

Debt Swap Agreement

amongst

**The Kingdom of Spain
("Creditor")**

and

**The Republic of Guinea Bissau
("Borrower")**

and

**World Food Programme
("WFP")**

for an amount up to 12,026,061.66 United States Dollars

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Preamble

The Creditor and the Borrower desire to advance their shared interests in debt relief and in resource mobilization to achieve food security and improve nutrition in the Republic of Guinea-Bissau, through the cancellation of an amount of up to twelve million twenty six thousand and sixty one US dollars and sixty six cents (USD 12,026.061,66) by the Creditor and the contribution by the Borrower of the amount of funds reaching six million six hundred eighty two thousand and three hundred and twenty eight US dollars and fifteen cents (USD 6.682.328,15) to support WFP in the implementation of activities aimed at achieving food security and improving nutrition under its Country Strategic Plan in Guinea-Bissau (the "Project").

The Borrower, the Creditor and WFP (each a "Party" and, collectively, the "Parties") hereby enter into this Debt Swap Agreement (this "Agreement") pursuant to the following terms and conditions:

Clause 1

Debt Release

- 1.1 In accordance with the terms of this Agreement, the Creditor hereby agrees to release the Borrower from its obligation to pay the amounts of principal and interest due in connection with the Official Development Assistance loans granted by Spain 01037001.0 (01-02-1988), 01037002.0 (17/10/1991), 01037003.0 (29/12/1994), and 11037001.0 (25/11/2002), for a maximum of twelve million twenty six thousand and sixty one US dollars and sixty six cents (USD 12,026.061,66) (the "Debt"). Such cancellation is conditional upon the satisfaction of the conditions of this Agreement.
- 1.2 The cancellation of part of the Debt, up to an amount of six million six hundred eighty two thousand and three hundred and twenty eight dollars and fifteen cents (USD 6.682.328,15), will be done gradually upon the receipt of a written notice by WFP indicating the receipt of the relevant Contribution Payment (as defined below) in accordance with Clause 2.4 below. The remaining five million three hundred forty three thousand and seven hundred thirty three US dollars and fifty one cents (USD 5.343,733.51) will be cancelled upon the receipt of a written notice by WFP indicating that the Contribution, as defined in clause 2.1 bellow, has been fully disbursed by the Borrower.

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Clause 2

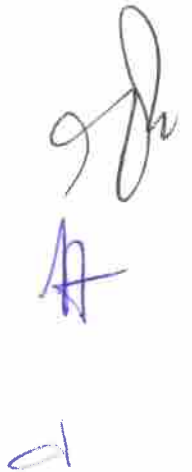
Payment of the Contribution

- 2.1 The Borrower shall, in accordance with the schedule of payments set forth in Clause 2.2 below, make available to WFP the financial contribution in the total amount of up to six million six hundred eighty two thousand and three hundred and twenty eight dollars and fifteen cents (USD 6.682.328,15), in eight (8) instalments (the “Contribution” and, each instalment, a “Contribution Payment”).
- 2.2 The Contribution from the Borrower to WFP will be made in United States Dollars (USD) as set forth below:

Date of Contribution Payment	Amount of Contribution Payment (USD)
1 st May 2022	300.000,00
1 st May 2023	500.000,00
1 st May 2024	600.000,00
1 st May 2025	700.000,00
1 st May 2026	900.000,00
1 st May 2027	1.100.000,00
1 st May 2028	1.200.000,00
1 st May 2029	1.382.328,15
TOTAL	6.682.328,15

- 2.3 Each Contribution Payment shall be deposited into the following bank account:

Account Name: WFP London Donation Acc, USD
Bank Name: Citibank, N.A.
Bank Address: Canada Square, Canary Wharf, London, E14 5 LB,
United Kingdom
Account Number: 13321541
Swift Code: CITIGB2L
IBAN Code: GB74CITI18500813321541



Upon disbursement of each Contribution Payment, the Borrower will inform WFP of such disbursement by means of a written notice to WFP together with the appropriate remittance of all disbursement information.

- 2.4 Following the receipt of each Contribution Payment and in any case no later than thirty (30) days after its receipt, WFP will provide evidence to the Creditor and the Borrower that a Contribution Payment has been made. Such evidence will be provided in the form of a written notice from WFP to the Creditor and the Borrower indicating the amount received.
- 2.5 The Borrower and WFP will keep records of the Contribution Payments in accordance with their respective policies and procedures. Such records will be retained by WFP for verification for a period of at least three (3) years after the last Contribution Payment date.

Clause 3

Use of the Contribution

- 3.1 WFP shall receive, administer and account for the Contribution made by the Borrower hereunder in accordance with WFP Regulations and Rules and the terms and conditions of this Agreement. For the purposes of this Agreement, "WFP Regulations and Rules" shall mean WFP's General Regulations and General Rules, Financial Regulations and Financial Rules, internal policies, circulars, directives, manuals, procedures, internal practices and legal framework, as applicable.
- 3.2 The Contribution will be utilized to fund the Project. Not later than two (2) months after this Agreement becomes effective in accordance with Clause 6.2, WFP will present a specific Project proposal for written approval by the Borrower and the Creditor within two (2) months of such Project proposal submission.

The Borrower and the Creditor shall not unreasonably withhold their approval of the Project proposal. If either the Borrower or the Creditor does not notify WFP of its decision within two (2) months from the date of submission of the Project proposal, such proposal shall be deemed approved by the relevant silent Party.



If within three (3) years from the date this Agreement becomes effective the Project proposal is not approved, and the Parties fail to reach mutual agreement on alternative uses for the Contribution, WFP will allocate the Contribution to other activities within the Country Strategic Plan for Guinea Bissau.

- 3.3 In accordance with WFP Regulations and Rules, WFP will retain from the Contribution Payments an amount of 4% in concept of indirect support costs.
- 3.4 For WFP accounting purposes, the amount in full of the Contribution, as itemized in accordance with the annual payment schedule set forth in Clause 2.2 shall be recorded by WFP immediately upon the effectiveness of this Agreement. Notwithstanding the foregoing, WFP shall only be required to enter into a binding financial obligation in respect of the operations to be financed with the Contribution made hereunder upon receipt of each relevant Contribution Payment.
- 3.5 Any interest accrued on the Contribution following receipt of each Contribution Payment by WFP shall be utilized by WFP in accordance with WFP Regulations and Rules.
- 3.6 WFP will manage and monitor the Project in accordance with WFP Regulations and Rules. WFP shall conduct all procurement of commodities, goods and services financed from the Contribution made pursuant to this Agreement in accordance with WFP Regulations and Rules.
- 3.7 Subject to Clause 3.6 above, WFP endeavours to promote the engagement of Spanish and/or Guinea-Bissau entities in the Project as well as the use of goods and services from those origins to the extent possible and advisable.
- 3.8 Unless otherwise agreed by the Parties, upon termination or expiration of this Agreement, WFP shall re-allocate any unexpended funds, received hereunder and remaining after the satisfaction of all commitments and liabilities incurred with funds from the Contribution, to the subsequent phase of any given operation or to any follow-on operation of the Project, provided that in the event that there is no follow-on operation any such remaining funds shall be allocated to other activities under WFP's current or subsequent Country Strategic Plan for Guinea Bissau.

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- 3.9 In the event that WFP decides that it is not possible or advisable to use the Contribution, in whole or in part to fund the Project, WFP will notify and consult with the Borrower and the Creditor as soon as reasonably practicable, to reach mutual agreement on alternative uses.
- 3.10 WFP will reprogramme contributions to other activities within the Country Strategic Plan for Guinea Bissau should the Parties fail to reach the mutual agreement mentioned in clause 3.9 above within three (3) years after the WFP notification.

Clause 4

Accounting, Reporting, Visibility, Monitoring and Evaluation

- 4.1 For each year until the activities funded by the Contribution are completed, WFP will provide the Creditor and the Borrower, through its official website, with an Annual Country Report (“ACR”) for the calendar year ending 31 December, in accordance with WFP Regulations and Rules. The ACR will include the description of the implemented activities and the performance against the established indicators, as well as a financial section containing the details of the Contribution allocated to the Project (amount, breakdown of allocated expenditure and outstanding balance). The ACR will be made available no later than three (3) months after the end of the corresponding calendar year or 31 March.
- 4.2 WFP will provide, on an annual basis, a progress report on the planned Project activities and any relevant indicators, challenges and successes no later than four (4) months after the end of the corresponding calendar year or 30 April.
- 4.3 Finally, upon project completion, WFP will provide the Creditor and the Borrower with (a) a written notice of the completion of the Project within three (3) months of said completion, and (b) a final report consolidating both physical and financial aspects and including global certified statements in accordance with WFP Regulations and Rules. This report will be provided no later than six (6) months of Project completion.
- 4.4 Where appropriate and in accordance with WFP Regulations and Rules, WFP will provide visibility to the Creditor and/or the Borrower, in the form of



acknowledgement in Project-related literature, such as media, interviews and briefings.

- 4.5 All WFP activities shall be exclusively monitored and evaluated in accordance with WFP Regulations and Rules. The Contribution shall be subject exclusively to the internal and external audit procedures established pursuant to WFP Regulations and Rules.
- 4.6 Notwithstanding the above, WFP will provide reasonable additional programmatic written information as requested by the Creditor and/or the Borrower in relation to the Project with reasonable time allowance and frequency not exceeding every six (6) months, in a manner consistent with the UN's single audit principle and in accordance with WFP Regulations and Rules.
- 4.7 In accordance with WFP Regulations and Rules, WFP will enable representatives of the Creditor or the Borrower to visit the Project site at their own costs. The Creditor or the Borrower will provide WFP with reasonable notice prior to any such visit. WFP will provide the representatives of the Creditor or the Borrower, with the necessary assistance during their visit. For the avoidance of doubt, nothing in this provision shall be construed as granting audit access to the Creditor or the Borrower hereunder.

Clause 5

Non-Payment

- 5.1 If the Contribution is not received in accordance with the payment schedule set forth in Clause 2.2, the activities to be undertaken by WFP in relation to the Project may be reduced, suspended or terminated by WFP.
- 5.2 The Creditor may terminate or suspend application of this Agreement if the Borrower fails to pay the Contribution, in whole or in part, on or before the dates specified in Clause 2.2, and the non-payment has not been resolved within six (6) months. The Creditor shall provide WFP with an advance notice of its intention to terminate or suspend as soon as it has made a determination, in order not to abruptly disrupt the implementation of the Project and to avoid as much as possible negative impact on beneficiaries in connection with the Project.



In such event the Borrower must, within five (5) working days of the date derived from the above provision, pay the Creditor the total amount of the Debt minus the amounts that have been duly contributed by the Borrower in accordance with the schedule of payments set forth in Clause 2.2. (the “Restored Amount”)

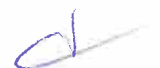
The Restored Amount shall accrue an annual interest of three percent (3%) in favour of the Creditor from the date of failure of the disbursement of the relevant Contribution Payment in accordance with the schedule of payments set forth in Clause 2.2.

- 5.3 Notwithstanding the above provision, no amounts of the Contribution shall be repayable by WFP. WFP will continue to hold any unused resources of the Contribution until all legally binding commitments and liabilities have been satisfied and the activities under the Project or any other project agreed upon have been concluded.
- 5.4 For the avoidance of doubt, the Creditor is not required to make any financial contributions to the Project under this Agreement.

Clause 6

Representations, Ratification and Correspondence

- 6.1 This Agreement has been duly executed and delivered by all of the Parties and is enforceable in accordance with its terms. Each Party has all the necessary power, authority and legal capacity to enter into this Agreement.
- 6.2 This Agreement shall enter into force upon its signature by the Parties and, if needed, ratification by the Creditor and the Borrower pursuant to its internal procedures. Such ratifications shall be notified to the other Parties, in accordance with Clause 6.3 herein, within 15 days since the ratification takes place .
- 6.3 Notices or other communications in connection with this Agreement will be in writing and delivered as an original document or electronically. Any such notice or other communication will be deemed received once it has arrived at the following address of the corresponding Party or at such other address of the corresponding Party as notified to the other Party:



For the Creditor:

Subdirección General de Gestión de la Deuda
Externa y la Financiación Internacional
Secretaría General del Tesoro y Financiación
Internacional
Attn: Miguel Tiana and his successor
Deputy Director
Ministerio de Asuntos Económicos y
Transformación Digital
Paseo de la Castellana 162
28046 Madrid, Spain
Tel. +34 91 6038206
Email: sgefi@economia.gob.es

Bureau Economique et Commercial d'Espagne au
Sénégal
Attn. Alejandro Ruiz Iglesias and his successor
3-5 Ave. Carde. B.P. 4146 Dakar-Plateau
Tel +221 33 889 23 60
e-mail: dakar@comercio.mineco.es

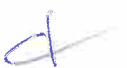
For the Borrower:

State Secretariat of Treasury
Attn. Suleimani Seidi and his successor,
State Secretary
Bissau, Guiné-Bissau
Mobile +245 95 520 2888 / +245 96 660 9022
Email: suleimane32@yahoo.com.br
or
Public Debt Service
Attn. Fernando Jorge Maria Correia, Director
Ministerio de Economia e Finanças
Bissau, Guiné-Bissau
Mobile +245 95 590 2620 / +245 96 663 0832
Email: tchycorreia@hotmail.com

For The WFP:

WFP Public Partnerships and Resourcing Division
Attn. Jihan Jacobucci and her successor
Government Partnerships Officer
World Food Programme
Via Cesare Giulio Viola 68/70
00148, Rome, Italy
Email: jihan.jacobucci@wfp.org

WFP Country Office in Guinea-Bissau:
Attn. João Manja, Country Director and
Representative
Programa Alimentar Mundial das Nações Unidas
(PAM)
Praça Titina Sila, Bissau, Guiné-Bissau
Mobil. +245 95 615 5555 /
Email: joao.manja@wfp.org



Clause 7

Miscellaneous Provisions

- 7.1 If any provision of this Agreement is invalid or unenforceable, the validity and enforceability of the other provisions of this Agreement will not be affected. Any provision of this Agreement found to be invalid or unenforceable or any unintentional defect or gap will be replaced with a provision to be agreed by the Parties consistent with the purpose of this Agreement.
- 7.2 The Parties specifically agree that (a) the laws of Spain shall govern all matters exclusively arising from or relating to the cancellation of the Debt between the Creditor and the Borrower under this Agreement, and (b) general principles of international law, to the exclusion of any single national system of law, shall govern all other matters arising from or relating to (i) the payment of the Contribution to WFP, (ii) the Project, and (iii) the rights, obligations and duties of WFP under this Agreement.
- 7.3 The Parties shall use their best endeavours to settle amicably any dispute, controversy or claim between the Parties arising out of or relating to this Agreement, or the breach, termination or invalidity hereof (each, a "Dispute"). Any Dispute shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The language to be used in the arbitral proceedings shall be English. The arbitral tribunal shall have no authority to award punitive damages. The Parties agree to be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such Dispute.
- 7.4 Nothing in this Agreement or any document entered into in connection with this Agreement shall imply or be construed as a waiver, express or implied, by the United Nations, WFP or the Food and Agriculture Organization of the United Nations of any privileges and immunities enjoyed by them pursuant to the 1946 Convention on the Privileges and Immunities of the United Nations, the 1947 Convention on the Privileges and Immunities of Specialized Agencies, customary international law, other relevant international or national agreements, and under domestic law.

[Signatures follow]

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IN WITNESS WHEREOF, the representatives of each of the Parties, being duly authorized thereto, sign this Agreement in three (3) originals in the English language.

For and on behalf of THE KINGDOM OF SPAIN



Date 19/07/2021

Gonzalo García Andrés
Secretary of State for Economy and
Support to Business

For and on behalf of REPUBLIC OF GUINEA-BISSAU

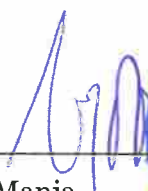


Date 27/05/2021

João Alage Mamadu Fadia
Minister of Finance



For and on behalf of WORLD FOOD PROGRAMME



Date 25.05.2021

João Manja
Representative and Country Director
Guinea-Bissau

