

Simplified Approval Process

Annex 9a: Legal due diligence



GREEN
CLIMATE
FUND

9.A Legal Due Diligence

1. EXECUTING ENTITY'S GENERAL INFORMATION

COUNTRY	Angola
ORGANIZATION	Ajuda de Desenvolvimento de Povo para Povo (ADPP) Angola
CONTACT	Rikke Viholm, adpp@adpp-angola.org
WEBSITE	www.adpp-angola.org
LEGAL STATUS	The Executing Entity possesses legal personality and is able to (i) enter into contracts in its own name and (ii) directly receive funds from the Accredited Entity. ADPP-Angola is registered as a national non-for-profit NGO with registration on 16 th January 1992 under the decree of 113/1992 and tax number (n ^o 5000344354).

2. DUE DILIGENCE QUESTIONS

Please provide the following information:

- Details of any government or regulatory approvals, licenses or permits required for implementing and operating the project/programme, the relevant issuing authority, and the date of issuance or expected date of issuance.

No government approvals, licenses, or permits are required for the implementation and operation of the Project.

The project will ensure compliance with the following national legislations:

- Decree 5/98 of 19 June Law of Bases for the Environment;
 - Decree 117/20 of 22 April on Evaluation of Environmental Impacts;
 - Decree 59/07 of 13 July on Environmental Licensing;
 - Decree 1/10 of 01 March on June Environment Auditing;
 - Decree 92/12 of 01 March on Terms of Reference for the Elaboration of Environmental Impact Studies.
 - National Policy for Gender Equality and Equity (2007)
 - Water Law (Law No. 6/02)
 - Law Against Domestic Violence (Law No. 25/11)
 - Labor Law (Law No. 7/15)
 - Land Law (Law No. 9/04)
- Describe applicable taxes (or exemptions thereof) and foreign exchange regulations related to the project/programme.

Tax exemption and other facilities for the benefit of the project		
a.	What are the tax benefits and facilities applicable to projects funded by a grant?	a) There is no general tax nor duty exemption mechanisms in Angola. ADPP currently requests on a case to case basis for exemption of customs duty and import tax. b) VAT is applicable for all items bought in country as per the laws of Angola.

b.	Are the activities of the project subject to taxation or not?	There are different taxes involved in the activities: VAT on goods, Tax on specific services which will be identified at implementation phase, service contract, inter alia. A number of agricultural inputs have general tax exemption.
c.	If YES, which ones? What are the rates?	VAT is 14%, tax on services 6,5%, tax on house rent is 15%, personal income tax vary from 0 to around 24%.
d.	If NO, is it possible to obtain tax exemption certificate?	There is presently no tax exemption certificate in Angola.
e.	Describe the applicable foreign exchange regulations related to the Project.	To ensure the quality of the system for monitoring and processing foreign exchange operations, as well as to ensure the correct definition and execution of exchange rate policy by the National Bank of Angola, all entities receiving overseas funds must comply with Instruction n.º 01/2023. ADPP thus provides its bank with information on the grant, and the commercial bank in turn informs the National Bank of Angola.

- *Details of any insurance policies or requirements related to the project/programme.*

Project Insurance		
a.	Will the EE make a provision for the insurance of any Goods required for the Funded Activity against hazards in accordance with prudent industry practice?	<p>EE's present practice is to insure vehicles and warehouses with valuable equipment and/or stock of materials.</p> <p>ADPP intends to establish 4 warehouses/storerooms, 1 in each of the 4 municipalities to safeguard materials and equipment. EE's intention is to insure these warehouses/storerooms if reasonable insurance agreements with reasonable prices achieved. Currently, IT equipment is difficult to insure as benefits do not outweigh the costs. Angola is a country with short history of insurance companies and insurance culture. Only within the last 15-20 years it has emerged from the only one state-based company.</p> <p>The Accredited Entity assures that all insurance policies related to the Project will meet the requirements set out in the Accreditation Master Agreement.</p>
b.	If YES, kindly provide the procedure for any indemnity for such insurance which shall be payable in a freely usable currency to replace or repair such Goods.	The procedures for indemnity are normally that the EE will report to the insurance company and receive the refund for making replacement/repair. Payment will be in local currency to the value of the missing / damaged item. It is not to the value of replacement to the date of replacement.