



LOAN NUMBER 9572-AO

Loan Agreement

**(Angola First Green, Resilient, Inclusive Growth and Diversification
Development Policy Loan)**

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”) for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Bank has decided to provide this financing on the basis, *inter alia*, of: (i) the actions which the Borrower has already taken under the Program, and which are described in Section I.A of Schedule 1 to this Agreement; and (ii) the Borrower’s maintenance of an adequate macroeconomic policy framework.

The Borrower and the Bank therefore 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 five hundred million Dollars (\$500,000,000) as such amount may be converted from time to time through a Currency Conversion (“Loan”).
- 2.02. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.03. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.04. 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.
- 2.05. The Payment Dates are May 15 and November 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with Schedule 2 to this Agreement.
- 2.07. Without limitation upon the provisions of Section 5.05 of the General Conditions,

the Borrower shall promptly furnish to the Bank such information relating to the provisions of this Article II as the Bank may, from time to time, reasonably request.

ARTICLE III — PROGRAM

- 3.01. The Borrower declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions:
- (a) the Borrower and the Bank shall from time to time, at the request of either party, exchange views on the Borrower's macroeconomic policy framework and the progress achieved in carrying out the Program;
 - (b) prior to each such exchange of views, the Borrower shall furnish to the Bank for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Bank shall reasonably request; and
 - (c) without limitation upon paragraph (a) and (b) of this Section, the Borrower shall promptly inform the Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule 1 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following, namely, a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely, the Bank is satisfied with the progress achieved by the Borrower in carrying out the Program and with the adequacy of the Borrower's macroeconomic policy framework.
- 5.02. The Effectiveness Deadline is the date ninety (90) 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 its Minister responsible for finance.

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

(a) the Borrower's address is:

Ministério das Finanças
Largo da Mutamba
Luanda, Angola; and

(b) the Borrower's Electronic Address is

Telephone:	E-mail:
+ 244 222 706082/83	ugd.dadg@minfin.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:	E-mail:
248423(MCI) or 64145(MCI)	1-202-477-6391	angola_alert@worldank.org

AGREED as of the Signature Date.

REPUBLIC OF ANGOLA

By



Authorized Representative

Name: Vera Daves De Sousa

Title: Mrs

Date: 17-Jul-2023

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

By



Authorized Representative

Name: Albert zeufack

Title: Director of Operations

Date: 17-Jul-2023

SCHEDULE 1

Program Actions; Availability of Loan Proceeds

Section I. Actions under the Program

A. Actions Taken Under the Program. The actions taken by the Borrower under the Program include the following:

Pillar 1. **Reducing Economic Distortions and Strengthening Fiscal and Financial Sector Resilience**

1. The Borrower has corrected mispricing of fossil fuels and reduced inefficient public spending by: (a) approving the transition of fuel prices towards market levels, as evidenced by the Joint Executive Decrees No. 81/23 dated June 1, 2023, published in the Borrower's Official Gazette on June 1, 2023 (I Série – No. 99); and (b) implementing subsidy removal by raising the price of gasoline, as evidenced by the External Circular No. 006/DG/IRDP dated June 1, 2023, as published on the Borrower's website: https://irdp.gov.ao/images//relatorios/PREOS-ACTUALIZAO_2023.pdf
2. The Borrower has coordinated actions to strengthen the integrity of the financial sector by: (a) approving a new AML/CFT National Strategy, as evidenced by the Presidential Decree No. 73/23 dated March 15, 2023, published in the Borrower's Official Gazette on March 15, 2023 (I Série – No. 49); and (b) adopting AML/CFT Action Plan for the BNA, as evidenced by BNA's document: "*Plano de Acção – Prevenção e Combate ao Branqueamento de Capitais, Financiamento do Terrorismo e Proliferação de Armas de Destruição em Massa – Janeiro 2023*".
3. The Borrower has improved the management of SOEs and state shareholder participation, by: (a) extending its privatization program while listing specific assets and their treatment, as evidenced by the Presidential Decree No. 78/23 dated March 28, 2023, published in the Borrower's Official Gazette on March 28, 2023 (I Série – No. 56); and (b) separating commercially oriented SOEs from those providing public services, as evidenced by the Presidential Decrees No. 125/23 and 126/23 dated May 30, 2023, published in the Borrower's Official Gazette on May 30, 2023 (I Série – No. 97).

Pillar 2. **Boosting Equity by Strengthening Social Inclusion**

4. The Borrower has mitigated the adverse impact on the poor of rising fuel prices by expanding the reach, duration, and benefit level of poverty-targeted cash transfers, as evidenced by the Presidential Decree No. 132/23 dated June 1, 2023, published in the Borrower's Official Gazette on June 1, 2023 (I Série – No. 99).

5. The Borrower has improved access to urban transport and education by introducing social fare cards for public transportation, as evidenced by the Joint Executive Decree No. 62/23 dated May 8, 2023, published in the Borrower's Official Gazette on May 8, 2023 (I *Série* – No. 81).

Pillar 3. Improving Markets and Infrastructures to Build Climate Resilience

6. To promote access to electricity in rural areas, the Borrower has adopted regulation that approves the guidelines for the preparation of the rural electrification plan through off-grid electricity through solar systems and mini-grids, as evidenced by the Presidential Decree No. 78/23 dated May 30, 2023, published in the Borrower's Official Gazette on May 30, 2023 (I *Série* – No. 97).
7. The Borrower has improved water services delivery by: (a) approving regulations requiring water utilities to: (i) conduct regular water service monitoring, as evidenced by the Presidential Decree No. 127/23 dated May 30, 2023, published in the Borrower's Official Gazette on May 30, 2023 (I *Série* – No. 97); and (ii) engage in water quality management to ensure adequate service standards, as evidenced by the Presidential Decree No. 128/23 dated May 30, 2023, published in the Borrower's Official Gazette on May 30, 2023 (I *Série* – No. 97); and (b) creating two water utilities in the Borrower's provinces of Zaire and Cuando Cubango, as evidenced by the Joint Executive Decrees No. 59/23 and 60/23 dated May 8, 2023, published in the Borrower's Official Gazette on May 8, 2023 (I *Série* – No. 81).
8. The Borrower has developed insurance markets by: (a) revising sectoral legislation regulating market access, including for foreign investors, as evidenced by Law No. 18/22 dated July 7, 2022, published in the Borrower's Official Gazette on July 7, 2022 (I *Série* – No. 125); and (b) providing a regulatory framework for micro-insurance, as evidenced by Regulations (*Normas Regulamentares*) No. 1/23 dated January 13, 2023, published in the Borrower's Official Gazette on January 13, 2023 (II *Série* – No. 9), and No. 2/23 dated January 16, 2023, published in the Borrower's Official Gazette on January 16, 2023 (II *Série* – No. 10).

Section II. Availability of Loan Proceeds

- A. General.** The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank may specify by notice to the Borrower.
- B. Allocation of Loan Amounts.** The Loan is allocated in: (a) a single withdrawal tranche, from which the Borrower may make withdrawals of the Loan proceeds; and (b) the amounts requested by the Borrower to pay the Front-end Fee; and each Interest Rate Cap or Interest Rate Collar premium. The allocation of the amounts of the Loan to this end is set out in the table below:

Allocations	Amount of the Loan (expressed in USD)
(1) Single Withdrawal Tranche	498,750,000
(2) Front-end Fee	1,250,000
(3) Interest Rate Cap or Interest Rate Collar premium (Amount due pursuant to Section 4.05 (c) of the General Conditions)	0
TOTAL AMOUNT	500,000,000

C. Withdrawal Tranche Release Conditions

1. No withdrawal shall be made of the Single Withdrawal Tranche unless the Bank is satisfied: (a) with the Program being carried out by the Borrower; and (b) with the adequacy of the Borrower's macroeconomic policy framework.
2. Notwithstanding the foregoing, if, at any time prior to the receipt by the Bank of a request for withdrawal of an amount of the Loan, the Bank determines that a review of the Borrower's progress in carrying out the Program is warranted, the Bank shall give notice to the Borrower to that effect. Upon the giving of such notice, no withdrawals shall be made of the Unwithdrawn Loan Balance unless and until the Bank has notified the Borrower of its satisfaction, after an exchange of views as described in paragraphs (a) and (b) of Section 3.01 of Article III of this Agreement, with the progress achieved by the Borrower in carrying out the Program.
3. No withdrawal shall be made of the Single Withdrawal Tranche unless the Bank is satisfied, based on evidence satisfactory to it, that the situation described in paragraph (c) of Section 3.01 of Article III of this Agreement has been resolved.

D. Deposit of Loan Amounts

1. The Borrower, within thirty (30) days after the withdrawal of the Loan from the Loan Account, shall report to the Bank: (a) the exact sum received into the account referred to in Section 2.03 (a) of the General Conditions; (b) the details of the account to which the Kwanza equivalent of the Loan proceeds will be credited; (c) the record that an equivalent amount has been accounted for in the Borrower's budget management systems; and (d) the statement of receipts and disbursement of the account referred to in Section 2.03 (a) of the General Conditions.

- E. Closing Date.** The Closing Date is June 30, 2024.

SCHEDULE 2

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 May 15 and November 15 Beginning November 15, 2026, through May 15, 2041	3.23%
On November 15, 2041	3.1%

APPENDIX

Definitions

1. “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.
2. “AML/CFT Action Plan for BNA” means the Borrower’s action plan on Anti-money Laundering and Countering Financing of Terrorism, as adopted by the BNA through the document: “*Plano de Acção – Prevenção e Combate ao Branqueamento de Capitais, Financiamento do Terrorismo e Proliferação de Armas de Destruição em Massa – Janeiro 2023*”.
3. “AML/CFT National Strategy” means the Borrower’s national strategy on Anti-money Laundering and Countering Financing of Terrorism, established under the Borrower’s Presidential Decree No. 73/23 dated March 15, 2023, as published in the Borrower’s Official Gazette on March 15, 2023 (*I Série* – No. 49).
4. “BNA” means *Banco Nacional de Angola*, the Borrower’s central bank.
5. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Development Policy Financing”, dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022).
6. “Program” means the program of objectives, policies, and actions set forth or referred to in the letter dated June 2, 2023 from the Borrower to the Bank declaring the Borrower’s commitment to the execution of the Program, in order to promote green, resilient, and inclusive growth and requesting assistance from the Bank in support of the Program during its execution and comprising actions taken, including those set forth in Section I of Schedule 1 to this Agreement, and actions to be taken consistent with the Program’s objectives.
7. “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.
8. “SOE” or “SOEs” means one or several state-owned enterprises.
9. “Single Withdrawal Tranche” means the amount of the Loan allocated to the category entitled “Single Withdrawal Tranche” in the table set forth in Part B of Section II of Schedule 1 to this Agreement.