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**CREDIT NUMBER 6597-CV**

# **Financing Agreement**

**(Cabo Verde COVID-19 Preparedness and Response Project)**

**between**

**REPUBLIC OF CABO VERDE**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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**CREDIT NUMBER 6597-CV**

**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 a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in the amount equivalent to three million seven hundred thousand Special Drawing Rights (SDR 3,700,000) (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 The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.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 and the MPA Program. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

**ARTICLE IV — EFFECTIVENESS; TERMINATION**

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.02. 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 V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Recipient's Representative is its minister responsible for finance.
- 5.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Recipient's address is:

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

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

E-mail:

Gilson.g.pina@mf.gov.cv and; Hernani.trigueiros@mf.gov.cv

- 5.03. 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**

*H.E. Dr. Olavo Avelina Garcia Correia*  
\_\_\_\_\_  
**Authorized Representative**  
**Name:** H.E. Dr. Olavo Avelina Garcia Correia  
**Title:** Minister of finance  
**Date:** 06-Apr-2020

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**

*Nathan M. Belete*  
\_\_\_\_\_  
**Authorized Representative**  
**Name:** Nathan M. Belete  
**Title:** Country Director  
**Date:** 05-Apr-2020

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to prepare and respond to the COVID-19 pandemic in Cabo Verde.

The Project constitutes a phase of the MPA Program and consists of the following parts:

#### **Part 1: Emergency COVID-19 Preparedness, Prevention and Response**

Supporting implementation of prevention, detection and response activities in the Recipient's National COVID19 Preparedness and Response Plan, including the following:

- (a) Acquisition of emergency medical and non-medical supplies such as gloves, surgical masks, respirators, eye protection wear and isolation gowns as well as infection prevention and control materials for health workers and health facilities;
- (b) Strengthening the capacities of laboratories in selected health facilities through provision of critical consumables, reagents, and equipment stock for emergencies;
- (c) Acquisition of medical equipment such as diagnostic and life support equipment and durable medical equipment such as hospital and surgical beds and surgical instruments to support the response, treatment and isolation of infected severe and critical cases and;
- (d) Acquisition of vehicles for emergency operations including for transportation medicines, supplies, biological surveillance samples and blood products.

#### **Part 2: Project Implementation and Monitoring and Evaluation**

Supporting the Project Coordination Unit for day to day implementation, coordination, supervision and overall management (including, fiduciary aspects, monitoring and evaluation, carrying out of audits and reporting) of Project activities.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements**

###### **1. Ministry of Finance**

The Recipient shall designate, at all times during the implementation of the Project, the Ministry of Finance (MoF) to be responsible for prompt and efficient oversight and implementation of activities under the Project and shall take all actions including the provision of funding, personnel and other resources necessary to enable said MoF to perform said functions.

###### **2. Project Coordination Unit**

Without limitation upon the provisions of paragraph 1 of this Section I.A, the Recipient, through the MoF, shall designate, at all times during the implementation of the Project, the Project Coordination Unit (“PCU”), to be responsible for day to day execution, coordination and implementation (including procurement, financial management, environmental and social, monitoring and evaluation, supervision and reporting) of activities under the Project. To this end, the Recipient shall take all actions, including the provision of funding, personnel (including a project coordinator, a procurement specialist, a financial management specialist, a financial management assistant, a procurement assistant, and an environmental and social development specialist), and other resources satisfactory to the Association, to enable the PCU to perform said functions, as further detailed in the Project Implementation Manual.

##### **B. Implementation Arrangements**

###### **1. National COVID-19 Preparedness and Response Plan**

The Recipient shall ensure that the Project is carried out in accordance with the National COVID-19 Preparedness and Response Plan.

###### **2. Project Implementation Manual**

- (a) The Recipient shall, not later than thirty (30) days after the Effective Date, prepare and adopt a Project implementation manual containing detailed guidelines and procedures for the implementation of the Project, including with respect to: administration and coordination, monitoring and evaluation, financial management, procurement and accounting procedures, environmental and social safeguards, corruption and fraud

mitigation measures, a grievance redress mechanism, personal data collection and processing in accordance with good international practice, roles and responsibilities for Project implementation, and such other arrangements and procedures as shall be required for the effective implementation of the Project, in form and substance satisfactory to the Association (“Project Implementation Manual”).

- (b) In case of any conflict between the provisions of the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail, and except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Project Implementation Manual.

### **3. Work Plan and Budget**

- (a) The Recipient shall, not later than thirty (30) days after the Effective Date, prepare and furnish to the Association, a work plan and budget containing all activities proposed to be included in the Project and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing.
- (b) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on such proposed work plan and budget and thereafter ensure that the Project is implemented with due diligence in accordance with such work plan and budget as shall have been approved by the Association (“Work Plan and Budget”).
- (d) The Recipient shall not make or allow to be made any change to the approved Work Plan and Budget without prior approval in writing by the Association.

### **C. Environmental and Social Standards**

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;

- (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- 3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 4. The Recipient shall ensure that:
  - (a) all measures necessary are taken to collect, compile and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- 5. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

**Section II. Project Monitoring, Reporting and Evaluation**

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. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Association, in sharing any information, report or document related to the activities described in Schedule 1 of



this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.

**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:

<b>Category</b>	<b>Amount of the Credit Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
Goods, non-consulting services and consulting services and Operating Costs for the Project	3,700,000	100%
<b>TOTAL AMOUNT</b>	3,700,000	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed SDR 1,456,000 may be made for payments made prior to this date but on or after April 15, 2019, for Eligible Expenditures.
2. The Closing Date is March 31, 2021.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each June 15 and December 15:	
commencing June 15, 2030 to and including December 15, 2039	<b>1%</b>
commencing June 15, 2040 to and including December 15, 2059	<b>2%</b>

\* 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.

## APPENDIX

### 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. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
4. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated March 25, 2020, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
5. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
6. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018.

7. “Ministry of Finance” or “MoF” means the Recipient’s ministry responsible for finance, and any successor thereto.
8. “MPA Program” means the global emergency multiphase programmatic approach program designed to assist countries to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness.
9. “National COVID-19 Preparedness and Response Plan” means the Recipient’s emergency preparedness and response plan for COVID-19, dated March 17, 2020, and acceptable to the Association, as said document may be modified from time to time during the Emergency, and such term includes all schedules and annexes to said document.
10. “Operating Costs” means the reasonable incremental expenses arising under the Project, and based on the Work Plan and Budget, on account of vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, rentals, accommodation, banking charges, advertising expenses, travel and *per diem*, but excluding the salaries of the Recipient’s civil servants.
11. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
12. “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 and August 2018.
13. “Project Coordination Unit” means the Recipient’s unit referred to in Section I.A.2 of Schedule 2 to this Agreement.
14. “Project Implementation Manual” means the Recipient’s manual referred to in Section I.B.2 of Schedule 2 to this Agreement.
15. “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.

16. "Work Plan and Budget" means the work plan and budget approved by the Association and adopted by the Recipient in accordance with the provisions of Section I.B.3 of Schedule 2 to this Agreement, as said work plan and budget may be modified from time to time with the written agreement of the Association.