



REPÚBLICA DE MOÇAMBIQUE



**SPECIFIC AGREEMENT
BETWEEN
THE GOVERNMENT OF THE KINGDOM OF BELGIUM
AND
THE GOVERNMENT OF THE REPUBLIC OF
MOZAMBIQUE
ON
RENEWABLE ENERGY FOR RURAL DEVELOPMENT
PHASE 2 (RERD2)**

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**SPECIFIC AGREEMENT
BETWEEN
THE GOVERNMENT OF THE KINGDOM OF BELGIUM
AND
THE GOVERNMENT OF THE REPUBLIC OF MOZAMBIQUE**

The Government of the Kingdom of Belgium (hereinafter referred to as "Belgium"), and the Government of the Republic of Mozambique, (hereinafter referred to as "Mozambique"), hereinafter jointly referred to as the "Parties", and separately as a "Party";

Considering the General Agreement on Co-operation between the Parties signed on 11 May 2001, and the relations of friendship and solidarity between the two Parties;

Considering the conclusions of the Joint Commission between Belgium and Mozambique held in Maputo on 19 December 2012 and the Indicative Cooperation Program 2013-17;

Taking into account that development of economic and social infrastructure is one of the five priorities of the *Programa Quinquenal do Governo 2015-2019*.

Motivated by the intention to contribute towards increasing access to quality and availability of electricity and other energy sources for the development of socio-economic activities and domestic consumption,

Have agreed as follows:

ARTICLE 1 – Object of the agreement

- 1.1. The parties agree to finance "*Renewable Energy for Rural Development Phase 2*", hereafter referred to as "the Project".
- 1.2. The general objective of the Project is: "*Contribute to rural economic and social development by increased sustainable access to energy*".
- 1.3. The specific objective of the Project is: "*Increase access to energy in rural areas by investments in renewable energy systems and support mechanisms ensuring sustainability*"

ARTICLE 2 – Responsibilities

- 2.1 The Mozambican Ministry of Mineral resources and Energy designates the National Energy fund, hereinafter referred to as "FUNAE", as the Mozambican entity responsible for the Mozambican contribution to the Project and implementation of Project activities.

- 2.2 Belgium designates the Directorate-General for Development Cooperation and Humanitarian Aid within the Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation hereinafter referred to as "DGD", as the entity responsible for the Belgian financial contribution to the Project. DGD is represented in Mozambique by the Maputo based Diplomatic Bureau of the Embassy of Belgium in Pretoria.
- 2.3 DGD entrusts the implementation and the follow-up of the Project to "Enabel, Belgian Development Agency", a public-law company with social purposes, hereinafter referred to as "Enabel".
- 2.4 Enabel is represented in Mozambique by its Resident Representative. Enabel performs this task pursuant to an agreement concluded with the Belgian Government.

ARTICLE 3 – Cost of the Project and sources of its funding

- 3.1 The Mozambican contribution to the Project will be in Human Resources, material resources and payment of taxes and import duties.
- 3.2 Belgium undertakes to contribute a maximum amount of 12.000.000 EUR (Twelve million euros) to the Project.
- 3.3 The modalities for use of this budget are further detailed in the Technical and Financial File, annexed to this Agreement.

ARTICLE 4 – Technical and Financial File (TFF)

- 4.1 The Project will be implemented according to the Technical and Financial File, attached to this Specific Agreement.
- 4.2 With the exception of the specific objective of the Project (art.1.3), of the duration of the Specific Agreement (art.12.1) and the global budget (art. 3), for which a modification needs an exchange of letters between the Parties in accordance with article 12.7 of the Specific Agreement, the Steering Committee may adapt the Technical and Financial File according to the evolution of the general context and/or the course of the Project.

4.3 Enabel shall inform the DGD on the following modifications made to the TFF:

- Results, including their respective budgets;
- Responsibilities, attributions, composition and operating mode of the Steering Committee (SC);
- Indicators for the specific objective and for the results;
- Financial modalities for the implementation of the contribution of the Parties.
- The way in which the Belgian and/or the Mozambican contribution is made available to the Project
- Approval mechanism for adapting the TFF.

An adapted indicative financial program will be included, if deemed necessary.

ARTICLE 5 – Obligations of the Parties

Each of the Parties shall take timely all institutional, administrative and budgetary measures required for the correct implementation of the commitments described in this Specific Agreement.

ARTICLE 6 - Steering Committee (SC)

The Parties entrust the Steering Committee with the follow-up, the monitoring and the strategic management of the Project.

The composition, the attributions, the responsibilities and the operating mode of the Steering Committee are specified in the Technical and Financial File (TFF).

The Steering Committee sets up its internal regulations with respect to the other articles of this Specific Agreement. Minutes of the meetings will be signed both by the Permanent Secretary of the Ministry of Mineral Resources and Energy and the Enabel-Resident Representative. A copy will be sent to the Diplomatic Bureau of Belgium in Maputo.

The Steering Committee shall meet on at least a six-monthly basis and at the latest three months after the Signature of the present Agreement. Not later than six months before the end of the Project, the Steering Committee will meet to examine the final draft report of the Project, prepared according to the regulations defined in the Technical and Financial File, and to clarify the modalities for ending the Project as stipulated in articles 12.2 and 12.3.

ARTICLE 7 – Human Resources

- 7.1 The International Technical Assistant (ITA) will be contracted by Enabel to support the implementation of the Project.
- 7.2 The support staff as mentioned in the TFF in the capacity of nationally recruited Procurement Officer and nationally recruited Project Accountant as well as a nationally recruited Driver will be contracted by Enabel to support the implementation of the Project.
- 7.3 Enabel staff will be recruited in close consultation with FUNAE and according to Enabel regulations. The selected candidates will be subject to agreement in writing by Mozambique.
- 7.4 The expatriate personnel, put at the disposal of the project by Enabel, will benefit from the privileges mentioned under article 8 of the General Agreement on Direct Bilateral Cooperation between the Kingdom of Belgium and the Republic of Mozambique.

ARTICLE 8 – Taxes, Charges and Import Duties

No part of the Belgian contribution shall be used to pay any taxes, customs or import duties or other tax-related fees on supplies, equipment, works and services.

If duties or taxes are due according to the national legislation, they will be covered by the Mozambican Party.

ARTICLE 9 - Mutual information

Each Party shall transmit to the other Party all information deemed relevant to the smooth and efficient implementation of the Project.

ARTICLE 10 – Reports, monitoring and evaluation

- 10.1 Procedures for administrative and operational, accounting and financial reporting are detailed in the Technical and Financial File.
- 10.2 Each of the Parties can, at any time, jointly or separately, control or evaluate the progress of the implementation of the Project, provided the other Party is informed in advance. Each Party will communicate to the other Party the results of its controls and evaluations.

ARTICLE 11 – Sustainability of the results

In order to assure the sustainability of the results of the Project, Mozambique will take all institutional, administrative and budgetary measures deemed necessary.

ARTICLE 12 – Duration, Extension, Suspension, Denunciation, Modifications and Disputes

- 12.1. The present Agreement shall enter into force on the date of signature by both Parties, and is concluded for a period of 72 months. The duration of the implementation of the project is 60 months.
- 12.2. Funds available for activities started before the expiration of this Specific Agreement will be automatically used beyond this date in case the related contracts have not been fully executed at the end of the said duration.
- 12.3. After the financial closure of the intervention, any unspent funds will be recovered by the Belgian State.

To this end, Mozambique commits itself to refund to Enabel the bank balances and ineligible amounts within three months of the Steering Committee's approval of the financial closure.

- 12.4. Either Party may suspend the implementation of the present Agreement. If one of the Parties deems that the other has failed to respect one of its fundamental obligations under the present Agreement, an obligation arising from the respect of human rights, democratic principles or the rule of law, as well as in cases of corruption, it shall notify the other Party of the relevant information required for a thorough examination of the situation, as well as of its intention to suspend the present Agreement in case of absence of an acceptable solution within three months. The Parties shall consult and determine the appropriate actions to be taken, within three months of the notification.
- 12.5. Either Party may suspend the implementation of the present Agreement in case of force majeure during the duration of this force majeure. The Party invoking a case of force majeure shall notify the other Party of the relevant information required for a thorough examination of the situation in order to find an acceptable solution for the Parties. The Parties shall consult and determine the appropriate actions to be taken, within three months of the notification.
- 12.6. This Agreement may be denounced by either Party by 'note verbale', subject to a three months' notice. In such case, any unused funds will be recovered by the Belgian State, as described in article 12.3. In any case, the contracts concluded in compliance with the TFF before the denunciation of this Agreement will be honoured as foreseen.

12.7. The maximum duration of 72 months cannot be extended. The amount of the present Agreement as stipulated in article 3 and its Specific Objective as described in article 1.3, can only be changed by an Exchange of Letters between the Parties.

12.8. Any dispute arising from the implementation or interpretation of the present Agreement shall be settled by negotiation.

ARTICLE 13 – Addresses

All notifications related to the Specific Agreement and more specifically any such notifications pertaining to its modification or interpretation shall be handled via diplomatic channels at the following addresses:

For Belgium:

*Diplomatic Bureau of Belgium
Av. Kenneth Kaunda 762
P.O.Box 1500
Maputo – Moçambique*

For Mozambique:

*Ministry of Mineral resources
and Energy
Av. Fernão Magalhães 34
Maputo - Moçambique*

All notifications and communications related to the implementation of the Specific Agreement shall be communicated to:

For Belgium:

*The Enabel Resident Representative
Av. Kenneth Kaunda 762
Maputo - Moçambique*

For Mozambique:

*Ministry of Mineral Resources
and Energy –
Av. Fernão Magalhães 34,
Maputo -Moçambique*

Done in Maputo on the 16th day of ~~Nov~~ 2018, in two originals, one in English, one in Portuguese, both copies being equally authentic.



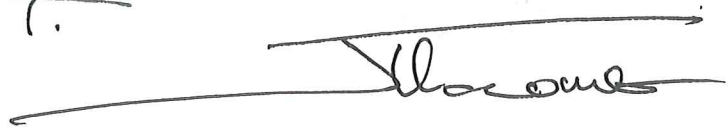
In witness whereof, the undersigned, being duly authorized thereto by their respective governments, have signed this Agreement.

For the Government of the
Kingdom of Belgium

For the Government of the
Republic of Mozambique



Hubert Cooreman
Ambassador of Belgium



Ernesto Max Elias Tonela
Minister of Mineral Resources and
Energy