Davide Val. DV
Claudio

Ambasciata d'Italia

Maputo

NOTA VERBAL Nº 117

A Embaixada da Itália apresenta os seus cumprimentos ao Ministério dos Negócios Estrangeiros e Cooperação da República de Moçambique e na sequência da eminente trocas de notas para modificar o Acordo para a realização do "Programa de Saneamento Ambiental – Barragem de Nhacangara e Sistema de Drenagem da Cidade de Maputo, ora modificado para Projecto de Sistema de Drenagem de Águas Pluviais na Cidade de Maputo, tem a honra de submeter novo texto de Convenção Financeira relativa à componente de empréstimo concessional no montante de 60.000.000,00 Euros em língua inglesa para apreciação e parecer das Autoridades moçambicanas competentes.

Trata-se de uma nova proposta de Convenção Financeira, cujo o mutuante será a Cassa Depositi e Prestiti S.p.A., que deverá substituir à Convenção assinada pelo Ministério das Finanças da República de Moçambique e a Artigiancasa S.p.A a 19 de Março de 2008.

A Embaixada da Itália aproveita a ocasião para reiterar ao Ministério dos Negócios Estrangeiros e Cooperação os protestos da sua mais elevada consideração.

AMBASCIATA D'ITALIA MAPUTO

Maputo, - 6 GIU. 2017

Ao
MINISTÉRIO DOS NEGÓCIOS ESTRANGEIROS E COOPERAÇÃO
MAPUTO

F.ROT/AID 07/004/01

DRAFT

FINANCIAL AGREEMENT

between

Ministry of Finance of the Republic of Mozambique

and

Cassa depositi e prestiti S.p.A.

Up to EURO 60,000,000.00

"Maputo City Drainage System"

The Ministry of Finance of the Republic of Mozambique (hereinafter referred to as the "Borrower"), designated by the Government of the Republic of Mozambique

on one side,

and

Cassa depositi e prestiti S.p.A., share capital Euro 4,051,143.264.00 with registered office in Rome, Via Goito 4, registered with the Companies Register n. 80199230584, Tax Code VAT n. 07756511007 (hereinafter referred to as "**CDP**"), as administrator, on behalf of the Ministry of the Economy and Finance of the Italian Republic, of the Revolving Fund for Development Cooperation established by the Government of Italy pursuant to Article 26 of Italian Law no. 227 of May 24, 1977, and further referred to Article 8 of Italian Law no. 125 of August 11 2014, as amended from time to time, represented by Mr. Bernardo Bini Smaghi, Head of International Development Cooperation Department

on the other side

(CDP and the Borrower together hereinafter referred to as the "Parties")

Whereas

A. Pursuant to the agreement known as "Loan Agreement", signed in .... on ..... between the Government of the Republic of Mozambique, represented by the ...., and the Government of the Italian Republic, represented by the Ministry of Foreign Affairs and International Cooperation, ... (hereinafter referred to as "**LA**"), the Government of the Italian Republic has undertaken to finance the Project (as defined herein below), through a soft loan up to a maximum amount of Euro 60,000,000.00 (sixty million/00);

B. the Ministry of the Economy and Finance of the Government of the Italian Republic, by decree n.11140 dated February 03rd, 2016 (hereinafter referred to as the "**Decree**") authorised CDP to grant to the Borrower a soft loan on the terms and conditions set forth in Article 2 of this Financial Agreement (hereinafter referred to as the "**Agreement**") for the purpose of financing the Project;

C. pursuant to this Agreement, the Parties intend to set out the contractual provision and the financial terms relating to the soft loan as contemplated in Article 9 of the LA and in the Decree, the Parties have decided to enter into this

FINANCIAL AGREEMENT

Article 1

Definitions and Interpretation

1.1. The recitals and Annexes to this Agreement are an integral and substantial part of the same

1.2. In this Agreement and in the Annexes thereto, the following terms shall have the following meanings:

- **"Acknowledgement of Indebtedness"**: means the statement, referred to under Article 9, by means of which the Borrower undertakes, in favour of CDP, to reimburse the principal due with respect to the Soft Loan, in accordance with the relevant repayment schedule of the disbursed amount, to be prepared in accordance with Annex D) (*Form of Acknowledgement of Indebtedness*) to this Agreement;

- **"AICS"**: means the Italian Agency for Development Cooperation;
- **"CDP account"**: means the account held by CDP having the following details (IBAN IT06Z0760203200000000000122 - Bic/Swift CADPITRRXXX) where the reimbursement of the Soft Loan will be credited by the Borrower in favor of CDP;
- **"Contractual Documentation"**: means the documentation referred to in the Supply Contract/s (including, without limitations, invoices, bill of lading, packing list, work in progress) that shall be written in English;
- **"Discharge Receipt"** means discharge receipt completed by the supplier in the form of Annex C) and delivered pursuant to Article 7.5 of this Agreement against each disbursement of the Soft Loan;

- **"Grace Period"**: means the period beginning on the date on which the first disbursement of the Soft Loan is disbursed and ending 240 (two hundred and forty) months thereafter;
- **"Italian Competent Authorities"**: means the Ministry of the Economy and Finances and/or the Ministry of Foreign Affairs and International Cooperation of the Italian Republic and/or AICS and/or any other competent entity of the Government of the Italian Republic, nominated for the purpose of this Agreement;

- **"MAECI-DGCS"**: means the Ministry of Foreign Affairs and International Cooperation of the Italian Republic – Directorate General for Development Cooperation;

- **"MEF"**: means the Ministry of the Economy and Finance of the Italian Republic;

- **"Project"**: means the project for Maputo city drainage system to be financed through the Soft Loan in accordance with the LA, as amended, and this Agreement;
- **"Request for Financing of the Supply Contract"**: means a request made by the Borrower for the financing of the Supply Contract, substantially in the form of Annex A) (*Form of Request for Financing of the Supply Contract*) and in compliance with this Agreement;
- **"Request of Disbursement"**: means a request made by the supplier for a disbursement of the Soft Loan, substantially in the form of Annex B) (*Form of Request of Disbursement*) and in compliance with this Agreement;
- **"Soft Loan"**: means the facility that CDP, on the basis of Decree, and subject to the terms and conditions set out in this Agreement, has committed to grant to the Borrower;
- **"Supply Contract(s)"**: means the commercial contract(s) relating to the supply of goods and/or services by supplier to importers, connected to the implementation of the.

Article 2

Soft Loan

2.1 Subject to the terms and conditions set forth under this Agreement, CDP grants to the Borrower, and the Borrower hereby accepts, the following Soft Loan::

- Amount: Euro 60,000,000.00 (sixty million/00);
- Duration: 34 (thirty-four) years;
- Grace Period: 240 (two hundred and forty) months beginning on the date of the first disbursement;
- Repayment: 28 (twenty-eight) consecutive equal semi-annual principal instalments the first of which falling due 240 (two hundred and forty) months from the date of the first disbursement;
- Interest rate: 0.00% (zero point zero per cent);
- Credit Purpose: to finance Project "Maputo city drainage system".

2.2 The total amount of the Soft Loan may be used to cover local costs and imports of goods and services originating from other countries. Supply contracts shall be denominated in Euro.

2.3 The Soft Loan will finance the following items/activities of the Project:

- ✓ the construction costs of the project, for an estimated cost of Euro 47,000,000.00 (forty-seven million/00);
- ✓ additional infrastructural activities to mitigate the social impact of the Project, including contribution to the construction of a new residential area for the

affected population. The estimated cost of this component is Euro 9,000,000.00 (nine million/00);

- ✓ the design, the direction of works, the geological surveys and Environmental Impact Study (EIS) for the Project, for an estimated cost is of Euro 2,160,000.00 (two million one hundred and sixty thousand/00);
- ✓ charges for engineering works already executed before the upgrading of the project, engineering works to be executed and unforeseen costs, as for the residual amount.

2.4 The maximum amount mentioned in this Agreement equal to Euro 60,000,000.00 (sixty million/00) must be considered only as a ceiling. The actual amount of the Soft Loan will result from the total amount of the Supply Contracts allocated to the Soft Loan. In the event the actual amount should be lower than the one mentioned, the residual amount not included in the total amount of the Supply Contracts allocated to the Soft Loan shall be considered not available for the Soft Loan.

2.5 The Soft Loan cannot be used to finance:

- local taxes, custom duties, VAT.

Article 3

Coming into effect of this Agreement

3.1 This Agreement shall come into effect upon CDP having received from the Borrower satisfactory evidence of the following documents:

i) a statement by the competent authority of the Government of the Republic of Mozambique, evidencing the powers and authority of the Borrower to sign, in the name and on behalf Government of the Republic of Mozambique, this Agreement by a duly authorised person pursuant to the laws and regulations in full force and effect in Mozambique, and to undertake the obligations arising out of this Agreement;

ii) the appointment in writing by the competent authority of the Borrower (verified by the Italian Embassy in the Mozambique) of the person or persons duly authorised to sign this Agreement, the Request for Financing of the Supply Contract in the form of Annex A) and the Acknowledgement of Indebtedness in the form of Annex D), referred to under Articles 6 and 9 below. Such designation shall specify the name and the office of such person/s and contain the up to date "specimen form" of the signatures thereof. Any modifications thereof (if any) shall be transmitted in a timely manner by the Borrower to CDP.

3.2 CDP shall, upon receipt of the aforementioned documents in form and substance satisfactory to it, notify the Borrower and AICS, by letter or fax, to be subsequently confirmed by letter, of the date on which this Agreement shall have come into effect.

Article 4

Disbursement period of the Soft Loan

4.1 The disbursement period of the Soft Loan will be 60 (sixty) months from the date of entry into force of the Financial Agreement. The disbursement period of the Soft Loan may be extended only after the request of the Borrower sent to CDP and for knowledge to MAECI-DGCS and AICS. No extension may be made in the event that the Borrower or MAECI-DGCS or AICS opposes it by notifying CDP in writing within 30 (thirty) days from the expiration date of the disbursement period.

4.2 In the event that the disbursement period has expired and is not extendable pursuant to Article 4.1 above, CDP, after having consulted with the Italian Competent Authorities, shall inform the Borrower of the cancellation of CDP's commitment relating to the unused funds.

Article 5

Conditions and modalities for the disbursement of the Soft Loan

5.1 Without prejudice for Article 7.6, 7.7, 7.8 and 13 below, the Soft Loan may be utilised by the Borrower upon satisfaction of the following conditions:

i) authorisation issued by AICS to allocate the Supply Contract/s to the Soft Loan;

ii) successful result of the inquiry made by CDP according to Article 5.2, ii) below;

iii) CDP's receipt of the Request for Financing of the Supply Contract provided for by Article 6.1 below.

5.2 Upon receipt of the authorisation mentioned under Article 5.1, i) above, CDP shall promptly:

i) notify the Borrower the issuance of the authorisation under Article 5.1, i) above;

ii) carry out the controls, on the basis of the requirements provided for by the Italian Competent Authorities and CDP internal policies, over the supplier, the Italian individuals/companies (if any) involved with the local organisation and the Supply Contract/s. CDP shall request to the supplier some documents in order to perform the controls (i.e. anti-mafia controls, money laundering controls, registration at the Chamber of Commerce, etc.). With respect of the

Supply Contract/s, CDP shall verify that it/they is/are in compliance with the terms and conditions of the Soft Loan and that it/they is/are sufficiently detailed with regard to breakdown of costs/prices, in order to permit the inquires provided for under Article 7.2 below.

5.3 The successful result of the inquiry made by CDP as per Article 5.2 (ii) above will determine the allocation of the Supply Contract/s to the Soft Loan. The documents requested by CDP to the supplier shall be received in a timely manner and, in any case, no later than 6 (six) months from the date of the request by CDP provided for under Article 5.2, ii) above or the different term (if any) provided for in the Supply Contract/s. Upon the expiration of the above-mentioned period, or in case of unsuccessful result of the inquiry as per Article 5.2, CDP shall consider, after consultation with the Italian Competent Authorities, the rejection of the Supply Contract/s authorised as per Article 5.1, i) above.

5.4 CDP shall (i) notify, by letter or fax, the Borrower and the supplier or local supplier the allocation of the Supply Contract/s and (ii) require the Borrower to deliver the Request for Financing of the Supply Contract provided for under Article 6.1.

Article 6

Request for Financing of the Supply Contract

6.1 After the notification of the successful result of the inquiry according to Article 5.2, ii), the Borrower shall transmit to CDP a Request for Financing of the Supply Contract in the form of Annex A), necessary for the payments provided for in each Supply Contract. By means of such request, the Borrower acknowledges that the Supply Contract is eligible to be financed, instructs CDP to disburse the Soft Loan directly to the supplier subject to the terms and conditions of this Agreement and the Supply Contract, and undertakes to reimburse CDP the disbursed amounts.

6.2 The Request for Financing of the Supply Contract provided for under Article 6.1 above shall be received in a timely manner and in, any case, no later than 6 (six) months from the date of the notice by CDP provided for under Article 5.4 above or the different term (if any) provided for in the Supply Contract. Upon the expiration of the above-mentioned period, CDP shall consider, after consultation with the Italian Competent Authorities, the potential rejection of the Supply Contract/s allocated to the Soft Loan.

Article 7

Disbursement

7.1 The supplier shall deliver to CDP a duly completed Request of Disbursement in the form of Annex B) accompanied by an original copy of the Contractual Documentation. The disbursement will be performed within 30 (thirty) calendar days from the date of receipt of the Request of Disbursement or of the clarifications or documents as per Article 7.3 hereinafter, if applicable.

7.2 Following the receipt of each Request of Disbursement, CDP shall review the relevant Contractual Documentation. Such review shall include compliance of the Contractual Documentation with the relevant Supply Contract.

7.3 Should CDP require clarifications and/or encounter any discrepancy between the Contractual Documentation and the Supply Contract, it shall promptly inform thereof the supplier. The supplier shall deliver the requested clarifications or the correct Contractual Documentation within 15 (fifteen) calendar days from the request of CDP.

7.4 Upon the positive review as per articles 7.2 and 7.3, CDP shall send to the Borrower the original copy of the Contractual Documentation and the notice of the potential value date of the disbursement, within which the Borrower can deny the disbursement.

7.5 CDP shall make the payments in favour of the supplier and shall obtain from it the Discharge Receipt in the form of Annex C) in two originals, one of which shall be delivered to the Borrower.

After each disbursement of the Soft Loan, CDP shall deliver, by letter or email to the Borrower, the communication of disbursement and the repayment schedule of the disbursed amount, indicating the maturity dates of the repayment instalments. Each and every repayment schedule, completed in accordance with the conditions set forth in Article 8 below, shall be accepted by the Borrower in writing. If the Borrower within 60 (sixty) days from the date of the relevant CDP letter does not accept in writing the repayment schedule, the latter shall be considered irrevocably accepted by the Borrower.

For each repayment the Borrower shall indicate to CDP the Financial Agreement number and the total amount of the Soft Loan, and shall detail for each maturity date the amounts paid.

7.6 CDP will only make payments under any Request of Disbursement in the event that the corresponding amounts have been made available by the Italian Competent Authorities.

7.7 CDP will not make payments under any Request of Disbursement when it is or becomes unlawful or contrary to any rules or regulations for CDP to (i) perform any of its obligations as contemplated by this Agreement or to (ii) maintain its participation to the Soft Loan. In such circumstance CDP after having consulted with the Italian Competent Authorities, shall inform the Borrower of the cancellation of CDP's outstanding commitment relating to the Soft Loan and the Borrower shall immediately prepay all or any portion of the principal of, and accrued interest on, the Soft Loan (together with any other amounts accrued or payable under this Agreement and under the LA).

7.8 CDP is not liable *vis-à-vis* the Borrower in case the disbursement of the Soft Loan does not occur or is delayed for reasons not attributable to CDP, including in the event described in Articles 7.6 and 7.7.

Article 8

Repayment of the Soft Loan

8.1 All amounts disbursed by CDP shall be repaid according to the repayment schedule in n. 28 (twenty-eight) consecutive, equal semi-annual deferred instalments (hereinafter referred to as "**Principal Instalments**"), the first of which falling due 240 (two hundred and forty) months from the date of the first disbursement of the Soft Loan. CDP shall send to the Borrower the repayment schedule in compliance with Article 7.5.

8.2 On the outstanding Principal Instalments effectively credited, deferred interest shall be calculated at a nominal annual rate of 0.00% (zero point zero per cent).

8.3 The Borrower undertakes to make all repayments and payments due under this Agreement as well as under the Acknowledgement of Indebtedness on the actual maturity date, for the corresponding amount in Euro, in favour of CDP on the CDP Account. Such amounts shall be credited in immediately available funds, free and clear of and without any deduction or withholding. The Borrower may receive a notice before the maturity payment date. If the Borrower, because of whatever reason, does not receive the above-mentioned notice, it will undertake anyway to make all payments and repayments according to the repayment schedule without delay.

Article 9

Delivery of the Acknowledgement of Indebtedness

9.1 Within 60 (sixty) calendar days from the last Soft Loan disbursement expiry date set forth in Article 4.1, the Borrower shall deliver to CDP the Acknowledgement of Indebtedness in the form of Annex D) duly signed and initialled by the Borrower on each page, according to which it unconditionally and irrevocably declares to be debtor of CDP.

9.2 The repayment schedule set forth in the Acknowledgement of Indebtedness shall consolidate all Principal Instalments due at the date of delivery of the Acknowledgement of Indebtedness in accordance with the provisions of Article 7.5.

9.3 CDP shall deposit the Acknowledgement of Indebtedness for record and administration thereof and shall from time to time register on the Acknowledgement of Indebtedness any payment of principal and interest and, as soon as all payments indicated in the Acknowledgement of Indebtedness shall have been made, it shall return the same to the Borrower duly signed for receipt.

Article 10

Borrower's commitment

The Borrower's commitment to pay the sums due under this Agreement and the Acknowledgement of Indebtedness relating thereto is independent, absolute, unconditional and irrevocable.

Article 11

Events of Default

Each of the following events and occurrences shall constitute an event of default under this Agreement (further referred to as "**Event of Default**"):

11.1 The Borrower fails to repay any principal of, or interest on, the Soft Loan as per the requirements of this Agreement.

11.2 Any document contemplated in this Agreement or in the LA or any representation or warranty made or confirmed by any party or their official representatives to this Agreement or to the LA results being untrue, incomplete or misleading.

11.3 Any action is taken or event occurs that prevents or is likely to prevent the Borrower or its officers from carrying out their business or operations or a substantial part thereof.

11.4 The occurrence of any act, event, circumstance, or the enactment of any legislation or administrative regulation that affects the implementation of the Project as envisaged in this Agreement or in the LA.

11.5 The Borrower becomes, or is owned or controlled by or acting on behalf of an entity or person that becomes a target of any economic or trade sanctions or restrictive measures administered by the Office of Foreign Assets Control of the US Department of Treasury (OFAC) or any equivalent European Union, United Kingdom or United Nations measure, including sanctions imposed against certain states, organizations and individuals under the European Union's Common Foreign and Security Policy ("**Sanctions Target**"). The proceeds of the Soft Loan have been, directly or indirectly, lent, invested, contributed or otherwise made available to or for the benefit of any Sanctions Target."

Article 12

Consequences of Default

If an Event of Default occurs and is continuing, then CDP may – subject to instructions of the Italian Competent Authorities which will act at their discretion - by notice to the Borrower, declare all or any portion of the principal of, and accrued interest on, the Soft Loan (together with any other amounts accrued or payable under this Agreement and under the LA) to be, and the same shall thereupon become (anything in this Agreement or in the LA to the contrary notwithstanding), immediately due and payable without any further notice, demand or contestation of any kind, which are hereby expressly waived by the Borrower.

Article 13

No liability and force majeure

13.1 In case of impediments to the implementation of the Project due to causes of force majeure (such as war, flood, fire, typhoon, earthquake, labour conflicts and strikes, acts of any government, unexpected transportation difficulties or other causes), the provisions specified by the Article 11 of the LA shall apply. CDP shall follow the instructions by the Italian Competent Authorities related to the Project activities.

13.2 CDP will not be liable for any delay (or any related consequences) in crediting the account indicated in the Request of Disbursement with the amount to be paid by CDP in accordance with the requirements of this Agreement.

Article 14

Disbursement Suspension

During the Soft Loan's disbursement period, CDP reserves the right to suspend the Request of Disbursement under Article 7, in case of (i) any Events of Default; (ii) a default vis-à-vis CDP under this Agreement and/or under any other soft loans granted by the Government of the Italian Republic to the Government or the Central Bank or to the State Agencies of the Republic of Mozambique, pursuant to Article 8 of Italian Law no. 125 of August 11th, 2014 of the Italian Republic as amended from time to time and (iii) any other country suspends the disbursement of loans of a similar nature to the Government or to the Central Bank or to State Agencies of the Republic of Mozambique (including but not limited to for reasons linked to the creditworthiness of such Government, Central Bank or State Agency, as the case may be). CDP shall timely inform the Borrower of such suspension.

Article 15

Default Interest

15.1 If for any reason whatsoever CDP does not receive any amount payable to it within the maturity date, the Borrower shall pay default interest on the overdue amount from the maturity date up to the date of actual payment in favour of CDP.

15.2 Such default interest shall be calculated by applying the simple interest formula. Default interest shall not be calculated for the period of 35 (thirty-five) days immediately subsequent to the original due date and, thereafter, at the rate of 0.10% (zero point ten per cent) up to the date of actual crediting in favour of CDP. The latter default interest shall be periodically updated by the Italian Competent Authorities.

Article 16

Taxes

16.1 Any present or future tax which may be due in Mozambique for any reason whatsoever related to this Agreement and to the Acknowledgement of Indebtedness, shall be exclusively borne by the Borrower.

16.2 Any tax due in Italy related to this Agreement shall not be borne by the Borrower.

16.3 CDP declares that it will avail itself of the tax status provided for under Article 5, point 24, of the Decree Law n. 269 of September 30, 2003, as amended from time to time.

Article 17

Governing Law

This Agreement shall be governed and construed in accordance with Italian law.

Article 18

Settlement of disputes

18.1 The Parties hereto shall endeavour to settle amicably any dispute arising from the interpretation and/or execution of this Agreement.

18.2 If these efforts should not lead to a settlement of the dispute within a reasonable period of time and in any event within three months, the dispute shall be settled at a governmental level.

18.3 Should also the effort under Article 18.2 fail or (if the attempt is made) it does achieve a satisfactory result within three months, all disputes arising from or in connection with this Agreement shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce, Paris, France, by an Arbitration Tribunal of three Arbitrators:

- one arbitrator appointed by the Borrower;
- one arbitrator appointed by CDP;
- the third arbitrator to be appointed jointly by the abovementioned Arbitrators or, in case of their disagreement, by the Chairman of the International Chamber of Commerce, Paris.

18.4 If the Borrower or CDP does not appoint its arbitrator within 30 (thirty) days from the request of the other Party, this arbitrator shall be appointed by the Chairman of the International Chamber of Commerce, Paris.

18.5 The decision of the Arbitration Tribunal, who shall decide according to the law of the Italian Republic, shall be final and unconditionally binding on both Parties without any possibility of appeal.

18.6 No disagreement nor dispute which may arise between the Parties hereto shall suspend the obligation of the Borrower to pay, on the agreed due dates, all the amounts due under this Agreement and in particular all the amounts resulting from the repayment schedules set forth in Article 7 above and from the Acknowledgement of Indebtedness.

Article 19

Notices

Notices to be given pursuant to this Agreement shall be addressed as follows:

- Ministry of Finance of the Republic of Mozambique – National Treasury Directorate – Praca da Marinha Popular n° 929 MAPUTO – REPUBLIC OF MOZAMBIQUE
  Tel. +258.21.311125; Fax +258.21.310493
- Cassa depositi e prestiti S.p.A. – International Development Cooperation Department, Via Goito n. 4 – 00185 Rome, Italy e-mail: fondorotativocs@cdp.it.

Article 20

Original copies of the Agreement

This Agreement is signed in three originals in English. CDP keeps two originals and the Borrower one original.

Article 21

Final Clause

The provisions of the LA are deemed to be expressly restated under this Agreement and will apply in favor of CDP, unless otherwise provided under this Agreement.

Cassa depositi e prestiti S.p.A.	Ministry of Finance of the Republic of Mozambique
Signed in …….. on ……	Signed in ….. on ……

Annex A)

(Form of Request for Financing of the Supply Contract)

From: .... (Borrower)
To: Cassa depositi e prestiti S.p.A.

Financial Agreement of Euro .... (.............) signed by us in .... on .... and by Cassa depositi e prestiti S.p.A. in .... on .... (hereinafter, the "**Agreement**")

Terms defined in the Agreement have the same meaning herein.

Pursuant to Article 6 of the Agreement, we would like to inform You that the Supply Contract herewith enclosed, no. ...... dated .... between .... and .... in connection with .... [Project], is eligible for financing.

As a result, we request You to disburse directly to .... ([•]or local supplier) the relevant amount of Euro .... (.........) in accordance with the terms of the Supply Contract, which corresponds to the payments due by us under such , Supply Contract.

For such purpose, we acknowledge that the payments that You shall make in favour of the [•] or local supplier indicated by us shall be subordinated to (i) the delivery, by the supplier, of the Contractual Documentation (including, without limitations, invoices, bill of lading, packing list, work in progress), (ii) the successful review of the Contractual Documentation pursuant to Article 7.2 of the Agreement and (ii) the delivery of a Discharge Receipt in two originals. We further acknowledge that you will credit the requested amount, subject to the relevant amount having been made available to you by the Italian Competent Authorities.

In this respect, we ask You to deliver to us the original of the Contractual Documentation as well as one of the two original of such Discharge Receipt.

We hereby confirm that the Government of the .... undertakes unconditionally and irrevocably to repay each amount credited by You to the supplier's account according to the terms and conditions provided for under the Agreement.

Within 60 (sixty) days from the disbursement of the Soft Loan requested hereunder, we undertake to deliver an Acknowledgement of Indebtedness for all the amounts disbursed under the Agreement.

Yours faithfully.

Date ...

....
(Borrower's signature)

Annex B)

(Form of Request of Disbursement)

From: .... (supplier)
To: Cassa depositi e prestiti S.p.A.
[Copy to the Borrower]

Financial Agreement of Euro .... (.............) signed by .... [the Borrower] in .... on .... and by Cassa depositi e prestiti S.p.A. in .... on .... (hereinafter, the "**Agreement**")

Terms defined in the Agreement have the same meaning herein.

Dear Sirs,

With reference to the Supply Contract no. ...... dated .... between us and .... [for the amount of Euro .... (....)] executed in connection with .... [Programme /Project], we send You the following Contractual Documentation:

- ....
- ....
- ....

We hereby ask You to disburse to us an amount equal to Euro [•] within 30 (thirty) days from the date of receipt of this Request of Disbursement on the following bank account ([•] *or local supplier's Bank)*:

IBAN ...., opened in the name of .... [[•] or local supplier], bank ...., telephone ...., branch office ...., fax ....

Yours faithfully,

Date, ...   **(supplier's signature)**

We herein confirm the genuineness of the signature.

....
(supplier's Bank)

Annex C)

(Form of Discharge Receipt)

From: .... (supplier)

to: .... (Borrower)

to: Cassa depositi e prestiti S.p.A.

DISCHARGE RECEIPT

With reference to the Supply Contract no. .... signed on .... between our company and .... for the supply of ...., we hereby confirm to have received the amount of EURO .... (................) as partial/total payment of such Supply Contract.

Such amount is related to the Soft Loan of Euro .... (..............), granted by Cassa depositi e prestiti S.p.A. to the Government of the ..., pursuant to Article 8 of Italian Law n. 125 of August 11, 2014 as subsequently amended from time to time, by means of the Financial Agreement signed in .... on .... and in ... on ....

We, therefore, hereby confirm to have been paid in full for the partial/total amount due under the Soft Loan as payment of the amount of EURO .... (.........................) and that the Borrower and CDP are not liable for any and all charges and responsibility relating the amount received.

(suppliers' Signature)

We herein confirm the genuineness of the signature.

....

(supplier's Bank)

Annex D)

(Form of Acknowledgement of Indebtedness)

THE .... (BORROWER)

N. ....

Place and date of issue:
Financial Agreement

Terms defined in the Agreement have the same meaning herein.

With regard to the LA between ...... and the Government of the Italian Republic signed in ..... on ..... and the Financial Agreement of Euro .... between .... (hereinafter, the "**Borrower**") and Cassa depositi e prestiti S.p.A. (hereinafter, "**CDP**"), signed in .... on .... (hereinafter, the "**Agreement**"), the Borrower acknowledges receipt of the following amounts from CDP (credited directly in favour of the supplier):

EURO .... on ....

EURO .... on ....

....

Therefore, the Borrower hereby unconditionally and irrevocably declares to be a debtor of CDP, as manager, on behalf of the Ministry of the Economy and Finance of the Italian Republic, of the Revolving Fund for Development Cooperation with registered office in Rome (Italy), Via Goito 4, for the principal amount of EURO .... (...............) which it undertakes to repay in ... (...) equal consecutive [semi-annual] instalments, the first of which falling due on .... and the last on ...., according to the repayment schedule set forth herein below.

The Borrower shall repay the Principal Instalments (as defined in the Agreement) and shall pay the interest provided for in this Acknowledgement of Indebtedness, by crediting the relevant amounts in Euro, on the agreed due dates, in favour of CDP, or of the person/s entitled thereto, to the ...., in immediately available funds, free and clear of and without any deduction or withholding.

If CDP, for any reason whatsoever, including reasons beyond the Borrower's control, does not receive any amount payable to it within the due date, the Borrower shall pay default interest on the overdue amount from the maturity date up to the date of actual payment in favour of CDP.

Such default interest shall be calculated and updated from time to time by the Italian Competent Authority in accordance with Article 15 of the Agreement.

CDP shall from time to time annotate on this Acknowledgement of Indebtedness any payment received in respect of principal and/or interest.

This Acknowledgement of Indebtedness is issued pursuant to the Soft Loan of Euro .... (.............), granted pursuant to Article 8 of Italian Law n. 125 of August 11, 2014.

REPAYMENT SCHEDULE

Maturity Date	**Principal Instalment**	**Annotation** **[Paid/unpaid]**	**Total**

....

(Borrower's signature)

Ambasciata d'Italia

Maputo

718

Maputo, - 6 GIU. 2017

Assunto: Projecto " Sistema de Drenagem de Águas Pluviais na Cidade de Maputo" – Envio novo texto de Convenção Financeira

Excelência,

tenho o prazer de enviar copia da Nota Verbal, transmitida ao Ministério dos Negócios Estrangeiros e Cooperação, com a qual se envia proposta de novo texto de Convenção Financeira para a realização do Projecto "Sistema de Drenagem de Águas Pluviais na Cidade de Maputo".

Sem outro assunto de momento, apraz-me a ocasião, Senhor Ministro, para reiterar os protestos de mais elevada estima e consideração.

O Embaixador

Marco Conticelli

Sua Excelência
ADRIANO AFONSO MALEIANE
Ministro da Economia e Finanças

MAPUTO

Av. Kenneth Kaunda, 387 * Tel.: 21 491605 / 21492227/9 * Fax 21 490503 * Cell: 82 3034595 / 84 302 2270
Web: www.ambmaputo.esteri.it E-mail: ambasciata.maputo@esteri.it

Ambasciata d'Italia

Maputo

718

Maputo, - 6 GIU. 2017

Assunto: Projecto " Sistema de Drenagem de Águas Pluviais na Cidade de Maputo" – Envio novo texto de Convenção Financeira

Excelência,

tenho o prazer de enviar copia da Nota Verbal, transmitida ao Ministério dos Negócios Estrangeiros e Cooperação, com a qual se envia do proposta de novo texto de Convenção Financeira para a realização do Projecto "Sistema de Drenagem de Águas Pluviais na Cidade de Maputo".

Sem outro assunto de momento, apraz-me a ocasião, Senhor Ministro, para reiterar os protestos de mais elevada estima e consideração.

O Embaixador

Marco Conticelli

Sua Excelência
CARLOS BONETE MARTINHO
Ministro das Obras Públicas, Habitação e Recursos Hídricos
MAPUTO