
Republic of Angola

**Artisanal Fisheries and Aquaculture Project Phase 2
(AFAP-2)**

Negotiated financing agreement

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Negotiated financing agreement

Artisanal Fisheries and Aquaculture Project Phase 2 (AFAP-2)

(Negotiations concluded on 27 August 2024)

Loan No.: [number]

Loan No.: [number]

Project name: Artisanal Fisheries and Aquaculture Project Phase 2 (AFAP-2) ("the Project")

The Republic of Angola (the "Borrower")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

WHEREAS the Borrower has requested loans from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement;

WHEREAS, the Project shall be co-financed by a grant from the European Union (EU). The Borrower and the EU shall enter into a Financing Agreement (the "EU Agreement") to provide financing for the Project.

WHEREAS, the Borrower has undertaken to provide additional support, financially or in kind that may be needed to the Project; and

WHEREAS, the Fund has agreed to provide financing for the Project;

NOW THEREFORE, the Parties hereby agree as follows:

Section A

1. The following documents collectively form this Agreement: this document, the Project Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2) and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, and as may be amended hereafter from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.

3. The Fund shall provide loans (the "Financing") to the Borrower, which the Borrower shall use to implement the Project in accordance with the terms and conditions of this Agreement.

Section B

1. A. The amount of Loan A is forty-two million seven hundred eighty thousand United States Dollars (USD 42,780,000 million) ("Loan A").
 - B. The amount of Loan B is fifteen million United States Dollars (USD 15,000,000) ("Loan B").
2. Loan A is granted on ordinary terms and shall be subject to interest on the principal amount outstanding of Loan A at a rate equal to the IFAD Reference Interest Rate including a variable spread, payable semi-annually in the Loan Service Payment Currency, and have a maturity period of thirty years, including a grace period of five years, starting from the date as of which the Fund has determined that all general conditions precedent to withdrawal have been fulfilled.
3. Loan B is granted on ordinary terms and shall be subject to interest on the principal amount outstanding of Loan B at a rate equal to the IFAD Reference Interest Rate including a variable spread, payable semi-annually in the Loan Service Payment Currency, and have a maturity period of thirty years, including a grace period of five years, starting from the date as of which the Fund has determined that all general conditions precedent to withdrawal have been fulfilled.
4. The financing Service Payment Currency shall be in United States Dollars.
5. The first day of the applicable Fiscal Year shall be 1st January.
6. Payments of principal and interest shall be payable on each 15 February and 15 August.
7. There shall be two Designated Accounts in United States Dollars (USD), for the exclusive use of the Project opened in a commercial bank acceptable to IFAD. The Borrower shall inform the Fund of the officials authorized to operate the Designated Account.
8. The Borrower shall open two operating accounts in Angolan Kwanza (AOA) to receive funds from the Designated Accounts set out in paragraph 7 above to manage the expenditures at a local level.
9. The Borrower shall provide counterpart financing for the Project in the amount of nine million two hundred twenty thousand United States Dollars (USD 9,220,000) in the form of taxes and duties. A bank account in Angolan Kwanza (AOA) shall be opened to receive the Government counterpart funds.

Section C

1. The Lead Project Agency shall be the National Directorate of Studies, Planning and Statistics by delegation of the Ministry of Fisheries and Marine Resources (MINPERMAR).
2. The following is designated as an additional Project Party: the Institute for the Development of Artisanal Fisheries and Aquaculture (IPA). Additional Project Parties are described in Schedule 1, Part II.
3. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Project.

4. The Project Completion Date shall be the eighth anniversary of the date of entry into force of this Agreement and the Financing Closing Date shall be 6 months later, or such other date as the Fund may designate by notice to the Borrower.

5 Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines.

Section D

The Fund will administer the Financing. The Fund and the Borrower shall jointly supervise the Project.

Section E

1. The following are designated as additional grounds for suspension of this Agreement:

- (a) The Project Implementation Manual (PIM) and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Project.
- (b) In the event that the Borrower did not request a disbursement of the Financing for a period of at least 12 months without justification.
- (c) In the event that the Borrower removes, suspends or changes the Project manager or any other key project staff without prior consultation between the Parties.

2. The following are designated as additional conditions precedent to withdrawal:

- (a) The Fund's no objection to the PIM shall have been obtained.
- (b) Key Project staff has been appointed as per Section 10, Schedule 3 of this Agreement.
- (c) Procurement of an Enterprise Resource Planning (ERP) accounting software to maintain the Project accounts and generate reliable financial reports as per IFAD requirements.

3. This Agreement is subject to ratification by the Borrower.

4. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower:

Minister of Planning
Avenida 1º Congresso do MPLA,
Edifício CIF Luanda One,
Luanda
Republic of Angola

Copy to:

Minister of Finance
Largo da Mutamba
CP 1235
Luanda
Republic of Angola

For the Fund:

President
Via Paolo di Dono 44
00142 Rome, Italy

This Agreement, has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Borrower.

THE REPUBLIC OF ANGOLA

"[Authorised Representative Name]"
"[Authorised Representative title]"

Date: _____

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

Alvaro Lario
The President

Date: _____

Schedule 1

Project Description and Implementation Arrangements

I. Project Description

1. *Target Population.* The Project target group includes individual fish farmers (or aquaculture promoters), cooperatives or groups, small family farms, rural households, including those headed by women, active rural women and youth or with diversified potential for economic and professional integration in aquaculture linkages. The Project will focus, particularly, on rural communities that are economically and socially vulnerable, such as: a) artisanal fishers who are food and nutrition insecure; b) people with disabilities; c) ex-combatants and other disadvantaged groups; d) people affected by climate change and/or people living with HIV/AIDS, etc.

The Project shall benefit three categories: a) Category 1 (C.1) – represents about 10,000 very vulnerable and poor households; b) Category 2 (C.2) – represents about 20,000 vulnerable households (small-scale artisanal fishers, aquaculture farmers, local economic initiatives); and c) Category 3 (C.3) – brings together 1,000 local actors in the form of micro, small and medium-sized enterprises. The Project will directly target a total of 31,000 vulnerable, poor and disadvantaged rural households engaged or willing to engage in artisanal fisheries and aquaculture. This corresponds to about 148,000 household members. Women will constitute at least 40 per cent of the project beneficiaries (50 per cent of them young girls).

Targeting Strategy. The project will implement a participatory, inclusive and flexible targeting strategy based on a multi-dimensional targeting approach: a) geographical targeting of production basins and socio-economic targeting; b) direct targeting; and c) self-targeting. All these approaches will be backed up by facilitation and empowerment measures to promote fisheries and aquaculture entrepreneurship and increase opportunities for the vulnerable to be included in economic activities likely to improve their well-being.

2. *Project area.* The Project's geographic areas of intervention will include the following five provinces: Bengo, Bie, Cuanza Norte, Malanje, and Uige.

3. *Goal.* The goal of the Project is to contribute to improved household income, food and nutrition security through sustainable and climate resilient fisheries and aquaculture.

4. *Objectives.* The objective of the Project is to contribute to the reduction of rural poverty and food insecurity of smallholders in the target provinces by developing their economic potential while improving natural resources management capacity and resilience to climate change.

5. *Components.* The Project shall consist of the following components:

Component 1. Sustainable Inland Fisheries and Small-Scale Aquaculture Production Systems: This component will focus on expanding successful interventions and lessons in climate-resilient and nutrition-sensitive fisheries and aquaculture production strategies from IFAD's past engagement in Angola under AFAP I. AFAP I achieved significant strides in inland fisheries co-management and community-based aquaculture production models. However, there is a need to refine the approach, emphasizing a shift towards business-oriented production to ensure long-term sustainability. This component will respond to Outcome 1 - *Improved and resilient inland fisheries and small-scale aquaculture production, contributing to increased rural incomes.*

Component 2. Business Enterprise, Market Linkages and Climate-Resilient Infrastructure Development: This Component will contribute to the achievement of *Outcome 2: Strengthened fisheries and aquaculture market linkages, entrepreneurships and infrastructure providing services*. It aims at supporting Component 1 with the necessary infrastructure, market linkages and entrepreneurial capacities to deliver quality fisheries and aquaculture inputs and products linking the source, producer, intermediaries and the consumer. This component will play a key facilitative and intermediary role both on the inputs and output markets. It is built around strengthening of linkages and networks among value chain actors.

Component 3: Institutional Strengthening, Policy Support and Project Management: The objective of this component is to enhance the institutional capacity of community-based/farmer organisations and public entities providing services to target beneficiaries in the Project areas. It also seeks to facilitate the pathways for the Project's effective implementation and inclusive functioning of the inland fisheries sector, from production/capture to consumption.

II. Implementation Arrangements

6. *Lead Project Agency.* National Directorate of Studies, Planning and Statistics (GEPE) MINPERMAR will be the Project's lead agency and implement the Project with support of a PMU and the Institute for the Development of Artisanal Fisheries and Aquaculture (IPA).

7. *Project Oversight Committee.* A Project Steering Committee (PSC) will be established at the national level and chaired by the MINPERMAR Minister. It will be composed by the Project Coordinator nominated by the MINPERMAR Minister, the PMU Project Manager (who will be the Secretary) and of members from institutions with direct relevance to the achievement of AFAP -2's development objective (such as the Ministry of Public Works, Urbanism and Housing (MINOPUH), Ministry of Energy and Water (MINEA), Ministry of Tourism (MTA), and the Ministry of Environment (MINAMB) and the public entities dealing with gender, youth and people with disabilities). Also recommended to include Ministry of Agriculture and Forestry (MINAGRIF), the National Institute for Support of SMEs (INAPEM); the Directorate of Rural Commerce and Development (DRCD); and Banco de Desenvolvimento de Angola (BDA).

8. *Project Management Unit.* The Minister of Fisheries and Marine Resources will recruit a PMU for the day-to-day management of the Project. Financial management arrangements will be mainstreamed within government systems that provide adequate controls. The PMU will recruit a core team of experienced staff to manage and oversee AFAP-2 implementation. It will also have access to TA for some of the expertise that will be needed for effective Project implementation. The following is the foreseen PMU composition: a) Project Manager; b) Finance Management Officer; c) Monitoring and Evaluation Officer; d) Procurement and Contracts Manager; e) Aquaculture Specialist; f) Fisheries Specialist; g) Business Development Specialist; h) Infrastructure Specialist (TA); i) Community Development and Social Inclusion Specialist; j) Internal Auditor (TA); k) Accountant; l) Procurement Assistant; m) Monitoring and Evaluation Assistant; n) Project Assistant; and o) Driver (3). The Terms of Reference (ToRs)/Job Descriptions (JoDs) of all the PMU staff and TAs are presented in the Project Implementation Manual (PIM) and may be revised as necessary.

9. *Implementing partners.* Successful implementation of AFAP-2 will require the active participation of both government institutions and carefully selected private sector institutions. Service providers will be engaged through a competitive process. National Directorate of Studies, Planning and Statistics will be the Project's coordination agency and will implement the Project with the support of PMU and to the Institute for the Development of Artisanal Fisheries and Aquaculture (IPA). Government implementing partners include,

the Ministry of Public Works, Urbanism and Housing (MINOPUH), Ministry of Energy and Water (MINEA), Ministry of Tourism (MTA), and the Ministry of Environment (MINAMB) and the public entities dealing with gender, youth and people with disabilities). The Ministry of Agriculture and Forestry (MINAGRIF), the National Institute for Support of SMEs (INAPEM); the Directorate of Rural Commerce and Development (DRCD) of the Ministry of Industry and Commerce and Banco de Desenvolvimento de Angola (BDA).

10. *Monitoring and Evaluation.* The M&E system will be anchored in the Project's Logical Framework, which incorporates IFAD Core Indicators and Project-specific indicators for comprehensive monitoring. The Project will develop a Management Information System (MIS) which will facilitate real-time data management, ensuring the collection of disaggregated data on key project activities. The M&E system will incorporate elements on environment, social inclusion, and nutrition activities. AFAP-2's evaluation strategy will use quantitative and qualitative methods to determine how it contributed to improved livelihoods and nutrition among beneficiaries. A Project completion report/final evaluation will consolidate data and provide recommendations for future efforts.

11. *Knowledge Management.* Knowledge Management will play an integral role in the implementation of AFAP-2, ensuring that the Project promotes continuous learning. The AFAP-2 M&E system will serve as the cornerstone of the KM&L process, making sure to capture and store information based on detailed indicators from the results framework. AFAP-2 will carry out diverse KM activities including case studies, research, stakeholder interviews, and surveys, which will be employed to deepen understanding and document factors contributing to successes and bottlenecks of the Project.

12. *Project Implementation Manual (PIM).* It is an annex to the Project Design Report (PDR). It provides practical guidance to Project implementers on key implementation aspects. It describes in detail how the Project components and activities outlined in the PDR are intended to be implemented. The PIM outlines the detailed mechanisms, processes and procedures, formats, eligibility criteria, etc. which will ensure efficient Project implementation and achievement of the envisaged results. The PIM is a living document and may be updated at any time, as needs arise, during implementation.

13. *Supervision Arrangements.* The Fund and the Borrower shall jointly supervise the Project. Supervision missions and implementation missions will each be undertaken at least once a year (led by the Fund's Country Director) and will complement the continuous dialogue with the government (led by the Fund's Country Director).

Schedule 2

Allocation Table

1. *Allocation of Loan Proceeds.* (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Loan and the allocation of the amounts to each category of the Financing and the percentages of expenditures for items to be financed in each Category:

Category	IFAD Loan A Amount (Expressed in USD)	IFAD Loan B Amount (Expressed in USD)	Percentage (Net of Taxes, Government and Beneficiary contributions)
1. Works	6 270 000	1 410 000	100%
2. Equipment, material, goods and services	9 290 000	830 000	100%
3. Consultancies	8 260 000	2 850 000	100%
4. Grants and Subsidies	6 280 000	5 800 000	100%
5. Salaries and allowances	7 360 000	2 610 000	100%
6. Unallocated	5 320 000	1 500 000	100%
TOTAL	42 780 000	15 000 000	

(b) The terms used in the Table above are defined as follows:

- (i) The category 'Equipment, material, goods and services' also includes the vehicles.
- (ii) The category 'Consultancies' includes cost relating to Training and Workshop.
- (iii) The category 'Salaries and Allowances' also includes operating costs.

2. *Disbursement arrangements*

(a) *Start-up Costs.* Withdrawals in respect of expenditures for start-up costs in goods and services, consultancies, salaries and allowances categories incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of USD 500 000. Activities to be financed by Start-up Costs will require the no objection from IFAD to be considered eligible.

Schedule 3

Special Covenants

I. General Provisions

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower to request withdrawals from the Loan Account if the Borrower has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project:

1. Within 6 months of entry into force of the Financing Agreement, the Project will procure and install a customize accounting software as it is the practice in IFAD on-going supported projects, to satisfy International Accounting Standards and IFAD's requirements.
2. Within 6 months of entry into force of the Financing Agreement, the Project will recruit a private external firm to audit project's financial statements.
3. Within six (6) months of entry into force of the Financing Agreement, the Project will enter into Memorandum of Understandings (MoU) with implementing partners that will structure the collaboration, define roles, responsibilities and duties with regards to implementation, financial management, accounting and reporting.
4. *Planning, Monitoring and Evaluation.* The Borrower shall ensure that a Planning, Monitoring and Evaluation (PM&E) system shall be established within twelve (12) months from the date of entry into force of this Agreement.
5. *Vulnerable People Concerns.* The Borrower shall ensure that the concerns of Vulnerable are given due consideration in implementing the Project and, to this end, shall ensure that:
 - (a) the Project is carried out in accordance with the applicable provisions of the relevant vulnerable national legislation;
 - (b) vulnerable people are adequately and fairly represented in all local planning for Project activities;
 - (c) vulnerable rights are duly respected;
 - (d) vulnerable communities, participate in policy dialogue and local governance;
 - (e) The terms of Declarations, Covenants and/or Conventions ratified by the Borrower on the subject are respected;
 - (f) The Project will not involve encroachment on traditional territories used or occupied by vulnerable communities.
6. *Anticorruption Measures.* The Borrower shall comply with IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations.
7. *Sexual Harassment, Sexual Exploitation and Abuse.* The Borrower and the Project Parties shall ensure that the Project is carried out in accordance with the provisions of the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, as may be amended from time to time.

8. *Use of Project Vehicles and Other Equipment.* The Borrower shall ensure that:
- (a) all vehicles and other equipment procured under the Component 3 are allocated to the PMU and other Implementing Agencies for Project implementation;
 - (b) The types of vehicles and other equipment procured under the Project are appropriate to the needs of the Project; and
 - (c) All vehicles and other equipment transferred to or procured under the Project are dedicated solely to Project use.

9. Ifad Client Portal (ICP) Contract Monitoring Tool. The Borrower shall ensure that a request is sent to IFAD to access the project procurement Contract Monitoring Tool in the IFAD Client Portal (ICP). The Borrower shall ensure that all contracts, memoranda of understanding, purchase orders and related payments are registered in the Project Procurement Contract Monitoring Tool in the IFAD Client Portal (ICP) in relation to the procurement of goods, works, services, consultancy, non-consulting services, community contracts, grants and financing contracts. The Borrower shall ensure that the contract data is updated on a quarterly basis during the implementation of the Project.

10. The Key Project Personnel are: Project Manager, Financial Management Officer, Accountant Officer for Monitoring and Evaluation, Knowledge Management Officer, Procurement Officer, Community Development and Social Inclusion Specialist, and Environment and Climate Assessment Specialist. In order to assist in the implementation of the Project, the PMU, unless otherwise agreed with IFAD, shall employ or cause to be employed, as required, key staff whose qualifications, experience and terms of reference are satisfactory to IFAD. Key Project Personnel shall be seconded to the PMU in the case of government officials or recruited under a consulting contract such as Aquaculture Specialist; Fisheries Specialist; Business Development Specialist; Infrastructure Specialist (TA); Internal Auditor (TA), following the individual consultant selection method in the IFAD Procurement Handbook, or any equivalent selection method in the national procurement system that is acceptable to IFAD. The recruitment of Key Project Personnel is subject to IFAD's prior review as is the dismissal of Key Project Personnel. Key Project Personnel are subject to annual evaluation and the continuation of their contract is subject to satisfactory performance. Any contract signed for Key Project Personnel shall be compliant with the national labour regulations or the ILO International Labour Standards (whichever is more stringent) in order to satisfy the conditions of IFAD's updated SECAP. Repeated short-term contracts must be avoided, unless appropriately justified under the Project's circumstances.

II. SECAP Provisions

1. The Borrower shall carry out the preparation, design, construction, implementation, and operation of the Project in accordance with the nine standards and other measures and requirements set forth in the Updated Social, Environmental Climate Assessment Procedures of IFAD ("SECAP 2021 Edition"), as well as with all applicable laws and regulations to the Borrower and/or the sub-national entities relating to social, environmental and climate change issues in a manner and substance satisfactory to IFAD. The Borrower shall not amend, vary or waive any provision of the SECAP 2021 Edition, unless agreed in writing by the Fund in the Financing Agreement and/or in the Management Plan(s), if any.

2. For projects presenting high or substantial social, environmental and climate risks, the Borrower shall carry out the implementation of the Project in accordance with the measures and requirements set forth in the Environmental and Social Impact Assessments

(ESIAs)/Environmental, Social and Climate Management Frameworks (ESCMFs) and/or Resettlement Action Plans/Frameworks (RAPs/Fs) and Environmental, Social and Climate Management Plans (ESCMPs) for high risk projects and Abbreviated ESIAs and/or Abbreviated RAP/F and ESCMPs for substantial risk projects and Free, Prior and Informed Consent (FPIC) Plans, FPIC Implementation Plans, Indigenous Peoples Plans (IPPs), Pesticide Management Plans, Cultural Resources Management Plans and Chance Finds Plans (the "Management Plan(s)"), as applicable, taken in accordance with SECAP requirements and updated from time to time by the Fund.

The Borrower shall not amend, vary or waive any provision of the Management Plan(s), unless: (i) agreed in writing by the Fund and (ii) Borrower has complied with the requirements applicable to the original adoption of the Management Plan(s).

3. The Borrower shall not, and shall cause the Executing Agency, all its contractors, its sub-contractors, and suppliers not to commence implementation of any works, unless all Project affected persons have been compensated and/or resettled in accordance with the specific RAP/Abbreviated RAP, FPIC and/ or the agreed works and compensation schedule.

4. The Borrower shall disclose the draft and final ESIA reports and all other relevant Management Plan(s) with Project stakeholders and interested parties in an accessible place in the Project -affected area, in a form and language understandable to Project -affected persons and other stakeholders. The disclosure will take into account any specific information needs of the community (e.g. culture, disability, literacy, mobility or gender).

5. The Borrower shall ensure or cause the Executing Agency and Implementing Agency to ensure that all bidding documents and contracts for goods, works and services contain provisions that require contractors, sub-contractors and suppliers to comply at all times in carrying out the Project with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s), if any.

6. This section applies to any event which occurs in relation to serious environmental, social, health & safety (ESHS) incidents (as this term is defined below); labor issues or to adjacent populations during Project implementation that, with respect to the relevant IFAD Project:

- (i) has direct or potential material adverse effect;
- (ii) has substantially attracted material adverse attention of outside parties or create material adverse national press/media reports; or
- (iii) gives rise to material potential liabilities.

In the occurrence of such event, the Borrower shall:

- Notify IFAD promptly;
- Provide information on such risks, impacts and accidents;
- Consult with Project-affected parties on how to mitigate the risks and impacts;
- Carry out, as appropriate, additional assessments and stakeholders' engagements in accordance with the SECAP requirements; and
- Adjust, as appropriate, the Project-level grievance mechanism according to the SECAP requirements; and
- Propose changes, including corrective measures to the Management Plan(s) (if any), in accordance with the findings of such assessment and consultations, for approval by IFAD.

Serious ESHS incident means serious incident, accident, complaint with respect to environmental, social (including labor and community), health and safety (ESHS) issues that occur in the context of the loan or within the Borrower's activities. Serious ESHS incidents can comprise incidents of (i) environmental; (ii) occupational; or (iii) public health and safety; or (iv) social nature as well as material complaints and grievances addressed to the Borrower (e.g. any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination, accidents of members of the public/local communities, resulting in death or serious or multiple injuries, sexual harassment and violence involving Project workforce or in relation to severe threats to public health and safety, inadequate resettlement compensation, disturbances of natural ecosystems, discriminatory practices in stakeholder consultation and engagement (including the right of indigenous peoples to free, prior and informed consent), any allegations that require intervention by the police/other law enforcement authorities such as loss of life, sexual violence or child abuse, which (i) have, or are likely to have a material adverse effect; or (ii) have attracted or are likely to arouse substantial adverse attention of outside parties or (iii) to create substantial adverse media/press reports; or (iv) give, or are likely to give rise to material potential liabilities).

7. The Borrower shall ensure or cause the Executing Agency, Implementing Agency, contractors, sub-contractors and suppliers to ensure that the relevant processes set out in the SECAP 2021 Edition as well as in the Management Plan(s) (if any) are respected.

8. Without limitation on its other reporting obligations under this Agreement, the Borrower shall provide the Fund with:

- Reports on the status of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition, ESCMPs and the management plan (if any) on a semi-annual basis - or such other frequency as may be agreed with the Fund;
- Reports of any social, environmental, health and safety incidents and/accidents occurring during the design stage, the implementation of the Project and propose remedial measures. The Borrower will disclose relevant information from such reports to affected persons promptly upon submission of the said reports; and
- Reports of any breach of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s) (if any) promptly after becoming aware of such a breach.

9. In the event of a contradiction/conflict between the Management Plan(s), if any, and the Financing Agreement, the Financing Agreement shall prevail.