Education, Science, Technology, and Innovation; or any successor thereto.
- (i) “NREN” means national research and education network.
- (j) “Operating Costs” means the incremental operating expenses incurred on account of the implementation of the Activities, management and monitoring including on account of operation and maintenance costs of office and office equipment, office supplies, additional staff costs, travel and supervision costs, per diem, a one-time payment to UbuntuNet Alliance for Recipient’s inclusion into AfricaConnect3 but excluding the salaries, and indemnities of officials and public servants of the Recipient’s civil service.
- (k) “Project Implementation Unit” means a unit to be established under Recipient’s Ministry of Higher Education, Science, Technology, and Innovation, to be responsible for the overall implementation and fiduciary aspects of the Activities.
- (l) “Procurement Regulations” means, for purposes of paragraph 50 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
- (m) “Standard Conditions” means the “Standard Conditions for Advances Made by the Bank under its Project Preparation Facility”, dated August 1, 2022.
- (n) “Training” means the reasonable costs associated with training provided to teachers and school managers, study tours and workshops (other than for consultants’ services), including: (i) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses.
- (o) “UbuntuNet Alliance” means regional research and education network of eastern and southern Africa, founded in 2005 with a vision of securing high speed connectivity, mainly optical fibre-based, for the research and education community - at affordable prices - that connect African NRENS to each other, to other NRENS worldwide and to the internet generally.

Article II

Execution of the Activities

2.01. ***Description of the Activities.*** The Activities for which the Advance is provided consist of the following parts:

- (a) Hiring of key Project staff including deputy coordinator; financial management specialist; procurement specialist; environmental safeguards specialist; social safeguards specialist; consultants in education technologies; and trainers for external evaluators and procedure managers.

- (b) Preparing of key Project documents including environmental and social safeguards documents; and operations manual.
- (c) Providing support in preparation and elaboration of terms of reference/feasibility study for: (i) management software to be used for evaluation and accreditation processes; (ii) institutionalization of permanent spaces for quality enhancement of higher education; (iii) national forum on quality assurance for INAAREES and HEI; (iv) international quality assurance conference; (v) collaborative network for practical training of teachers; (iv) National Research and Education Network (NREN); and (vii) the virtual university including business model.
- (d) Preparing a study on effectiveness of higher education subsystem; and providing support in elaboration of its financial model.
- (e) Preparing a study consisting of a survey on: (i) the state of computerization of HEI services; (ii) presence of HEIs on the web; (iii) available infrastructural and human resource conditions; and (iv) definition of the HEI training plan.
- (f) Providing support in elaboration of the legal and functional framework of the employability observatory.
- (g) Providing technical support to MESCTI and HEIs in fiduciary aspects including management of their financial resources.
- (h) Providing support for curriculum harmonization process and improving teacher training curricula with emphasis on Science, Technology, Engineering, Arts and Mathematics (STEAM).
- (i) Providing support in designing the executive project for infrastructure of the *Escola Superior Pedagógica do Bengo*; Higher Education Sciences Institute in Huambo; *Superior de Ciências de Educação in Huíla*; and *Instituto Superior Ciências de Educação do Uíge*.
- (j) Providing technical support to HEIs in designing and launch of new courses in STEAM areas including identification of required skills, promotion of courses in primary and secondary schools, school enrollment and success of girls.
- (k) Providing support in preparation of training plan for pedagogical higher education institutions.
- (l) Acquisition of technological equipment for strengthening the digital infrastructure of INAAREES and support external evaluation teams; and acquisition of vehicles for purposes of Project preparation.

2.02. **Execution of the Activities Generally.** The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities through Project Implementation Unit in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) the Anti-Corruption Guidelines.

2.03. ***Institutional and Other Arrangements.*** Without limitation upon the provisions of Section 2.02 above, the Recipient shall within 30 days after Effective Date establish within its Ministry of Higher Education, Science, Technology, and Innovation; and thereafter maintain, throughout the implementation of the Activities, a project implementation unit (“Project Implementation Unit” or “PIU”) with structure, functions and responsibilities acceptable to the Bank, and with competent staff including *inter alia* a financial management specialist, in adequate numbers, with qualification and experience satisfactory to the Bank to be responsible for the overall implementation and fiduciary aspects of the Activities.

2.04. ***Environmental and Social Standards.***

- (a) The Recipient shall ensure that the Activities are carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
- (b) Without limitation upon paragraph (a) above, the Recipient shall ensure that the Activities are implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Recipient shall ensure that:
 - (i) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (ii) sufficient funds are available to cover the costs of implementing the ESCP;
 - (iii) 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
 - (iv) 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.
- (c) In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) The Recipient shall ensure that:
 - (i) 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*: (A) the status of implementation of the ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (ii) the Bank is promptly notified of any incident or accident related to or having an impact on the Activities which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in

accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

- (e) The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Activities-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.

2.05. **Monitoring, Reporting and Evaluation of the Activities.** The Recipient shall ensure that each Activity Report is furnished to the Bank not later than forty-five (45) days after each calendar semester, covering the calendar semester.

**Article III
Withdrawal of the Advance**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Advance in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section, to finance Eligible Expenditures as set forth in the following table. The table specifies each category of Eligible Expenditures that may be financed out of the proceeds of the Advance (“Category”), the amount of the Advance allocated to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Advance Allocated (expressed in Dollars)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, Operating Costs, non-consulting services, consulting’ services, and Training under the Activities	6,000,000	100%
TOTAL AMOUNT	6,000,000	

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Refinancing Date.** The Refinancing Date is April 1, 2024.

**Article IV
Terms of the Advance**

4.01. **Interest.** The Recipient shall pay interest on the Withdrawn Advance Balance at a rate, for each Interest Period, equal to the Reference Rate plus the Variable Spread; subject to Section 4.01 (d) of the Standard Conditions. Interest shall accrue from the respective dates on which amounts of the Advance are withdrawn and shall be paid in arrears in accordance with the provisions of

Section 4.02 of this Agreement. The Interest Period Determination Dates are January 1 and July 1 in each year.

4.02. **Repayment.** The Withdrawn Advance Balance shall be repaid by the Recipient to the Bank (together with interest accrued thereon) in accordance with the provisions of Article IV of the Standard Conditions and the following provisions:

(a) *Refinancing under the Refinancing Agreement:* If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be repaid to the Bank (together with interest accrued on the Advance to the date of repayment) as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the Bank of an amount of the Refinancing Proceeds equivalent to the Withdrawn Advance Balance plus such interest, in accordance with the provisions of the Refinancing Agreement.

(b) *Repayment in the absence of a Refinancing Agreement:* If, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date, it has been so executed but terminates without becoming effective, then:

(i) if the amount of the Withdrawn Advance Balance does not exceed \$50,000, it shall be repaid by the Recipient to the Bank (together with interest accrued on the Withdrawn Advance Balance to the date of repayment) on such date as the Bank shall specify in a notice to the Recipient, which shall in no event be earlier than 60 days following the date of dispatch of such notice; and

(ii) if the amount of the Withdrawn Advance Balance exceeds \$50,000, it (together with interest accrued on the Withdrawn Advance Balance to the Notice Date) (the "Aggregate Balance") shall be paid by the Recipient to the Bank in ten approximately equal semiannual installments, in the amounts and on the dates ("Payment Dates") which the Bank shall specify in a notice to the Recipient. In no event shall the first Payment Date be set earlier than 60 days following the date ("Notice Date") of dispatch of such notice. The Recipient shall pay interest on the Aggregate Balance at a rate, for each Interest Period, equal to the Reference Rate plus the Variable Spread, payable in arrears on each Payment Date. Notwithstanding the foregoing, if any amount of the Aggregate Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the Recipient shall pay the Default Interest Rate on such overdue amount in lieu of the interest rate specified above in this subparagraph (ii) until such overdue amount is fully paid. Interest at the Default Interest Rate shall accrue from the first day of each Default Interest Period and shall be payable semi-annually in arrears on each Payment Date.

Article V

Borrower's Representative; Addresses

5.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 9.02 of the Standard Conditions is the Minister responsible for finance.

5.02. **Recipient's Address.** The Recipient's Address referred to in Section 9.01 of the Standard Conditions is:

Ministry of Finance
Largo da Mutamba
Luanda, Republic of Angola

Facsimile:

+244 222 706 002/3

5.03. **World Bank's Address.** The World Bank's Address referred to in Section 9.01 of the Standard Conditions is:

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

Telex:

Facsimile:

248423 (MCI) or
64145 (MCI)

1-202-477-6391