
CREDIT NUMBER 6331-CV
AMENDMENT NO. 1

*Agreement Providing for the Amendment
and Restatement of the*

Financing Agreement

(Education and Skills Development Enhancement Project)

between

REPUBLIC OF CABO VERDE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

**CREDIT NUMBER 6331-CV
AMENDMENT NO. 1**

**AGREEMENT PROVIDING FOR THE AMENDMENT AND RESTATEMENT
OF THE FINANCING AGREEMENT**

AGREEMENT, dated as of the Signature Date, between REPUBLIC OF CABO VERDE (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) (the “Agreement Providing for the Amendment and Restatement of the Financing Agreement”).

WHEREAS the Recipient and the Association entered into a Financing Agreement on December 12, 2018, for the financing of the Project;

WHEREAS the Recipient and the Association have agreed on the basis, *inter alia*, of the foregoing, to amend the terms and conditions of the Financing Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

- 1.01. The Financing Agreement is hereby amended and restated so as to read as set forth in the Annex to this Agreement Providing for the Amendment and Restatement of the Financing Agreement.
- 1.02. This Agreement Providing for the Amendment and Restatement of the Financing Agreement shall become effective on the date upon which the Association dispatches to the Recipient notice of its acceptance of the evidence that:
 - (a) The execution and delivery of this Agreement Providing for the Amendment and Restatement of the Financing Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary action; and
 - (b) The Recipient has entered into a Cooperation Agreement with the Fund in form and substance satisfactory to the Association.
- 1.03. As part of the evidence to be furnished pursuant to paragraph 1.02(a) above, there shall be furnished to the Association an opinion or opinions satisfactory to the Association of counsel acceptable to the Association, showing the following matters, namely, that this Agreement Providing for the Amendment and Restatement of the Financing Agreement has been duly authorized or ratified by, and executed and delivered on the Recipient’s behalf and is legally binding upon it in accordance with its terms.

- 1.04. This Agreement Providing for the Amendment and Restatement of the Financing Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement Providing for the Amendment and Restatement of the Financing Agreement, unless the Association, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Association shall promptly notify the Recipient of such later date.

Agreed as of the day and year first above written.

REPUBLIC OF CABO VERDE

By:

H.E. Dr. Olavo Avelino Garcia Correia

Authorized Representative

Name: H.E. Dr. Olavo Avelino Garcia Correia

Title: Minister of finance

Date: 29-dez-2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

Nathan M. Belete

Authorized Representative

Name: Nathan M. Belete

Title: Country Director

Date: 17-Dec-2020

CREDIT NUMBER 6331-CV
AMENDMENT NO. 1

Financing Agreement

(Amended and Restated Financing Agreement)

(Education and Skills Development Enhancement Project)

between

REPUBLIC OF CABO VERDE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated December 12, 2018

CREDIT NUMBER 6331-CV

AMENDED AND RESTATED FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF CABO VERDE (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement a credit in an amount equivalent to seven million two hundred thousand Special Drawing Rights (SDR 7,200,000) (variously, “Credit” and “Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 2.05. The Payment Dates are June 15 and December 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall:

- (a) carry out Part 1 and Part 3 of the Project, through its Ministry of Finance (UGPE);
- (b) carry out the implementation of the technical aspects of Parts 1 and 3.1 of the Project, through its Ministry of Education;
- (c) carry out the implementation of the technical aspects of Part 3.2 of the Project, through its Secretariat of State for Innovation and Vocational Training of the Ministry of Finance; and
- (d) carry out the implementation of Part 2 of the Project, through the Fund, all in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Cooperation Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The Recipient and/or the Fund shall have failed to comply with any of their respective obligations under the Cooperation Agreement so as to affect materially and adversely, in the opinion of the Association, the ability of the Fund to implement Part 2 of the Project; and
 - (b) The Cooperation Agreement shall have been amended, suspended, abrogated, repealed or waived so as, in the opinion of the Association, to affect materially and adversely the ability of the Recipient and the Fund to respectively perform any of their obligations under this Agreement and the Cooperation Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of: (a) the adoption by the Recipient of a Project Implementation Manual in form and substance satisfactory to the Association; and (b) the adoption by the Recipient of a Fund Procedures Manual, in form and substance satisfactory to the Association.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.03. For purposes of Section 10.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is its minister responsible for finance.

6.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Recipient's address is:

Minister of Finance
Ministry of Finance
Avenida Amílcar Cabral
C.P. 30, Praia
Cabo Verde; and

- (b) the Recipient's Electronic Address is:

E-mail:

Gilson.g.pina@mf.gov.cv and; Malaquias.lopes@mf.gov.cv

6.03. For purposes of Section 11.01 of the General Conditions:

- (a) the Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

- (b) the Association's Electronic Address is:

Telex:

Facsimile:

248423 (MCI)

1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF CABO VERDE

By: */Olavo Correia/*

Authorized Representative

Name: Olavo CORREIA

Title: Minister of Finance

Date: December 12, 2018

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: */Louise Cord/*

Authorized Representative

Name: Louise CORD

Title: Country Director

Date: December 11, 2018

SCHEDULE 1

Project Description

The objective of the Project is to strengthen foundational skills in education and improve the relevance of training programs to the Recipient's strategic development plan.

The Project consists of the following parts:

Part 1: Support to the Basic Education Reform

Support to the implementation of selected priority areas of the Recipient's Education Strategy Plan through, *inter alia*: (a) revision of curriculum and pedagogical practices, in line with the basic education reform; (b) establishment and operationalization of a student assessment system; and (c) support to basic education teachers.

Part 2: Support to Demand-Based Training Financing Schemes

- 2.1. Provision of Skills Development Grants to Eligible Beneficiaries to support the elaboration and delivery of training programs for the development of priority skills to service the tourism and ICT sectors.
- 2.2. Provision of Scholarships to Eligible Individuals to participate in selected training programs.

Part 3: Support to the Education and Skills Development Reforms and Project Management

- 3.1. Support to the Recipient's Ministry of Education in the implementation of education sector reform, including, *inter alia*: (a) development of specific training modules to build socioemotional skills for grades 7 and 8 students; (b) support to the secondary education reform; (c) elaboration of an in-service teacher training and professional development strategy; (d) support to the Student Assessment Unit and the RBM Pilot; (e) capacity building for the planning, implementation and monitoring of the school infrastructure plan; (f) implementation of an international learning assessment; and (g) support for distance learning initiatives due to COVID-19.
- 3.2. Support to: (a) the restructuring and operationalization of the Fund in order to implement activities under Part 2, including *inter alia* (i) adoption of a sustainable financing scheme for skills development in terms and conditions acceptable to the Association; (ii) capacity building of Fund staff; and (iii) carrying out information and marketing campaigns; (b) the development of updated national qualification frameworks in priority areas; (c) implementation of the Code for All pilot; and (d) the development of a national strategy for professional training.

- 3.3. Provision of support for Project management and implementation, including for, *inter alia*, coordination, procurement, financial management, external audit, independent verification and monitoring and evaluation activities and financing of Incremental Operating Costs.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

Unidade de Gestão de Projetos Especiais (UGPE)

1. The Recipient shall maintain, throughout Project implementation, the UGPE within the Ministry of Finance, composed of key staff, with qualifications and under terms of reference acceptable to the Association, including *inter alia*, one Project manager, one dedicated accountant, one procurement officer, one financial management specialist and any other specialists as may have been agreed with the Association, as further detailed in the PIM. The UGPE shall be responsible for overall Project coordination, including, *inter alia*, ensuring coordination with key stakeholders, managing the Project's fiduciary and, independent verification aspects, and monitoring and evaluation of Project implementation, as further detailed in the PIM.
2. Without limitation to the above, the Recipient shall no later than three (3) months after the Effective Date:
 - (a) have installed and customized a computerized accounting software, satisfactory to the Association;
 - (b) have appointed a dedicated accountant referred to in paragraph 1 above; and;
 - (c) sign an agreement with an external auditor and an independent verification agent, under terms and substance satisfactory to the Association, for purposes of Section II.B.1 of Schedule 2.

Ministry of Education

3. The Recipient shall ensure that, throughout Project implementation, its Ministry of Education has adequate resources and staffing, with qualifications and experience acceptable to the Association, to carry out its responsibilities under Parts 1 and 3.1. of the Project, as further detailed in the PIM.
4. The Recipient, through its Ministry of Education, shall be responsible for the implementation of the technical aspects of Parts 1 and 3.1. of the Project.

Fund

5. The Recipient shall ensure that the Fund, restructured in accordance with Part 3.2 of the Project, is maintained, throughout Project implementation, with a structure, functions, responsibilities, and staffing acceptable to the Association, and in accordance with the Recipient's applicable laws.

Ministry of Finance

6. The Recipient, through its Secretariat of State for Innovation and Vocational Training of the Ministry of Finance, shall be responsible for the implementation of the technical aspects of Part 3.2 of the Project.

Feedback mechanism

7. The Recipient shall maintain, throughout Project implementation, and publicize the availability of a feedback mechanism, in form and substance satisfactory to the Association, to receive feedback and hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.

B. Project Implementation Manual (PIM) and Fund Procedures Manual

1. The Recipient shall carry out the Project in accordance with the requirements set forth in the PIM, which shall include detailed guidelines, methods and procedures for the implementation of the Project, including: (a) administration and coordination; (b) budget and budgetary control; (c) disbursement procedures and banking arrangements; (d) financial, procurement and accounting procedures; (e) internal control procedures; (f) accounting system and transaction records; (g) reporting requirements; (h) external audit and independent verification arrangements; (i) corruption and fraud mitigation measures; (j) detailed procedures, eligibility, selection criteria and flow of funds for Scholarships and Skills Development Grants under Part 2; and (k) such other arrangements and procedures as shall be required for the effective implementation of the Project.
2. The Recipient shall carry out the Project in accordance with the Fund Procedures Manual, which shall include detailed guidelines, activities, procedures (including on financial management, as well as detailed procedures, eligibility, and selection criteria for Scholarships and Skills Development Grants), responsibilities, budgeting (costs and fees, if any), procurement, and reporting for the implementation of Part 2 of the Project.

3. The Recipient shall not assign, amend, abrogate or waive any provision of the PIM or the Fund Procedures Manual without prior approval of the Association. In case of any conflict between the terms of the PIM or the Fund Procedures Manual and those of this Agreement, the terms of this Agreement shall prevail.

C. Technical Assistance

1. The Recipient shall ensure, that: (a) all consultancies related to technical assistance, design and capacity building under the Project, the application of whose results could have environmental, social and health and safety implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association; and (b) such terms of reference shall require the technical assistance, design and capacity building activities to take into account the requirements of the applicable Safeguards Policies and EHS Guidelines.

D. Cooperation Agreement

1. To facilitate the carrying out of the Project, the Recipient shall, enter into a Cooperation Agreement with the Fund, and thereafter maintain said Cooperation Agreement during the implementation of the Project, on terms and conditions acceptable to the Association, including, *inter alia*: the Recipient's obligation to make parts of the proceeds of the Financing allocated to Category (2) available to the Fund in order to assist the Recipient in the carrying out of the Project in accordance with the Anti-Corruption Guidelines, the Procurement Regulations, the Safeguard Documents and the Fund Procedures Manual.
2. The Recipient shall exercise its rights or carry out its obligations under the Cooperation Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive, terminate or fail to enforce the Cooperation Agreement, or any of its provisions.

Section II. Project Monitoring, Reporting and Evaluation

- A.** The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

B. DLI Audit, DLI Progress Report, DLI Audit Report

1. In implementing Part 1 of the Project, the Recipient shall:
 - (a) no later than thirty (30) days after the end of each calendar semester, or by such later date as agreed with the Association, prepare and furnish to the

Association an interim unaudited DLI Progress Report satisfactory to the Association;

- (b) no later than sixty (60) days after the end of each calendar semester, or by such later date as agreed with the Association: (i) carry out an independent DLI verification which shall, *inter alia*, certify the extent to which the DLIs for the pertinent calendar semester covered by the DLI Audit have been met and the eligibility of the EEPs; and (ii) prepare and furnish to the Association a complete DLI Audit Report satisfactory to the Association, including all the findings and results from the DLI Audit, as well as any additional certifications from the DLI Audit as the Association may reasonably request.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) EEPs under Part 1 of the Project	3,730,000	100% up to the DLI amount in Schedule 4 of this Agreement
(2) (a) Skills Development Grants under Part 2.1 of the Project	720,000	100%
(b) Scholarships under Part 2.2 of the Project	720,000	
(3) Goods, non-consulting services, consulting services, training and Incremental Operating Costs under Part 3 of the Project	2,030,000	100%
TOTAL AMOUNT	7,200,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for:
 - (a) payments made prior to the Signature Date;
 - (b) payments under Category (1) with respect to each DLI met and for which a withdrawal request has been submitted, unless the Recipient has furnished evidence satisfactory to the Association, and following the requirements set forth in the PIM, that payment for EEP have been made by the Recipient in accordance with the Recipient's applicable legal framework and the PIM; and,
 - (c) payments under Category (2), unless: (i) the Recipient and the Fund have implemented Part 3.2(a)(i) of the Project, in form and substance satisfactory to the Association; (ii) the Recipient has amended the Fund Procedures Manual, in form and substance satisfactory to the Association; (iii) the Recipient has recruited an accountant with experience and under terms of reference satisfactory to the Association; (iv) the Recipient has updated the accounting software in form and substance satisfactory to the Association; and (v) the Recipient has external auditors to conduct annual audits for all financing managed by the Fund.
2. Without limitation to the provisions set forth in Section III.B.1. of this Schedule, each withdrawal under Category (1) shall be made in the amount specified in the "DLI Amount" row of table in the Schedule 4 to this Agreement, subject to submission to the Association of evidence acceptable to the Association in its form and content and following the requirements set forth in the PIM, confirming the achievement of the respective DLI (and for which a withdrawal request has been submitted).
3. In connection with the foregoing, if the Association determines, based on the evidence referred to in Section III.B.1(b) above that a DLI has not been met or has partially been met, the proportion of the corresponding DLI Amount shall be reduced in proportion to the respective degree of DLI Achievement in accordance with the formula set forth in the PIM, and any unwithdrawn balance of the withdrawal request for said Year in respect of such unmet or partially met DLI shall remain available for the subsequent withdrawal, or may be cancelled.
4. Notwithstanding the foregoing, if the Association determines, at any time and at its sole discretion, that any portion of the amounts disbursed by the Recipient under Category (1) was made for reimbursement of expenditures that are not eligible under the EEPs or not in compliance with the provisions of paragraphs 1(b) and paragraph 2 of this Section, the Recipient shall promptly refund any such amount to the Association as the Association shall specify by notice to the Recipient.

5. The Closing Date is January 31, 2023.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage) *
On each June 15 and December 15:	
commencing December 15, 2028, to and including June 15, 2038	1%
Commencing December 15, 2038, to and including June 15, 2058	2%

*The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05(b) of the General Conditions.

SCHEDULE 4

Disbursement Linked Indicators Table for Category 1

DLI Description, Targets, Verification Protocol, Disbursement Formula and Amount		Baseline	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
DLI 1 Teaching materials for grades 1-8 in Math, Portuguese, Science and Teaching materials for Foreign Languages for grades 5-8 developed and distributed, as per the new curriculum and the PIM	Target	No	Materials for grades 2 and 6 available in 22 delegations	Materials for grades 3 and 7 available in 22 delegations	Materials for grades 4 and 8 available in 22 delegations	No	No
	Verification Protocol		Independent verification agent and Ministry of Education confirm all basic education schools in 22 delegations have received said materials.	Independent verification agent and Ministry of Education confirm all basic education schools in 22 delegations have received said materials.	Independent verification agent and Ministry of Education confirm all basic education schools in 22 delegations have received said materials.		
	Disbursement Formula		\$45,000 per delegation disbursed upon verified availability in all basic	\$31,500 per delegation disbursed upon verified availability in all basic	\$31,500 per delegation disbursed upon verified availability in all basic		

DLI Description, Targets, Verification Protocol, Disbursement Formula and Amount		Baseline	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
			education schools in 21 delegations of said materials. \$55,000 per delegation disbursed upon availability of said materials in the 22 nd delegation	education schools in 21 delegations of said materials. \$38,500 per delegation disbursed upon verified availability of said materials in 22 nd delegation.	education schools in 21 delegations of said materials. \$38,500 per delegation disbursed upon verified availability of said materials in 22 nd delegation.		
	DLI Amount expressed in USD		US\$1.0 million	US\$0.7 million	US\$0.7 million	0	0
DLI 2 National Standardized Learning Assessment Conducted in Primary Schools,	Target	No	Operationalization of student assessment unit in the Ministry of Education, with an organigram, terms of	No	Disaggregated results of learning assessment by school, and guidelines to improve teaching and learning	No	No

DLI Description, Targets, Verification Protocol, Disbursement Formula and Amount	Baseline	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<p>as defined in the PIM</p>		<p>reference, budget, work program and staff in place.</p>		<p>communicated to at least 90% of schools in the sample.</p>		
	<p>Verification Protocol</p>	<p>Independent verification agent confirms that (a) revised legal texts related to the Ministry of Education organigram include establishment of said unit, (b) terms of reference for said unit and work program have been adopted by Ministry of Education to the satisfaction of the Association,</p>		<p>(a) Independent verification agent reviews learning assessment and analysis of disaggregated results. (b) Independent verification agent and Ministry of Education confirm through spot checks in selected basic education schools (sample to be agreed with the</p>		

DLI Description, Targets, Verification Protocol, Disbursement Formula and Amount		Baseline	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
			(c) a budget has been allocated to said unit for FY 2019, and (d) key staff of said unit have been appointed.		Association), that disaggregated results have been disseminated to at least 90% of schools in the sample and that schools have received guidelines on the use of the assessment results to improve teaching and learning.		
	Disbursement Formula		100% of DLI amount disbursed upon verified establishment of student assessment unit		100% of DLI amount disbursed upon verified dissemination of results to schools.		

DLI Description, Targets, Verification Protocol, Disbursement Formula and Amount		Baseline	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
	DLI Amount expressed in USD		US\$0.5 million	0	US\$0.8 million	0	
DLI 3 Number of teachers trained in new curriculum, as defined in the PIM	Target	New curriculum and professional development programs created	450 grades 1 and 5 primary teacher trained	900 grades 2 and 6 primary teacher trained	900 grades 3 and 7 primary teacher trained	900 grades 4 and 8 primary teacher trained	No
	Verification Protocol		Independent verification agent to confirm the professional development program for the new curriculum and ensure that it clearly identifies the scope, content, delivery methods, and outcomes, as satisfactory to	Independent verification agent to confirm the professional development program for the new curriculum and ensure that it clearly identifies the scope, content, delivery methods, and outcomes, as satisfactory to	Independent verification agent to confirm the professional development program for the new curriculum and ensure that it clearly identifies the scope, content, delivery methods, and outcomes, as satisfactory to	Independent verification agent to confirm the professional development program for the new curriculum and ensure that it clearly identifies the scope, content, delivery methods, and outcomes, as satisfactory to	

DLI Description, Targets, Verification Protocol, Disbursement Formula and Amount		Baseline	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
			<p>the Association.</p> <p>Independent verification agent to confirm the number of teachers trained on the new curriculum through the evaluation reports prepared by the delegations at the end of training sessions and consolidated by the Ministry of Education.</p> <p>Independent verification</p>	<p>the Association.</p> <p>Independent verification agent to confirm the number of teachers trained on the new curriculum through the evaluation reports prepared by the delegations at the end of training sessions and consolidated by the Ministry of Education.</p> <p>Independent verification</p>	<p>the Association.</p> <p>Independent verification agent to confirm the number of teachers trained on the new curriculum through the evaluation reports prepared by the delegations at the end of training sessions and consolidated by the Ministry of Education.</p> <p>Independent verification</p>	<p>the Association.</p> <p>Independent verification agent to confirm the number of teachers trained on the new curriculum through the evaluation reports prepared by the delegations at the end of training sessions and consolidated by the Ministry of Education.</p> <p>Independent verification</p>	

DLI Description, Targets, Verification Protocol, Disbursement Formula and Amount		Baseline	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
			agent and Ministry of Education confirm through spot checks in selected basic education schools (sample to be agreed with the Association), that all teachers of Grades 1 and 5 have been trained in the new curriculum.	agent and Ministry of Education confirm through spot checks in selected basic education schools (sample to be agreed with the Association), that all teachers of Grades 2 and 6 have been trained in the new curriculum.	agent and Ministry of Education confirm through spot checks in selected basic education schools (sample to be agreed with the Association), that all teachers of Grades 3 and 7 have been trained in the new curriculum.	agent and Ministry of Education confirm through spot checks in selected basic education schools (sample to be agreed with the Association), that all teachers of Grades 4 and 8 have been trained in the new curriculum.	
	Disbursement Formula		DLI amount disbursed=(Number of Grades 1 and 5 teachers trained/450)*0.3 up to a	DLI amount disbursed=(Number of Grades 2 and 6 teachers trained/900)*0.4 up to a	DLI amount disbursed=(Number of Grades 3 and 7 teachers trained/900)*0.4 up to a	DLI amount disbursed=(Number of Grades 4 and 8 teachers trained/900)*0.4 up to a	

DLI Description, Targets, Verification Protocol, Disbursement Formula and Amount		Baseline	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
			maximum of US\$0.3 m	maximum of US\$0.4 m	maximum of US\$0.4 m	maximum of US\$0.4 m	
	DLI Amount expressed in USD		US\$0.3 million	US\$0.4 million	US\$0.4 million	US\$0.4 million	
TOTAL	US\$5.2 million SDR 3,730,000						

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011 and as of July 1, 2016.
2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “Cooperation Agreement” means the agreement referred to in Section I.D of Schedule 2 to this Agreement.
4. “Disbursement Linked Indicator” or “DLI” means a set of indicators specified in Schedule 4 to this Agreement and in the PIM (as hereinafter defined). “Disbursement Linked Indicators” or “DLIs” means the sets of indicators specified in Schedule 4 to this Agreement and in the PIM taken collectively.
5. “EEPs” means a set of defined expenditures for salaries and Incremental Operating Costs, acceptable to the Association, incurred by the Recipient in connection to Part 1 of the Project.
6. “EHS Guidelines” means the World Bank Group Environmental, Health and Safety Guidelines published on www.ifc.org/ehsguidelines, as said guidelines are updated from time to time.
7. “Eligible Beneficiaries” means public and private training providers eligible to receive Skills Development Grants under Part 2.1 of the Project, following selection procedures set out in the PIM and the Operational Manual. “Eligible Beneficiary” means any of the Eligible Beneficiaries taken separately.
8. “Eligible Individuals” means those students receiving Scholarships under Part 2.2 of the Project.
9. “FY” means the calendar year of the Recipient.
10. “Fund” means the “Fund for the Promotion of Employment and Training Skills Development Fund” (*Fundo de Promoção do Emprego e da Formação*), a fund without legal personality (“fundo autonomo”) within the Recipient’s Ministry of Finance, established pursuant to Regulatory Decree No. 4/2012, published in the Recipient’s Official Gazette dated February 29, 2012, and its restructured successor thereto, as described in Part 3.2 and regulated by Law 109/VIII/2016 establishing the legal framework of autonomous funds, published in the Recipient’s Official Gazette I Series, No 5, dated January 28, 2016.

11. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated July 14, 2017.
12. “Incremental Operating Costs” means the reasonable incremental costs, as shall have been approved by the Association, incurred by the Ministry of Finance and Ministry of Education, on account of Project administration, implementation, monitoring and supervision consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, office rental expenses, freight charges, office (and office equipment) maintenance, utilities, printing, non-durable goods, travel cost and *per diem* for Project staff for travel linked to the implementation, monitoring and supervision of the Project (but excluding consultants’ services and salaries of officials of the Recipient’s civil service).
13. “Fund Procedures Manual” means the manual of procedures to be adopted by the Recipient for the implementation of Part 2 of the Project, as described in Schedule 2 Section I.B.2 of this Agreement, as the same may be amended from time to time with the prior written agreement of the Association.
14. “PIM” means the manual to be adopted by the Recipient for the implementation of the Project, as described in Schedule 2 Section I.B of this Agreement, as the same may be amended from time to time with the prior written agreement of the Association.
15. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017.
16. “RBM Pilot” means creating and piloting the use of performance-based contracts and school development plans in at least four delegations.
17. “Safeguard Policies” means, the Operational Policies (Ops) and Bank Procedures (BPs) of the Bank, namely OP/BP 4.01 (Environmental Assessment), OP/BP 4.04 (Natural Habitats), OP/BP 4.09 (Pest Management), OP/BP 4.10 (Indigenous Peoples), OP/BP 4.11 (Physical Cultural Resources), OP/BP 4.12 (Involuntary Resettlement), OP/BP 4.36 (Forests), and OP/BP 4.37 (Safety of Dams); they can be found at <https://policies.worldbank.org>.
18. “Scholarships” means financing provided directly or indirectly to Eligible Individuals to cover training fees and other related costs including living costs during the training period, for purposes of Part 2.2 of the Project.
19. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.

20. “Skills Development Grants” or “Grants” means grants awarded to public and private training providers to support the elaboration and delivery of training programs for priority job profiles, covering costs related to small equipment, consumable and consultancy services, for purposes of Part 2.1. of the Project.
21. “Student Assessment Unit” means a unit within the Ministry of Education that has the responsibility of conducting regular evaluations of student learning together with the necessary staff and budgetary resources to conduct these activities.
22. “UGPE” means *Unidade de Gestao de Projetos Especiais*, a unit established within the Ministry of Finance pursuant to Resolucao 81/2017 of July 28, 2017, and referred to in Section I.A.2 of Schedule 2 to this Agreement.