



República de Moçambique
Ministério da Economia e Finanças



ProAzul
MOÇAMBIQUE

Grant No: [2]

PROGRAM PARTNERSHIP AGREEMENT

between

Gabinete do Desenvolvimento do Compacto-II

and

O Fundo de Desenvolvimento da Economia Azul, FP(ProAzul)

**Coastal Livelihoods and Climate Resilience Project
Program Partnership**

Dated: May 24, 2024

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This Agreement is made as of the **24th of May, 2024**, (the “**Effective Date**”) between the **Gabinete do Desenvolvimento do Comptaco-II (“GDC”)**, on behalf of the Government of Mozambique (to be replaced by the Millennium Challenge Account-Moçambique (“**MCA Entity**”), on the one part, and **O Fundo de Desenvolvimento da Economia Azul, FP (ProAzul)** (“**Partner**”), on the other part, in *cooperation* with **ACDI/VOCA** as a Sub-recipient (“**Cooperating Sub-recipient**”). The GDC (but only until MCA-Moçambique joins this Agreement), MCA-Mocambique (upon joining the Agreement) and Partner are referred herein collectively as (“**Parties**”), and each individually as a (“**Party**”), (this “**Program Partnership Agreement**” or “**Agreement**”).

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WHEREAS,

- (a) The United States of America, acting through the Millennium Challenge Corporation, a United States government corporation (“**MCC**”), and the **Republic of Mozambique**, acting through the Ministry of Economy and Finance (the “**Government**”) entered into (i) a Millennium Challenge Compact for assistance to help facilitate poverty reduction through economic growth in **Mozambique** (the “**MCA Country**”) on September 21, 2023 (the “**Compact**”)¹ in the amount of approximately **\$449,800,000 USD** (“**MCC Funding**”) and (ii) a Program Implementation Agreement dated September 21, 2023 between MCC and the Government (“**PIA**”)²;
- (b) The Government, acting through the GDC, until such time as the MCA Entity joins this Agreement, intends to apply a portion of the proceeds of MCC Funding to eligible payments under this Agreement. All references to the MCA Entity in this Agreement shall refer to the GDC until such time as the MCA Entity duly joins this Agreement.
- (c) Payments made under this Agreement will be subject, in all respects, to the terms and conditions of the Compact and related documents, including restrictions on the use, and conditions to disbursement, of MCC Funding. No party other than the Government and MCA Entity will derive any rights from the Compact or have any claim to the proceeds of MCC Funding;

Under the Compact, MCA Entity has been designated by the Government to implement ecosystems and the sustainable development of artisanal fishing and to help the coastal regions of Zambézia+³ recover from and reverse the impacts of climate change and over-fishing, the Coastal Livelihoods and Climate Resilience Project (“**Project**”).

¹ Available at <https://assets.mcc.gov/content/uploads/compact-mozambique-ccr-112923.pdf>

² Available at <https://assets.mcc.gov/content/uploads/pia-mozambique-ccr.pdf>

³ Defined in Annex B, Section 1.2.1



- (d) MCA Entity wishes to enter into a Program Partnership Agreement to make a contribution towards, and provide for the substantial involvement of MCA Entity in the implementation of activities to advance the Project with a mutually committed partner; and
- (e) MCA Entity has selected Partner and desires to cooperate with and make an award to Partner to implement the actions described in Annex B (the “**Partnership**”), in order to advance the Coastal Livelihoods and Climate Resilience Project.

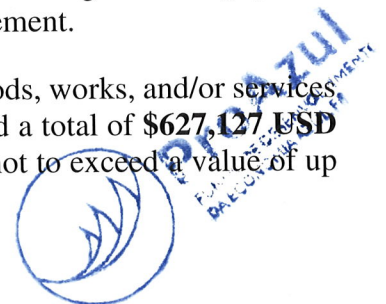
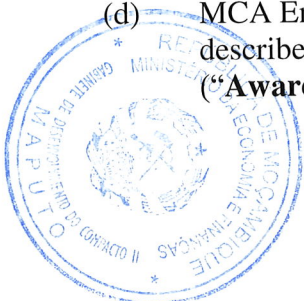
NOW, THEREFORE, MCA Entity and Partner hereby agree as follows:

ARTICLE 1

AWARD

Section 1.1 Award

- (a) Definitions: Capitalized terms used in this Agreement and not defined in this Agreement have the meanings provided in the Compact, PIA, and the Program Grant Guidelines.
- (b) Subject to the terms of this Agreement, MCA Entity agrees to provide a Grant to Partner (the “**Award**”) in an amount not to exceed **\$49,248,945 USD** (the “**Award Amount**”) and to provide Partner with other MCA Partnership Contributions as further described in Annex C to implement the Partnership. In consideration of the Award and MCA Partnership Contributions allocated, Partner will implement, and allocate such Partner Contributions as further described in Annex C toward the implementation of the Partnership on the terms provided in this Agreement.
- (c) Partner acknowledges and agrees that MCA Entity will provide funding, goods, works, or services under this Agreement only for the Partnership, the objectives and purposes of which are described in Annex B (“**Partnership Description**”), and only for the amount, period and purposes set out in this Agreement. MCA Entity agrees to make an Award comprising a Fixed Amount Grant and an In-Kind Grant, the combined total value of which shall not exceed the Amount Award. The Fixed Amount Grant costs must have accrued during the Term (defined in Section 1.2) and resulted from the completion of a Milestone (defined in Section 1.3(b)). Award costs may not exceed the amount specified for each Milestone in accordance with the Milestone Disbursement Schedule (defined in Section 1.3(b)) provided in Annex M. Award costs must be accounted for and financial reports submitted together with Milestone Disbursement Requests (defined in Section 1.4(a)), in form and substance satisfactory to MCA Entity, clearly evidencing that the payment originated from the Partner during the term of this Agreement.
- (d) MCA Entity agrees to make an In-Kind Grant for the goods, works, and/or services described in Annex N valued at an amount not to exceed a total of **\$627,127 USD** (“**Award Value**”) for the Term of the Agreement, and not to exceed a value of up



to an amount of **\$123,929 USD** of the Award Value prior to the Compact's entry into force to implement the In-Kind Grant.

- (e) Total MCA Entity funding for the Partnership is limited to the Award Amount. If Partner chooses to continue implementation of the Partnership after the Award Amount has been exhausted, or undertakes activities beyond those expressly agreed herein, Partner understands that MCA Entity makes no commitment of funding or MCA Partnership Contributions beyond those specifically described in this Agreement, and that Partner will bear all the costs and obligations associated with all such continued implementation of the Partnership, without any further financial or operational support from MCA Entity.

Section 1.2 Term

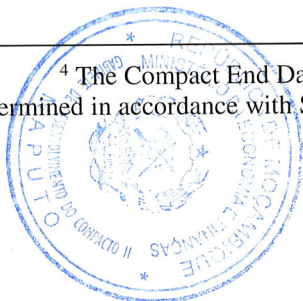
- (a) Upon its execution by the Parties, this Agreement will be considered to have commenced on the Effective Date and will expire on the Compact end date ("CED")⁴ (the "**Expiration Date**") (such duration, the "**Term**") unless this Agreement is earlier terminated in accordance with Section 3 or otherwise extended in accordance with Section 4.7.

Unless otherwise provided in this Agreement, all activity undertaken to implement the Partnership using any portion of the Award Amount under this Agreement will terminate and the Partner must submit final Disbursement Requests by no later than 60 days before CED (the "**End of Award Date**") unless this Agreement is earlier terminated in accordance with Article 3 or otherwise extended in accordance with Section 4.7.

Section 1.3 Disbursement of Award

- (a) MCA Entity will, subject to the terms of this Agreement, disburse funds from the Award Amount to Partner, including the Cooperating Sub-recipient, denominated in United States dollars, in accordance with Section 1.3 (b) below following Partner's achievement of the Milestones provided in Annex M. Disbursements will be made within thirty (30) days of receipt of a Disbursement Request from Partner made in accordance with Section 1.4. Notwithstanding MCA Entity's Award Amount under this Agreement, MCA Entity's obligation to disburse funds from the Award Amount will terminate on the earlier of (i) the Expiration Date and (ii) the date of termination of this Agreement in accordance with Section 3.2. Prior to entry into force of the Compact, MCA Entity will only pay the Partner up to **\$4,247,881 USD** of the Award Amount, in accordance with the Milestone Disbursement Schedule.

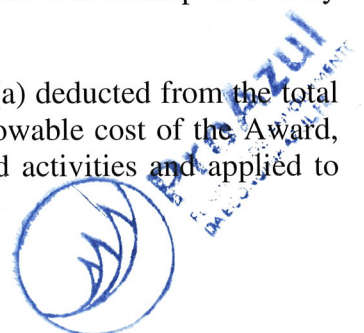
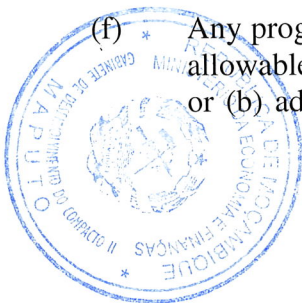
⁴ The Compact End Date shall be five years after the Compact's entry into force unless otherwise determined in accordance with Section 5.1 of the Compact.



- (b) MCA Entity will pay Partner upon the achievement of the Milestones (“**Milestones**”) in the Milestone Disbursement Schedule provided in Annex M (“**Milestone Disbursement Schedule**”).
- (c) Note that MCA Entity must be able to verify that Partner has achieved each Milestone by the due date or Partner will not be paid for such Milestone without a modification to the Milestone Disbursement Schedule of this Agreement. Specifically, no payments will be made for partially completed Milestones or Milestones that do not fully meet the requirements, and no payments will be made for Milestones submitted past the due date specified in the Milestone Disbursement Schedule without a modification to the Agreement’s Milestone Disbursement Schedule in accordance with Section 4.7.
- (d) MCA Entity will pay Partner the agreed upon amount or up to the agreed upon Milestone value upon the achievement and verification of the Milestone, the provision of the relevant Partner Contribution (or Cost Share if applicable) in accordance with Annex D, and the provision of a Milestone Disbursement Request in accordance with Section 1.4(a) and in form and substance satisfactory to MCA Entity.
- (e) All disbursements of funds from the Award Amount will be made by deposit directly to Partner’s verified bank account identified in Annex F (or as otherwise specified by Partner to MCA Entity in writing and verified by MCA Entity), upon Partner’s request following verification of Milestone completion by MCA Entity, in consultation with the Partnership Advisory Committee (defined in Section 1.6(a)), where applicable. Disbursements will be made in the fixed amount applicable for such Milestone as per the Milestone Disbursement Schedule. MCA Entity will not be obligated to disburse any portion of the Award Amount unless Partner has:
 - (i) executed and returned a copy of this Agreement to MCA Entity;
 - (ii) provided verified bank details to MCA Entity; and
 - (iii) complied with the terms of this Agreement, including all requirements described in Annex G.

MCA Entity reserves the right to suspend and withhold all or any disbursements of any portion of the Award Amount in accordance with Section 3.1 at any time and in its sole discretion, including if MCA Entity or the Partnership Advisory Committee has reasonably requested information or documentation from Partner in accordance with this Agreement and Partner has not provided the requested information or documentation to MCA Entity or the Partnership Advisory Committee, as the case may be, within a timely manner.

- (f) Any program income earned under the Award may be (a) deducted from the total allowable cost of the Award in determining the net allowable cost of the Award, or (b) added to the funds that are committed to Award activities and applied to



further the Award's objectives for the Partnership's purpose in accordance with MCC's Program Grant Guidelines.

Section 1.4 Disbursement Requests

- (a) Requests for disbursement will be made in writing to MCA Entity by Partner and must be accompanied by a report in a form and substance satisfactory to MCA Entity ("**Disbursement Request**"), describing Partner's satisfaction or completion of the relevant Milestone(s) and addressing the matters described in Annex H (each a "**Progress Report**"). Any Indirect Rates⁵ approved in the **Award Budget** (Annex L) will be provided in accordance with MCC's Cost Principles for Government Affiliates. MCA Entity must be satisfied that the applicable Milestone has been achieved prior to disbursement of any applicable portion of the Award Amount. Any Indirect Rates⁶ approved in the Award Budget will be provided in accordance with MCC's Cost Principles for Government Affiliates. MCA Entity must be satisfied that any and all applicable Milestones have been achieved prior to the disbursement of any applicable portion of the Award Amount.
- (b) Partner must submit its final Disbursement Request to MCA Entity according to the Milestone Disbursement Schedule, in the event of termination of this Agreement under Section 3.2, within ten (10) days (or such other time as may be agreed by the Parties in writing) of a Party's receipt of written notice of termination.

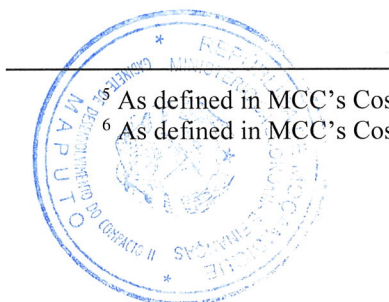
Section 1.5 Tax

Except as provided in Section 2.8 and Annex VI of the Compact or a related agreement:

- (a) Partner may be subject to certain Taxes on amounts payable by MCA Entity under this Agreement in accordance with Applicable Law (now or hereinafter in effect), Partner will pay all Taxes levied under Applicable Law; in no event will MCA Entity be responsible for the payment or reimbursement of any Taxes. If any Taxes are imposed on Partner, the Award Amount will not be adjusted to account for such Taxes;
- (b) Partner will follow the usual customs procedures of the MCA Country in importing property into the MCA Country;
- (c) If Partner does not withdraw from the MCA Country, but disposes of any property in the MCA Country upon which customs duties or other Taxes have been exempted, Partner will: (i) bear such customs duties and other Taxes in conformity with Applicable Law, or (ii) reimburse such customs duties and Taxes to MCA Entity, if such customs duties and Taxes were paid by MCA Entity at the time the property in question was brought into the MCA Country;

⁵ As defined in MCC's Cost Principles for Government Affiliates.

⁶ As defined in MCC's Cost Principles for Government Affiliates.

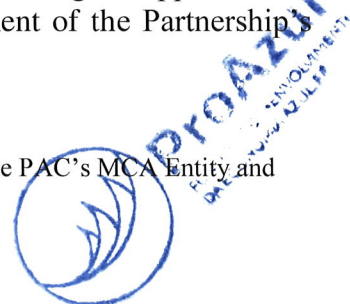


- (d) If Partner is required to pay Taxes that are exempt under the Compact or a related agreement, Partner will promptly notify MCA Entity (or such agent or representative designated by MCA Entity) of any Taxes paid, and Partner will cooperate with, and take such actions as may be requested by MCA Entity, MCC, or either of their agents or representatives, in seeking the prompt and proper reimbursement of such Taxes; and
- (e) MCA Entity will use reasonable efforts to ensure that the Government provides Partner the exemptions from taxation applicable to Partner, in accordance with the terms of the Compact or related agreements, and if MCA Entity fails to comply with its obligations under this paragraph, Partner will have the right to terminate this Agreement pursuant to 1(a).

Section 1.6 Partnership Advisory Committee; Implementation; Monitoring; Key Personnel; Special Conditions

- (a) Partnership Advisory Committee.
 - (i) The Parties will be advised by an advisory body (the “**Partnership Advisory Committee (PAC)**” or “**Committee**”) established by mutual agreement between MCA Entity and Partner(s) in accordance with the guidance below. The Partnership Advisory Committee is required for joint governance of the Partnership and can be augmented by other shared governance structures as agreed to by the Parties. The structure, terms of reference, membership, decision-making processes, meeting cadence, and guiding principles for the PAC and any affiliated governance components (e.g., technical advisory committees) will be documented in the Governance and Yearly Implementation Plan (defined in Section 1.8(a)).⁷ The PAC will be authorized by the Parties to:
 - (A) take steps within the authority of the Committee to guide and advise the Parties toward a mutually acceptable implementation of the Partnership, including steps to coordinate and monitor Partnership activities, assess the health and effectiveness of the Partnership as a modality for achieving the Partnership’s objectives as described in Annex B, identify opportunities for strengthening the health and effectiveness of the Partnership, facilitate learning within the Partnership and with broader stakeholders, resolve issues or conflicts, identify and mitigate risks to the successful achievement of the Partnership’s objectives, and take advantage of opportunities to advance the Partnership and achievement of the Partnership’s

⁷ The first Governance and Yearly Implementation Plan will be approved by the PAC’s MCA Entity and Partner representatives.



objectives, including the mobilization of aligned or complementary funding for Project sustainability post-Compact;

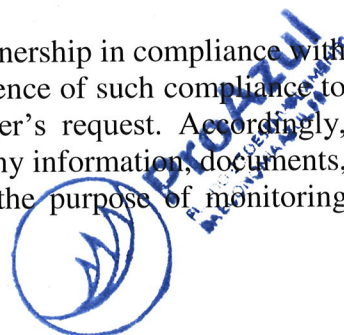
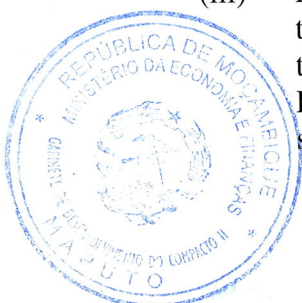
- (B) consider and advise on recommendations for adjustments to (1) the Governance and Yearly Implementation Plan, (2) the Milestones, (3) the Partnership Description, and (4) the composition of additional Committee members as circumstances so require at the discretion of the Parties; provided, however, that any modification of this Agreement, including (but not limited to) of the Committee members, the Partnership Description, and Milestones described herein, is subject to such written approvals as may be required under Section 4.7;
- (C) request advice from individuals or organizations, as identified by the PAC, on technical, operational, legal, or other matters related to the Project at the request of either Party or on its own initiative;
- (D) convene groups of Project stakeholders on a periodic basis for the purpose of raising awareness about Project activities, seeking stakeholder input on Project activities, and further stakeholder support for the Project; and
- (E) fulfill such other duties as further described in this Agreement.

(ii) The Committee will include:

- (A) at least one individual from MCA Entity authorized by MCA Entity to administer its obligations with respect to the Award ("**Award Manager**"). The Award Manager will be empowered by MCA Entity to administer MCA Entity's obligations under this Agreement, to represent MCA Entity on the PAC, and to drive consensus within MCA Entity on decisions made by the PAC;
- (B) at least one individual representing Partner, authorized by Partner to serve as its point of contact for the PAC and to administer Partner's obligations under this Agreement, to represent Partner on the PAC, and to drive consensus within Partner's organization on decisions made by the PAC ("**Partnership Manager**"); and
- (C) select representatives of organizations, beneficiary groups, implementing partners, collaborators, or other stakeholders relevant to the success of the Project with areas of authority and responsibility as set forth in the Governance and Yearly Implementation Plan. These representatives will be invited to join the PAC based on mutual agreement between MCA Entity and Partner.



- (iii) Notwithstanding Section 4.8 and except as otherwise provided therein, the Committee will assist the Parties with the amicable settlement of all disputes arising out of this Agreement by calling a meeting of the Committee upon the request of either Party.
 - (iv) Unless otherwise provided in this Agreement, recommendations of the Committee will be determined by consensus.
 - (v) Members of the Partnership Advisory Committee that are not representatives of either Party to this Agreement must execute an acknowledgment substantially in the form provided in the Governance and Yearly Implementation Plan (“**Confidentiality Acknowledgement**”) prior to receiving confidential information related to the Partnership.
- (b) Implementation.
- (i) Partner will be responsible for the implementation of the activities necessary to achieve the Milestones in accordance with the Partnership Description provided in Annex B and the terms of this Agreement. Partner will, to the extent set forth in Annex D, commit Key Personnel (defined in Annex E) to the implementation, advancement, and success of the Partnership. Such Key Personnel may not be replaced or removed without the written approval of the MCA Entity, as set forth in Section 4.7.
 - (ii) Partner may, from time to time in the course of executing its duties, call upon the Committee for advice or assistance.
 - (iii) MCA Entity will be responsible for the implementation of the activities and making the contributions identified as the MCA Partnership Contributions in Annex C in order to support Partner’s implementation of the Partnership.
- (c) Monitoring.
- (i) Partner will prepare the Partnership’s Monitoring and Evaluation Plan in accordance with Annex K (“**Partnership M&E Plan**”), Progress Reports and such other reports as may be requested by the Committee.
 - (ii) The Board of Directors of MCA Entity or the Director Executivo of MCA Entity may request Partnership updates from the Committee, in which event, Committee members will jointly provide such updates, with Partner reporting on Partnership implementation and Partner Contributions, and MCA Entity reporting on MCA Partnership Contributions.
 - (iii) Partner is responsible for implementing the Partnership in compliance with the terms of the Agreement and providing evidence of such compliance to the Award Manager upon the Award Manager’s request. Accordingly, Partner will provide the Award Manager with any information, documents, site access, or other assistance requested for the purpose of monitoring

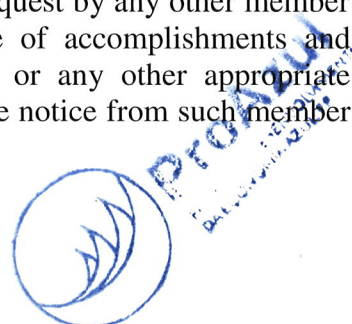


Partnership progress and ensuring Partner's compliance with the terms of this Agreement. The Award Manager has the right to make site visits at reasonable times and upon reasonable prior notice to review Partnership accomplishments and management control systems and to provide technical assistance, if required. All site visits and evaluations must be performed in a manner that does not unduly interfere with or delay Partner's work. The Award Manager and MCC retain the right to conduct an audit or a financial review of Partner at any time for any reason.

- (iv) Partner must track and report data to integrate into the monitoring and evaluation plan for the Compact. MCA Entity will verify that the data is accurate and complete. Failure to submit accurate and complete data on time may be grounds for MCA Entity to suspend or terminate the Award. The Partner must use the reporting instructions provided in Annex H to report on this data.
- (v) Partner will submit a Final Report (defined in Annex H) no later than the End of Award Date.

(d) Coordination and Review Meetings.

- (i) The Committee will periodically hold meetings no less frequent than biannually ("**Coordination and Review Meetings**") to assess the state of the Partnership and the performance of each of MCA Entity and Partner under this Agreement, share information, develop strategies to enhance implementation of the Partnership, and advise Partner and MCA Entity on operational issues that may arise which may necessitate changes to (A) the Governance and Yearly Implementation Plan, (B) the Milestones, (C) the Partnership, or (D) the Committee members.
- (ii) For each Coordination and Review Meeting,
 - (A) the Partnership Manager will, upon the Committee's request, provide a comprehensive status overview of Partner's technical progress compared to the Milestones and the Partner Contributions contributed toward the success of the Partnership;
 - (B) the Award Manager will, upon the Committee's request, provide a comprehensive status overview of MCA Entity activities and MCA Partnership Contributions contributed toward the success of the Partnership; and each Party or member of the Committee or any advisor thereto will, upon reasonable request by any other member of Committee, apprise the Committee of accomplishments and challenges met under this Agreement or any other appropriate subject matter specified, with reasonable notice from such member of the Committee.



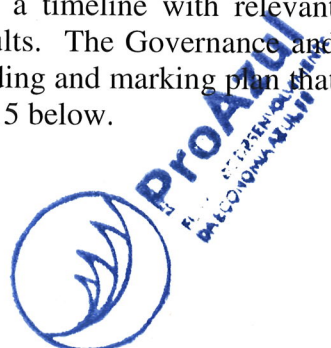
- (iii) At least one Coordination and Review Meeting each year will address annual updates to the Governance and Yearly Implementation Plan, Milestones, the Award Budget, and implementation of the Partnership.
- (iv) The Parties agree that MCC will be permitted to attend any Coordination and Review Meeting as an observer, at its sole discretion.
- (e) Key Personnel. Changes to Key Personnel as provided in Annex D must be approved by MCA Entity. Key Personnel may include members of the Cooperating Sub-recipient or of Sub-recipients.

Section 1.7 Cooperating Sub-recipient

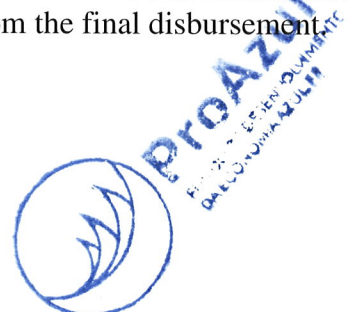
- (a) Partner hereby agrees to transfer certain responsibilities under this Agreement to the Cooperating Sub-recipient, ACDI/VOCA, in accordance with the Milestone Disbursement Schedule provided in Annex M. The responsibilities transferred to the Cooperating Sub-recipient shall not exceed those provided in Annex M. Such transfer of responsibilities shall be memorialized in an agreement between Partner and the Cooperating Sub-Recipient, which shall be provided to MCA Entity in accordance with the Milestone Disbursement Schedule. Notwithstanding such transfer of responsibilities, Partner remains responsible for all work performed by the Cooperating Sub-recipient and any confidential and proprietary information provided to the Cooperating Sub-recipient pursuant to performance under this Agreement. The Cooperating Sub-recipient receives no benefits under this Agreement, other than the benefits provided for Milestones met, in accordance with the Milestone Disbursement Schedule.

Section 1.8 Planning and Closeout

- (a) Partnership Governance and Yearly Implementation Plan.
 - (i) Partner will submit to the Committee a Governance and Yearly Implementation Plan, developed in collaboration and consultation with any advisors and MCA Entity, for the implementation of the Partnership ("**Governance and Yearly Implementation Plan**"). The Governance and Yearly Implementation Plan is due within the thirty (30) days following the Effective Date. The Governance and Yearly Implementation Plan will include annual target(s) for output and outcome (as applicable) indicators, technical approach(es), composition and terms of reference of the Partnership Advisory Committee, and a timeline of activities (or Gantt chart) describing activities to be undertaken to implement the Partnership as may be determined by the Parties or requested by the Committee. In addition, the Governance and Yearly Implementation Plan should describe Partner's planned activities by year, including a timeline with relevant Milestones indicated, and include expected results. The Governance and Yearly Implementation Plan will include a branding and marking plan that will comply with the requirements of Section 4.15 below.



- (ii) The Committee and any advisors will review the Governance and Yearly Implementation Plan and will provide comments on the Governance and Yearly Implementation Plan to each of MCA Entity and Partner for their consideration.
 - (iii) The Governance and Yearly Implementation Plan will be updated by Partner annually on the anniversary of the Effective Date. Such updates should be prepared by Partner in collaboration with any advisors and MCA Entity and will be reviewed and discussed by the Committee at the Coordination and Review Meeting immediately following its submission. Material changes to the Governance and Yearly Implementation Plan or any annual update thereto outside of the annual update and review cycle described in this Section 1.8(a) will require prior discussion with the Committee and will require the Committee to seek written approval from MCA Entity.
- (b) Closeout Requirements.
- (i) No later than 60 days prior to the End of Award Date or 120 days prior to Compact End Date, MCA Entity shall provide Partner a notice of Closeout Requirements (“**Notice**”). The Notice will confirm: i) the End of Award Date, or the date by which the successful completion of all Milestones arising from the Agreement must be completed and final disbursement request submitted; and ii) the requirement for Partner to complete all Closeout Requirements in accordance with Section P6.1.14 of MCC’s Program Grant Guidelines and retain Award and Partnership records (“**Closeout Requirements**”).
 - (ii) MCA Entity is required to verify the inventory report, which will provide a description of each Project Asset transferred to Partner and the date upon which it was transferred to Partner in accordance with Section 4.18 (“**Asset Management**”).
 - (iii) MCA Entity will conduct a final closeout review upon verification of successful completion of the final Milestone to confirm that all Closeout Requirements have been completed and provide Partner with a final written notice that the Closeout Requirements have been completed. Before making final disbursements, MCA Entity must ensure that all reports and deliverables have been received and accepted, that all Equipment (defined in Section 4.18(a)), and hardware and information technology required to perform the Partnership’s non-administrative activities (collectively, “**Project Assets**”), have been disposed of as instructed and that refunds due MCA Entity have been paid or are deducted from the final disbursement.

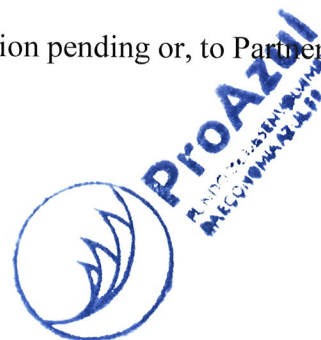


ARTICLE 2

REPRESENTATIONS AND COVENANTS

Section 2.1 Representations

- (a) Each Party represents and warrants to the other Party that, as of the Effective Date:
- (i) it has the power and authority to execute, deliver and perform its obligations under this Agreement and each other agreement, certificate, or instrument contemplated hereby;
 - (ii) its representative(s) on the Committee are authorized to perform the duties described in Section 1.6 and as further described in Annex B on behalf of the respective Party represented;
 - (iii) the execution, delivery and performance by such Party of this Agreement and the transactions contemplated herein will not violate any applicable law, rule, covenant or regulation or any of its other contractual obligations;
 - (iv) no consent, approval, registration or filing with or any other action by any person, entity or government authority is required in connection with such Party's execution, delivery and performance of this Agreement, except where and to the extent that this Agreement requires MCA Entity to seek the approval and consent of MCC; and
 - (v) this Agreement is a valid, binding, and legally enforceable obligation of such Party.
- (b) Partner represents and warrants to MCA Entity that, as of the Effective Date:
- (i) Partner is not in default under any agreement or instrument of any nature whatsoever to which it is a party or by which it is bound in any manner that would have a material adverse effect on Partner's ability to perform its obligations under this Agreement or on the validity or enforceability of this Agreement;
 - (ii) Partner maintains a financial management system that is adequate and sufficiently detailed to track and account for the expenditure of the Award and to ensure that such funds are managed responsibly and effectively and in accordance with the terms and conditions of the Agreement.
 - (iii) there is no action, suit, proceeding, or investigation pending or, to Partner's knowledge, threatened:
 - (A) for the dissolution of Partner; or

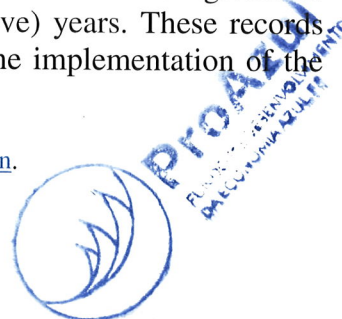


- (B) against Partner which, if adversely determined, would have a material adverse effect on Partner's ability to perform its obligations under this Agreement or on the validity or enforceability of this Agreement.
- (iv) Partner has received notice of MCC's Policy on Preventing, Detecting, and Remediating Fraud and Corruption in MCC Operations ("**MCC's AFC Policy**"),⁸ and Partner has acceptable commitments and procedures in place to address the potential for fraudulent and corrupt practices. None of Partner, any affiliate of Partner or, to Partner's knowledge, any of Partner's personnel has violated or been involved in any way in any violation of the Fraud and Corruption requirements set out in Annex J, in respect of the procurement or execution of this Agreement.

Section 2.2 Covenants

- (a) In the performance of its duties and obligations under this Agreement, Partner will comply with:
 - (i) all relevant terms of this Agreement. For the avoidance of doubt, Partner agrees and understands that the provisions of the annexes to this Agreement are an integral part of the Agreement and that, as with other sections of this Agreement, the provisions of each annex are binding obligations of Partner under this Agreement;
 - (ii) all Applicable Law; and
 - (iii) guidelines, instructions and procedures provided by MCA Entity from time to time.
- (b) Partner covenants on its own behalf that it will, and covenants that it will cause its affiliates to, comply with the requirements, terms, and provisions set forth in Annex G. In any subcontract or Subaward entered into by Partner, as permitted by the terms of this Agreement, Partner will ensure the inclusion of all the provisions contained in Annex G. For the avoidance of doubt, Partner will maintain such books and records with respect to its use of the Award Amount and will permit such access as required in accordance with Annex G.
- (c) Commencing on the Effective Date, Partner will be responsible for maintaining all permits, licenses, and other governmental authorizations ("**Permits**") required for Partner to perform its obligations under this Agreement.
- (d) Partner shall retain all records pertaining to the implementation of the Agreement and the purchase and use of assets for a period of 5 (five) years. These records include programmatic and financial records related to the implementation of the

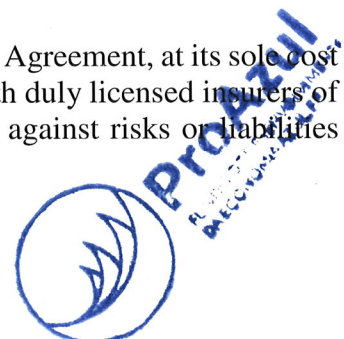
⁸ Available at <https://www.mcc.gov/resources/doc/policy-fraud-and-corruption>.



Agreement and related to the management of the Partnership, including all backup materials and source documents for programmatic reports and Disbursement Requests. Documents may include, but are not limited to, procurement records, records concerning compliance with social and environmental requirements, and all of the Agreement's financial records.

- (e) Partner accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts, or taking any action likely to defeat the purpose of the representations contained in Section 2.1 and the declarations required thereby. Partner agrees that any contract, consent, approval, right, interest, privilege, or other obligation or benefit obtained or procured as aforesaid will be voidable and without legal effect at the option of MCA Entity.
- (f) During the Compact Term, Partner will be responsible for assisting MCA Entity or the Government post-Compact with the development and implementation of the Compact's Monitoring and Evaluation (M&E) Plan in accordance with MCC Guidelines by (i) conducting technical reviews of documents, reports, and deliverables and providing feedback to the MCA Entity's M&E Director as requested; (ii) providing reports, data, and documentation under its control as may be necessary or requested by MCA Entity for the compliance by the Government with its obligations under the Compact's M&E Plan; (iii) furnishing any information (or taking other action) reasonably requested by MCA Entity's M&E Director in connection with the monitoring, evaluation, and economic analysis of the Compact; and (iv) providing support to the independent evaluation(s) including, but not limited to, collaborating with the independent evaluators, facilitating the independent evaluators' access to project sites and relevant personnel, providing and/or facilitating access to necessary data and information, and supporting the dissemination of evaluation findings. Partner will cooperate with evaluation work that continues post-Compact for up to five (5) years following the termination of this Agreement in line with the above responsibilities. Partner will participate in surveys or interviews and facilitate access to project sites and relevant personnel and will be given the opportunity to review evaluation materials and reports and participate in the dissemination of evaluation findings.
- (g) Partner shall track and provide MCA Entity with all agreed upon relevant data concerning the use of the Award in accordance with the Partnership M&E Plan provided for in Annex K and which MCA Entity requires to comply with its monitoring and evaluation requirements under the Compact.
- (h) Partner shall keep all Project Assets and title thereto, free and clear of all liens, charges, claims, encumbrances and security interests for the Term of this Agreement and in accordance with the requirements provided in P6.1.9 of MCC's Program Grant Guidelines.

- (i) Partner shall obtain and maintain during the Term of this Agreement, at its sole cost and expense, policies of insurance for Project Assets with duly licensed insurers of recognized standing and on terms appropriate to cover against risks or liabilities



associated with performance under this Agreement, including third-party liability. Partner shall be named as payee on any such insurance. MCA Entity shall be named as additional insured under any such insurance, to the extent permissible under applicable law, and receive proof of such insurance. Partner shall ensure that any proceeds from claims paid under such insurance shall be used to replace or repair any loss or to pursue the procurement of the covered goods, services or works.

- (j) Partner shall properly operate and maintain the Project Assets and bear all costs associated therewith. Partner shall develop and establish a regular inspection, service and maintenance plan for the Project Assets, in accordance with industry standards, and carry out the inspection and supervision of preventative maintenance, repairs, servicing and works required to keep the Project Assets in good use.
- (k) Unless otherwise agreed to in writing by MCA Entity, Partner shall use the Project Assets exclusively in accordance with and in a manner consistent with, the purpose and terms of this Agreement, or in furtherance of the Project's Objective, for the Term of this Agreement. Partner shall be solely responsible for the Project Assets, their condition and their use, including compliance with applicable regulations or laws for use in the applicable jurisdiction.

Partner shall submit a form, provided by MCA Entity, every quarter, certifying that it has not provided material support to terrorists and has checked its personnel, subcontractors, and agents against relevant sanctions lists, per Annex J, Compliance with Sanctions Certification Form.

ARTICLE 3

SUSPENSION AND TERMINATION

Section 3.1 Suspension

MCA Entity may, at any time and at its sole discretion, suspend disbursements of funds or the Award without terminating this Agreement by delivering a suspension notice ("**Suspension Notice**") describing the cause and anticipated duration of such suspension in writing to Partner with a copy to the Committee, at least thirty (30) days before suspending a Disbursement of funds or the Award. Any costs incurred by Partner resulting from obligations incurred during a suspension or after termination of the Award are not allowable and will not be reimbursed by MCA Entity unless MCA Entity expressly authorizes them in the Suspension Notice or notice of termination.

Section 3.2 Termination

This Agreement may be terminated prior to the Expiration Date:



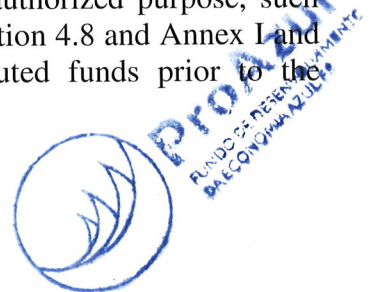
- (a) by either Party, with or without cause and at such Party's sole convenience, by giving thirty (30) days' written notice to the other Party in accordance with P6.1.1 of MCC's Program Grant Guidelines, in the case of MCA Entity, such notice will be subject to MCC written approval;
- (b) by MCA Entity, with immediate effect by giving written notice to the Partner, if:
 - (i) Partner materially fails to comply with the terms and conditions of the Agreement;
 - (ii) Partner fails to perform any of its obligations under this Agreement and does not cure such failure to the satisfaction of MCA Entity or resolve to do the same within fourteen (14) days of MCA Entity delivering a notification detailing the nature of the failure in writing to Partner and a copy of the notification to the Committee;
 - (iii) The Partner becomes financially insolvent;
 - (iv) MCA Entity reasonably suspects Partner of engaging in fraudulent or corrupt transactions;
 - (v) Partner takes steps to place itself, or is placed, in liquidation, whether voluntary or compulsory or under judicial management in either case whether provisionally or finally, or permits execution by way of judicial disposal to be levied against any of Partner's assets or income; or
 - (vi) Under its terms, the Compact expires or any event occurs that would permit the termination of the Compact.
- (c) In the event of termination, the Parties will deem the End of Award Date to occur on the earlier of: (i) a Party's receipt of a notice of termination under 1(a), unless the Parties otherwise agree in writing; or (ii) actual termination under Section 3.2(b).

Section 3.3 Effect of Suspension or Termination

- (a) At MCA Entity's request following termination of this Agreement under Section 3.2, Partner will immediately transfer to MCA Entity:
 - (i) any part of the Award Amount disbursed or transferred to Partner which Partner has not, by the date Partner received the written notice of termination or Suspension Notice (whichever is earlier), expended in furtherance of the Partnership outcomes and activities described in Annex B; and
 - (ii) any and all program income, interest, or assets derived from the Award Amount.



- (b) MCA Entity may, at its sole discretion and with the approval of MCC, release Partner from any obligation to transfer any part of the Award Amount under Section 3.3(a).
- (i) Any amounts due but unpaid under Section 1(a), will accrue interest at a rate of five (5) percentage points, starting on the date thirty (30) days after Partner receives MCA Entity's request.
 - (ii) Upon suspension or upon any termination of this Agreement, the Parties will cooperate to close out all matters related to this Agreement in accordance with the procedures stipulated by MCA Entity, at MCA Entity's sole discretion, which will include but are not limited to:
 - (A) arrangements regarding the return or transfer of cash funds, goods, works, services, income, profit, revenue or assets acquired with funds disbursed from the Award Amount in accordance with 1(a) following a termination pursuant to Section 3.2;
 - (B) return of documents or any other materials provided by MCA Entity to Partner to facilitate Partner's implementation of the Partnership;
 - (C) arrangements sufficient to address any confidentiality issues as may be identified by either Party;
 - (D) Closeout Requirements.
- (c) Termination of this Agreement will not relieve a Party of obligations imposed upon such Party by Applicable Law or Section 4.8 and Annex G of this Agreement.
- i. All remedies provided under this Article 3 are cumulative and in addition to any other remedies available under Applicable Law. Notwithstanding any other provision of this Agreement, Partner will be liable for the return of any funds disbursed to it by MCA Entity, and the value at the point of transfer, in United States dollars, of any goods, works, or services provided in-kind that MCA Entity determines have been used for any purpose not authorized under this Agreement or otherwise in violation of any of the terms of this Agreement, within sixty (60) days of the Partner's receipt of the request for repayment. Partner shall not use any proceeds from the funds, goods, works, or services received from MCA Entity for the purposes of this Agreement to make such payment. MCA Entity's right to obtain a refund under this section shall continue during the term of this Agreement and for a period of (i) five (5) years thereafter or (ii) one (1) year after MCA Entity receives actual knowledge of such violation, whichever is later. To the extent that a dispute arises regarding whether or not funds have been used for an authorized purpose, such dispute will be resolved in accordance with Section 4.8 and Annex I and Partner will return to MCA Entity the disputed funds prior to the resolution of such dispute.



ARTICLE 4

MISCELLANEOUS

Section 4.1 Assignment

Partner may not assign, subcontract or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of MCA Entity and MCC.

Section 4.2 Subawards

A Subaward agreement that transfers all or most of the key responsibilities to carry out the Award's activities to a Sub-recipient requires MCA Entity and MCC's prior approval. If the Agreement (including the approved Award Budget) did not provide that the Partner planned to carry out the Award's activities in conjunction with a Sub-recipient and the Partner seeks to do so, MCC prior approval is also required.

Section 4.3 Applicable Law

The laws of the MCA Country, Mozambique (the "**Applicable Law**"), will govern the validity, interpretation, and performance of this Agreement.

Section 4.4 Severability

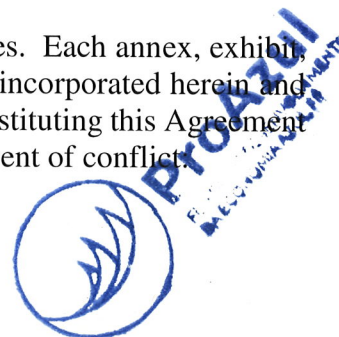
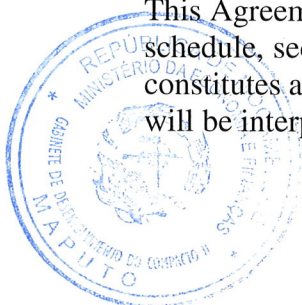
If any term or provision of this Agreement is determined by a court or other authority of competent jurisdiction to be invalid, void, illegal, unenforceable, or against public policy, (i) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by such determination in any way, and (ii) the Parties will promptly meet and negotiate a substitute for such affected provision or part, which will, to the greatest extent legally permissible, effect the original intent of the Parties.

Section 4.5 Waiver

No default by either Party in the performance of or compliance with any provision of this Agreement will be waived or discharged except with the express written consent of the other Party. No waiver by either Party of material non-compliance by the other Party in the performance of or compliance with any of the provisions of this Agreement will operate or be construed as a waiver of any other or further default whether of a like or different character.

Section 4.6 Entire Agreement

This Agreement embodies the entire agreement between the Parties. Each annex, exhibit, schedule, section, appendix, and attachment to this Agreement is incorporated herein and constitutes an integral part of this Agreement. The documents constituting this Agreement will be interpreted to have the following order of priority in the event of conflict.



- (a) the body of the Agreement consisting of the initial paragraphs, recitals, and other clauses;
- (b) Annex G; and
- (c) all other Annexes to this Agreement;

Section 4.7 Modification/Amendment

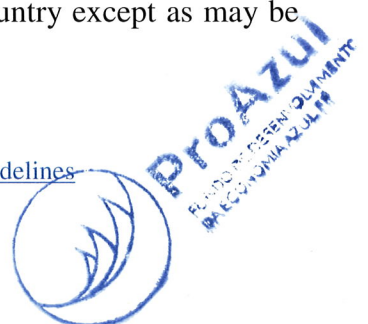
No amendment or modification of any of the provisions of this Agreement or any extension of the Term hereof will be of any force or effect unless in writing and signed by both Parties. Furthermore, MCA Entity will notify MCC in writing of all such amendments or modifications. MCC's Program Grant Guidelines,⁹ Attachment A, Program Grant Guidelines Approval Matrix, governs approvals for modifications to this Agreement.

- (a) Notwithstanding this Section 4.7, the modification, removal, or addition of any Partner Contributions set forth in Annex D does require MCC written approval. In addition, changes to, or a significant reduction in the level of time commitment from Key Personnel require MCA Entity's prior written approval and may require MCC written approval.
- (b) In no event will the End of Award Date be extended beyond sixty (60) days prior to the CED, nor will the Expiration Date be extended past the last day of the Compact's closure period.
- (c) Notwithstanding this Section 4.7, no amendment or modification or any extension of the Term hereof may be made following the date that is sixty (60) days before the CED.

Section 4.8 Dispute Resolution

- (a) Notwithstanding any other term of this Agreement, Sub-recipients, and contractors have no right to submit claims directly to MCA Entity, and MCA Entity assumes no liability for any third-party claims against Partner.
- (b) The Parties will endeavor to settle amicably, any dispute, controversy or claim arising out of or in connection with this Agreement. In the event that the Parties cannot resolve a dispute, controversy or claim by mutual agreement, Partner may submit a claim to MCA Entity in accordance with P.6.1.13 (2)(a) of MCC's Program Grant Guidelines. If Partner submits such a claim to MCA Entity, MCA Entity will issue a written decision on the claim in accordance with P.6.1.13 (2)(b) of MCC's Program Grant Guidelines. In the event such dispute, controversy or claim cannot be settled amicably or by MCA Entity, the Parties consent and agree to the exclusive jurisdiction of the courts of the MCA Country except as may be otherwise provided in Section 4.8(c).

⁹ Available at: <https://www.mcc.gov/resources/doc/guidance-program-grant-guidelines>



- (c) Notwithstanding Section 4.8(b), the Parties agree that all disputes, controversies or claims arising out of or in connection with this Agreement, including the breach, termination or invalidity thereof, regarding the return or payment of an amount greater than US \$1,000,000 under (a) of this Agreement, may be finally settled, following a mutual agreement in writing of the Parties, either in the courts of the MCA Country, other courts of competent jurisdiction or in arbitration in accordance with Annex I, and Partner hereby consents and agrees to the jurisdiction of such courts of the MCA Country, other courts of competent jurisdiction or arbitral tribunal as may be selected by MCA Entity.

Section 4.9 Fraud and Corruption

- (a) MCC requires that MCA Entity and any other beneficiaries of MCC Funding, including Partner and any bidders, suppliers, contractors, Sub-recipients, sub-consultants and consultants under any MCC-funded agreements, observe the highest standards of ethics during the procurement and execution of such agreements.
- (b) MCC's AFC Policy is applicable to all procurements and agreements involving MCC Funding and can be found on the MCC website.¹⁰ MCC's AFC Policy requires that companies and entities receiving MCC funds acknowledge notice of MCC's AFC Policy and certify to MCA Entity that they have acceptable commitments and procedures in place to address the potential for fraud and corruption.

Any entity receiving an award (including, but not limited to, program partnership agreements, contracts, and grants) of MCC Funding of over US \$500,000 will be required to certify to MCA Entity that they will adopt and implement a code of business ethics and conduct within ninety (90) days of award. Such entity will also include the substance of this clause in sub-agreements that have a value in excess of US \$500,000. Information regarding the establishment of business ethics and conduct programs can be obtained from numerous sources, including but not limited to:

https://www.cipe.org/wp-content/uploads/2014/01/CIPE_Anti-Corruption_Compliance_Guidebook.pdf

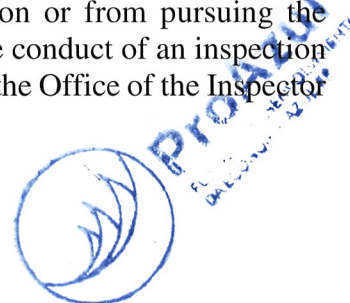
- (c) By signing this Agreement, Partner acknowledges notice of MCC's AFC Policy and certifies to the MCA Entity that:
- (i) They will adopt and implement a code of business ethics and conduct within ninety (90) days of award and will provide a copy of the code of business ethics and conduct to MCA Entity as part of the first Milestone.

¹⁰ Available at <https://www.mcc.gov/resources/doc/policy-fraud-and-corruption>.



(d) For purposes of this Agreement, the terms set forth below are defined as follows, and sometimes referred to collectively in this document as **“Fraud and Corruption”**:

- (i) **“Coercion”** means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of any party, to influence improperly the actions of a party in connection with the implementation of any agreement supported, in whole or in part, with MCC Funding, including such actions taken in connection with a partnership solicitation process, a procurement process, or the execution of an agreement;
- (ii) **“Collusion”** means a tacit or explicit agreement between two or more parties to engage in coercion, corruption, fraud, obstruction of investigation into allegations of fraud or corruption, or a prohibited practice, including any such agreement designed to fix, stabilize, raise, lower, or manipulate prices or to otherwise deprive MCA Entity of the benefits of free and open competition;
- (iii) **“Corruption”** means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of a public official, MCA Entity staff, MCC staff, consultants, or employees of other entities engaged in work supported, in whole or in part, with MCC Funding, including such work involving taking or reviewing selection decisions, otherwise advancing the selection process or agreement execution, or the making of any payment to any third party in connection with or in furtherance of an agreement;
- (iv) **“Fraud”** means any act or omission, including any misrepresentation, that knowingly or recklessly misleads or attempts to mislead a party in order to obtain a financial or other benefit in connection with the implementation of any agreement supported, in whole or in part, with MCC Funding, including any act or omission designed to influence (or attempt to influence) a selection process or the execution of an agreement, or to avoid (or attempt to avoid) an obligation;
- (v) **“Obstruction of investigation into allegations of fraud or corrupt practice”** means any act taken in connection with the implementation of any agreement supported, in whole or in part, with MCC Funding: (1) that results in the deliberate destroying, falsifying, altering or concealing of evidence or making false statement(s) to investigators or any official in order to impede an investigation into allegations of coercion, collusion, corruption, fraud, obstruction of investigation into allegations of fraud or corruption, or prohibited practice; or (2) that threatens, harasses, or intimidates any party to prevent him or her from either disclosing his or her knowledge of matters relevant to an investigation or from pursuing the investigation; or (3) that is intended to impede the conduct of an inspection and/or the exercise of audit rights of MCC and/or the Office of the Inspector



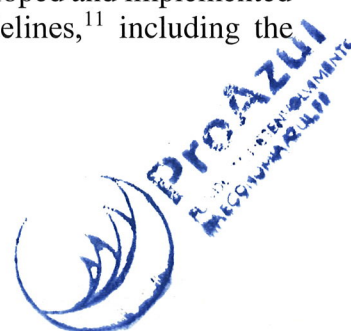
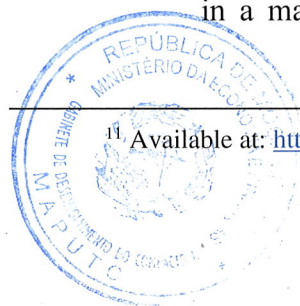
General (OIG) responsible for MCC provided under the Compact, or related agreements; and

- (vi) “***Prohibited practice***” means any action that violates the provisions of Annex G describing compliance with anti-corruption legislation, anti-money laundering legislation, and terrorist financing legislation and other restrictions.
- (e) MCC may cancel any portion or all of the MCC Funding allocated to this Agreement if it determines at any time that representatives of MCA Entity, Partner or any other beneficiary of MCC Funding were engaged in any coercion, collusion, corruption, fraud, obstruction of investigation into allegations of fraud or corruption, or prohibited practices during the selection process or the performance of this Agreement, or another MCC-funded agreement, without MCA Entity, Partner or such other beneficiary having taken timely and appropriate action satisfactory to MCC to remedy the situation.
- (f) MCC and MCA Entity may pursue sanction of Partner, including declaring Partner ineligible, either indefinitely or for a stated period of time, to be awarded any MCC-funded agreement if at any time either MCC or MCA Entity determines that Partner has, directly or through an agent, engaged in any coercion, collusion, corruption, fraud, obstruction of investigation into allegations of fraud or corruption, or prohibited practices in competing for, or in performance of, this Agreement or another MCC-funded agreement.
- (g) If MCA Entity or MCC determines that Partner, any of its partners or contractors, any of Partner’s personnel, or any agent or affiliate of any of them has, directly or indirectly, engaged in coercion, collusion, corruption, fraud, obstruction of investigation into allegations of fraud or corruption or prohibited practices in applying for, or in the performance of, this Agreement or another MCC-funded agreement, then MCA Entity may, by notice, immediately terminate the Agreement and the provisions of (b) apply and Section 3.3 shall apply.
- (h) Should any of Partner’s personnel be determined to have engaged in coercion, collusion, corruption, fraud, obstruction of investigation into allegations of fraud or corruption or prohibited practices during the application for or execution of this Agreement, but MCA Entity decides not to terminate this Agreement in accordance with the immediately preceding sub-paragraph, then the relevant Partner’s personnel shall be removed from the implementation of the Partnership.

Section 4.10 Environmental and Social Requirements

- (a) The projects MCC finances under the Compact will be developed and implemented in a manner consistent with MCC’s Environmental Guidelines,¹¹ including the

¹¹ Available at: <https://www.mcc.gov/resources/doc/environmental-guidelines>.



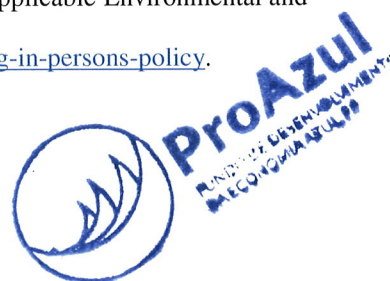
International Finance Corporation's Environmental and Social Performance Standards (2012). As appropriate, this will include:

- (i) Identifying and addressing environmental and social risks or impacts of the Partnership. Per the applicable MCA Entity Environmental and Social Management System (ESMS), and depending on the nature of the potential impacts, benefits, and local requirements, this may require an additional study (e.g. an environmental and social impact assessment), or management plan. As a part of this screening, Partner should assess the impact (if any) of the Partnership on climate change and identify means to reduce any risks identified (e.g. climate adaptation and/or mitigation measures). Partner should reassess environmental and social risks should the scope of the Partnership or its context change.
 - (ii) Using environmentally friendly¹² products and services, if available. Partner will also make best efforts to minimize the carbon footprint of the Partnership under this Agreement.
 - (iii) Disclosing the percentage of environmentally friendly products and services used for the Partnership as it relates to the total products and services used for the Partnership under this Agreement, as applicable, and as requested by MCA Entity.
 - (iv) MCA Entity may request further information on Partner's policies, practices, and activities at any time.
 - (v) MCC has adopted a zero-tolerance policy with regard to Trafficking in Persons. Partner must comply with MCC's Counter-Trafficking in Persons Policy.¹³
 - (vi) Partner will ensure that the Partnership under the Agreement complies with the MCC Gender Policy¹⁴ and the MCA Entity's Social and Gender Integration Plan, as relevant to the Partnership performed under this Agreement. The MCC Gender Policy requires that activities funded by MCC specifically address social and gender inequalities to ensure opportunities for the participation and benefit of women and vulnerable groups, as well as to ensure that its activities do not cause significant negative social and gender impacts.
- (b) The Partner will ensure that with respect to Partnership activities funded under this Agreement, it will:

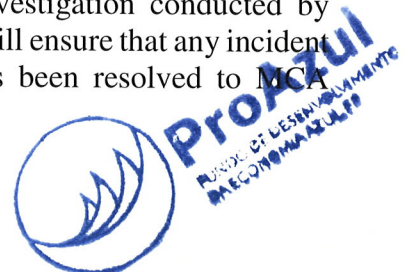
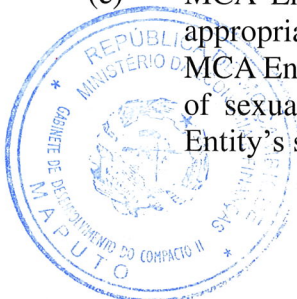
¹² The definition of environmentally friendly products shall be found in the applicable Environmental and Social Management System.

¹³ Available at <https://www.mcc.gov/resources/doc/policy-counter-trafficking-in-persons-policy>.

¹⁴ Available at: <https://assets.mcc.gov/guidance/mcc-policy-gender.pdf>.



- (i) supervise and execute the implementation of all activities to support good institutional coordination with all entities involved;
 - (ii) follow all laws in force in Mozambique and the rules and guidelines adopted by MCC to guarantee the sustainability of the CLCR Project as defined in the Compact, including but not limited to, the Environmental Law and the related regulations (Legislação Ambiental Relevante), such as the Diploma Ministerial 118 of 2022 (Directiva de Revisores Especialistas Independentes), the Mozambican Biodiversity Offset Regulation (Directiva sobre Contrabalanços da Biodiversidade; Diploma Ministerial n.º 55/2022 de 19 de Maio), and other relevant laws; and
 - (iii) cooperate, as appropriate, on ongoing social and environmental impact assessments.
- (c) Prohibition of Harmful Child Labor.
- (i) Partner will not and will ensure that any of its contractors or consultants do not, employ any child to perform any work that is economically exploitative, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development. Where Applicable Law does not specify a minimum age, Partner will ensure that children aged below fifteen (15) are not employed to perform work under this Agreement. Where Applicable Law diverges from this specified age standard, the higher age should apply. Children under the age of eighteen (18) will not be employed in hazardous work. All work of persons under the age of eighteen (18) will be subject to an appropriate risk assessment and regular monitoring of health, working conditions, and hours of work.
 - (ii) Partner will monitor its primary contractors or consultants on an ongoing basis to identify any significant changes. If new risks or incidents of child labor are identified, Partner shall take appropriate steps to remedy them.
- (d) Partner will prohibit sexual harassment behaviors directed at Compact beneficiaries, MCA Entity employees, or MCA Entity consultants. Examples of sexual harassment include, but are not limited to, the following behaviors: unwelcome sexual advances; requests for sexual favors; verbal or physical harassment of a sexual nature; or offensive remarks about a person's sex, sexual orientation or non-conformity with gender stereotypes.
- (e) MCA Entity may investigate allegations of sexual harassment as it determines appropriate. Partner shall fully cooperate with any investigation conducted by MCA Entity regarding breach of this provision. Partner will ensure that any incident of sexual harassment investigated by MCA Entity has been resolved to MCA Entity's satisfaction.



- (f) MCA Entity adheres to the principle of equal opportunity and fair treatment in its employment practices. MCA Entity expects that Partner will not make employment decisions on the basis of personal characteristics unrelated to inherent job requirements. Personal characteristics include sex, race, nationality, ethnic, social and indigenous origin, religion or belief, disability, age, sexual orientation, and gender identity. MCA Entity expects that Partner will base its employment decisions on the principle of equal opportunity and fair treatment, and shall not discriminate with respect to aspects of the employment relationship, including recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, promotion, termination of employment or retirement, and discipline. Special measures of protection or assistance to remedy past discrimination or selection for a particular job based on the inherent requirements of the job shall not be deemed discrimination.
- (g) Partner will not discriminate against any beneficiaries during the implementation of the Award's activities, such as, but not limited to, by withholding, adversely impacting, or denying equitable access to the benefits provided through this Award on the basis of any factor not expressly stated in the Award. This includes but is not limited to race, color, religion, sex (including gender identity, sexual orientation, and pregnancy), national origin, disability, age, genetic information, marital status, parental status, political affiliation, or veteran's status. Nothing in this provision is intended to limit the ability of Partner to target the Award's activities toward the assistance needs of certain populations as defined in Annex B. Partner will insert this provision, including this paragraph, in all Subawards and subcontracts under this Award.

Section 4.11 Required Provisions; Flow-Through Provisions

- (a) For the avoidance of doubt, the Parties agree and understand that the provisions set forth in Annex G reflect certain obligations of the Government and MCA Entity under the terms of the Compact and related documents that are also required to be transferred onto Partner, any associate, contractor, consultant, subcontractor or Sub-recipient of Partner or associate, who partakes in procurements or contracts in which MCC Funding is involved and that, as with other clauses of this Agreement, the provisions of Annex G are binding obligations under this Agreement.
- (b) In any subcontract or Subaward entered into by Partner, as may be permitted by the terms of this Agreement, Partner will ensure the inclusion of all the provisions contained in Annex G in any agreement related to such subcontract or Subaward, to the extent Partner will expend funds disbursed from the Award Amount under such subcontract or Subaward.
- (c) A Party's obligations under Annex G will survive the expiration or termination of this Agreement.



Section 4.12 Standard of Care

Partner will carry out its obligations under this Agreement with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and will observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods. Partner will support and safeguard MCC's and MCA Entity's legitimate interests in any dealings with subcontractors, Subrecipients of MCC Funding, or third parties.

Section 4.13 Limitation of Liability

MCA Entity will not be liable to Partner for any actual, direct, indirect, special, consequential, incidental, punitive, or indirect damages arising from or relating to this Agreement or the Partnership.

Section 4.14 Relationship

This Agreement does not create an association, joint venture, or legal partnership between the Parties or impose any legal partnership obligations or similar liability upon either Party. Neither Party will have any right, power, or authority to enter into any agreement or undertaking for, to act on behalf of, or be an agent or representative of, or to otherwise bind, the other Party, and neither Party will hold itself out to any third party as having such right, power, or authority.

Section 4.15 Publicity

The Parties undertake to cooperate with each other in the form of an MCA Entity approved branding and marking plan, which shall be incorporated into the Governance and Yearly Implementation Plan, to provide the appropriate publicity to the Award and its activities. This Partnership includes identifying program activities, sites, and marking Award assets as goods, works and services funded by the U.S. Government, acting through MCC, all in accordance with MCC's Branding & Marking Guidelines, available on the MCC website;¹⁵ provided, however, that any press release or announcement regarding MCC or the fact that MCC Funding is contributing toward the implementation of the Award activities or any other publicity materials referencing MCC will be subject to MCC's prior written approval.

Section 4.16 Confidentiality

- (a) A Party to this Agreement will not, except as described in Section 4.15 for the purposes of publicizing the Partnership and the collaboration between MCA Entity and Partner or as may be otherwise required by Applicable Law, disclose any confidential information contained in this Agreement, acquired in the course of the Partnership, or provided by the other Party in connection therewith, to any person

¹⁵ Available at: <https://www.mcc.gov/resources/branding> and <https://www.mcc.gov/resources/doc/standards-for-corporate-marking-and-branding>. MCA Entities will share the MCC approved **Standards for Global Marking** that they have developed and guide the Partner in developing a branding and marking plan consistent with the MCA Entity's Global Marking Plan.



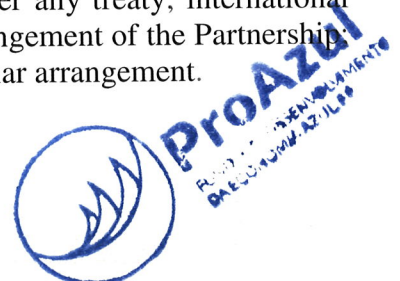
other than such Party's employees, shareholders, agents, attorneys, accountants, or advisors (collectively, "**Representatives**") without the prior written consent of the other Party. Disclosure of confidential information to any such Representative of a Party will be made in confidence and will extend only so far as may be necessary for purposes of such Party's performance of this Agreement. For the purposes of this Section 4.16, confidential information will be clearly designated by the providing Party upon delivery or, at the latest, prior to disclosure to any third party other than MCC.

- (b) Notwithstanding anything to the contrary in this Section 4.16, the Parties agree and understand that MCA Entity may disclose the details of this Agreement and any information provided by the Parties in connection therewith to MCC and MCC may disclose such information to any person in MCC's sole discretion.

Section 4.17 Property

(a) Intellectual Property

- (i) The right, title and interest in any work, device, instrument, composition of matter, design, machine, manufacture or process or any other tangible or intangible property arising in connection with or acquired using the Award Amount ("**Funded Intellectual Property**") will vest in Partner, and Partner may therefore register or otherwise secure its right, title and interest therein in accordance with the laws of Mozambique; provided, however, that if Partner elects not to retain title to any Funded Intellectual Property (either expressly or by failing to so elect), title to the Funded Intellectual Property automatically will be ceded to and reside in MCA Entity.
- (ii) In addition, Partner hereby grants a royalty-free, nonexclusive, irrevocable, paid-up license ("**License**"), to MCA Entity (on behalf of the Government) and to MCC, in any Funded Intellectual Property, to practice or have practiced for or on behalf of MCA Entity any Funded Intellectual Property without geographic limitation including, but not limited to:
 - (A) the right to produce, reproduce, publish, or otherwise use any and all Funded Intellectual Property for its individual purposes, which license will include the right to authorize third parties to reproduce, publish, or otherwise use any and all Funded Intellectual Property, provided that MCA Entity's exercise of the latter right will only be exercised after comprehensive consultation between MCA Entity and Partner; and
 - (B) the right to assign or have assigned rights in the Funded Intellectual Property, as are determined by MCA Entity as necessary for meeting the obligations of the Government under any treaty; international agreement, including the Compact; arrangement of the Partnership memorandum of understanding; or similar arrangement.



Section 4.18 Asset Management

- (a) Award funds may be used to purchase equipment if the equipment is necessary to carry out the Award activities and is approved as part of the Agreement. Equipment refers to tangible personal property having a useful life of more than one year and a per unit acquisition cost of the equivalent of \$5,000 USD or more, at the exchange rate on the date of acquisition (“**Equipment**”).
- (b) Title to Equipment purchased with Award funds shall vest with MCA Entity until such time as MCA Entity transfers title to Partner or another beneficiary. If MCA Entity transfers title to Partner or another beneficiary prior to the CED, such transfer will be conducted in accordance with P6.1.9 of MCC’s Program Grant Guidelines. At all times, Equipment shall be used solely to carry out the Award’s purpose and the Partner shall maintain adequate internal controls to substantiate that Equipment is used for the Award’s purpose.
- (c) Award funds may be used to purchase supplies if the supplies are necessary to carry out the Award activities and are approved as part of the Program Partnership Agreement. Supplies refer to tangible personal property that is not deemed Equipment and has an acquisition cost of less than \$5,000 USD, at the exchange rate on the date of acquisition regardless of useful life.
- (d) Title to supplies, and intangible property purchased with Award funds shall vest with Partner. The supplies and intangible property shall be used solely to carry out the Award’s purpose and Partner shall maintain adequate internal controls to substantiate that the supplies and intangible property are used for the Award’s purpose.
- (e) Partner will notify MCA Entity and request disposition instructions before the End of Award Date if Partner no longer has use for Equipment to carry out the Award’s purpose.

Section 4.19 Counterparts

This Agreement may be executed using counterpart signatures and, each when so executed and delivered, shall be an original instrument, but such counterparts together shall constitute a single agreement. A signature delivered by facsimile or electronic mail shall be deemed an original signature, and the Parties hereby waive any objection to such signature or to the validity of the underlying related notice, certificate, instrument, agreement or other document on the basis of the signature's legal effect, validity or enforceability solely because it is in facsimile or electronic form. Such signature shall be accepted by the receiving Party as an original signature and shall be binding on the Party delivering such signature.



[Signature page follows.]



IN WITNESS WHEREOF, Gabinete do Desenvolvimento do Compacto-II and Partner, each acting through its duly authorized representative, have caused this Agreement to be executed in their names and delivered as of the Effective Date.

BY: Gabinete do Desenvolvimento do Compacto-II

BY: O Fundo de Desenvolvimento da Economia Azul, FP – ProAzul


NAME: Higino Francisco de Marrule

TITLE: National Coordinator


NAME: Simeão Lopes

TITLE: CEO-ProAzul



IN WITNESS WHEREOF, ACDI/VOCA, acting through its duly authorized representative, hereby agrees to the transfer of certain responsibilities by the Partner in accordance with Section 1.7 of this Agreement as of the Effective Date.

BY: ACDI/VOCA

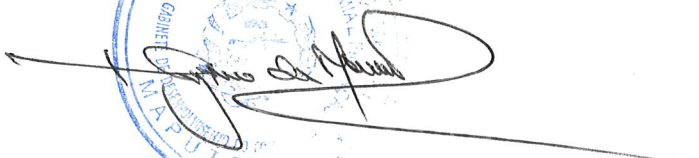

NAME: LUCAS VALENTE DA COSTA

TITLE: DIRECTOR DE PROJECTO - ACDI/VOCA



IN WITNESS WHEREOF, Millennium Challenge Account-Moçambique, acting through its duly authorized representative, has joined this Program Partnership Agreement and shall be entitled to the benefit of and subject to its terms and conditions as of the date first written below.

BY: Millennium Challenge Account-Moçambique


NAME: Higino Francisco de Marrule

DATE: 24, May 2024

Title: Executive Director



ANNEX A

INDEX OF DEFINITIONS

The following compendium of capitalized terms that are used herein is provided for the convenience of the Parties. To the extent that there is a conflict or inconsistency between the definitions in this Annex A and the definition elsewhere in the text of this Agreement, the definition elsewhere in this Agreement shall prevail over the definition in this Annex A.

***Agreement** has the meaning provided in the Preamble.*

***Annex** means an annex to this Agreement unless otherwise provided herein.*

***Applicable Law** has the meaning provided in Section 4.3.*

***Article** means an article of this Agreement unless otherwise provided herein.*

***Asset Management** has the meaning provided in Section 1.8(b)(ii).*

***Award** has the meaning provided in Section 1.1(b).*

***Award Amount** has the meaning provided in Section 1.1(b).*

***Award Budget** refers to Annex L.*

***Award Manager** has the meaning provided in Section 1.6(a)(ii)(A).*

***Award Value** has the meaning provided in Section 1.1(d).*

***Closeout Requirements** has the meaning provided in Section 1.8(b)(i).*

***Coercion** has the meaning provided in Section 4.9(d)(i).*

***Collusion** has the meaning provided in Section 4.9(d)(ii).*

***Committee** has the meaning provided in Section 1.6(a)(i).*

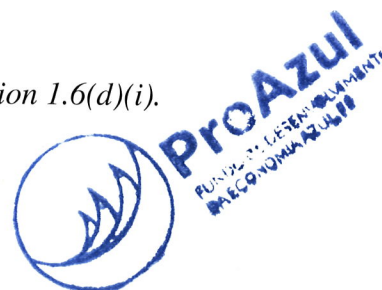
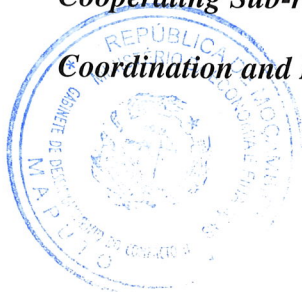
***Compact** has the meaning provided in the Recitals.*

***Compact End Date** or **CED** means the last date of the Compact Term as defined in the Compact.*

***Confidentiality Acknowledgement** has the meaning provided in Section 1.6(a)(v).*

***Cooperating Sub-recipient** has the meaning provided in the Recitals.*

***Coordination and Review Meetings** has the meaning provided in Section 1.6(d)(i).*



Corruption has the meaning provided in Section 4.9(d)(iii).

Disbursement Request has the meaning provided in Section 1.4(a).

Effective Date has the meaning provided in the Preamble.

End of Award Date has the meaning provided in Section 1.2(a)

Equipment has the meaning provided in Section 4.18(a).

Expiration Date has the meaning provided in Section 1.2(a).

Final Report has the meaning provided in Annex H.

Fraud has the meaning provided in Section 4.9(d)(iv).

Fraud and Corruption has the meaning provided in Section 4.9(d).

Funded Intellectual Property has the meaning provided in Section 4.17(a)(i).

GDC has the meaning provided in the Preambles.

Governance and Yearly Implementation Plan has the meaning provided in Section 1.8(a)(i).

Government has the meaning given the term in the recital clauses to this Agreement.

ICC has the meaning provided in Annex I.

ICC Rules has the meaning provided in Annex I.

Key Personnel has the meaning provided in Annex E.

License has the meaning provided in Section 4.17(a)(ii).

Management Committee has the meaning provided in Annex H

MCA Country has the meaning provided in the Recitals.

MCA Entity has the meaning provided in the Preamble.

MCC has the meaning provided in the Recitals.

MCC Funding has the meaning provided in the Recitals.

MCC's AFC Policy has the meaning provided in Section 2.1(b)(iv).

MCC's Branding & Marking Guidelines means the Branding Guidelines and Standards for Corporate Marking and Branding published by MCC on MCC's website.



MCC's Counter-Trafficking in Persons Policy means the Counter-Trafficking in Persons Policy published by MCC on MCC's website.

MCC's Environmental Guidelines means the Environmental Guidelines published by MCC on its website and the Performance Standards on Environmental and Social Sustainability published by the International Finance Corporation.

MCC's Gender Policy means the Gender Policy published by MCC on its website.

Milestones has the meaning provided in Section 1.3(b) and in Annex M.

Milestone Disbursement Schedule has the meaning provided in Section 1.3(b) and in Annex M.

Notice has the meaning provided in Section 1.8(b)(i).

Obstruction of investigation into allegations of fraud or corrupt practice has the meaning provided in Section 4.9(d)(v).

Partner has the meaning provided in the Preamble.

Partner Contribution has the meaning provided in Annex D.

Partnership has the meaning provided in the Preamble.

Partnership Advisory Committee or PAC has the meaning provided in Section 1.6(a)(i).

Partnership Description has the meaning provided in Section 1.1(c).

Partnership Manager has the meaning provided in Section 1.6(a)(ii)B).

Partnership M&E Plan has the meaning provided in Section 1.6(c)(i) and Annex K.

Party or "**Parties**" have the meaning provided in the Preamble.

Permits has the meaning provided in Section 2.2(c).

PIA has the meaning provided in the Recitals.

Program Partnership Agreement has the meaning provided in the Preamble.

Progress Report has the meaning provided in Section 1.4(a) And Annex H.

Project has the meaning provided in the Recitals.

Project Assets has the meaning provided in Section 1.8(b)(iii).

Prohibited practice has the meaning provided in Section 4.9(d)(vi).



Progress Report has the meaning provided in Section 1.4(a).

Section means a section of an Article or Annex unless otherwise provided herein.

Suspension Notice has the meaning provided in Section 3.1.

Tax and Taxes have the meanings provided in the Compact.

Term has the meaning provided in Section 1.2(a).

Trafficking in Persons has the meaning provided in MCC's Counter-Trafficking in Persons Policy.

U.S. Dollars, USD, \$ means the currency of the United States of America.

U.S. Government means the government of the United States of America.

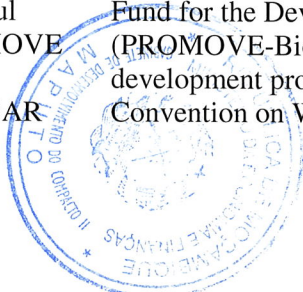


ANNEX B

PROGRAM PARTNERSHIP DESCRIPTION

ACRONYMS

ACMI	African Carbon Markets Initiative
AFD	Agence Française de Développement (French Development Agency)
AMOS	Associação Moçambicana de Operadores de Safari (Mozambique Association of Safari Operators)
ANAC	Administração Nacional das Áreas de Conservação (National Administration for Conservation Areas)
APAIPS	Área de Proteção Ambiental das Ilhas Primeiras e Segundas (Environmental Protection Area of Primeiras and Segundas Islands)
BIOFUND	Foundation for the Conservation of Biodiversity
CCP	Community Fisheries Council
CGRN	Comité de Gestão de Recursos Naturais (Natural Resource Management Committee)
CLCR	Coastal Livelihoods and Climate Resilience
COMBO+	Conservation, Mitigation and Biodiversity Offsets Program, Phase 2
EIF	Entry Into Force
EU	European Union
FZS	Frankfurt Zoological Society
GALS	Gender Action Learning System
GDC	Gabinete de Desenvolvimento do Compacto II (Compact Development Office)
GEF	Global Environment Fund
GOM	Government of Mozambique
GYSI	Gender, Youth, and Social Inclusion
IDEPA	Instituto Nacional de Desenvolvimento da Pesca e Aquacultura (National Institute for Fisheries and Aquaculture Development)
INGD	National Disaster Preparedness Institute
KBA	Key Biodiversity Area
LMMA	Locally Managed Marine Areas
MEF	Ministry of Economy and Finance
MEL	Monitoring, Evaluation, and Learning
MIMAIP	Ministry of Sea, Inland Water and Fisheries
MIREME	Ministry of Mineral Resources and Energy
MOU	Memorandum of Understanding
MTA	Ministry of Lands and Environment
NGO	Non-Government Organization
OECM	Other Effective Conservation Measures
PA	Protected Area
PAC	Partnership Advisory Committee
PNAG	Parque Nacional do Gilé (Gilé National Park)
PPA	Program Partnership Agreement
PPS	Program Partnership Solicitation
ProAzul	Fund for the Development of the Blue Economy
PROMOVE	(PROMOVE-Biodiversidade) EU-supported biodiversity conservation and community development program in Nampula and Zambezia
RAMSAR	Convention on Wetlands



RNM	Reserva Nacional de Marromeu (Marromeu National Reserve)
TIP /C-TIP	Trafficking in Persons/ Counter –Trafficking in Persons
ToRs	Terms of Reference
WCS	Wildlife Conservation Society



1. Context of the Coastal Livelihoods and Climate Resilience (CLCR) Project

1.1. Mozambique Compact II

Mozambique is a country of 33 million people on the southeastern coast of Africa. Two-thirds of the population resides along the coast, which is impacted by frequent and increasingly intense cyclones, flooding, and natural disasters that overwhelm local transport networks, large and small-scale agriculture, community development, and societal cohesion. The Mozambique Connectivity and Coastal Resilience Compact aims to address these multifaceted risks through projects that will strengthen local economies that are reliant on agriculture and fisheries, and yet are limited by connectivity and reliable access to resources and markets. Zambézia's coastline is critical to the local community due to its fisheries and critical natural resources. Mangroves, valuable as living ecosystems, are being perpetually degraded and deforested due to overexploitation for poles and timber, as well as for the conversion of forests to other uses, such as agriculture, aquaculture, and salt-making. The Government of Mozambique (GoM), in collaboration with MCC, has identified the province of Zambézia as a target area for investment due to high levels of poverty and the important opportunities to leverage the Compact activities in this region to make real, sustainable quality of life and conservation gains.

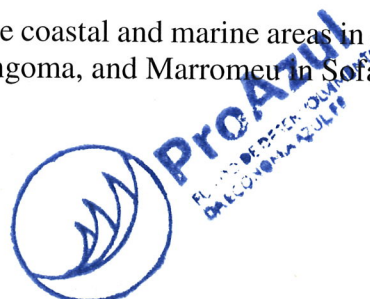
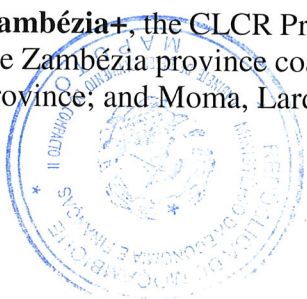
Mozambique, particularly the province of Zambézia, is prone to serious climate change threats. Some of the most acute climate change-related challenges are related to the impact of extreme weather events. In 2019, the central region of Mozambique was hit by two unprecedented cyclones – Idai and Kenneth – which killed over 600 people and left nearly 2.2 million people in need of urgent assistance. The strength of these cyclones is a result of climate change and had both direct and indirect impacts on fishing: in Zambézia+ some 820 fishermen lost 390 vessels, and 1,100 fisherfolk lost fishing gear. Aquaculture producers lost 169 fishponds, numerous cages, and 606,000 fry. The consequences of climate change throughout coastal Mozambique, but in particular in Zambézia+, also include damage to dune vegetation that provide coastal defense against storms and storm surges, reduced freshwater availability, loss of mangroves and seagrass beds that protect coastal areas from waves, and rising sea levels. Impacts include lower production levels, intrusion of saltwater onto croplands and into groundwater, the overpopulation of polluting organisms, aquaculture infestation with pests, and aquatic diseases. Lack of knowledge regarding climate change, lack of advanced preventive measures, and poor adaptive capacity make Zambézia+ very vulnerable to natural disasters in the coming decades.

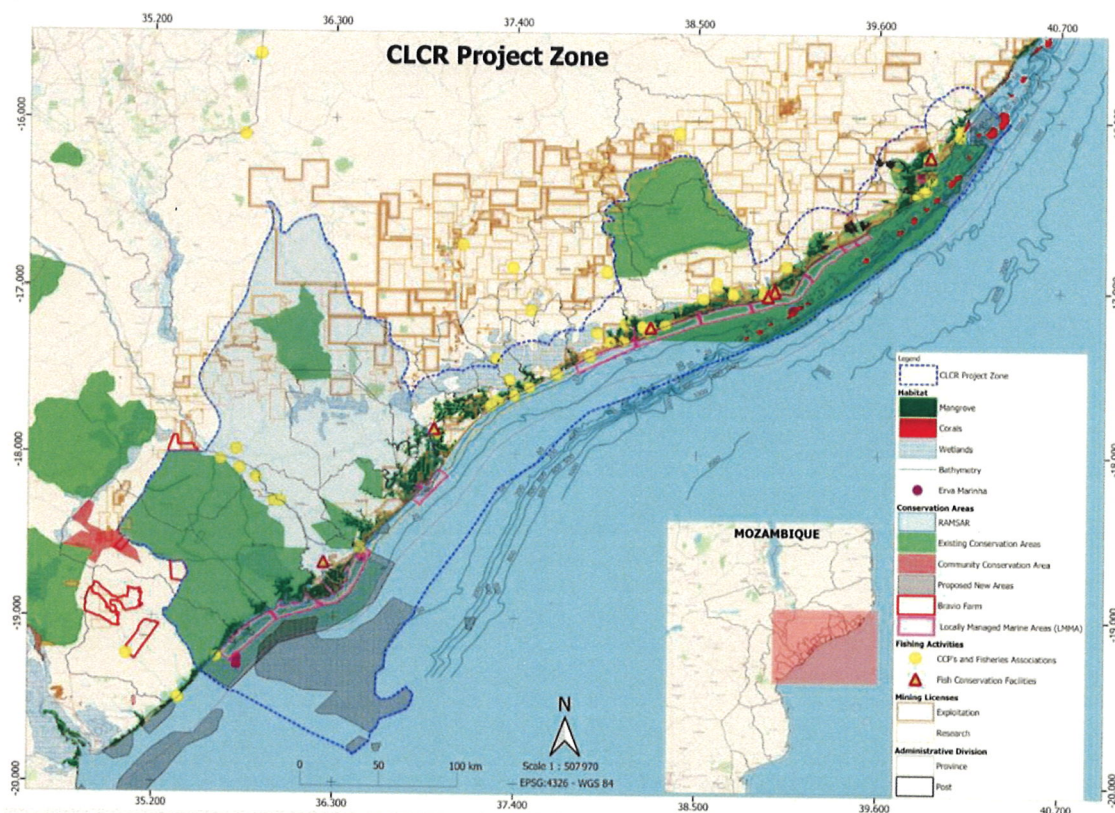
The **Coastal Livelihoods and Climate Resilience (CLCR) project**, carried out in partnership with key national institutions dedicated to the long-term conservation of marine-coastal ecosystems and the sustainable development of artisanal fishing, has been designed to help the coastal regions of Zambézia+ recover from and reverse the impacts of climate change and over-fishing, and stimulate sustainable development efforts that promote the particular inclusion of women and youth, and community development that leads to more reliable and diverse livelihoods.

1.2. The Zambézia + Coastal Region

1.2.1. Geography

Zambézia+, the CLCR Project area, includes ecologically sensitive coastal and marine areas in all the Zambézia province coastal districts, as well as Muanza, Cheringoma, and Marrómu in Sofala province; and Moma, Larde, and Angoche in Nampula province:





Source: Terra Firma

On the terrestrial side, moving up from the south, this includes the Gorongosa/Marromeu complex, and the RAMSAR¹⁶ site on the north bank of the Zambezi River; the coastal strip from Quelimane to Pebane from the high tide mark to 15 kilometers inland; Pebane District, including the block from the coast including Gilé National Park; and the coastal strip reaching 15 km inland up to the northern end of the Primeiras and Segundas Environmental Protected Area (APAIPS) in Angoche District. The project zone also includes the planned marine protected area (PA) offshore from Marromeu, continuing north along a strip 25 kilometers from the shore and out to sea, ultimately encompassing the entire marine component of the APAIPS.

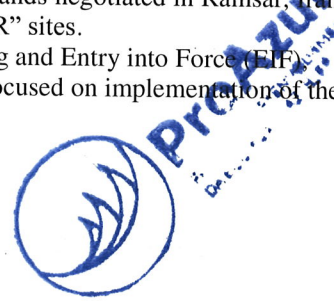
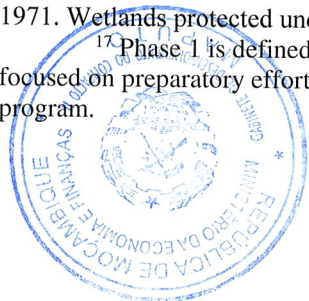
A key deliverable for CLCR Phase 1¹⁷ is the definition of the Global Positioning System (GPS) coordinates of the CLCR project area. Agreement between MCC and the GoM and confirmation of the project zone is a requirement that must be met before the Compact's Entry Into Force (EIF).

1.2.2. Demography, Poverty, and Inclusion

Zambézia and Nampula Provinces are home to 38% of Mozambique's population, and nearly half of the nation's poor. In 2017, 2.67 million people lived within the Zambézia+ landscape, including about 1.5 million people within 15 km of the coast. The region's population is very young, with

¹⁶ RAMSAR is a reference to the Ramsar Convention on Wetlands of International Importance Especially as Waterfowl Habitat. This is an international treaty governing the protection of wetlands negotiated in Ramsar, Iran in 1971. Wetlands protected under this treaty are commonly referred to as "RAMSAR" sites.

¹⁷ Phase 1 is defined as the period between Partnership Agreement signing and Entry into Force (EIF) focused on preparatory efforts. Phase 2 is defined as the period post-EIF and focused on implementation of the program.





49.9% under the age of 15 and a median age of just 15.2 years. Poverty levels of fisher families in Zambézia+ are estimated at greater than 75%. Nearly all families that rely on fishing as their main source of income must supplement their livelihoods with agriculture and gathering.

The rural population of Zambézia+ suffers from endemic malnutrition, with stunting rates that have been high for many years, averaging 49% in rural areas for children under the age of three. Adolescent girls are among the most vulnerable because of their high nutrient needs, which increase with pregnancy.

Nearly 52% of the population of Zambézia province is female and lineage structures are predominantly matrilineal. Matrilineality, however, does not guarantee that women make decisions about the use of natural resources, or that women are represented equally in local governance structures such as Community Fisheries Councils (CCPs) and Natural Resource Management Committees (CGRNs). There is a marked gender inequality in access to education, employment opportunities, decision-making power, access to credit, and participation in political life. Access to education for girls is notably limited, and this region has the lowest rate of female school attendance in all of Mozambique. There are also gender disparities in the control of productive resources: between the ages of 15 and 49, only 14% of women exclusively own a house, and only 13% own land -- compared to 28% (house) and 23% (land) for men.

1.2.3. Ecology

The Zambezi River system drains an area of more than 1,300,000 km² in six countries (Angola, Zambia, Namibia, Botswana, Zimbabwe, and Mozambique), and is one of the most diverse and productive river systems in the world. It provides the Mozambican economy with a dazzling array of goods and ecosystem services, including food and nursery habitats for fish and prawn production, crucial coastal protection from erosion, storms, and ever more frequent extreme climate events, tourism revenues (from hunting, wildlife tourism, and fishing), and carbon sequestration, among many other benefits.

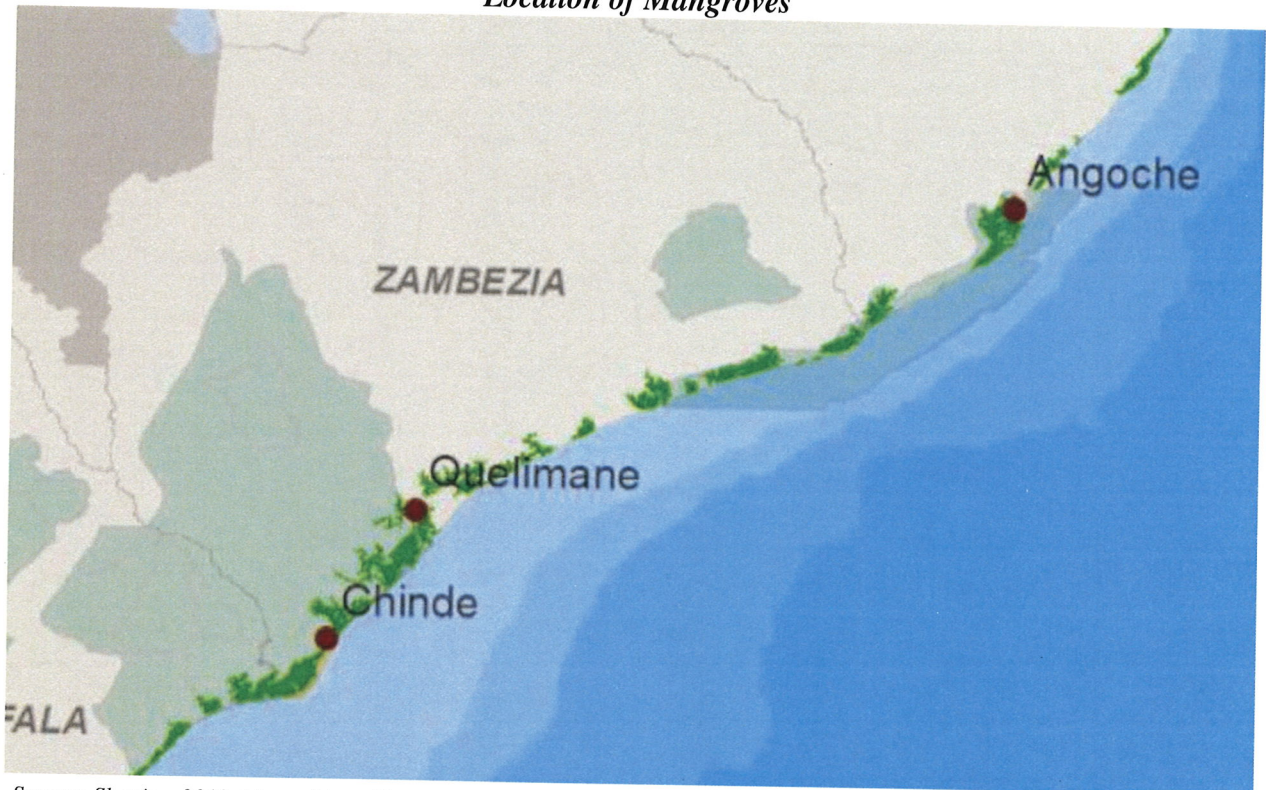
The Zambezi Delta is a wetland of international importance. It is home to emblematic species of flora and fauna including buffalo, elephants, hippopotamus, reedbuck, waterbuck, warthogs, leopards, and crocodiles. The bird life of the Zambezi watershed has unquestioned global significance: large reproductive colonies of white and gray pelicans, wattled and crowned cranes, great cormorants, yellow-billed storks, African openbill, African sacred ibis, herons, and other migratory birds make their home in and pass through this region. The delta's mangrove ecosystems, the largest continuous formation of mangroves within the entire western Indian Ocean region, are fundamental to artisanal fishers and the Sofala Bank's profitable shrimp and fish industry, again, one of the most productive in the world. The mangroves provide spawning grounds and a nursery for important marine fauna. The dense tangles of mangrove roots protect coastal regions by reducing erosion from storm surges, currents, waves, and tides and by providing protection against tropical storms, cyclones, and coastal flooding. Mangroves provide an essential habitat for many species and support the cycling of nutrients and the filtration of pollutants.

These ecosystems are also valuable for global carbon mitigation on the global scale. With carbon stock estimates ranging from 373.8 Mg C/ha to 620.8 Mg C/ha, the ecosystems are likely sequestering between 22 and 39% of the total annual fossil fuel emissions of the entire country.

Zambézia+ is a region of global ecological importance, and the CLCR Project is addressing a critical need at a pressing moment.



Location of Mangroves



Source: Shapiro, 2018. *Mozambique Mangrove Extent 1995-Present*

In Zambézia+, there are mining proposals up and down the entire Project coastline that, if approved and exploited, will destroy the productivity of this pristine delta. If even just the projects to mine heavy sands on the 30,379 ha of the Zambézia River Delta that are already approved go forward, the impact on the Mozambican economy would result in losses of a minimum of \$26 billion USD. Mining has short-term financial gain for shareholders and some tax revenues to the national government but is accompanied by significant habitat compromise and local impoverishment.

1.2.4. Economy

The economy of coastal Zambézia+ is characterized by a lack of diversification and innovation across existing value chains and livelihood opportunities. With no other options available, young Zambézians who live along the coast end up making their living through subsistence agriculture and artisanal fisheries, if they don't leave the region altogether.

Fisheries

According to a range of social and human indicators, Zambézia is one of the poorest regions in the country. The fishing communities of Zambézia+ are among the worst off because they have few contacts with the larger national economy and they lack communication, clean water supplies, health facilities and schools. The ability of fishermen to generate an income is constrained by their lack of fishing equipment, non-optimal fishing techniques, competition (often illegal) from the nearby semi-industrial fleet, poor fish processing techniques and a lack of capital to improve the equipment and techniques, and a lack of access to markets. Lacking the skills, organization and



resources necessary to manage their economic activities effectively, the local people are unable to realize the full value of their produce.

Economic Importance of Conservation

The formal protection of coastal and marine habitats plays a pivotal role in conserving the high biodiversity value and global biological relevance of the Zambezi Delta, including habitats critical for fisheries and necessary for protecting the coastline from climate-induced extreme weather events. The ten (10) Protected Areas (PAs) under public, private sector, and community management in Zambézia+ protect against climate-related events and, when damage does occur, facilitate habitat recovery.

1.2.5. Threats to the Region

Climate change

As noted earlier, some of the most acute climate change-related challenges are related to the impact of extreme weather events. Cyclone frequency in Mozambique has risen from one per decade in the 1950s to four (4) per year as of 2024, affecting mostly Zambézia and its neighboring provinces, Sofala and Nampula.

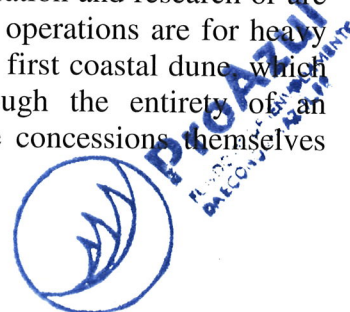
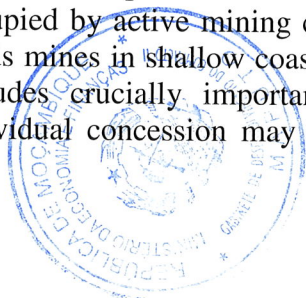
Average temperatures in Mozambique have also increased 1.5-2C between 1961 and 2010. Climate models project that average temperatures will rise by 1C again in the next twenty (20) years. The number of days where the temperature exceeds 35C will also increase.

Mean rainfall in Mozambique has decreased by an average of 2.5 mm per month (3.1%) per decade since the 1960s. Moreover, the proportion of days with heavy rainfall events have increased by 2.6% per decade or an estimated twenty-five (25) days per year. Mozambique in general has a long history of catastrophic flooding, which occurs almost annually during the rainy season, and is largely influenced by La Niña and the Intertropical Convergence Zone.

Zambézia is the most vulnerable province of Mozambique, as well as the most populous province. The coastal area of Zambézia is the most vulnerable area. In 2012, the former, *Instituto Nacional de Gestao das Calamidades* (INGC), published an overview of hazards and the vulnerability of the Mozambican coast, including tidal range, offshore wave height, cyclone threat (occurrence, category, and inverse weighting by distance from shore), and elevation vulnerability. For all four (4) parameters, Zambézia registers the highest level of vulnerability of any coastal area of the country.

Coastal Mining

There are 431 mining interests in the Zambézia+ region, with over three (3) million hectares under different types of mining licenses -- from initial study permits to fully operational mining -- which is equivalent to 1/3 of the Zambézia province. Of particular concern is that mining concessions have been allocated throughout the Zambézia+ project area, with some granted *since* the initial consultations between MCC and the GOM. Virtually 100% of the coast of Zambézia and of southern Nampula has been allocated out on mining licenses for exploration and research or are occupied by active mining concessions. The majority of these mining operations are for heavy sands mines in shallow coastal waters, very near the beach, and on the first coastal dune, which includes crucially important environmentally sensitive areas. Although the entirety of an individual concession may not be impacted by mining activities, the concessions themselves





represent a standing threat to all ecosystems within their boundaries – and in Zambézia, as mentioned, this represents more than 33% of the total area. Coastal mining that degrades or destroys mangroves, seagrasses and coastal seabeds poses an unconscionable threat to ecosystem productivity and to the livelihoods that depend on these ecosystems, such as sustainable fishing.

1.2.5.3 Insurgency:

The provinces in the north of Mozambique have been experiencing an on-going and violent insurgency linked to ISIS rebels operating and terrorizing villages. The social and climate drivers of this insurgency are numerous. However, reports from security specialists underscore that one of the primary drivers of youth joining the insurgency has been the collapse of fisheries in the north and the associated lack of other economic opportunities. Many of the same climate, overexploitation, poor governance of fisheries and lack of controls are also prevalent in the Zambézia+ region. These pressures could be exacerbated by migratory fishers and internally displaced people traveling down from the conflict in the northern and contributing to the already overexploitation by local communities. This project hopes to arrest and reverse the declining fisheries. In turn, it is hoped that it will decrease the economic desperation that may drive additional disenfranchised youth into the insurgency.

2. Project Overview

2.1. Objective

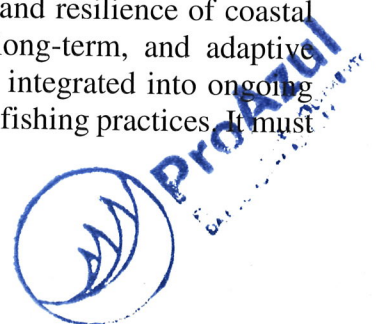
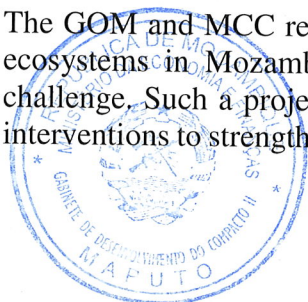
The objective of the CLCR Project is *“To sustainably increase productivity and resilience of coastal ecosystems in Mozambique.”* Coastal ecosystems, degraded from overuse, abuse, and misuse, are no longer able to support the livelihoods and economic needs of millions of coastal families -- especially while more frequent and intense climate change events damage infrastructure, equipment, and even the ecosystems themselves faster than they can presently recover. In this context, conservation is essential for development. Because the growing population needs alternatives to existing ways of making a living which are damaging the ecosystems, the CLCR Project will work to restore damaged ecosystems and their productivity and introduce new economic activities that will enable Mozambicans to optimize their benefits from improved ecosystem productivity.

To achieve the expected sustainable increase in productivity and resilience for the entire coastal ecosystem, including the human communities, the CLCR Project will focus on three thematic areas:

- Sustainably enhanced ecosystem productivity and climate resilience
- Sustainable coastal livelihoods with resilient community benefits
- An enabling institutional and regulatory environment

2.2. Program Partnership Approach

The GOM and MCC recognize that sustainably increasing productivity and resilience of coastal ecosystems in Mozambique is an inherently complex, multifaceted, long-term, and adaptive challenge. Such a project can only succeed by learning from and being integrated into ongoing interventions to strengthen ecosystem conservation and improve artisanal fishing practices. It must



be sustained over a longer term than the five-year implementation period of the Compact, and as such central to the plan are program support for institutional development and community resilience. We are using the five-year term of the CLCR Project to plan and put in place structures and investments that will benefit the long-term future of Zambézia+, and the country as a whole.

The GOM's Compact Development Team (GDC) used a Program Partnership Solicitation (PPS) to invite organizations with experience in related interventions and long-term commitments to their continuity, especially in Zambézia +, to submit proposals. This process asked organizations to indicate their interest in becoming partners with the GOM and MCC in co-creating, co-financing, co-implementing, and co-governing the project. The PPS approach enabled the open, fair, and transparent selection of experienced, skilled, and fully committed partners; this initiated a co-design process that builds on the experience of the Lead Partners; includes a GOM commitment to eliminate the threat posed by plans for coastal mining; allows for substantial MCA Entity (the eventual successor agency to the current GDC) involvement and MCC support in project development; will provide for shared governance during project implementation; and has established an adaptive management structure through which MCC financing is expected to propel a quantum-leap in the quality and impact of ongoing support for the sustainable development of Zambézia +.

The GDC has identified partners whose expertise, resources, and experience in Zambézia+ will optimize the impact of MCC funding and MCA Entity involvement, and thereby increase ongoing sustainability of Project impacts after the MCC funding period. The Lead Partners, BIOFUND and ProAzul, together with the MCA Entity, will work with a broad network of implementing partners, community groups, and government institutions, to pursue the Project Objective in the region in which the CLCR Project is being implemented. The Lead Partners have worked closely with the GDC in planning the activities, and the MCA Entity, once established, will have the authority to oversee compliance during Compact implementation in accordance with MCC requirements.

The partnership mechanism enables the Compact funds to strengthen the CLCR Project. The Partners selected have capabilities and pre-existing networks of other organizations that can also be expected to contribute to the Project Objective. The list of Sub-recipients who will join the Lead Partners in carrying out the grant activities that were identified and approved during the award process is set out in Annex O. No further approval is required of Sub-recipients listed in Annex O. Additional Sub-recipients may join the Partner in carrying out the grant activities subject to a process approved by the MCA Entity. This may require that the partners conduct a tender process in order to compete and identify new Sub-recipients not already identified under this agreement.

The \$100M USD provided by MCC for the CLCR Project will be complemented by \$44M USD in leverage financing provided by the Lead Partners. Because of the collaborative partnership approach, national partners, provincial institutions, and local communities will be able to assume and continue to manage the activities upon completion of the five-year Compact, so that fisheries and livelihoods are improved, collapsing coastal ecosystems are restored, sustainability is assured, and Mozambique is able to comply with its own laws and international commitments.



2.3. Thematic areas

The activities included in the CLCR Project design, and the achievements expected, are grouped in the three thematic areas identified in 2.1.

The Project will be guided by an adaptive management process that will, on an annual basis, assess the progress of the CLCR Project and changing socio-economic dynamics affecting and affected by the Project, and enable the MCA Entity and Lead Partners to clarify and refine the timing and sequence of achievements expected, and the corresponding workplans.

2.3.1. Sustainable enhancement of ecosystem productivity and climate resilience

The CLCR Project has, as a primary focus, the development and improved management of ecosystems to increase their productivity and resilience. The restoration and support of existing Protected Areas (PAs) will be complemented by the creation of new, community-identified, conservation areas and marine protection zones. The major achievements expected within this focus are:

- Restoration and sustainable management of coastal and marine resources.
- Strengthened government supervision, oversight and the implementation of existing legal protections.
- More sustainable ecosystem management practices by communities and companies.
- More effective management of existing PAs.
- Creation of new, effectively managed, PAs -- including Locally Managed Marine Areas, (LMMAs), and areas under Other Effective Conservation Measures (OECMs)¹⁸, in the Project area.
- Degraded ecosystems restored inside and outside PAs (landscape-level approaches).

2.3.2. Sustainable coastal livelihoods and resilient community benefits

The Project will also focus on the development of preconditions and opportunities for sustainable, viable and inclusive livelihoods and value chains based on the natural resources of Zambézia+. The major achievements expected within this focus are:

- Ecosystem delivery of equitable and inclusive benefits in particular for women and youth, but also including other community members -- including non-monetary benefits to local communities such as efforts that will provide protection to communities from the threat of storm surges and extreme weather.
- New gender-inclusive, socially responsible, environmentally sustainable, and resilient livelihoods, including increased sustainable offtake of natural resources for home consumption.
- Statutory payments (forestry, hunting, fishing etc.) and green-blue carbon credit payments to communities.
- Implementation of funds to support artisanal fishers transitioning from beach seine gear to more selective gears, and to provide grants for investments to develop and pilot new business ideas and practices within blue and green value chains.
- Training and access to finance, technology, markets, and technical assistance for blue and green economy actors.

¹⁸ <https://www.iucn.org/our-union/commissions/group/iucn-wcpa-other-effective-area-based-conservation-measures-specialist>.

- Advancement of partnerships among local communities, the local, provincial, and national government(s), and the private sector, to define and shape the strategic vision for change.

2.3.3. Enabling institutional and regulatory environment

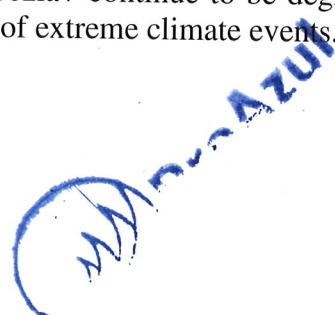
To achieve sustainable coastal livelihoods and climate resilience, the CLCR Project will also undertake activities that establish and nurture the institutional, civil society, and regulatory foundations needed to create an environment that enables achievement and sustainability of ecosystem resilience and community livelihoods. The major achievements identified as *essential* in the enabling environment are:

- Improvements that update and make the Mozambican legal framework more internally coherent and comprehensive.
- Enhanced institutional capacity for specified government departments and partners to implement the legal framework.
- Documentation and routine updating of tenure rights within a functional land administration system.
- Empowerment of women, youth, and others in local communities, to sustainably manage coastal and marine resources through fair, inclusive and equitable governance mechanisms (such as Community Fisheries Councils (CCPs) and Community Natural Resource Management Communities (CGRNs)).
- Development of innovative sustainable financing mechanisms for conservation that will benefit the Zambézia+ region in particular, and Mozambique as a whole.

2.3.4. Project Partners and Adaptive Management Process

To determine the scope of the CLCR Project and to plan and manage the implementation of the Project's activities, the GDC, with MCC support, is partnering with two national Mozambican institutions, the Fund for the Development of the Blue Economy (ProAzul), and the Foundation for the Conservation of Biodiversity (BIOFUND). During the project co-creation process, ProAzul established an implementing agreement with the international development nonprofit organization ACDI/VOCA. BIOFUND and ProAzul have a history of working with multiple pertinent organizations, and as such these Lead Partners bring a functional and interconnected network of many of the national and local organizations with experience in conservation and community development in coastal areas of Mozambique, including the Zambézia+ project area.

Thematically, while the Lead Partners are tightly coordinated and have overlapping activities, BIOFUND's primary focus is on strengthening coastal resilience through the expansion and enhancement, and improved management of Protected Areas, and ProAzul, with its collaborating partner, ACDI/VOCA, is engaged with enhancing livelihoods through the better management of fisheries and blue and green value chains. These activities depend on each other: fisheries will not be sustainable if the critical coastal and marine habitats of Zambézia+ continue to be degraded through overexploitation, mismanagement, and the harsh impacts of extreme climate events.



2.4. Lead Partners, BIOFUND and ProAzul¹⁹

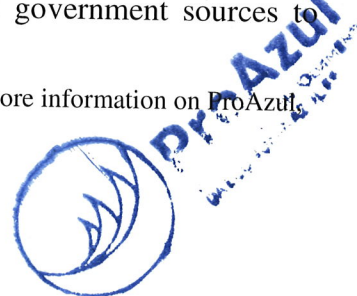
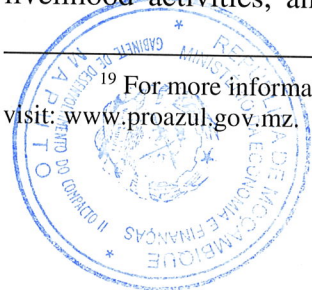
BIOFUND is an independent non-profit foundation with public utility status specialized in conservation and supporting ecosystem productivity in Mozambique. Its work sustains and reinforces support for marine and terrestrial PAs throughout the country. BIOFUND finances biodiversity conservation and has extensive expertise in the protection and sustainable management of ecosystems. Its mission is to support the conservation of aquatic and terrestrial biodiversity and the sustainable use of natural resources, including the consolidation of the Mozambican national system of conservation areas. Within the CLCR Project, BIOFUND will have a leadership role in the thematic area of sustainable coastal livelihoods and community resilience.

BIOFUND will function as a managerial and financial intermediary, and will identify, monitor, and mentor Sub-recipients in Zambézia+, working with existing partners, where these exist on the ground, and selecting new partners where required. BIOFUND already works with more than 30 Sub-recipients and has a proven track record of supporting the long-term sustainability of its collaborations and projects. BIOFUND has an endowment more than \$56,000,000 USD and manages \$100,000,000 USD more in additional donor funding. BIOFUND brings over \$34,000,000 USD in leverage funding to the CLCR Project through complementary programs and projects and in service to the Zambézia+ landscape. Some of the leverage is building on project activities funded by other donors in conservation, some is utilizing BIOFUND's trust fund to support additional activities, and in other cases, BIOFUND's leverage comes from carbon finance generated from private investors that BIOFUND will support in the future. The flexibility of BIOFUND's approach allows for scalability and increases the absorption capacity of the CLCR Project in the event of additional funds becoming available. During the implementation of the CLCR Project, BIOFUND will be using MCA Entity's resources to attract additional donors and leverage new funding from outside sources to contribute to various aspects of the Project. These multiplier effects will build on the CLCR Project's successes and expand the impact of the Project's investment, leadership, training, and resources to additional geographic areas along Mozambique's coast.

ProAzul is a public fund under the mandate of the Mozambican Ministry of Sea, Inland Waters and Fisheries (MIMAIP); they are dedicated to financing coastal and inland waters' livelihoods and providing sectoral economic and financial technical assistance related to the blue economy. ProAzul's mission is to promote the sustainable development of the blue economy by allocating resources and supporting the management of programs, projects, and investments throughout the country. ProAzul will have a leadership role in the thematic area of sustainable coastal livelihoods and community resilience, working in close coordination with its collaborating partner, ACIDI/VOCA.

ProAzul is in a unique position to leverage other financial resources for the CLCR Project. It already implements a \$14,000,000 USD MaisPeixe grants fund, which supports enhancing marketing and processing opportunities in fisheries, and will target the use of MaisPeixe grant funds in the Zambézia+ region toward CLCR Project priorities. ProAzul will also grow the MaisPeixe funding pool by demonstrating success in sustainable fisheries and diversified livelihood activities, and by linking financing from other donors and government sources to

¹⁹ For more information on BIOFUND, visit: www.BIOFUND.org.mz. For more information on ProAzul, visit: www.proazul.gov.mz.



support the national Beach Seine Removal Program and locally managed fishing areas. In addition to the CLCR Project's funds and that of other donors, ProAzul also expects to leverage an additional \$5-10,000,000 in Mozambique government funds to complement project activities.

ProAzul will have a leadership role in the thematic area of sustainable coastal livelihoods and community resilience, working in close coordination with its collaborating partner ACDI/VOCA. Also, ProAzul will lead the development of a Climate Smart Marine Aquapark around an established anchor company in Zambezia, AQUAPESCA, and for the creation of the new Locally Managed Marine Areas (LLMAs) ProAzul will partner with WWF and WCS.

Key Sub-recipient ACDI/VOCA, under ProAzul's Agreement

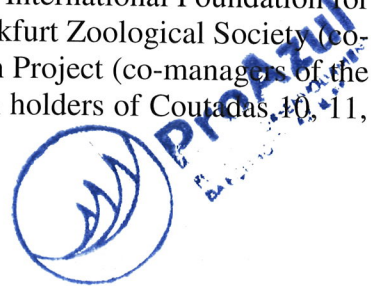
ACDI/VOCA is an international development nonprofit organization based in Washington DC, that fosters broad-based economic growth, increased living standards, and community development. As a key Sub-recipient of ProAzul, ACDI/VOCA leverages market-based finance to enhance the value chains it supports. ACDI/VOCA will be leading several of the activities aimed at developing sustainable coastal livelihoods, community resilience, and gender and youth inclusion in partnership with ProAzul's Matching Grant Unit and the BIOFUND Programs Unit. ACDI/VOCA and ProAzul may engage with additional Sub-recipients as listed in the following section and in accordance with the terms of this Agreement.

2.5. Consortia of Project Sub-recipients and Implementing Entities

The Partners and their consortia of collaborator organizations will focus on deliverables in their respective areas of expertise. Conservation International (an American non-governmental organization that works in conservation, sustainable fisheries, climate finance and mangrove protection) and Terra Firma (a Mozambican NGO that has been working on customary and formal land administration, land tenure, and land management issues in the country for twenty (20) years) will be among the implementing partners for the work in Zambezia+ and are approved Sub-recipients of the CLCR Project. Terra Firma will, at times, make Subawards to organizations with prior experience to directly implement work with communities, with some of these discussed below. A list of Terra Firma's planned Sub-recipients is listed in the Annex O on pre-approved Sub-recipients and includes: Avante, NANA, Terra Nossa, Nitidae and AMDER.

These pre-approved Sub-recipients will work to build the capacity and support various government agencies with the mandate to manage protected areas and protect fisheries. The Ministry of Land and the Environment (MTA) and MIMAIP, as well as the Ministry of Mineral Resources and Energy (MIREME), benefit from this Project. Each of these has several relevant subsidiary public institutes such as the National Administration for Conservation Areas (ANAC), the National Institute for Development of Fishing and Aquaculture (IDEPA), the Oceanographic Institute of Mozambique (INOM), and the National Fisheries Administration (ADNAP) that also benefit from the collaboration and capacity building built into the CLCR Project.

Additionally, the pre-approved Sub-recipients listed in Annex O includes NGOs that are the official co-managers of individual PAs, with long-term management concessions where the NGO manages the Protected Area on behalf of the government and interfaces with local communities and other protected area stakeholders. Fondation François Sommer–International Foundation for Wildlife Management (co-managers of Gilé National Park), the Frankfurt Zoological Society (co-managers of the Marromeu Reserve), and the Gorongosa Restoration Project (co-managers of the Gorongosa National Park and Coutada 12), and the legal concession holders of Coutadas 10, 11,



14, Luabo Micuane, and Mahimba Game Farm all have legal mandates for these areas and as such have been directly selected as CLCR Project partners as all have legal mandates for these areas.

The scope and complexity of the CLCR Project also requires additional partners who have been identified as Sub-recipients by the Partners. These entities are also included in Annex O as pre-approved Sub-recipients. Space for Giants has been identified because they have an MOU signed with government departments for specific roles. Five other organizations are already working in areas of importance for the CLCR Project and bring leverage funding as well as technical skills that would be otherwise lacking, including: Conservation International, Wildlife Conservation Society (WCS), Likhulu Foundation, the Mozambique Association of Safari Operators (AMOS), WWF, and Aquapesca.

Similarly, ACDI/VOCA and ProAzul pre-identified certain local and international partners whose mission, programs and activities align with the mission, programs and activities of the project. The CLCR Project plans to engage these partners through the Partnership Fund for Subawards consistent with their mission, programs and activities. These partners are part of the list of pre-approved Sub-recipients in Annex O: 60 Decibel, Abalobi, Adicional, Alif Quimica, Amplio, Appload, Av Ventures, Banyan Tree, Blue Ventures, COSVI, Canopy Planet, Earth Ranger/A12, Fire Island, Green Light Africa, Levasflor, Marine Megafauna Foundation, MozTarget, Open Water Systems, Pedra a Pedra, Rare International, Topuito Isles, UniLúrio Business School, VerdeAzul.

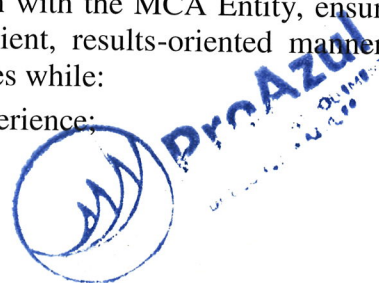
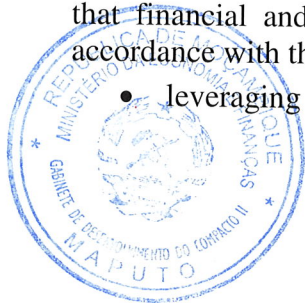
While the Partners have extensive networks of implementing organizations, there are geographic and programmatic gaps in marine protected areas and some livelihood/market development opportunities like ecotourism that will need to be scaled-up with this expansion into Zambézia. Additional Sub-recipients for specific actions will be selected by the Partners with the MCA Entity approval through a process approved by the MCA Entity in Phase 1, prior to entry into force. In this way new partnerships will be formed, collaboration methods and relationships built, and local organizations will be involved in Project activities. BIOFUND, ProAzul, their collaborating partners and Sub-recipients will work with organizations, groups, and communities that already have a track record in different parts of the Zambézia+ region and that are therefore positioned to sustain the CLCR Project initiatives in the future. These partners will receive training, curricula, mentorship, and capacity building, and—in some cases—equipment, and will participate in the Project within their areas of mission, programs and activities.

In local communities, the CLCR Project will work with the community structures already in place to reach beneficiary populations, such as traditional leadership and existing community organizations such as women's groups, CGRNs, CCPs, farmers' groups (including associations and cooperatives), savings clubs, and land associations, among others. The Project will also facilitate the establishment and training of new community groups, as required, using a gender and social inclusion lens as part of the development and mentorship process.

Partnership Management

The CLCR Project's partnership and project management is designed to enable the Lead Partners to exercise operational management jointly and in coordination with the MCA Entity, ensuring that financial and human resources are managed in an efficient, results-oriented manner in accordance with the Project's objectives and fiduciary procedures while:

- leveraging their strengths and building on their prior experience;



- accepting guidance from the Partnership Advisory Committee and other relevant key parties;
- receiving oversight from the MCA Entity to ensure compliance with the requirements of the MCA Entity's Board of Directors, the GOM, and of the MCC as the Compact funder;
- absorbing lessons learned through the experience of local on-the-ground government, nongovernmental and community organizations; and,
- learning, adapting, and incorporating lessons into each successive annual workplan.

To this end, the Project will finance the operational costs of ProAzul and BIOFUND related to components of the Partnership's operational management, providing support for ongoing project coordination, fiduciary and safeguards management, fund development capacity building and hiring, monitoring and evaluation, and communications. This will allow ProAzul and BIOFUND and local governments to engage widely with non-traditional and local actors including civil society and community-based organizations to promote local voices, needs, and preferences regarding decisions concerning the Project.

2.5.1. Governance and Management of the CLCR Project

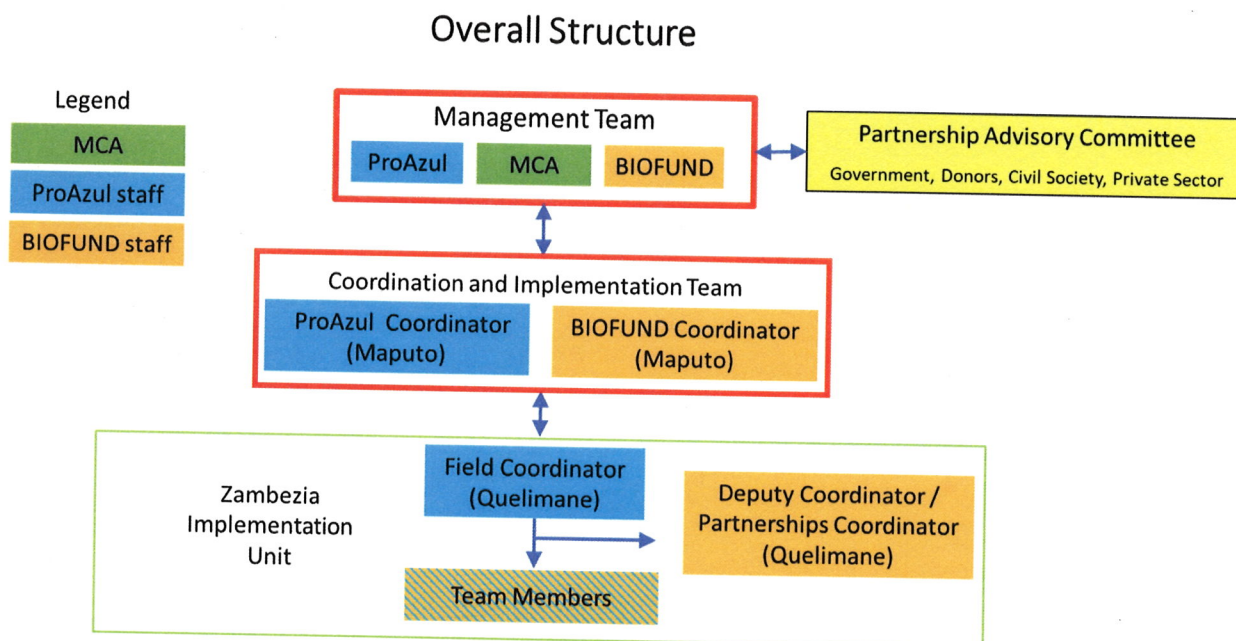
The CLCR Project's governance and management structures are designed to enable and reflect a sustained partnership and collaboration between the MCA Entity, BIOFUND, and ProAzul throughout the life of the Compact; delineate between advisory functions, shared strategic direction setting, decision-making, and progress monitoring and the operational management of implementation activities; and support Maputo-based and field-based coordination of implementation activities.

The governance and management structures include seven elements:

- Partnership Advisory Committee
- Management Team
- Coordination and Implementation Team
- Maputo Coordination Units
- Zambézia+ Implementation Unit
- Sub-recipient Oversight and Support
- Monitoring, Evaluation and Learning Functions

The relationship between and function of these entities, as well as the composition and roles and responsibilities of representatives of these entities, will be further defined and documented in the Governance and Yearly Implementation Plan, which will be reviewed and updated on an annual basis during the annual learning and planning sessions.





Pursuant to Section 1.6 of the Agreement, the goals and objectives of CLCR Project will be guided and advised by a Partnership Advisory Committee formed to ensure that the Partnership between MCA Mozambique Entity, BIOFUND, and ProAzul achieves its goals, adapts to changing contexts and opportunities, manages risks, and brings the necessary human, financial and intangible resources to bear toward the success of the CLCR Project in a timely manner. The Parties agree that the Committee will be constituted and prescribed the competencies and areas of authority as outlined in the Governance and Yearly Implementation Plan(s).

The Partnership Advisory Committee will be a consultative multi-sector body designed to help the MCA and Lead Partners in managing the Project. The PAC will provide advice to the Management Team, with quarterly meetings (virtual or in-person) during Phase 1, and at least semi-annual meetings during Phase 2. The Secretariat function will alternate between BIOFUND and ProAzul.²⁰

In addition to the MCA Entity, BIOFUND, and ProAzul representatives, the PAC membership may comprise representatives from relevant government agencies (MTA, MIMAIP, MEF and MIREME), other donors, academia, civil society, and the private sector. As the CLCR Project evolves, PAC membership may evolve and/or new members may be invited to participate. The PAC will help guide the strategic direction of the Project over its life cycle, marshal support for the Project, work to identify and mitigate risks and issues, and help to mobilize new resources for the Project. The PAC will provide expertise, analyze and consider the big picture of how project resources are utilized, and provide advice, as well as support other stakeholders to help ensure the Project's success.

²⁰ The PAC Secretariat function includes but is not limited to: coordinating the schedule and agenda for PAC meetings, managing logistics for PAC meetings (exclusive of any travel costs for PAC members), managing documentation related to PAC meetings, documenting meeting summaries, managing action items and follow-up.

The Management Team guides the implementation of this Agreement, informed by the advice of the Partnership Advisory Committee, and provides for strategic direction setting, strategic decision making and problem solving, ongoing coordination, and monitoring for the CLCR Project. It comprises senior management of the MCA Entity (Managing Director for the CLCR Project), ProAzul (ProAzul Director of Program), and BIOFUND (BIOFUND Senior Project Coordinator). The Management Team's purpose is to focus on strategic direction setting, decision making, and progress monitoring of the CLCR Project and to maintain alignment and routine communication among senior managers from the MCA Entity, BIOFUND, and ProAzul. The Management Team will not manage the operational, day-to-day activities of BIOFUND and ProAzul.

The Management Team will meet monthly to discuss program direction, review progress and implementation plans, resolve issues, and discuss opportunities related to the strategic direction and progress of the CLCR Project. The Management Team will work together to ensure that the respective CLCR Project activities and contributions of the MCA Entity, BIOFUND, and ProAzul are coordinated appropriately. Ideally, monthly meetings should focus on the strategic management of the program and minimally, the quarterly meetings would be a review of the Milestones, financial spending and targets for the next quarter to ensure that the MCA Entity can maintain accurate and realistic Disbursement Request projections. After entry into force, and at their (unanimous) discretion, the Management Team may decide to meet on a quarterly basis.

The BIOFUND and ProAzul Coordinators (Maputo), together with others, as determined by BIOFUND and ProAzul, will form a Coordination and Implementation Team (CIT) to lead on project implementation focused more on the day-to-day operations and logistics of the work.

2.5.2. Oversight

In addition to being a partner with BIOFUND and ProAzul for the strategic direction setting and related decision-making for the CLCR Project (as described above), the MCA Entity will provide oversight and technical support to the Lead Partners on such issues including, but not limited to, M&E, compliance, safeguards, and engagement with the GOM as required.

Ongoing monitoring and evaluation will focus on capturing progress towards the overall project goals and ensuring the MCA Entity's compliance with the Compact's terms and M&E requirements. The MCA Entity's responsibilities in the implementation of the Partnership are further explained in Annex C.

2.5.3. Workplans

The CLCR Project will be divided into two Phases to correspond with activities that are appropriate for and may be completed prior to the Compact's entry into force (EIF) (Phase 1), and those that constitute project implementation and will be conducted after EIF (Phase 2). Phase 1 will commence upon the signing of the Program Partnership Agreement (PAA) and continue until EIF. Phase 2 will commence upon the Compact's EIF and comprise project implementation activities during the 5-year Compact implementation period, expected to be 2025-2030.

As a collaborative and ongoing Partnership, the CLCR Project requires an iterative process of learning and revising, with yearly reflection on the many moving parts that will go into the

Project's deliverables. Project activities will form the basis for the preparation of annual workplans that may be adjusted in accordance with lessons learned and progress made, further informed by preliminary results identified and registered by the Monitoring, Evaluation, and Learning (MEL) team.

BIOFUND and ProAzul will hold annual learning and work planning sessions in Mozambique with relevant Government representatives, the MCA Entity, MCC, and collaborating partner staff. The purpose of these annual learning and work planning sessions will be to assess program progress and reflect on achievements, roadblocks, and lessons learned from the previous year and make any needed or necessary changes for the coming year(s). Participants will also consider potential improvements to be made to the implementation of the Partnership. During each annual learning and work planning session, there will be parallel sessions of 2 to 3 days focused on each thematic area, facilitated by the respective collaborating partner(s) of each group of activities, as well as discussions about the overall Partnership health and how collaboration among the CLCR Project Partners is enabling the achievement of the Project's outcomes. Annual learning and work planning sessions will start in the latter half of Phase 1 to prepare for Phase 2, and then be held in the final quarter of each Phase 2 implementation year in preparation for each upcoming year.

Thereafter, annual project workplans will be submitted and subject to MCA Entity approval.

2.5.4. Conceptual Summary of Key Activity Groups

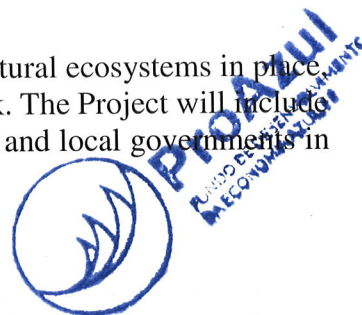
This section presents very brief overviews of the types of activities expected to inform preparation of the annual workplans. The activities listed are contained within conceptual explanations of why each set of interventions, including those already planned for Phase 1 (occurring prior to EIF) and those proposed for inclusion in the workplans during Compact implementation (Phase 2), is needed to help effect the changes sought in the thematic areas identified in Section 2.3 of this Annex B. Phase 1 activities are designed to provide a strong foundation for Phase 2, enabling the CLCR Project to accelerate in Phase 2 and to achieve the agreed results in the stipulated timeframe of five years.

The following Section 5 of this Annex B (*Phase 1 Activities*) identifies activities to be undertaken prior to EIF, the parties responsible for their implementation, and their anticipated costs, thereby providing a link to the Milestone Disbursement Schedule provided in Annex M. During Phase 1, the Lead Partners, ProAzul and BIOFUND, will work with the MCA Entity and MCC to refine the theory of change and the indicators that will be used to measure completion of the sets of activities included in the Project workplans.

2.6. Activities to sustainably enhance ecosystems productivity and climate resilience

Measures taken under the CLCR Project to restore degraded habitats and ecosystems within the Zambézia+ landscape will address falling fisheries productivity and help replenish stocks. Sustainable management of the coastal and marine resources will prevent further degradation and build resilience in the face of climate change and increased impacts of more and more severe climate events.

Mozambique already has a number of important legal protections for natural ecosystems in place but on-the-ground application and compliance monitoring are very weak. The Project will include a set of targeted activities to strengthen the capacities within provincial and local governments in



Zambézia+ to inspect, monitor, and enforce the implementation of existing laws, rules, and regulations to ensure protection of important and sensitive ecosystems. These activities include:

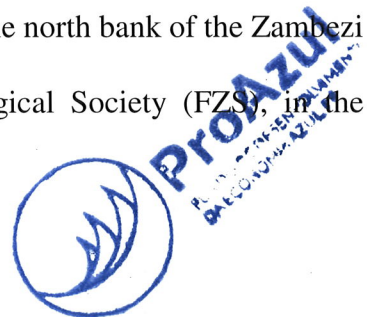
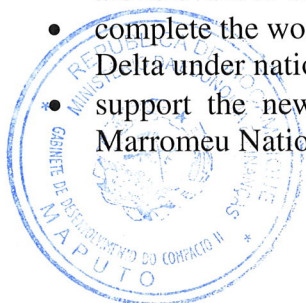
- geospatial identification of Project Areas and agreement with MIREME to avoid, nullify, cancel, and/or otherwise mitigate the negative impacts of mining concessions in CLCR Project Zones, as stipulated in Article 8 of the Compact.
- the provision of resources for the Provincial Directorate of Infrastructure to undertake regular visits to active mining operations and monitor implementation of each mine's Environmental Management Plan, its Biodiversity Offset Management Plan, its community engagement, and its compliance with mining regulations.
- support for the marine surveillance, monitoring and technical capacities of MIMAIP.
- support for effective implementation of the beach seine removal program, including:
 - creation of a baseline map of beach seine "*hot spots*" In Zambézia+.
 - analysis of experiences to date and best practices for replacing beach seine with other kinds of fishing gear.
 - development and implementation of a methodology to assess the economic and social impact of beach seine removal, particularly on youth employment, including a risk mitigation plan.

Government application of legal measures will be effective when supported by scientific knowledge, most communities, and many companies. The Project will:

- support research and monitoring of key ecological habitats to improve scientific information and ensure that all project activities are in line with the best up-to-date knowledge available about natural resources in the Zambézia+ region.
- engage women and youth in local communities in the study of coastal and marine biodiversity,
 - discuss the benefits of sensitive habitats for the communities' well-being,
 - use local knowledge in land delimitation, and
 - ensure community land use plans mark sensitive habitats as areas to be preserved.
- bolster community capacities to monitor the use of local resources by mining, fishing, forestry, and other companies that extract the natural resources the community needs.
- identify and facilitate the use of opportunities to optimize the positive impact of biodiversity offsets legally required of resource-exploiting companies.
- collaborate with companies developing projects for blue carbon credits, sustainable use of wildlife, or improved coastal and marine habitats.

Establishment and effective management of coastal and marine Protected Areas (PAs) are the core of ecosystem productivity in the Zambézia + landscape. The Project will:

- support the creation of Locally Managed Marine Areas (LMMAs) including no-take zones where no fisheries resources may be extracted.
- ensure that action plans prepared within the National Mangrove Strategy and Action Plan are relevant to the specific realities of Zambézia+.
- complete the work necessary to bring the RAMSAR site on the north bank of the Zambezi Delta under national legislation.
- support the new co-management partner, Frankfurt Zoological Society (FZS), in the Marroneu National Reserve.



- support the process underway to include a significant new marine component in the Marromeu Reserve.
- identify and bring on board a dedicated co-management partner for APAIPS.
- support PA infrastructure, conservation planning, ecological management, revenue generation, communications, and finance and administration.
- provide grants to the Zambézia+ PAs that address community development, environmental awareness and education, and sustainable livelihoods in the PAs and their buffer zones.
- prioritize gender and youth inclusion in interventions on incomes, education and capacity building.
- provide PA managers and local community leaders with a natural disaster specialist to help create locally-tailored Disaster Preparedness Plans.

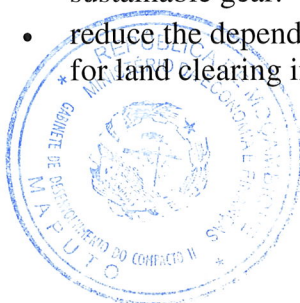
2.7. Activities to develop sustainable coastal livelihoods and community resilience

Coastal communities will significantly improve their livelihoods when they have strengthened resource rights to productive ecosystems, sustainable management practices, and enhanced technical and financial capacities.

Healthy marine and coastal ecosystems can provide local communities with non-financial benefits such as storm surge reduction, sediment stabilization, carbon sequestration, nursery habitats for fish and other species, intertidal resources for gathering, water provision services, pollination services, recreational opportunities, provision of building materials, and traditional medicines. Financial benefits should also be significant and notable. Local communities are heavily reliant on the sale of fish, crustaceans and other marine products for their income; they will directly benefit from increased productivity. In addition, communities are legally entitled to receive 20% of the government income from taxes paid for tourism, hunting, and forestry exploration, while 13% of the cost of fishing licenses is to be transferred to local CCPs. Currently, however, these benefits do not flow effectively nor equitably to impacted communities. Carbon credits may provide another revenue stream to coastal communities.

The Project will:

- seek to create and train local community bodies to receive and manage the resources and ensure that such bodies are equitably and transparently governed, with meaningful participation by and equitable benefits to all community members including women, youth and marginalized groups.
- support the development of a legal framework for carbon management, with CLCR Project funding and with leverage financing from other sources.
- undertake to make environmentally sustainable, ecologically resilient, and inclusive livelihoods available to individuals, including the use of the sustainable offtake of natural resources for home consumption.
- set up a Beach Seine Removal Fund to finance the transition of artisanal fisherfolk to more sustainable gear.
- reduce the dependency of youth on illegal fishing and hunting and of women on using fire for land clearing in subsistence farming.



- empower women and youth in resource management and value chains linked to the marine ecosystem, like fisheries and aquaculture, as well as related sectors such as tourism and energy.
- develop an Aquapark, combining intensified shrimp farming with habitat restoration and biodiversity and community climate adaptation benefits. In collaboration with an anchor company already settled in Zambézia+, work with organized farmers in cooperatives and other stakeholders to:
 - restore blue carbon ecosystems,
 - test a model to lessen the environmental impact of shrimp farms,
 - enhance wellbeing and livelihoods in farming communities,
 - increase productivity, profitability and resilience on shrimp farms, and
 - enhance job opportunities for women and youth,
 - catalyze replicable opportunities for investors.

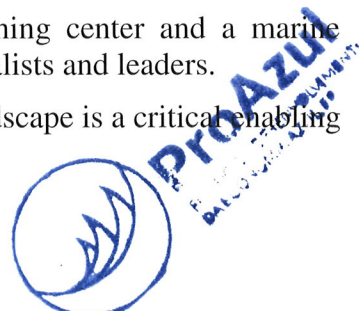
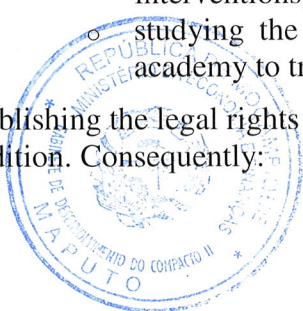
2.8. Activities to provide an enabling institutional and regulatory environment

At the national level, the CLCR Project will contribute to drafting new legislation and adjusting existing legislation, focusing on a small number of decrees on key themes such as carbon, community co-management, and legal rights over coastal and marine resources. The major focus, however, will be on enhancing the institutional capacity of specific government departments and institutions.

To this end, the Project will:

- provide training and access to technical advice to build the capacity of the ANAC Business Development Unit to develop economic activities to support national parks' finances.
- strengthen the coordination between MIMAIP and MTA to establish and oversee marine PAs.
- enhance technical capacities to set up and support community conservation mechanisms in the marine and coastal space.
- support a national Mozambican framework to realize the potential of carbon finance by:
 - working with private sector investors in the Zambézia+ landscape,
 - working with the national government on regulations,
 - collaborating with the ongoing African Carbon Markets Initiative (ACMI) to develop a Roadmap for a Voluntary Carbon Market in Mozambique, and
 - exploring, incubating, and potentially piloting new mechanisms such as mangrove insurance, debt swaps, jobs-for-nature, private sector leveraging, and impact investment.
- raise national awareness of the vital role of biodiversity in providing livelihoods and the intimate relationship among healthy ecosystems, coastal protection, fisheries, and human wellbeing through:
 - biodiversity exhibitions,
 - identification of youth change agents through GYSI and GALS analysis and interventions, and
 - studying the feasibility of an interactive marine learning center and a marine academy to train coastal and marine conservation specialists and leaders.

Establishing the legal rights of individuals and communities in the landscape is a critical enabling condition. Consequently:



- mapping community boundaries to establish their tenure rights will be one of the first activities undertaken during Phase 1 (to be undertaken by collaborating partner, Terra Firma).
- the tenure survey will promote enhancement of the national policy and institutional frameworks to ensure alignment with conservation objectives, identify opportunities to promote the wildlife economy, and clarify mandates for CCAs and marine PAs.

The Project will also strengthen the technical and institutional capacities of all Project partners by:

- developing the capacities of BIOFUND and ProAzul to manage the significant increase in resources and responsibilities that accompany the Project;
- drawing on lessons learned by all participating national and local organizations to build capacity, develop best practices, and to leverage each other's experiences;
- mapping the relevant organizations that can add value to activities at the local level; and
- prioritizing the inclusion of women and youth in the management and sustainable exploitation of coastal and marine resources.

3. Phase 1 Activities

3.1. Project Organization

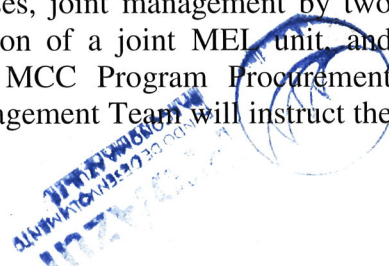
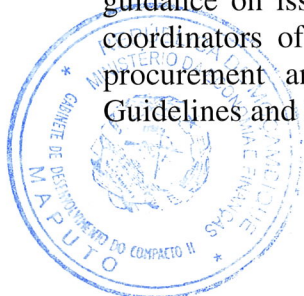
In the estimated sixteen (16) months between the signing of the Program Partnership Agreement by the Parties and EIF, the following activities will be completed:

- *Creation of the CLCR Management Team and the Partnership Advisory Committee (PAC).*
 - The Management Team will be constituted at the beginning of the Compact and the first official meeting will be held immediately after official signing of the CLCR Project's Program Partnership Agreement. The Management Team will confirm which institutions will be invited to participate in the PAC and the inaugural PAC meeting will be held during Q2 2024. The Management Team will work with the MCA Entity and human resources departments at ProAzul and BIOFUND to develop the Terms of Reference for the Management Team and the PAC, as well as CLCR Project-relevant policies, regulations, guidelines, and accountability mechanisms.
- *Phase 1 operational workplan.*

Within one month of the Program Partnership Agreement being signed by the Parties, the Management Team will approve the Phase 1 workplan and submit it to the MCA Entity.
- *Develop position descriptions and recruit additional BIOFUND and ProAzul staff.* To ensure that the full complement of staff in Maputo and in Quelimane are in position well before EIF, the Management Team will:
 - Develop position descriptions for BIOFUND and ProAzul personnel and recruit key national level staff by October 2024;
 - Finalize key training national staff by the end of 2024 and finalize national and Zambézia+ staff hiring before the end of June 2025.



- *Prepare Sub-awards (between June 2024 – July 2025)*
 - First round: sign sub-award agreements for Terra Firma and ACDI/VOCA immediately after the Program Partnership Agreement is signed with first disbursements and start-up in June 2024.
 - Second round: Prepare sub-award agreements by the end of September 2024 with Disbursements and start-up by end October 2024 for pre-approved Sub-recipients:
 - Conservation International
 - Gorongosa Restoration Project
 - Mozambique Association of Safari Operators (AMOS)
 - Space for Giants
 - Likhulu Foundation
 - Wildlife Conservation Society
 - WWF
 - AQUAPESCA
 - Third round: Sub-award agreements with other Sub-recipients and PA operators, for implementation after EIF:
 - By the end of December 2024: Develop terms of reference of tendering studies under the Phase 1 CFF-funded period and refine the first annual implementation workplan based on the Program Partnership Agreement, and address, among other issues: Administration and Management, GALS, Conservation Activities, Community Development, Environmental Education, Safeguards and Monitoring obligations, and Reporting requirements and expectations.
 - By the end of March 2025: Other Sub-recipients and PA operators submit proposals for negotiation and final planning.
 - By the end of June 2025: Approvals and sub-award signatures
 - Q2 2025: Recruitment and preparation
 - Following EIF: Begin implementation.
- *Develop a harmonized Project Implementation Manual for ProAzul and BIOFUND, together with the MCA Entity (by the end of November 2024).* This process will be guided by BIOFUND and ProAzul's experience and procedures, including their existing Program Implementation Manual for their collaboration on the 10-year, \$500,000,000 World Bank project: "*MozRURAL: Multiphase Sustainable Rural Economy Program.*" This manual was finalized in 2022 and is currently in use. The new CLCR Project Implementation Manual is projected to have chapters including Framework, Management, Planning and Communication, Operational Procedures for the Zambézia+ field office, Financial Management System, Gender and Social Inclusion, Internal Controls/Audits, Procurement, Matching Grants, and Environmental & Social Safeguards.
- *Develop a harmonized Project Financial and Human Resources Manual for ProAzul and BIOFUND (by the end of November 2024).* Each Lead Partner will manage its own finances and directly hire its own staff. However, the CLCR Project's team will require guidance on issues such as accounting for shared expenses, joint management by two coordinators of the single Field Coordinator, the operation of a joint MEI unit, and procurement and grant processes in compliance with MCC Program Procurement Guidelines and MCC Program Grant Guidelines. The Management Team will instruct the



BIOFUND and ProAzul finance and HR teams to review the chapter on Financial Management in the existing MozRural Program Implementation Manual, then update this and incorporate a relevant customized human resources chapter.

- *Design a Community / Stakeholders Engagement Plan (by the end of December 2024)*
Under the direction of the Management Team and in consultation with the MCA Entity and MCC, the Maputo Coordinators will develop the Stakeholders Engagement Plan. Material gathered by the MCA Entity and MCC will be valuable in contributing to this Plan, which will be presented to the Management Team and the PAC for approval.
- *Develop and apply a robust M&E Framework (by EIF)*
The MEL specialists from the Lead Partners and Terra Firma, in consultation with the MCA Entity M&E team, will develop the M&E framework with clear indicators and systems to monitor project progress, ensuring that this is fully operational by EIF:
 - By the end of August 2024: Project GeoPortal online, available for data upload by partners with link sharing all spatial data to ADE Systems
 - By the end of February 2025: Develop preliminary MEL plan
 - By the end of May 2025: Finalize MEL Indicator Table and PIRS sheets
 - By the end of June 2025: Develop MEL Manual, adapted from MozRural M&E Manual
 - By the end of 2025: Produce calendar of learning events for 2025 and 2026 (Pause and Reflect, annual CLCR Project Learning Platform meeting, etc.)
- *Develop a Sustainability Plan for the post-agreement period (by the end of December 2025)*
The Lead Partners will work closely with collaborating partners – in particular, government departments from MIMAIP, MTA and MIREME – to develop a Sustainability Plan to ensure that the initiatives are sustainable in the period after the end of the Compact. This will be overseen by the Management Team and supported by the Partnership Advisory Committee.



ANNEX C

MCA ENTITY PARTNERSHIP CONTRIBUTIONS

MCA Entity will implement the activities and commit the resources described below (“**MCA Partnership Contributions**”) to the implementation, advancement, and success of the Partnership, in addition to disbursement of the Award Amount.

MCA Entity Partnership Contributions will include the following:

MCA contribution item	Description
Governance	At least one individual from the MCA Entity will participate in the following CLCR Project governance bodies: Management Team and Partnership Advisory Committee. The MCA Entity’s participation in the governance bodies will aim to administer the MCA Entity’s obligations under this Agreement.
Stakeholder Engagement	MCA Entity will support conducting and managing engagement with national, provincial, and local government stakeholders; private sector; civil society; funders; and other interested parties. Norms for stakeholder engagement will be agreed with the Partners post Award.
Representation	The MCA Entity will deploy a communications officer and will therefore support communications about the CLCR Project, covering the Project's progress and its impact. Communications efforts will include information shared in social media, at conferences, the UN General Assembly, major convenings, and other means, aiming to: i) inform project partners and the general public about the CLCR Project’s activities and progress; ii) helping to mobilize new resources and players; and iii) receiving feedback on and contributions concerning the Project's success.
Monitoring	The MCA Entity’s M&E team will work with CLCR Project Partners in the scope of active monitoring of the CLCR Project. This exercise will include the involvement of all relevant stakeholders. Monitoring actions are reflected in Annex K of this Agreement and the related activities will be described in detail in the Compact M&E Plan.
Evaluation	The MCA Entity, through the Compact's M&E Plan's budget, will provide the resources needed and lead the evaluation of the CLCR Project. CLCR Project Partners are expected to program/plan M&E activities to contribute to the MCA Compact M&E Plan. Evaluation activities are reflected in Annex K of this Agreement and will be described in detail in the Compact M&E Plan.



MCA contribution item	Description
Reporting	It is expected that the CLCR Project Partners submit progress reports to the MCA Entity M&E team on a regular basis in line with the Compact's M&E Plan. Reporting activities are part of Annex H of this Agreement; guidelines will be described in detail in the Compact's M&E Plan.
Grant Administration	The MCA Entity's Grants Director will support the Agreement's administration and oversight. This will include participating in yearly annual learning and work planning sessions – which would include development/affirmation of the annual Milestones and the Milestone Disbursement Schedule.
Technical Advice	The MCA Entity team includes a project manager for the CLCR Project. The CLCR Project's manager will support CLCR Project Partners to pursue the CLCR Project's Objectives and meet reporting requirements.
Procurement	The MCA Entity contracted a procurement agent (PA) responsible for leading all procurement efforts in compliance with MCA Entity/MCC guidelines. The PA support to Partners will include: i) supporting CLCR Project Partners' procurement officers to compile and implement a procurement plan for the CLCR Project; ii) conducting in-kind procurement on behalf of the Partners but limited to large capital items.



ANNEX D

ProAzul CONTRIBUTIONS

Partner (ProAzul) will commit resources (“**Partner Contributions**”) to the implementation, advancement, and success of the Partnership, including financial and non-financial contributions.

Partner Contributions will include the following leverage contributions:

ProAzul and Partners’ Leverage Financing:

Donor/Source of funds	Project /Program	Beneficiary	Total Budget	Phase 1	Phase 2
ProAzul	Diverse (small projects and salaries contributions)	Nationwide	5 906 651,99	2 670 290,40	3 236 361,59
WCS	LLMA for Zalala	Zambezia	1 100 000,00		1 100 000,00
European Union - GIZ	Blue Economy Program for Mozambique	Zambezia + & ProAzul headquarters	3 800 000,00		3 800 000,00
World Bank	MozRural	Zambezia +	2 350 000,00	2 350 000,00	
	MozNorte	Zambezia + (Angoche e Moma)	1 200 500,00	1 200 500,00	
	MozSul	Nationwide	1 550 000,00		1 550 000,00
PROBLUE – World Bank	MozAzul	Nationwide	300 000,00	300 000,00	
Aquapesca	Aquapark	Zambezia	1 435 000,00	35 000,00	1 400 000,00
UNIDO	Global Market Access Programme (GMAP)	Nationwide	150 000,00	150 000,00	
Total			17 792 151,99	6 705 790,40	11 086 361,59

Partner Contributions will also include the following intangible contributions: ProAzul is in a unique position to **leverage other financial resources to complement programmatic activities**. ProAzul already implements a \$14 million MaisPeixe grants fund. ProAzul aims to not only enhance activities through targeted use of MaisPeixe grant funds, but we will also aim to grow the MaisPeixe funding pool through demonstrating successes in sustainable fisheries and diversified livelihood activities through Zambezia. At the same time, Partner expects to leverage an additional \$10-18 million in Mozambique government funds which can be used to complement project activities.



ANNEX E

KEY PERSONNEL¹

The following are Award-funded Key Personnel from the Partner organization (PROAZUL) and, as applicable, any approved subrecipients (“**Key Personnel**”):

Name	Title	Organization
Simeão Lopes	CEO & Fisheries Senior Expert	ProAzul
Mateus Tembe	Director of Program	ProAzul
Isabel Omar	Senior in marine ecosystem management and Team Leader	ProAzul
Daniel Segura	Private Sector and Partnership Coordinator	ProAzul
Felismina Antia	Public Policy Senior Expert	ProAzul
Lucinda Mangué	Fisheries Senior Expert	ProAzul
Sergio Chitará	Coordinator and Focal Point	ACDI/VOCA
Rodrigo Fernandez	Marine Program Coordinator	WWF
Hugo Costa	Marine Program Coordinator	WCS



ANNEX F

MCA ENTITY/PARTNER DETAILS (PROAZUL)

Notice: Communications

- 1.1** The Parties will deliver any document or communication required to be submitted by either Party to the other under the Agreement in writing and, except as otherwise agreed, in English or Portuguese, either by electronic mail (with a confirmation by (1) responsive email, (2) automated read receipt, or (3) a confirmation copy sent by mail), by hand, by mail or by facsimile. For this purpose, the contact information of each Party is set forth below. MCA Entity's contact information will be provided to Partner within five (5) business days of the Effective Date of this Agreement and will be incorporated by reference into this Agreement once MCA Entity provides such information to Partner.

MCA Entity:	<i>[MCA Entity]</i> Attn: <i>[MCA Entity Address]</i> <i>[MCA Entity Address]</i> <i>[MCA Entity Fax]</i> <i>[MCA Entity E-mail]</i>
Partner:	<i>ProAzul – Fundo de Desenvolvimento da Economia Azul</i> Attn: Simeão Lopes Av. Emília Daússe, N 591, R/C, Maputo – Moçambique clcr@proazul.gov.mz +258 21 300571

- 1.2** No notice or other communication will be effective until received or deemed received. Notices or other communications will be deemed to have been received by the receiving Party on the date that is the earlier of: (i) the date that such notice or communication was sent by email (provided that: (1) a responsive email is returned, (2) an automated read receipt is returned, or (3) a hard copy is dispatched by mail no later than the following business day); and (ii) the date that is three (3) business days after the other Party sent such communication by international courier.

For the avoidance of doubt, verbal communications should be confirmed in writing in accordance with the above.

Partner's Bank Account

Any disbursements to be made by MCA Entity pursuant to the Agreement will be made by transfer of funds to the following account (or, if Partner has designated a different account in accordance with Section 1.3(e), such other account) and will be deemed disbursed upon such transfer being initiated by MCA Entity:

Bank Name:	
Address:	

SWIFT:	
ABA:	
Account Name:	
Account #:	

Per Mozambican banking requirements, a signed agreement is required in order to open an account. Account information will be supplied by Partner to MCA Entity immediately after a project-specific account has been opened following the Effective Date of this Agreement and will be incorporated by reference into this Agreement once such information is provided by Partner to MCA Entity.

Cooperating Sub-recipient ACDI-VOCA Bank Account

Note that payments may be made by MCC (or “fiscal agent”) to the pre-approved ProAzul Cooperating Sub-recipient, ACDI-VOCA, directly from the US to the Cooperating Sub-recipient’s US accounts in US Dollars.

Any disbursements to be made by MCA Entity to the Cooperating Sub-recipient, ACDI/VOCA, pursuant to this Agreement, will be made by transfer of funds to the following account and will be deemed disbursed upon such transfer being initiated by MCA Entity:

Bank Name:	Bank of America
Address:	222 Broadway, New York, NY 10038
SWIFT:	BOFAUS3N
ABA:	054001204
Account Name:	ACDI/VOCA
Account #:	226005707072



ANNEX G

GENERAL PROVISIONS

The additional general provisions of this Agreement can be found on the MCC website at: <https://www.mcc.gov/resources/doc/annex-of-general-provisions>, a copy of which is attached and comprises this Annex G with the following guidance:

- (a) any reference to “Counter Party” shall mean Partner; and
- (b) any reference to “Project” shall include the Partnership.



ANNEX H

REPORTING

A summary of expected deliverables and associated due dates follows, along with specific additional details for required Progress Reports and Final Completion Reports.

1. **Governance and Yearly Implementation Plan** – due within 30 days of signing this Agreement, then annually.
2. **Branding and Marking Plan** – due with first Governance and Yearly Implementation Plan
3. **Compliance with Sanctions form** – due within 28 days of signing this Agreement, then quarterly.
4. **Code of Business Ethics** – adopt and implement within 90 days of signing this Agreement and provide a copy as part of the first Milestone.
5. **Disbursement Requests** – due upon completion of each Milestone.
6. **Progress Reports** – due with each Disbursement Request (to describe completion of the Milestone) and quarterly.
7. **End of Phase 1 and Final Completion Report** – due by End of Award Date

Partnership Advisory Committee

The Partners will convene Partnership Advisory Committee meetings and provide verbal, and, as needed, written, updates to the Partnership Advisory Committee that at a minimum contain the following information:

- i. An update on significant activities completed in the past quarter;
- ii. A variance report on variances between planned and completed activities and Milestones from the previous quarter, along with planned strategies to overcome difficulties and delays;
- iii. Activities and Milestones dates for the upcoming two quarters, and any key challenges to be overcome, along with strategies for overcoming them;
- iv. Issues, risks and mitigation strategies for the Partnership as a whole (identify issues/risks facing the design and implementation of the Partnership and describe mitigation measures, or lessons learned).

The PAC will provide advice to the Management Team, with quarterly meetings (virtual or in-person) during Phase 1, and at least semi-annual meetings during Phase 2.

Management Team



The MCA Entity, BIOFUND, and ProAzul will establish a Management Team, as defined in Annex B, Section 2.5.1. The Management Team's Secretariat rotates between the ProAzul CLCR Coordinator and BIOFUND CLCR Coordinator.

The Management Team will meet monthly to review progress and plans and to discuss issues and opportunities. After one year from entry into force, and at their (unanimous) discretion, the Management Team may decide to meet on a quarterly basis.

Coordination and Implementation Team

The BIOFUND and ProAzul Coordinators (Maputo), together with others as nominated by BIOFUND and ProAzul, will form a Coordination and Implementation Team (CIT) to lead on Partnership implementation. The CIT will meet monthly to discuss progress and issues/challenges, including any anticipated changes to key staffing or planned consultant usage.



The objective of these meetings will be to ensure that the Partners and MCA Entity remain in routine communication and coordination regarding project plans, implementation, and progress.

Brief minutes will be taken by the CIT and shared within five (5) working days with the MCA Entity.

Financial Reporting

Financial reports will be made on semi-annual basis, on the basis of the following:

ANNEX L PROOF OF PAYMENT AND FINANCIAL REPORT

Financial Reports are to be submitted to MCA Entity in accordance with the Milestone Disbursement Schedule and on the following ____ date of ____ Month/Quarter

Submit report to:

Grant Reference No. _____ Milestone Number _____

Grant Start Date _____ Date _____

Grant End Date _____

Grantee Name _____

Verification Documents

Submitted: _____

I. Budget Analysis	Grant Budget	Total Expenses Previously Reported	Expended This Reporting Period	Total Expended to Date	Grant Funds Remaining
<i>Amendment #</i> _____					
Salaries					
Benefits (if applicable)					
Consultants					
Equipment					
Travel, Transportation, and Per Diem					
Subgrants/Subcontracts					
Other Direct Costs					
Indirect Costs					
Other					
TOTAL					

COST SHARE

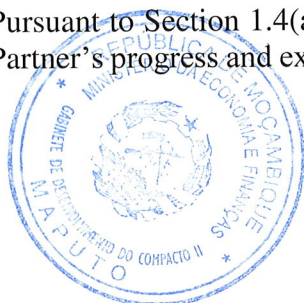
Grant Budget	Total Expenses Previously Reported	Expended this Reporting Period	Total Expended to Date	Percentage of Expenditures

Audits for all financial expenditures will be carried out on an annual basis by a reputable international audit company and according to international audit standards, as per the standards set out in the BIOFUND and ProAzul operational manuals, previously appraised and deemed acceptable to MCC.

The due dates for the quarterly Progress Reports and Final Completion Report are noted in the Milestones Table.

Progress Reports

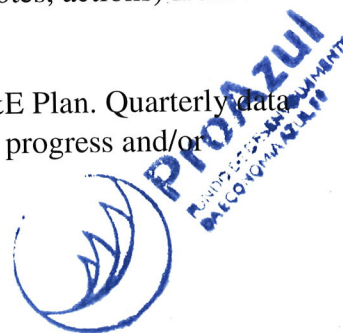
Pursuant to Section 1.4(a)(c) of the Agreement, Partner will prepare Progress Reports that detail Partner's progress and experience implementing the Partnership and submit such Progress Reports



to the Partnership Advisory Committee with a copy to MCA Entity on a quarterly reporting schedule.

Partner will deliver Progress Reports in a form agreed by the Parties and, unless otherwise agreed by the Parties, include the following regarding the quarter for which the Progress Report has been submitted:

- (i) a short narrative description of how the Partnership has been implemented in the quarter for which the Progress Report has been submitted;
- (ii) summary report on output and outcome (as applicable) indicators, including those that correspond with the Compact and those that are specific to the Partnership, as specified in Annex B, with more detail in an annex;
- (iii) a list of Milestones completed in the quarter for which the Progress Report has been submitted, as referenced in Annex M;
- (iv) a list of Milestones in progress accompanied by descriptions of progress made thereon in the quarter for which the Progress Report has been submitted;
- (v) a report of the Partner Contributions, if any, contributed by Partner toward the success of the Partnership in the quarter for which the Progress Report has been submitted and the justifiable financial value added by such Partner Contributions;
- (vi) a report of resources leveraged on behalf of the Partnership and the value added by such leveraged resources;
- (vii) a completed progress/performance chart indicating verifiable results/progress to date; and
- (viii) a short description of any challenges or circumstances that may impact the success of the Partnership;
- (ix) any recommendations or other submissions for the Committee's consideration.
- (x) Annex: Environmental and social activities and achievement, including compliance with the Environmental and Social Management System (ESMS) developed in accordance with the International Finance Corporation's Environmental and Social Performance Standards. Updates on the implementation of gender and youth inclusion activities following the Governance and Yearly Implementation Plan and C-TIP plans;
- (xi) Annex: Minutes (attendees, discussion topics, summary notes, actions) from the most recent Partnership Advisory Committee meeting;
- (xii) Annex: Data requirements in line with the Partnership M&E Plan. Quarterly data on Partnership M&E Plan indicators with explanations for progress and/or



deviations from targets and supporting documentation to the results reported as an annex to the Progress Report. (See Indicator Tracking Table template below). Note that reporting on the Partnership M&E Plan will only begin after approval of the Partnership M&E Plan, scheduled for Phase II of this Partnership. Quarterly Progress Reports are still required before the Partnership M&E Plan, but need not include the indicator tracking table; and,

- (xiii) Annex: When relevant, proposed updates to the Partnership M&E Plan indicators or targets with justifications, for approval by MCC and MCA Entity. Partner should work closely with MCA Entity's M&E team prior to proposing indicator and target updates in order to ensure proposed updates align with MCA Entity's policies and the Government's M&E reporting requirements under the Compact.

The Parties understand and agree that Partner will provide Progress Reports to the Partnership Advisory Committee and copied to MCA Entity to inform its oversight and management of the Partnership's implementation and may also be used in such verification procedures as the Committee deems appropriate to determine the actual achievement of any Milestone.

Partner will submit regular Progress Reports to provide data in line with the required Partnership Monitoring & Evaluation Plan. The frequency of the Progress Reports will be determined based on the Milestone Disbursement Schedule and Partnership requirements. Progress Reports are generally quarterly or semi-annually depending on the needs of the Partnership. The Partner shall also submit a Final Completion Report. The Progress Reports must contain the following information:

- Quarterly data on Partnership M&E Plan indicators with explanations for progress and/or deviations from targets and supporting documentation to the results reported as an annex to the Progress Report. (See Indicator Tracking Table template below).
- Proposed updates to the Partnership M&E Plan indicators or targets with justifications, for approval by MCA Entity.
- Insert into this Annex H the due dates of the Progress Reports and the Final Completion Report.

Indicator Tracking Table template:²¹

Result	Indicator	Baseline	Year 1					Year 2					Project Target	Percent of target complete	Notes (reasons for progress or deviation from targets, data sources, etc.)
			Q 1	Q 2	Q 3	Q 4	Year 1 Target	Q 1	Q 2	Q 3	Q 4	Year 2 Target			

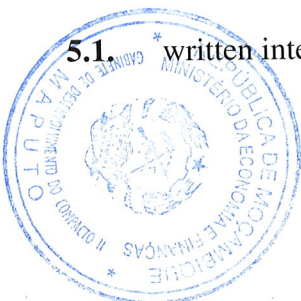
²¹ Note that the Indicator Tracking Table reporting period will be adapted to reflect the duration of the Program Partnership Agreement.

ANNEX I

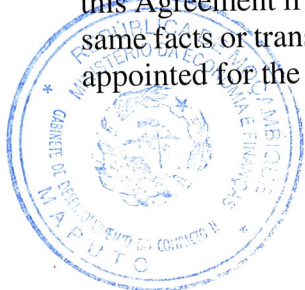
ARBITRATION

- (1) Any arbitration of disputes, controversies, or claims arising out of or in connection with this Agreement will be pursuant to the International Chamber of Commerce Rules of Arbitration (the “**ICC Rules**”) and Partner hereby consents to the jurisdiction of the International Chamber of Commerce (“**ICC**”) and to arbitration thereunder. The Parties further stipulate that for any arbitration in connection with this Agreement:
- (2) the language to be used in the arbitral proceedings will be Portuguese;
- (3) unless otherwise agreed by the Parties, the number of arbitrators will be three (3), with such arbitrators to be nominated in accordance with the following:
 - 3.1. each Party will nominate one (1) arbitrator within the period for nominating the arbitrator specified in the ICC Rules, and the two (2) arbitrators thus nominated will, within thirty (30) days after the nomination of the second (2nd) arbitrator, nominate the third (3rd) arbitrator. If a Party fails to timely nominate an arbitrator, the ICC will appoint that Party’s arbitrator within thirty (30) days after the date on which that Party’s nomination came due. If the first two (2) arbitrators fail to timely nominate the third (3rd) arbitrator, the ICC will appoint the third (3rd) arbitrator within thirty (30) days after the date on which the nomination of the third (3rd) arbitrator came due;
 - 3.2. if multiple parties initiate or respond to arbitration proceedings they will jointly nominate an arbitrator in accordance with Section 3.13.1 of this Annex I as though a single Party; and
 - 3.3. no arbitrator nominated or appointed pursuant to this Section 30 will be a national of the jurisdiction of a Party nor will any such arbitrator be a shareholder, director, employee, agent, or contractor or former shareholder, director, employee, agent, or contractor of a Party; and
- (4) the seat (legal place) of arbitration is New York City, New York, United States of America. The Parties agree that all hearings and meetings will be held and conducted in Maputo, Mozambique.
- (5) The Parties agree that the marshalling of evidence, pre-hearing disclosure, and examination of witnesses and experts authorized by Article 25 of the ICC Rules, will be construed by the tribunal to allow any Party to request the production of documents and other information that is reasonably calculated to lead to the discovery of evidence that is relevant to any claim or defense relating to the dispute, including by the following means:

- 5.1. written interrogatories;



- 5.2. requests for production of documents, including production of electronically stored information in a convenient electronic format in accordance with the International Bar Association Rules; and
- 5.3. a reasonably sufficient number of oral depositions appropriate for the subject matter of the dispute, including the deposition of a representative designated by an entity as its agent to testify as to specific matters on its behalf;
- 5.4. and to allow the non-requesting Party to object to such request, in which case the tribunal will issue a ruling on such request.
- (6) Each Party will use reasonable endeavors to ensure that its advisors, agents, and contractors are available for any depositions and other discovery mechanisms that are ordered by the tribunal.
- (7) Each Party will be responsible for its own legal fees and related costs in connection with any arbitration; provided, however, that costs related to translation or interpretation will be shared equally by the Parties or as allocated and determined by the tribunal.
- (8) The decision of the arbitrators will be final and binding upon the Parties and will not be subject to appeal.
- (9) Any Party may petition any court having jurisdiction to enter judgment upon the arbitration award. At the request of any of the Parties, the arbitrators will seek to have such arbitration award filed with any court so requested by a Party.
- (10) The arbitral award will be made and payable in U.S. Dollars and the award will be grossed up for tax unless the amount paid would have been subject to tax if paid in the normal course.
- (11) The Parties waive their rights to claim or recover, and the arbitrators will not award, any punitive, multiple, or other exemplary damages, whether statutory or common law (except to the extent such damages: (1) have been awarded to a third party and are subject to allocation among the Parties; or (2) are expressly contemplated to be paid under the terms and conditions of this Agreement).
- (12) The Parties agree, pursuant to Article 7 of the ICC Rules, that the tribunal may join additional parties to the arbitration after the nomination, confirmation, or appointment of arbitrators. Any third party joining or seeking to intervene in an arbitration already initiated will be deemed to consent to the arbitrators already nominated, confirmed, or appointed. The Parties further agree that the arbitral tribunal may consolidate an arbitration arising out of or relating to this Agreement, whether between the Parties or between a Party and any third-party consenting to the arbitration, with any arbitration arising out of or relating to this Agreement if the subject matter of the disputes arises out of or relates to essentially the same facts or transactions. Such consolidated arbitration will be determined by the tribunal appointed for the arbitration proceeding that was commenced first in time.



- (13) The Parties may seek emergency, preliminary, temporary, interim, or conservatory measures in accordance with Article 29 of the ICC Rules.
- (14) For the avoidance of doubt, in any dispute involving Partner's return of funds disbursed to Partner by MCA Entity, Partner will return the funds prior to resolution of the dispute no later than thirty (30) days after Partner's receipt of a notice requesting return of such funds. In no event, however, will a dispute claim brought by Partner for the payment of funds require such payment prior to the resolution of the dispute.
- (15) MCC has the right to be an observer to any arbitration proceeding associated with this Agreement, at its sole discretion, but does not have the obligation to participate in any arbitration proceeding. Whether or not MCC is an observer to any arbitration associated with this Agreement, the Parties will provide MCC with written official English transcripts of any arbitration proceedings or hearings and a copy of the reasoned written award within ten (10) days after: (i) each such proceeding or hearing; or (ii) the date on which such award is issued. MCC may enforce its rights under this Agreement in an arbitration conducted in accordance with this provision or by bringing an action in any court that has jurisdiction. The acceptance by MCC of the right to be an observer to the arbitration will not constitute consent to the jurisdiction of the courts or any other body of any jurisdiction or to the jurisdiction of any arbitral panel.



ANNEX J

COMPLIANCE WITH SANCTIONS CERTIFICATION

The Form is to be submitted within 28 days of receipt of signed Program Partnership Agreement, and subsequently thereafter on the last business day prior to the last day of each quarter (March 31, June 30, September 30, December 31).

The form is to be submitted to the MCA Entity Fiscal Agent or designated Representative [*email addresses for MCA Entity Grant Manager or Fiscal Agents or designated Representative to be inserted here*] with a copy to MCC at: sanctionscompliance@mcc.gov.

For the avoidance of doubt, reporting the provision of material support or resources (as defined below) to an entity on the enumerated lists will not necessarily result in the disqualification of Partner or cancellation of the Program Partnership Agreement. However, **failure** to report such provision, or any similar material misrepresentation, whether intentional or without due diligence, would be grounds for disqualifying Partner or canceling the Program Partnership Agreement and may subject such Partner to criminal, civil, or administrative remedies as appropriate under U.S. law.



ANNEX J 2

COMPLIANCE WITH SANCTIONS CERTIFICATION, PROAZUL

The Form is to be submitted within 28 days of receipt of signed Program Partnership Agreement, and subsequently thereafter on the last business day prior to the last day of each quarter (March 31, June 30, September 30, December 31).

The form is to be submitted to the MCA Entity Fiscal Agent or designated Representative [*email addresses for MCA Entity Grant Manager or Fiscal Agents or designated Representative to be inserted here*] with a copy to MCC at: sanctionscompliance@mcc.gov.

For the avoidance of doubt, reporting the provision of material support or resources (as defined below) to an entity on the enumerated lists will not necessarily result in the disqualification of Partner or cancellation of the Program Partnership Agreement. However, **failure** to report such provision, or any similar material misrepresentation, whether intentional or without due diligence, would be grounds for disqualifying Partner or canceling the Program Partnership Agreement and may subject such Partner to criminal, civil, or administrative remedies as appropriate under U.S. law.

Compliance with Sanctions Certification Form

Full Legal Name of Partner: ProAzul – Fundo de Desenvolvimento da Economia Azul

Full Name and Number of Program Partnership

Agreement: _____

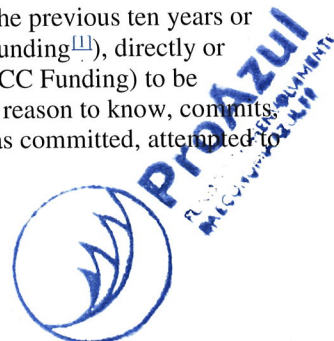
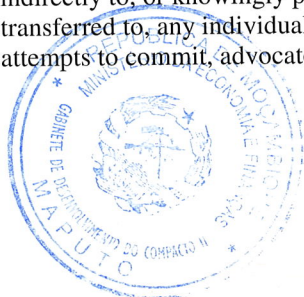
MCA Entity with which Program Partnership Agreement Signed:

ALL PARTNERS TO CHECK THE APPLICABLE BOX BELOW:

All eligibility verifications have been completed in accordance with the “Additional Provisions”, Paragraph G “Compliance with Terrorist Financing Legislation and Other Restrictions”, and the Partner hereby certifies as follows:

No adverse or negative results were obtained from such eligibility verifications; and

To the best of its current knowledge, the Partner has not provided, at any time within the previous ten years or currently, any material support or resources (including without limitation, any MCC Funding⁽¹⁾), directly or indirectly to, or knowingly permitted any funding (including without limitation any MCC Funding) to be transferred to, any individual, corporation or other entity that the Partner knew, or had reason to know, commits, attempts to commit, advocates, facilitates, or participates in any terrorist activity, or has committed, attempted to



commit, advocated, facilitated or participated in any terrorist activity, including, but not limited to, the individuals and entities on the enumerated lists described below (including the Partner itself).

OR

All eligibility verifications have been completed in accordance with the **“Additional Provisions”, Paragraph G “Compliance with Terrorist Financing Legislation and Other Restrictions”**, and the Partner hereby certifies that the following adverse or negative results were obtained from such eligibility verifications (information to be provided for each result in accordance with the instructions included with this form):

Name of individual, corporation or other entity:

Eligibility verification source(s) where listed ineligible:

Position (if individual), or goods or services provided (if corporation or other entity):

Estimated value of work performed as of certification date:

A description of, and the circumstances under which such support was provided.

I hereby certify that the information provided above is true and correct in all material respects and understand that any material misstatement, misrepresentation or failure to provide the information requested in this certification may be deemed “fraud” for purposes of the Program Partnership Agreement between the Partner and the MCA Entity, the MCC Program Grant Guidelines, and other applicable MCC policy or guidance, including MCC’s Policy on Preventing, Detecting and Remediating Fraud and Corruption in MCC Operations.

Authorized Signature:

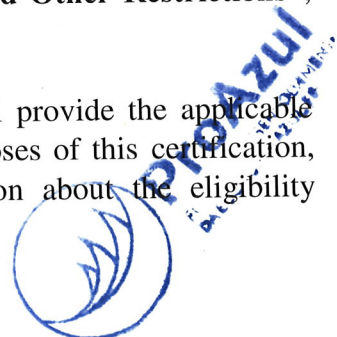
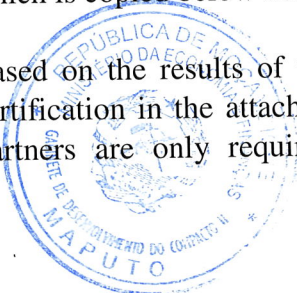
Date: 27/03/2024

Printed Name of Signatory: Simeão Lopes

INSTRUCTIONS FOR COMPLETING THE COMPLIANCE WITH SANCTIONS CERTIFICATION FORM:

The Partner shall perform the following procedures to verify the eligibility of firms, key personnel, subcontractors, vendors, suppliers, and grantees, in accordance with the **“Additional Provisions”, Paragraph G “Compliance with Terrorist Financing Legislation and Other Restrictions”**, which is copied below for convenience.

Based on the results of these eligibility verifications, the Partner shall provide the applicable certification in the attached certification form. Note that for the purposes of this certification, Partners are only required to submit detailed back-up documentation about the eligibility



verifications together with their certification form if the Partner identifies adverse or negative results. If not, Partners are free to mark the certification form accordingly and submit it to the appropriate recipient (although the Partner must maintain records per the instructions below).

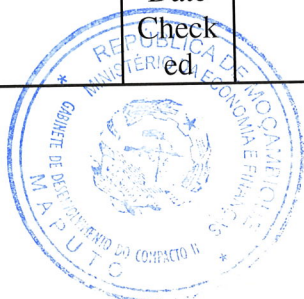
The Partner shall verify that any individual, corporation, or other entity that has access to or is (or would be) a recipient of MCC Funding, including Partner staff, consultants, sub-contractors, vendors, suppliers, and grantees, is not listed on any of the following (or, in the case of #8 below, is not a national of, or associated in, any country appearing on such list):

1. System for Award Management (SAM) Excluded Parties List - <https://sam.gov/content/exclusions>
2. World Bank Debarred List - <https://www.worldbank.org/debarr>
3. US Treasury, Office of Foreign Assets Control, Specially Designated Nationals (SDN) List - <https://sanctionssearch.ofac.treas.gov/>
4. US Department of Commerce, Bureau of Industry and Security, Denied Persons List - <https://www.bis.doc.gov/index.php/the-denied-persons-list>
5. US State Department, Directorate of Defense Trade Controls, AECA Debarred List - https://www.pmddtc.state.gov/ddtc_public?id=ddtc_kb_article_page&sys_id=c22d1833dbb8d300d0a370131f9619f0
6. US State Department, Foreign Terrorist Organizations (FTO) List - <https://www.state.gov/foreign-terrorist-organizations/>
7. US State Department, Executive Order 13224 - <https://www.state.gov/executive-order-13224/>
8. US State Sponsors of Terrorism List - <https://www.state.gov/state-sponsors-of-terrorism/>

In addition to these lists, before providing any material support or resources to an individual or entity, the Partner will also consider all information about that individual or entity of which it is aware and all public information that is reasonably available to it or of which it should be aware.

Documentation of the process takes two forms. The Partner should prepare a table listing each staff member, consultant, sub-contractor, vendor, supplier, and grantee working on the Program Partnership Agreement, such as the form provided below.

	Date							
	Check ed							



Name	1	2	3	4	5	6	7	Eligible (Y/N)
	SAM Excluded Parties List	World Bank Debarred List	SD N List	Denied Persons List	AECA Debarred List	FT O List	Executive Order 13224	
Simeão Lopes								
Mateus Tembe								
Isabel Omar								
Daniel Segura								
Felismina Antia								
Lucinda Mangue								
Sergio Chitará								
Gregory Buchholz- White,								
Luca Crudeli								
Rodrigo Fernandez								
Hugo Costa								
WCS								
WWF								
Aquapesca								
ACDIVOC A								
60 Decibels								
A12								
Abalobi								
Adicional								
Alif Química Industrial								
Appload								
AV Ventures								
Blue Ventures								
Banyan Tree / Fresh Limitada								
Canopy								



COSVI								
Fire Island – Ilha de Fogo Lda								
Green Light Africa								
LevasFlor								
Marine Megafauna Foundation								
MozTarget								
Open Water Systems								
Pedra a Pedra								
Rare Internation al								
Unilurio Business School								
VerdeAzul								

The Partner should list the date on which the search was conducted using each eligibility verification source, and whether the staff member, consultant, sub-contractor, vendor, supplier, or grantee was determined to be eligible – that is, did not show up on any of the eligibility verification sources.

In addition, 1. SAM Excluded Parties List, 3. SDN List, and 5. AECA Debarred List are searchable databases that return a positive or negative search results page upon submission of a name to be searched, in order to document the eligibility, the Partner should print out and retain for each staff member, consultant, sub-contractor, vendor, supplier, or grantee the search results page for each eligibility verification source, which should read, “*No matches found*” (in the case of SAM Exclusion List), “*Your search has not returned any results.*” (in the case of SDN List), or “*No records in Statutorily Debarred Parties using that filter*” or “*No records in Admin Debarred Parties using that filter*” (in the case of AECA Debarred List). In the case of 2. World Bank Debarred List, Table 1: Debarred & Cross-Debarred Firms & Individuals will display a blank field that indicates no matching records have been found. For 4. Denied Persons List, 6. FTO List, and 7. Executive Order 13224, there is no searchable database provided, so the Partner will review each static list and confirm it does not name the firms or individuals identified in the table above.

If an adverse record(s) has/have been found for one or more individuals or entities, including for the Partner itself, the Partner must conduct additional research to determine whether the finding is a “false positive” (such as an individual whose name matches the name of an individual listed on a sanctions list, but is a different person). If it is a false positive, the Partner will mark the staff member, consultant, sub-contractor, vendor, supplier, or grantee as eligible, and retain the research confirming that eligibility.

If, any of the Partner's personnel, consultants, sub-contractors, vendors, suppliers, or grantees are found to be ineligible at this stage, the MCA Entity will determine whether it is possible under the circumstances to allow the Partner to make a substitution. This determination will be made on a case-by-case basis and will require approval by MCC regardless of the estimated value of the Program Partnership Agreement.

In addition, in accordance with MCC Program Procurement Guidelines P1.A.1.9(d), the Partner must ensure that MCC Funding is not used for goods or services from a country, or from a firm that is organized in or has its principal place of business or a significant portion of its operations in a country, that is subject to country-based sanctions or other restrictions under the law of the United States, including U.S. designated State Sponsors of Terrorism (<https://www.state.gov/state-sponsors-of-terrorism/>).

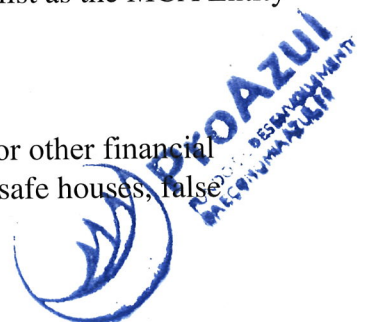
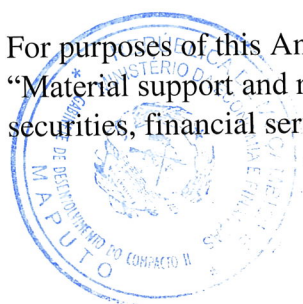
All of these documents must be retained by the Partner as part of the overall record of the Program Partnership Agreement with the MCA Entity for the duration of the Program Partnership Agreement, and for the further period after the Program Partnership Agreement expiration that is required for document retention under the Program Partnership Agreement (typically five years after the expiration date of the Compact Program or Threshold Program). Access to these documents must be provided to the MCA Entity, MCC, or their designees in accordance with the access provisions of the Program Partnership Agreement, and to the USAID Office of Inspector General (responsible for oversight of MCC operations), upon request.

Partner must certify on a quarterly basis as follows:

Partner, to the best of its current knowledge, did not provide, within the previous ten years, and will take all reasonable steps to ensure that it does not and will not knowingly provide material support or resources (as defined below) directly or indirectly to, or knowingly permit any funding (including without limitation MCC Funding) to be transferred to, any individual, corporation or other entity that such Party knows, or has reason to know, commits, attempts to commit, advocates, facilitates, or participates in any terrorist activity, or has committed, attempted to commit, advocated, facilitated or participated in any terrorist activity, including, but not limited to, the individuals and entities (i) on the master list of Specially Designated Nationals and Blocked Persons maintained by the U.S. Department of Treasury's Office of Foreign Assets Control, which list is available at www.treas.gov/offices/enforcement/ofac, (ii) on the consolidated list of individuals and entities maintained by the "1267 Committee" of the United Nations Security Council, (iii) on the list maintained on www.sam.gov, or (iv) on such other list as the MCA Entity may request from time to time.

For purposes of this Annex:

- a. "Material support and resources" includes currency, monetary instruments or other financial securities, financial services, lodging, training, expert advice or assistance, safe houses, false



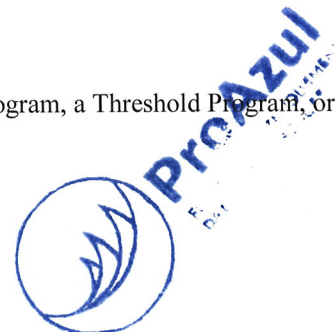
documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials.

- b. "Training" means instruction or teaching designed to impart a specific skill, as opposed to general knowledge.
- c. "Expert advice or assistance" means advice or assistance derived from scientific, technical, or other specialized knowledge.

The Partner shall ensure that its activities under this Program Partnership Agreement comply with all applicable U.S. laws, regulations and executive orders regarding money laundering, terrorist financing, U.S. sanctions laws, restrictive trade practices, boycotts, and all other economic sanctions promulgated from time to time by means of statute, executive order, regulation or as administered by the Office of Foreign Assets Control of the United States Treasury Department or any successor governmental authority, including, 18 U.S.C. Section 1956, 18 U.S.C. Section 1957, 18 U.S.C. Section 2339A, 18 U.S.C. Section 2339B, 18 U.S.C. Section 2339C, 18 U.S.C. Section 981, 18 U.S.C. Section 982, Executive Order 13224, 15 C.F.R. Part 760, and those economic sanctions programs enumerated at 31 C.F.R. Parts 500 through 598 and shall ensure that its activities under the Program Partnership Agreement comply with any policies and procedures for monitoring operations to ensure compliance, as may be established from time to time by MCC, the MCA Entity, the Fiscal Agent, or the Bank, as may be applicable. The Partner shall verify, or cause to be verified, appropriately any individual, corporation or other entity with access to or recipient of funds, which verification shall be conducted in accordance with the procedures set out in P10 of the MCC Program Grant Guidelines (Eligibility Verification Procedures) that can be found on MCC's website at www.mcc.gov. The Partner shall (A) conduct the monitoring referred to in this paragraph on at least a quarterly basis, or such other reasonable period as the MCA Entity or MCC may request from time to time and (B) deliver a report of such periodic monitoring to the MCA Entity with a copy to MCC.

Other restrictions on the Partner shall apply as set forth in Section 5.4(b) of the Compact with respect to drug trafficking, terrorism, sex trafficking, prostitution, fraud, felony, any misconduct injurious to MCC or the MCA Entity, any activity contrary to the national security interests of the United States or any other activity that materially and adversely affects the ability of the Government or any other party to effectively implement, or ensure the effective implementation of, the Program or any Project or to otherwise carry out its responsibilities or obligations under or in furtherance of the Compact or any Supplemental Agreement or that materially and adversely affects the Program Assets or any Permitted Account.

iii "MCC Funding" is defined as funding provided by MCC, through a Compact Program, a Threshold Program, or 609(g) funding.



ANNEX K

PARTNERSHIP MONITORING AND EVALUATION (M&E) PLAN

During Phase 1 of the Partnership, the Partners will update their workplan to identify prioritized activities and develop an updated Theory of Change and Results Framework. Therefore, the performance indicator table below is illustrative and will be revised during Phase 1 to align with the Compact's M&E Plan, due 180 days after entry-into force. Phase II of the Partnership will commence at entry-into-force. The revised performance indicator table, once complete, will be incorporated into this annex and used for the remainder of Phase II. Additional revisions may occur on an as-needed basis. Output indicators, baselines, and targets have only been included for indicators derived from the Compact. All other indicators (at both the output and outcome level) have not been included as these will rely on the results of Phase 1 studies and design work. Since the Compact's theory of change will be revised during Phase 1, only the Project objective is listed as a result. The indicators provided here may change pending final Workplan decisions.

Performance Indicators ²²

Result	Indicator and Definition	Unit	Disaggregation	Classification	Reporting	Base-line	End of Compact
Level: Outcome							
Project Objective: Productivity and resilience of coastal ecosystems in Mozambique sustainably increased	Indicator: Mangrove area reforested/facilitated regeneration Definition: As defined in CBA model/partner proposal; includes facilitated natural regeneration plus replanting	Hectares	TBD	Cumulative	Quarterly	0	4,714
	Indicator: Marine protected areas created Definition: Area of legally declared marine protected areas created (MPAs14 + LMMAs15)	Kilometers ²	TBD	Cumulative	Quarterly	8,011 (2023)	11,961.6 (2029)
	Indicator: Total area of No Take Zones created within MPAs + LMMAs Definition: Total area of No Take Zones created within MPAs + LMMAs	Kilometers ²	TBD	Cumulative	Quarterly	0	3,590 (2029)
	Indicator: Beach seines removed in targeted areas Definition: Number of beach seines (destructive, catch-all fishing gear) reported as removed from areas identified as ecologically sensitive and	Number	TBD	Cumulative	Quarterly	TBD	TBD

²² MCA to add indicators as related to the Compact and Grant.

UNCLASSIFIED

	chosen by MIMAIP for this pilot activity						
	Indicator: Number of key indicator species with stable or increased populations Definition: Number of key indicator species as identified during phase 1 studies whose population has remained constant or increased.	Number	TBD	Level	Once	0	TBD



ANNEX L
AWARD BUDGET

Resume: ProAzul & ACDI/VOCA
Currency: USD

Budget Category	Phase #1	Phase #2	Total
Milestones Payment	4,247,881	45,001,064	49,248,945
Items procured by the MCA ²³	123,929	627,125	751,054
SubTotal CLCR Funded	4,371,810	45,628,189	49,999,999
Cost Share	6,705,790	11,086,361	17,792,151
Total Grant Costs	11,077,600	56,714,550	67,792,150

²³ The items procured by the MCA refer to the items provided by the In-Kind Grant.



ANNEX M

MILESTONE DISBURSEMENT SCHEDULE – PROAZUL - CLCR Project – Phase 1

MCA Entity will pay Partner upon the achievement of the Milestones in the Milestone Disbursement Schedule below. All Milestones require submission of a Disbursement Request and Progress Report. If no rejection or notice of requirement for additional review time is received from MCA Entity within ten (10) business days, the Milestone will be considered approved for the purposes of processing payments.

The Parties will agree to Phase 2 Milestones and a Phase 2 Milestone Disbursement Schedule prior to the completion of Phase 1. Such Milestone Disbursement Schedule will subsequently be incorporated into this Annex M in accordance with the terms of this Agreement. The Award Amount includes Disbursements for Phase 1 and Phase 2 Milestones.

N	Milestone	Due Date or Timing	Means of Verification ^[1]	Fixed Amount Milestone
1	Mobilization I (ProAzul)	7 days after signing the Program Partnership Agreement	Completion of all of the following: (a) Minutes from first meeting of Management Team submitted to MCA Entity (b) signed agreement with ACDI/VOCA submitted to MCA Entity	\$ 360,000
2	Mobilization (ACDI/VOCA)	7 days after signing the Program Partnership Agreement	Completion of all of the following: (a) Signed award with ProAzul submitted to MCA Entity (b) preliminary work plan from ACDI/VOCA for the value chain analysis, food systems and market development; Gender, Social, and Youth Inclusion Strategy (GSYI) and youth engagement in developing livelihood opportunities submitted to MCA Entity	\$ 381,335
3	Mobilization II (ProAzul)	28 days after signing the Program Partnership Agreement	Completion of all of the following: (a) Draft of Governance and Yearly Implementation Plan, including Phase I workplan submitted to MCA Entity within 30 days of the signing of the Program Partnership Agreement (b) Draft of Compliance with Sanctions Form submitted to MCA Entity within 28 days of signing the Program Partnership Agreement (c) Draft of Branding and Marketing Plan submitted to MCA Entity as part of the Governance and Yearly Implementation Plan	\$ 250,000
4	Progress Report (ProAzul)	July 2024	Q2 2024 (April - June 2024) Progress Report submitted to MCA Entity	\$ 222,000
5	Progress Report (ACDI/VOCA)	July 2024	Q2 2024 (April - June 2024) Progress Report submitted to MCA Entity	\$ 250,998



6	Technical (ProAzul)	October 2024	Completion of all of the following: (a) Final draft of report on climate resilience analysis of an anchor aquaculture company in Zambezia (restoration of blue carbon ecosystems and mitigation of environmental impacts of coastal aquaculture farms) approved in form and substance by MCA Entity; (b) Design of the Aquapark (technical and financial) approved in form and substance by MCA Entity	\$ 155,000
7	Progress Report (ProAzul)	October 2024	Q3 2024 (July -September 2024) Progress Report submitted to MCA Entity	\$ 222,000
8	Progress Report (ACDI/VOCA)	October 2024	Q3 2024 (July -September 2024) Progress Report submitted to MCA Entity	\$ 250,998
9	Technical (ProAzul)	November 2024	Inception report including the following approved in form and substance by MCA Entity: (i) Evaluation of six (6) existing and operational fishing areas to be managed by the communities (LMMAs) (3 areas in Pebane and another 3 in Moma); (ii) Profiles of seven (7) new fishing areas to be managed by the communities in Maganja da Costa, Chinde and Marromeu (LMMAs) (iii) Socio-economic baseline for beach seine hotspots in Zambezia; (iv) Capacity assessment for Fisheries Monitoring, Surveillance and Control in Zambezia+ area.	\$ 282,500
10	Progress Report (ProAzul)	January 2025	Q4 2024 (October-December 2024) Progress Report, including updated Governance and Yearly Implementation Plan, submitted to MCA Entity	\$ 222,000
11	Progress Report (ACDI/VOCA)	January 2025	Q4 2024 (October-December 2024) Progress Report, including updated Governance and Yearly and Implementation Plan, submitted to MCA Entity	\$ 250,998
12	Technical (ProAzul)	February 2025	Completion of all of the following: (a) Final draft of report assessing mangrove status in Zambezia (mapping of degraded and deforested mangrove areas) approved in form and substance by MCA Entity; (b) Link to publicly accessible Online Mangrove Database (geospatial) and repository for mangroves studies (national level) submitted to MCA Entity	\$ 140,000
13	Technical (ACDI/VOCA)	February 2025	Inception reports for GYSI, Food Systems, Market, and Youth Labor Assessments approved in form and substance by MCA Entity	\$ 326,986
14	Progress Report (ProAzul)	April 2025	Q1 2025 (January-March 2025) Progress Report submitted to MCA Entity	\$ 193,134
15	Progress Report (ACDI/VOCA)	April 2025	Q1 2025 (January-March 2025) Progress Report submitted to MCA Entity	\$ 250,998

16	Technical (ProAzul)	July 2025	All of the following final reports approved in form and substance by the MCA Entity: (i) Evaluation of six (6) existing and operational fishing areas to be managed by the communities (LMMAs) (3 areas in Pebane and another 3 in Moma); (ii) Profiles of seven (7) new fishing areas to be managed by the communities in Maganja da Costa, Chinde and Marromeu (LMMAs) (iii) Socio-economic baseline for beach seine hotspots in Zambezia; (iv) Capacity assessment for Fisheries Monitoring, Surveillance and Control, including design of a five-year Fisheries Monitoring, Surveillance and Control Plan.	\$ 282,500
17	Technical (ACDI/VOCA)	July 2025	Set of final reports: GYSI, Food Systems, Market, and Youth Labor reports approved in form and substance by MCA Entity	\$ 206,434
18	Progress Report (ProAzul)	July 2025	Q2 2025 (April - June 2025) Progress Report submitted to MCA Entity	\$ 0
	SubTotal - ProAzul			\$ 2,329,134
	SubTotal - ACDI/VOCA			\$ 1,918,747
	TOTAL			\$ 4,247,881



ANNEX N-1

MCA ENTITY IN-KIND CONTRIBUTIONS

- The Partner shall support the MCA Entity in all aspects of the procurement, including developing the procurement package and the procurement implementation plan. The Partner will also support developing the solicitation documents, including the terms of reference or specifications, solicitation process and procedures and contract award and management. Since the In-Kind Grant is only a portion of the Program Partnership Agreement, the In-Kind Grant must be a separate item in the Award Budget and must identify clearly that the goods, works, and/or services will be provided to the Partner by MCA Entity. If the actual cost to acquire the goods, works, and/or services exceeds the amount of the Award Value, MCA Entity may, in its discretion, give the Partner the option to fund the excess cost rather than terminate the In-Kind Grant.
- Unless otherwise stated herein, the transfer of ownership of the goods, works, and/or services from MCA Entity to the Partner, shall be at the time the goods, works, and/or services are provided to the Partner.

The Partner will use the goods, works, and/or services described below for the purposes of **pursuing the Coastal Livelihoods and Climate Resilience Project Objectives**. When the goods, works, and/or services are no longer required for this purpose, the Partner may retain the goods for **post compact Project activities and continuity of support to the Project's beneficiaries**.

LIST OF GOODS, WORKS, AND/OR SERVICES PROVIDED IN-KIND

GOODS

	Detailed Goods List (e.g., computers, agricultural products, building materials etc.)	Goods Quantity	Condition of Goods (New, Excellent, Good, Fair)	User/ Beneficiary	Estimated Total Value
Phase 1 (ProAzul)	Sedan	1	New		40,000
	Working stations	17	New		69,297
	Office - VC - IT	1	New		14,632
SubTotal Phase 1					123,929
Phase 2 (ProAzul)	4WD - Land Cruisers	2	New		180,000
	Motorizadas	20	New		40,000
	4WD - Mazda BT	2	New		100,000
	Working stations	20	New		72,907

Phase 2 (ACDI/VOCA)	4WD - Land Cruisers	2	New		180,000
	Sedan	1	New		40,000
	Generator	1	New		14,220
SubTotal Phase 2					627,127
TOTAL					751,056

ESTIMATED SUBTOTAL VALUE OF GOODS, WORKS, AND/OR SERVICES:

Phase 1: **\$123,929** USD

Phase 2: **\$627,127** USD



Annex N-2

CERTIFICATION OF RECEIPT OF IN-KIND GOODS, WORKS, AND/OR SERVICES

[Insert Partner's Name] acknowledges and accepts receipt of the following goods, works, and/or services as detailed in Annex N of the **PROGRAM PARTNERSHIP AGREEMENT**, or an amendment thereto that incorporates any changes to the items or quantities of goods, works and/or services listed in Annex N. [Insert Partner's Name] further certifies that the goods, works, and/or services received are in [state condition: New, Excellent, Good, Fair].

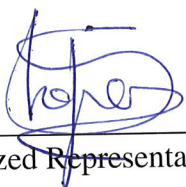
Description of Goods/Works/Services Received:

Value of Goods/Works/Services Received in this instance:

Partner hereby agrees to use and maintain the goods, works and/or services for the purposes identified in Annex B ("Program Partnership Description").

[Insert Partner Name]

MCA Entity Signatory Name


Authorized Representative Signature

Name: Simeão Lopes



Title: CEO ProAzul

Date


Signature

Name: Higinio Francisco de Marrule

Title: Executive Director

24/05/2024
Date

Annex N-4

CERTIFICATION OF COMPLETION

PARTNER COMPLETION NOTICE

Check the item that applies and provide details as required.

- ☐ There are NO outstanding claims against this In-Kind Grant. (No further claims against this In-Kind Grant will be honored after this block has been checked and this form has been signed and returned to MCA Entity. MCA Entity is hereby released and discharged from all liabilities, demands, obligations, and claims arising under and by virtue of this In-Kind Grant.)
- ☐ Partner certifies that it has submitted all reports and other documentation required by the In-Kind Grant including a final completion report.
- ☐ The list below is the final list of goods, works, and/or services transferred as part of the Program Partnership Agreement.

GOODS, WORKS AND/OR SERVICES

N/N	Detailed Goods, Works and/or Services List	Quantity	Condition	Purchase Value

EXECUTION

This Partner's Release has been executed by an authorized official of the Partner.

On behalf of [**Partner Name**]:

Signature:

Name:

Title:

Date:

Accepted and approved on behalf of MCA:

Signature:

Name:

Title:

Date:



ANNEX O

LIST OF PRE-APPROVED SUB-RECIPIENTS

The purpose of this Annex is to identify Sub-recipients that form part of ProAzul's network. Part of the advantage of working with ProAzul is that they bring a strong number of local organizations as existing Sub-recipients with a community presence and existing programs, which can be built upon for long-term sustainability.

Partners: ProAzul

Cooperating Sub-recipients and Pre-approved Sub-recipients

These organizations have been approved for Subawards as part of the Partner award process. No further approval for Subaward is required for award to any of these entities per MCC Program Grant Guidelines at P6.1.8. However, the inclusion in this list does not constitute a commitment by the MCA Entity or the Partner that the entity will in fact become a Sub-recipient of a Subaward and further creates no rights or remedies if the entity does not receive a Subaward. Subawards to any entity not listed below must be approved by the MCA Entity in writing and in compliance with the procedures set out in the MCC Program Grant Guidelines at P6.1.8.

ProAzul:

- WWF
- WCS
- AQUAPESCA
- ACDI/VOCA, including: 60 Decibel, Abalobi, Adicional, Alif Quimica, Amplio, Appload, Av Ventures, Banyan Tree, Blue Ventures, COSVI, Canopy Planet, Earth Ranger/A12, Fire Island, Green Light Africa, Levasflor, Marine Megafauna Foundation, MozTarget, Open Water Systems, Pedra a Pedra, Rare International, Topuito Isles, UniLúrio Business School, VerdeAzul.

Potential Additional Sub-recipients:

While certain Sub-recipients listed above have been pre-identified due to their specific skills or direct involvement as existing or leverage financing partners, other/additional Sub-recipients will be needed to undertake the Partnership activities. These Sub-recipients must be approved by the MCA Entity based upon justification that a Subaward is the appropriate instrument and confirmation by MCC that the selection process complies with standards set out in the MCC Program Grant Guidelines for Subawards.

