
LOAN NUMBER 9548-MA

Loan Agreement

(Morocco Climate /Support to NDC Program)

between

KINGDOM OF MOROCCO

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between KINGDOM OF MOROCCO (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). 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 three hundred eighteen million seven hundred thousand Euro (EUR 318,700,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the program described in Schedule 1 to this Agreement (“Program”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Loan Account shall be deposited by the Bank into an account specified by the Borrower and acceptable to the Bank.
- 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 January 15 and July 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 — PROGRAM

- 3.01. The Borrower declares its commitment to the objectives of the Program. To this end, the Borrower shall carry out the Program through the Ministry of Economy and Finance (“MEF”) in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — TERMINATION

- 4.01. The Effectiveness Deadline is the date one hundred twenty (120) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower's Representative is the Minister in charge of finances.
- 5.02. For purposes of Section 10.01 of the General Conditions:

- (a) the Borrower's address is:

Ministère de l'Economie et des Finances
Quartier Administratif
Avenue Mohammed V
Rabat
Kingdom of Morocco; and

- (b) the Borrower's Electronic Address is:

Cable address:	Facsimile:
MINFIN	+212-537-67-75-30/31
	+212-537-76-40-81

- 5.03. 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

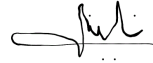
- (b) the Bank's Electronic Address is:

Telex:	Facsimile:
248423(MCI) or 64145(MCI)	+1-202-477-6391

AGREED as of the Signature Date.

KINGDOM OF MOROCCO

By



Authorized Representative

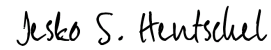
Name: Nadia Fettah

Title: Minister of economy and finances

Date: 26-oct-2023

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

Name: Jesko S. Hentschel

Title: Country Director

Date: 22-oct-2023

SCHEDULE 1

Program Description

The objectives of the Program are to strengthen the institutional capacity to implement the NDC and enhance climate resilience of targeted vulnerable groups and ecosystems in the Program Area.

The Program consists of the following activities:

Result Area 1. Strengthen Policy and Institutional Capacity in Green Public Finance Management, Green Finance, and Climate Data

1. **Mainstream climate considerations into public financial management and financial sector policies and practices** through: (a) the promotion of greater alignment between the NDC and fiscal and economic priorities as outlined in the Borrower's annual budget, by: (i) updating the NDC for 2026-2035 ("Revised NDC") to include: (A) a costing for both adaptation and mitigation, differentiated by financing sources, and (B) a detailed annual costing of public financing for the first three years; and (ii) the adequate allocation of the public financing for the first three years of the Revised NDC on adaptation and mitigation (unconditional) in the relevant Three-year Program; (b) the integration of climate change and other environmental considerations into the guidance, procedures, and methodologies for public procurement by: (i) adopting a green procurement guide; (ii) integrating a module in the e-procurement platform to tag green tenders, as defined in the green procurement guide; and (iii) the publication of an annual report on "green tenders"; (c) the expansion of the investor base to finance climate priorities by: (i) preparing and adopting a framework for the issuance of sovereign green bonds ("Sovereign Green Bond Framework"); and (ii) identifying a pipeline of priority climate projects in the Program area that are eligible under the Sovereign Green Bond Framework; and (d) the channeling of private sector investments toward green or sustainable economic activities and assets by preparing and adopting a green finance taxonomy through: (i) establishing a technical committee/working group tasked with elaborating a governance framework for the preparation of the green finance taxonomy; (ii) the elaboration of a roadmap setting the priorities and principles guiding said green finance taxonomy; and (iii) the adoption of the green finance taxonomy.
2. **Strengthen the national climate data systems** through: (a) the establishment and strengthening of the national climate network through, *inter alia*, climate data collection and sharing between the DGM and other relevant entities managing observation stations, and with sectoral end-users to support their decision-making processes; and (b) the gradual operationalization of the module of the MRV platform for the NDC implementation.

Result Area 2. Enhance Climate Resilience of Vulnerable People and Ecosystems

1. **Strengthen Institutional Coordination to Reinforce Farmers' Resilience to Health Risks, exacerbated by Climate Change** through: (a) the signing of a number of conventions between the CNSS and the professional organizations to expand the effective coverage of farmers by AMO-TNS regime; (b) the signing of a convention between CNSS, *Groupe Credit Agricole du Maroc* and the Ministry of Agriculture, Maritime Fisheries,

Rural Development and Water and Forests to introduce flexibility in the payment of contributions to the AMO-TNS; (c) the increase of the number of farmers and family members (spouse and children) in the Program Area effectively covered under the AMO-TNS program.

2. **Promote an Integrated Approach to Enhance Climate Resilience of Oasis Ecosystems** through: (a) the revitalization of the oasis ecosystem within the Targeted Oasis Area by: (i) rehabilitating and restoring the traditional oasis through the distribution and planting of date palm tree vitro plants to intensify and/or replace palm trees, with a specific focus on those affected by diseases or fires; (ii) supporting the creation or upgrading of cooperatives that will provide services for the benefit of date palm producers; and (iii) constructing and equipping two new units for the valorization of date palm sub-products; (b) the preservation of water resources in the Program Area through the construction and/or rehabilitation of small hydraulic infrastructures to: (i) recharge the aquifers with rainwater capture through the construction of thresholds along rivers (*oueds*) and maftias; (ii) reduce water pollution through the construction of small infrastructure, such as wastewater and rainwater networks via pipes and ancillary works, and wastewater treatment systems; and (iii) improve water services (drinking water and sanitation) in rural schools.
3. **Promote Coordination to Deploy Nature-Based Solutions to Tackle Climate Vulnerabilities.** in the Program Area through, *inter alia*: (a) the reforestation of hotspots of erosion in three priority watersheds to reduce the siltation in downstream large dams; and (b) the deployment of forest/tree-based solutions for urban/peri-urban areas in targeted municipalities, including the carrying out of an awareness raising campaign with specific focus on children and young people, including through tree planting and nature observation sessions.

SCHEDULE 2

Program Execution

Section I. Implementation Arrangements

A. Program Institutions

1. The Borrower shall vest the overall responsibility for the coordination, monitoring and evaluation of the Program (including the implementation of the Program activities under Result Area 1.1) in the MEF, and to this end, shall, through the MEF, no later than thirty (30) days after the Effective Date, or such later date as agreed by the Bank, establish within the Budget Directorate, and thereafter maintain, throughout the implementation of the Program, the Program Implementation Unit (“PIU”), responsible for the coordination and monitoring of the day-to-day implementation of the Program, including the preparation of the Program’s annual progress reports, preparation of pertinent financial statements, and staffed with adequate professional, fiduciary, administrative and technical personnel, with qualifications, experience and terms of employment acceptable to the Bank, all as described in the POM.
2. No later than ninety (90) days after the Effective Date, or such later date as agreed by the bank, the Borrower shall establish, and thereafter maintain, throughout the implementation of the Program, a Program Steering Committee, composed of representatives of the Borrower’s entities and institutions participating in the implementation, monitoring and evaluation of the Program, responsible for the strategic oversight and guidance under the Program, and for reporting on an annual basis to the National Commission on Climate Change and Biodiversity, all as further described in the POM.
3. Without limitations to the provisions set forth above, the Borrower, through the MEF (through the PIU) shall ensure, throughout Program implementation, the coordination with other ministries and agencies (including their relevant directorates and decentralized structures and agencies) with a role in the technical implementation of the Program, including the Ministry of Agriculture, Maritime Fisheries, Rural Development and Water and Forests (including the ANEF, the ANDZOA and the ADA), the Ministry of Equipment and Water (including the DGM and DRPE), the Ministry of Energy Transition and Sustainable Development, and the CNSS; all under terms and conditions as set forth in the POM.
4. To facilitate the implementation of the Program activities under Result Areas 2.2 and 2.3 (in connection with DLIs#8 and 10), the Borrower shall ensure that adequate implementation arrangements are in place to ensure that ANDZOA and ADA (for DLI#8) and ANEF (for DLI#10) comply with the pertinent provisions of the POM (including the pertinent actions under the Program Action Plan).

B. Additional Program Implementation Arrangements

Program Operational Manual

1. The Borrower shall: (a) through the PIU, no later than one hundred twenty (120) days after the Effective Date, or such later date as agreed by the Bank, adopt a manual under terms and conditions acceptable to the Bank (“Program Operational Manual” or “POM”); and (b) immediately thereafter, carry out the Program in accordance with the POM. The Borrower shall not amend or waive any provision of the POM without the Bank’s prior written consent. In case of any conflict between the terms of the POM and those of this Agreement, the terms of this Agreement shall prevail.

Program Action Plan

2. The Borrower shall carry out the Program Action Plan, or cause the Program Action Plan to be carried out, in accordance with the schedule set out in said Program Action Plan and in a manner acceptable to the Bank.

Verification Protocol

3. The Borrower shall carry out verification missions for the verification of achievement of DLRs which are set forth in the table in Section IV.A.2 of this Schedule in accordance with the Verification Protocol and furnish to the Bank not later than sixty (60) days after the verification of compliance of said DLRs, a report on the results of said verification of compliance process of such scope and in such detail as the Bank shall reasonably request.

Section II. Excluded Activities

The Borrower shall ensure that the Program excludes any activities which:

- A. in the opinion of the Bank, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
- B. involve the procurement of: (1) works, estimated to cost \$75,000,000 equivalent or more per contract; (2) goods, estimated to cost \$50,000,000 equivalent or more per contract; (3) non-consulting services, estimated to cost \$50,000,000 equivalent or more per contract; or (4) consulting services, estimated to cost \$20,000,000 equivalent or more per contract.

Section III. Program Monitoring, Reporting and Evaluation

The Borrower shall furnish to the Bank each Program Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

<p>(3) DLI#3: Tools are in place to issue sovereign green bonds on international markets</p>	<p>DLR#3.1: Framework for the issuance of Sovereign Green Bonds has been adopted and published.</p> <p>DLR#3.2: A list of priority climate projects in the Program Area eligible under the Sovereign Green Bond Framework, has been identified.</p>	<p>DLR#3.1: 13,659,000</p> <p>DLR#3.2: 9,106,000</p>
<p>(4) DLI#4: A Green Finance Taxonomy is adopted</p>	<p>DLR#4.1: A technical committee/working group to develop and adopt a governance framework for the preparation of the green finance taxonomy is established.</p> <p>DLR#4.2: The roadmap setting the principles and priorities guiding the preparation of the green finance taxonomy is approved by the technical committee/working group.</p> <p>DLR#4.3: The green finance taxonomy is adopted.</p>	<p>DLR#4.1: 1,022,250</p> <p>DLR#4.2: 3,642,000</p> <p>DLR#4.3: 18,211,000</p>
<p>(5) DLI#5: The national climate network is operational and delivers services to users</p>	<p>DLR#5.1: Twenty-four (24) MoUs signed between the DGM and other relevant entities managing the observation stations.</p> <p>DLR#5.2: Eight hundred fifty (850) observation stations connected to the data center managed by the DGM.</p> <p>DLR#5.3: Eight (8) end-users sectors receiving processed weather and climate data.</p>	<p>DLR#5.1: 4,553,000 EUR189,708 per MoU signed.</p> <p>DLR#5.2: 18,211,000 From a baseline of 171 observation stations, 26,820 per additional station connected.</p> <p>DLR#5.3: 7,285,000 910,625 per end-user sector receiving processed weather and climate data.</p>
<p>(6) DLR#6: The MRV Platform on NDC implementation is operationalized</p>	<p>DLR#6.1: Eight (8) sectors with adaptation measures in the Revised NDC included in the MRV platform on NDC implementation.</p> <p>DLR#6.2: Three (3) sectors with unconditional mitigation measures in the Revised NDC included in the MRV platform on NDC implementation.</p>	<p>DLR#6.1: 13,659,000 1,707,375 per sector.</p> <p>DLR#6.2: 4,553,000 1,517,667 per sector.</p>

<p>(7) DLI#7: Farmers are effectively covered against health risks, including climate-induced risks</p>	<p>DLR#7.1: Five (5) conventions signed between the CNSS and the professional organizations.</p> <p>DLR#7.2: Convention between CNSS, Groupe Credit Agricole and Ministry of Agriculture, Maritime Fisheries, Rural Development and Water and Forests signed to include flexibility in the payment of farmers' contributions to the AMO-TNS.</p> <p>DLR#7.3: 80% of farmers in the Program Area effectively covered under the AMO-TNS.</p>	<p>DLR#7.1: 9,106,000 1,821,200 per convention.</p> <p>DLR#7.2: 4,553,000</p> <p>DLR#7.3: 27,317,000 Upon reaching the following thresholds of farmers in the Program Area effectively covered: at 8% : 4,780,000 at 16% : 4,325,000 at 24% : 3,870,000 at 32% : 3,415,000 at 40% : 2,959,000 at 48% : 2,504,000 at 56% : 2,049,000 at 64% : 1,594,000 at 72% : 1,138,000 at 80% : 683,000</p>
<p>(8) DLI#8: Oasis ecosystems are more resilient to climate change</p>	<p>DLR#8.1: one million palm trees distributed and planted for the revitalization of traditional oases in the Targeted Oases Area.</p>	<p>DLR#8.1: 27,317,000 27,317 to be disbursed per each 1,000 palm trees distributed/planted as follows: 100% if the difference between the palms distributed and the palms planted, observed during sampling, is less than or equal to the threshold defined in the POM and above the threshold, the disbursement percentage is reduced by the difference between this threshold and the difference observed between the palms distributed and the palms planted during sampling.</p>

	<p>DLR#8.2: Ten (10) agricultural and/or para-agricultural service cooperatives created or upgraded in the Targeted Oases Area working in the date palm value chain.</p> <p>DLR#8.3: Two (2) new date palm valorization units built and equipped in Targeted Oases Area.</p>	<p>DLR#8.2: 18,211,000 1,821,100 per each agricultural and/or para-agricultural service cooperatives created or upgraded.</p> <p>DLR#8.3: 9,106,000 4,553,000 per date palm valorization unit.</p>
<p>(9) DLI#9: Water resources in targeted oases are protected and the living conditions of the populations are improved</p>	<p>DLR#9.1: Twenty-two (22) water recharge thresholds built with piezometers.</p> <p>DLR#9.2: Ten (10) water treatment projects implemented in the Targeted Oasis Area.</p> <p>DLR#9.3: Fifty (50) oasis schools in the Targeted Oasis Area benefitting from environmental upgrades.</p>	<p>DLR#9.1: 27,317,000 1,241,682 per water recharge thresholds built with measurement piezometer.</p> <p>DLR#9.2: 9,106,000 910,600 per water sanitation project implemented as defined in the POM.</p> <p>DLR#9.3: 18,211,000 364,220 per each oasis school.</p>
<p>(10) DLI#10: Nature-based solutions are deployed to tackle climate vulnerabilities</p>	<p>DLR#10.1: Four thousand and two hundred (4,200) hectares reforested in selected priority watersheds.</p> <p>DLR#10.2: Eleven (11) urban/ peri-urban forests (“green belt”) managed.</p>	<p>DLR#10.1: 13,659,000 3,252 per hectare of selected priority watersheds in the Program Area reforested.</p> <p>DLR#10.2: 10,016,000 910,545 per urban/peri-urban forest managed with a fully implemented nature-based solutions management plan, in the Program Area.</p>
<p>(11) Front-end Fee to be paid pursuant to Section 2.03 of this Agreement in accordance with Section 2.05(b) of the General Conditions</p>		796,750
<p>(12) Interest Rate Cap or Interest Rate Collar premium to be paid</p>		0

pursuant to Section 4.05(c) of the General Conditions		
TOTAL AMOUNT		318,700,000

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) on the basis of DLRs achieved prior to the Signature Date;
 - (b) for any DLR under Categories (1) to (10) until and unless the Borrower has furnished evidence satisfactory to the Bank that said DLR has been achieved.
2. Notwithstanding the provisions of Part B.1(b) of this Section, the Borrower may withdraw an amount not to exceed EUR 79,675,000 as an advance; provided, however, that if the DLRs in the opinion of the Bank, is/are not achieved (or only partially achieved) by the Closing Date, the Borrower shall refund such advance (or portion of such advance as determined by the Bank in accordance with the calculation formula provisions set forth in the table immediately above) to the Bank promptly upon notice thereof by the Bank. Except as otherwise agreed with the Borrower, the Bank shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the Bank shall specify by notice to the Borrower.
3. Notwithstanding the provisions of Part B.1(b) of this Section, if any of the DLRs under Categories (1) to (10) has not been achieved, the Bank may, by notice to the Borrower: (a) reallocate all or a portion of the proceeds of the Loan then allocated to said DLR to any other DLR; and/or (b) cancel all or a portion of the proceeds of the Loan then allocated to said DLR.
4. The Closing Date is June 30, 2028.

SCHEDULE 3

Amortization 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”).

Principal Payment Date	Installment Share
On each January 15 and July 15 Beginning July 15, 2028 through January 15, 2048.	2.50%

APPENDIX

Definitions

1. “ADA” means *Agence pour le Développement Agricole*, the Borrower’s Agricultural Development Agency under the tutelage of the Ministry of Agriculture, Maritime Fisheries, Rural Development and Water and Forests.
2. “AMO-TNS” means the Borrower’s mandatory health insurance for non-salaried workers.
3. “ANDZOA” means *Agence Nationale pour le Développement des Zones Oasiennes et l’Arganier*, the Borrower’s National Agency for the Development of Oasis Areas and Argan Tree under the tutelage of the Ministry of Agriculture, Maritime Fisheries, Rural Development and Water and Forests.
4. “ANEF” means *Agence Nationale des Eaux et Forêts*, the Borrower’s National Agency of Water and Forest under the tutelage of the Ministry of Equipment and Water.
5. “Anti-corruption Guidelines” means, for purposes of paragraph 6 of the Appendix to the General Conditions, the Bank’s “Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing,” dated February 1, 2012, and revised July 10, 2015.
6. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
7. “CNSS” means *Caisse Nationale de Sécurité Sociale*, the Borrower’s National Social Security Fund under the tutelage of the MEF.
8. “*Groupe Credit Agricole du Maroc*” means the Groupe Credit Agricole du Maroc governed by Law No. 15-99 regarding the reform of the Crédit Agricole, promulgated by Dahir No.1-03-221 dated November 11, 2003.
9. “DGM” means *Direction Générale de la Météorologie*, the General Directorate of Meteorology within the Ministry of Equipment and Water.
10. “Disbursement Linked Indicator” or “DLI” means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
11. “Disbursement Linked Result” or “DLR” means in respect of a given Category, the result under said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the Loan allocated to said result may be withdrawn in accordance with the provisions of said Section IV.
12. “DRPE” means *Direction de la Recherche et de la Planification de l’Eau*, the Water Research and Planning Directorate within Ministry of Equipment and Water.

13. “FY” means a Fiscal year of the Borrower running from January 1 to December 31.
14. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Program-for-Results Financing”, dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022).
15. “Ministry of Economy and Finance” or “MEF” means the Borrower’s ministry in charge of economy and finance, or any successor thereto.
16. “Morocco” means Kingdom of Morocco.
17. “MRV” means Monitoring, Reporting and Verification.
18. MoUs” means memoranda of understanding.
19. “National Commission on Climate Change and Biodiversity” means the Borrower’s commission established pursuant to Decree no. 2-19-721 dated April 27, 2020, to foster consultation and coordination among various governmental entities on their respective contributions to the international convention on climate action and biodiversity, and ensuring overall coherence.
20. “NDC” means nationally determined contributions.
21. “Program Area” means the list of the Borrower’s regions, provinces and municipalities participating in the Program, as said list is set forth in the POM.
22. “Program Action Plan” means the Borrower’s plan dated May 10, 2023 and referred to in Section I.B.2 of Schedule 2 to this Agreement, as may be amended from time to time with the agreement of the Bank.
23. “Program Implementation Unit” or “PIU” means the unit within the MEF’s Budget Directorate referred to in Section I.A.1 of Schedule 2 to this Agreement.
24. “Program Operations Manual” or “POM” means the Borrower’s manual for the Operation referred to in Section I.B.1 of Schedule 2 to this Agreement, which shall contain, *inter alia*: (i) administrative, monitoring and evaluation procedures; (ii) environmental and social management systems and complaints and grievance redress mechanism; (iii) the Program Action Plan; (iv) details, required results and arrangements for verification of achievement of the DLRs (including the Verification Protocol); (v) Program Report templates; (vi) the protocol/arrangements for periodic reporting to the Bank on, and sharing the findings of, any case of fraud and corruption denounced and/or investigated under the Program, in accordance with the Anti-Corruption Guidelines (to be included as an attachment to the POM); (vii) the list of Borrower’s regions/provinces/municipalities of the Program Area participating in the Program, including the list of oases of the Targeted Oasis Area; as the same may be amended from time to time with the Bank’s prior written consent.

25. "Program Steering Committee" means the committee referred to in Section. I.A.2 of Schedule 2 to this Agreement.
26. "Revised NDC" means Morocco's nationally determined contributions for 2026-2035.
27. "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.
28. "Sovereign Green Bond Framework" means the framework referred to in DLR#3.1 as further defined in the Verification Protocol.
29. "Targeted Oasis Area" means the list of Borrower's oases located within the Program Area participating in the Program, as said list is set forth in the POM.
30. "Three-year Program" means *Programmation budgétaire triennale*, the Borrower's three-year budgeting program updated annually, as per Borrower's 2015 Organic Budget Law No. 130-13.
31. "Verification Protocol" means the protocol referred to in Section I.B.3 of schedule 2 to this Agreement and set forth in the POM, as the same may be amended from time to time as agreed between the Bank and the Borrower.