

Banco Mundial

BANCO INTERNACIONAL PARA RECONSTRUÇÃO
E DESENVOLVIMENTO
ASSOCIAÇÃO INTERNACIONAL PARA O DESENVOLVIMENTO

Avenida Kenneth Kaunda, 1224
Caixa Postal 4053
Maputo, Moçambique

Tel: (258-1) 482300
Fax: (258-1) 492893

OFFICIAL DOCUMENTS

Maputo, April 12, 2017

H.E. Adriano Afonso Meleiane
Minister
Ministry of Economy and Finance
Maputo, Mozambique

Excellency:

***Republic of Mozambique: Advance Agreement for Preparation of Proposed
Mozambique National Statistics and Data for Development Project Preparation
Advance No. V0790***

In response to the request for financial assistance made on behalf of the Republic of Mozambique (“Recipient”), I am pleased to inform you that the International Development Association (“World Bank”) proposes to extend to the Recipient an advance out of the World Bank’s Project Preparation Facility in an amount not to exceed *six million* U.S 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 the production and dissemination of quality socioeconomic statistics and support the use of data in evidence-based policy making through improved capacity for spatial development planning and aid management project, for the carrying out of which the Recipient has requested the World 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 (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 World Bank. Upon receipt by the World Bank of this countersigned copy referred to in Section 2.03, 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effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received this countersigned copy within 90 days after the date of signature of this Agreement by the World Bank, unless the World Bank has established a later date for such purpose.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION



By _____

Mark R. Lundell
Country Director

Mozambique, Comoros, Madagascar, Mauritius and Seychelles
Africa Region

AGREED:
REPUBLIC OF MOZAMBIQUE



By _____

Authorized Representative

Name: Adriano Afonso Maleiane

Title: Minister of Economy and finance

Date: 13.04.2017

Enclosures:

- (1) "Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility", dated July 31, 2010; and
- (2) Disbursement Letter for the Advance of the same date as this Agreement, together with "World Bank Disbursement Guidelines for Projects", dated May 1, 2006.
- (3) "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.
- (4) "World Bank Procurement Regulations for Borrowers under Investment Project Financing -Goods, Works, Non-Consulting Service and Consulting Services" dated July 1, 2016 ("Procurement Regulations").

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The “Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility” dated July, 31 2010. (“Standard Conditions”), 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 Agreement and the following terms have the following meanings:

(a) “INE” means National Statistics Institute.

(b) “Operating Costs” means the reasonable incremental expenses incurred in connection with Project implementation, including: (i) consumable materials and supplies, communications, mass media and printing services, vehicle rental, operation and maintenance; and (ii) charges for the opening and operation of bank accounts required for the Project, travel, lodging and *per diems*, but excluding salaries of officials of the Recipient’s civil service,

(c) “Procurement Regulations” means the “World Bank Procurement Regulations for Borrowers under Investment Project Financing”, dated July 1, 2016.

(d) “Standard Conditions” means the Standard Conditions for Grants made by the World Bank out of Various Funds, dated July, 31 2010.

(e) “Training” means the reasonable costs associated with training, including travel and subsistence costs for participants, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training courses.

Article II
Execution of the Activities

2.01. **Description of the Activities.** For preparation of the proposed Project, the Activities for which the Advance is provided consist of the following:

(a) Support the preparation activities of the Population and housing Census 2017, including *inter alia*:

(1) the purchase of vehicles used for enumeration process and;

(2) the transportation of materials.

(b) Support the preparation of key project document, including *inter alia*:

- (1) operating costs allowing INE to staff or supplement the project management team with non-technical experts and;
- (2) other operating costs.

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 in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; [and] (c) 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.

2.03. ***Institutional and Other Arrangements.*** The Recipient declares its commitment to the objectives of the Activities. The Recipient shall carry out the Activities through the INE in accordance with: (a) Article II of the Standard Conditions; (b) this Article II; and (c) 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.

To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to INE under a subsidiary agreement between the Recipient and INE, under terms and conditions approved by the Association, (“Subsidiary Agreement”), which shall include, *inter alia*: (a) the roles and responsibilities of INE with regard to the implementation of the Project; and (b) the obligation of INE to comply with the provisions, procedures, criteria and standards set forth in the General Conditions, the Procurement Guidelines, the Consultant Guidelines, and the Anti-Corruption Guidelines.

The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

Notwithstanding the foregoing, in the event of a conflict among the provisions of the Subsidiary Agreement and those of this Agreement, the provisions of this Agreement shall prevail.

2.04. ***Monitoring, Reporting and Evaluation of the Activities.*** The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.05. ***Financial Management.*** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.

(b) The Recipient shall ensure that interim un-audited financial reports for the Activities are prepared and furnished to the World Bank not later than 45 days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions.

(i) If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, the Recipient shall have the Financial Statements included in the first audit of financial statements required under the Refinancing Agreement.

(ii) If, by the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, such audit of the Financial Statements shall cover the period of the Advance, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of the Recipient's fiscal year in which the Refinancing Date occurs.

(iii) Notwithstanding the provisions of paragraphs (i) and (ii) of this Section, the World Bank may request an audit of the Financial Statements prior to the Refinancing Date, covering such period as is indicated in its request. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the such period.

2.06. *Procurement*

All goods, works required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in the "World Bank Procurement Regulations for Borrowers under Investment Project Financing" dated July 1, 2016 ("Procurement Regulations") and the provisions of the Recipient's procurement plan for the Activities dated *March 31, 2017* ("Procurement Plan") provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

Article III

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; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "Disbursement Guidelines for Investment Project Financing" dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), 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 and consultants' services under the Activities	6,000,000	100%
TOTAL AMOUNT	6,000,000	100 %

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made:

3.03. **Refinancing Date.** The Refinancing Date is October 31, 2017.

**Article IV
Terms of the Advance**

4.01. **Service Charge.** The Recipient shall pay a service charge on the Withdrawn Advance Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum. The service charge 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. Service charges shall be computed on the basis of a 360-day year of twelve 30-day months.

4.02. **Repayment.** The Withdrawn Advance Balance shall be repaid by the Recipient to the World Bank (together with any service charges 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 World Bank (together with any service charges accrued on the Advance to the date of repayment) as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of an amount of the Refinancing Proceeds equivalent to the Withdrawn Advance Balance plus such service charges, 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 or at any time thereafter, 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 World Bank (together with service charges accrued on the Withdrawn Advance Balance to the date of repayment) on such date as the World 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 service charges accrued on the Withdrawn Advance Balance to the Notice Date) (the "Aggregate Balance") shall be paid by the Recipient to the World Bank in ten approximately equal semiannual installments, in the amounts and on the dates ("Payment Dates") which the World 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 a service charge on the Aggregate Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum, payable in arrears on each Payment Date. The service charge shall be computed on the basis of a 360-day year of twelve 30-day months.

Article V

Recipient's Representative; Addresses

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

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

Ministry of Economy and Finance
Praça da Marinha Popular
Av. 10 de Novembro n° 929
Maputo
Republic of Mozambique
Facsimile:
+258 21313747

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

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America
Telex: Facsimile:

248423 (MCI) or (1)-202-477-6391

64145 (MCI)