
Additional Financing:
GRANT NUMBER D778-ST
Amendment:
GRANT NUMBER D3760-ST

Financing Agreement

**(Social Protection and Skills Development Project Additional Financing and
Amendment to the Original Financing Agreement)**

between

DEMOCRATIC REPUBLIC OF SAO TOME AND PRINCIPE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Additional Financing:
GRANT NUMBER D778-ST

Amendment:
GRANT NUMBER D3760-ST

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between DEMOCRATIC REPUBLIC OF SAO TOME AND PRINCIPE (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”), for the purpose of: (i) providing additional financing for the Original Project and activities related to the Original Project (as defined in the Appendix to this Agreement); and (ii) amending the Original Financing Agreement (as defined in the Appendix to this Agreement). 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 grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to five million six hundred thousand Special Drawing Rights (SDR 5,600,000) (“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 Payment Dates are June 15 and December 15 in each year.
- 2.05. The Payment Currency is Euro.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out: (a) Part 1.1 and 2 of the Project through MTSFFP; (b) Part 1.2 and 3.2 of the Project through the MEES; and (c) Part 3.1 of the Project through the MCT, with the assistance of the Project Implementing Entity; all in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Project Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The AFAP Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the Project Implementing Entity's ability to perform any of its obligations under the Project Agreement or the Subsidiary Agreement.
 - (b) The Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the Project Implementing Entity of its obligations under the Project Agreement or the Subsidiary Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Project Operations Manual has been updated by the Project Implementing entity and adopted by MTSFFP, MEES and MCT in form and substance satisfactory to the Association.
 - (b) The Subsidiary Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Project Implementing Entity to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
- 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 of finance.

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

(a) the Recipient's address is:

Ministry of Planning, Finance and Blue Economy
Agua Grande
Caixa Postal No. 168
Sao Tome
Sao Tome and Principe; and

(b) the Recipient's Electronic Address is:

E-mail:

mpf.geral@financas.gov.st

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.

DEMOCRATIC REPUBLIC OF SAO TOME AND PRINCIPE

By

Oswaldo Tavares dos Santos Vaz

Authorized Representative

Name: Oswaldo Tavares dos Santos Vaz

Title: Ministro das Finanças

Date: 22-mar-2021

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Jean-Christophe Carret

Authorized Representative

Name: Jean-Christophe Carret

Title: Country Director

Date: 20-Mar-2021

SCHEDULE 1

Project Description

The objective of the Project is to support the development of an effective national safety net system for poor households; and inclusive and labor market relevant skills development programs.

The Project consists of the following parts:

Part 1: Institutional and Capacity Strengthening

Strengthening the capacity of the Recipient's personnel and institutions responsible for the social protection and skills development sectors through:

- 1.1 (a) development and implementation of delivery systems that enhance the effectiveness and efficiency of the social protection sector and that help MTSFFP to better manage its social protection programs, including: (i) a beneficiary targeting system, a payment system and a management information system for the VFP and the VFP COVID-19; (ii) a monitoring and evaluation system; (iii) a co-responsibility compliance monitoring system; (iv) a communication system and strategy; and (v) a complaint redress information system;
- (b) provision of technical assistance to MTSFFP for the establishment of a social safety net system; carrying out capacity strengthening on conducting research and analyzing data on poverty and inequality; and carrying out capacity building on the management and implementation of social protection programs; and
- (c) carrying out the updating of poverty and vulnerability maps and mapping the existing supply of social services and assistance programs at the district and municipal levels;
- 1.2 provision of support for the: (a) establishment of a national skills development coordination committee; (b) development of a national skills development plan for key growth sectors including tourism and agriculture; (c) carrying out of tracer studies on employability and income levels of TVET graduates; and (d) carrying out of capacity building of key sector staff on providing more labor market relevant skills development programs.

Part 2: Vulnerable Families Program

- A. Increasing income and consumption in poor households through:
- 2.1 (a) provision of conditional cash transfers to selected beneficiaries under the VFP; and
 - (b) improvement of existing parental education program for conditional cash transfer beneficiaries and implementation of improved parental education program for conditional cash transfer beneficiaries; and
 - 2.2 (a) carrying out of training for selected members of selected VFP beneficiary households on entrepreneurship, small business administration, hospitality and tourism;
 - (b) tuition fees for training at the EHT for VFP beneficiary households on eco-friendly sustainable tourism-related small businesses; and
 - (c) provision of stipends to selected graduates from training under this part of the Project for the implementation of their business plans.
- B. Ensuring food consumption stabilization in households affected by COVID-19 through the provision of unconditional cash transfers to selected beneficiaries under the VFP COVID-19.

Part 3: Employability of TVET Graduates and Youth

Increasing the supply of skilled labor and ensuring that skills are adequate to labor market demand through:

- 3.1 establishment, management and operation of a national hospitality and tourism school (“EHT”) based on international standards and that provides labor market relevant and certified training in priority areas under the National Skills Development Plan; and
- 3.2 (a) development of a secondary education curriculum that integrates entrepreneurial skills, including technical assistance, implementation support, and adaptation of existing teacher manuals and student textbooks accordingly; and
- (b) implementation of the newly developed curriculum in all secondary schools.

Part 4. Project Implementation Support

Provision of support for the carrying out of Project coordination and management activities, including *inter alia*: administrative, financial management, procurement, monitoring and evaluation, reporting, auditing and other operational activities required for effective Project implementation.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Without limitation to the provisions of Section 3.01 of this Agreement, the Recipient, through the MTSFFP, the MEES and the MCT, and with the assistance of the Project Implementing Entity, shall carry out the Project in accordance with this Agreement, the Subsidiary Agreement and the Operations Manual.
2. The Recipient, through the MEES or the MTSFFP, shall establish and thereafter maintain during Project implementation, a national skills development coordination committee (“National Skills Development Coordination Committee”), consisting of a representative from each of the Recipient’s ministries responsible for overseeing skills development programs, and representatives from key sectors, TVET institutions implementing skills training programs and key private sector stakeholders.
3.
 - (a) Prior to providing any Cash Transfer or Stipend, the Recipient, through the MTSFFP, shall hire one or more payment agents in accordance with Section 5.13 of the General Conditions, with terms of reference, qualifications and experience satisfactory to the Association, to assist the Recipient in administering Cash Transfer or Stipend payments.
 - (b) The Recipient, through the MTSFFP, shall monitor and evaluate, under terms of reference satisfactory to the Association, the implementation of the Cash Transfers and Stipends to ensure that Cash Transfer and Stipend payments are made exclusively to Beneficiaries and Graduates, respectively, for productive purposes consistent with the objective of the Project.
4. The Recipient, through the MCT, shall maintain a governing board for the EHT (“EHT Governing Board”) led by the MCT, consisting of one representative from each the MCT, the MEES and the MTSFFP, and four representatives from the private sector, with terms of reference satisfactory to the Association.
5. Not later than one (1) year after the Effective Date, the Recipient, through the MCT, shall establish and thereafter maintain the EHT as a non-governmental organization with legal personality, with a management, staffing and financing plan, and with objectives acceptable to the Association.

B. Subsidiary Agreement

1. Without limitation to the provisions of Section 3.01 of this Agreement, the Recipient, through the MF, shall cause the Project Implementing Entity to carry out the fiduciary functions of the Project, including *inter alia*, procurement, financial management, disbursement, monitoring and evaluation, and reporting activities under the Project pursuant to an agreement (“Subsidiary Agreement”) to be entered into between the Recipient, through the MF, and the Project Implementing Entity under terms and conditions acceptable to the Association, which shall include, *inter alia*:
 - (a) the roles and responsibilities of the Recipient, through the MF, and the Project Implementing Entity in connection with Project implementation;
 - (b) the obligation of the Recipient, through the MF, to make the proceeds of the Financing available to the Project Implementing Entity for the purposes of carrying out the fiduciary functions under the Project; and
 - (c) the right of the Recipient, through the MF, to suspend or terminate the right of the Project Implementing Entity to use said proceeds of the financing, or to obtain a refund of all or any part of the amount of the financing then withdrawn, upon the Project Implementing Entity’s failure to perform any of the obligations under the Subsidiary Agreement.

2. The Subsidiary Agreement shall further include the obligation of the Project Implementing Entity to:
 - (a) maintain staff throughout the implementation of the Project with functions and responsibilities acceptable to the Association, including *inter alia* a senior operations officer (to ensure coordination among the Project Co-Implementing Entities and the Project Implementing Entity), a procurement specialist, a procurement assistant, a financial manager, and an accountant, all as further detailed in the Project Operations Manual;
 - (b) not later than sixty (60) days after the Effective Date, hire, and maintain throughout the implementation of the Project, one social safeguards specialist in accordance with Section 5.13 of the General Conditions and with terms of reference acceptable to the Association;
 - (c) prepare the Project Operations Manual in coordination with the MTSFFP, the MEES and the MCT, in accordance with Section C of Schedule 2 to this Agreement;
 - (d) carry out the fiduciary functions under the Project on behalf of the MTSFFP, the MEES and the MCT with due diligence and efficiency and

in conformity with appropriate administrative, technical, financial, economic standards and practices, including the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient, in accordance with the Project Operations Manual, and in accordance with the provisions of this Agreement;

- (e) with respect to procurement: (i) procure all goods and services required under the Project and to be financed out of the proceeds of the Financing in accordance with the General Conditions; and (ii) ensure that all such goods and services are used exclusively for the purposes of the Project;
- (f) with respect to records management: (i) maintain records adequate to record the progress of the Project (including its cost and the benefits to be derived from it), to identify the goods and services financed out of the proceeds of the Financing and disclose their use in said parts; (ii) furnish such records and information as may be requested by the Recipient or the Association; and (iii) retain all records evidencing expenditures under the Project for the period of time specified in the General Conditions;
- (g) with respect to monitoring and evaluation: (i) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators acceptable to the Recipient and the Association, the progress of the Project and the achievement of its objective; (ii) prepare periodic reports, in form and substance satisfactory to the Recipient and the Association, integrating the results of such monitoring and evaluation activities and setting out measures recommended to ensure the continued efficient and effective execution of the Project and to achieve its objective, each such report to cover a calendar semester; (iii) furnish each such report to the Recipient and the Association within one month after the end of such period; and (iv) prepare, and furnish to the Recipient a final report, of such scope and in such detail as the Recipient and the Association shall reasonably request, on the execution of the Project, and furnish the same to the Recipient and the Association not later than (6) months after the end of the Project;
- (h) with respect to financial management: (i) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Recipient and the Association, both in a manner adequate to reflect its operations and financial condition, including the operations, resources and expenditures related to the Project; (ii) avail the records pertaining to said parts to external and internal auditors; (iii) prepare interim financial reports covering each quarter, and furnish them to the Recipient and the Association not later than one month after the end of the period covered by such reports, and provide such other information concerning such

financial statements as the Recipient or the Association may from time to time reasonably request; and (iv) have its financial statements audited by independent auditors and applying standards both acceptable to the Association at least once in each fiscal year;

- (i) enable the Recipient and the Association to inspect the Project, their operations and any relevant records and documents; and
 - (j) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Subsidiary Agreement or any provision thereof, unless previously agreed with the Association.
3. The Recipient, through the MF, shall exercise its rights under the Subsidiary 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, through the MF, shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Project Operations Manual

1. The Recipient, through the MTSFFP, the MEES and the MCT, shall adopt and, thereafter, carry out the Project, and cause the Project Implementing Entity to carry out the fiduciary functions of the Project, in accordance with a project operations manual (“Project Operations Manual”), which shall contain detailed work flow, methods and procedures for the implementation of the Project, including but not limited to: (i) administration and coordination arrangements, including placement of necessary human resources for Project implementation; (ii) performance indicators of the Project; (iii) monitoring and evaluation; (iv) financial management guidelines and procedures; (v) corruption and fraud measures; (vi) implementation modalities for each Part of the Project; (vii) roles and responsibilities of various agencies and stakeholders in the implementation of the Project; (viii) a cash transfers and stipend handbook setting forth the detailed criteria, processes, methods and procedures for the VFP, the VFP COVID-19 and the Business Plan Stipend Program; and (ix) social risks mitigation measures; and except as the Association shall otherwise agree in writing, the Recipient, through the MTSFFP, the MEES and the MCT, shall not amend or waive, or permit to be amended or waived any provision of the Project Operations Manual.
2. In case of conflict between the provisions of the Project Operations Manual and this Agreement, those of this Agreement shall prevail.

D. Annual Work Plan and Budget

1. The Recipient shall, and shall cause the Project Implementing Entity to not later than January 31 of each year (commencing on 2022), prepare and furnish to the Association, an annual work plan, in form and substance satisfactory to the Association, informed by the Project Operations Manual and containing activities proposed for implementation under the Project and milestones to be achieved during the following Fiscal Year, together with a proposed budget for the purpose.
2. The Recipient shall, and shall cause the Project Implementing Entity to exchange views with the Association on each such proposed Annual Work Plan and Budget, and shall thereafter adopt, and carry out such program of activities for such following Fiscal Year as shall have been agreed with the Association, as such plan may be subsequently revised during such following Fiscal Year with the prior written agreement of the Association.

E. Interinstitutional Agreement

For purposes of carrying out the Project, the Recipient, through the MF, shall enter into an agreement (the “Interinstitutional Agreement”) with the MTSFFP, the MEES and the MCT (“Project Co-Implementing Entities”), satisfactory to the Association, not later than sixty (60) days after the Effective Date, which shall include, *inter alia*, the following:

- (a) The obligation of: (i) the MTSFFP to implement the technical aspects of Parts 1.1 and 2 of the Project; (ii) the MEES to implement the technical aspects of Parts 1.2 and 3.2 of the Project; and (iii) the MCT to implement the technical aspects of Parts 3.1 of the Project, all in accordance with this Agreement and the Project Operations Manual.
- (b) The obligation of each Project Co-Implementing Entity to ensure, throughout Project implementation, that it has adequate resources and staffing, with qualifications and experience acceptable to the Association, to carry out its responsibilities under the Project, including:
 - (i) for the MTSFFP, through DPSSF, *inter alia*, an operations officer, a communications specialist and a management information system officer; and
 - (ii) for the MEES, through DETPEJA, a senior monitoring and evaluation specialist.
- (c) The obligation of the Project Co-Implementing Entities to collaborate with each other in the implementation of the Project, as necessary, and with the Project Implementing Entity, including providing all necessary

information and carrying out all their obligations under this Agreement, to enable the Project Implementing Entity to carry out its obligations under the Subsidiary Agreement and the Project Agreement.

F. Cash Transfers

1. No proposed Beneficiary shall be eligible to receive Cash Transfers unless the Recipient shall have determined, on the basis of an appraisal conducted in accordance with guidelines acceptable to the Association and elaborated in the Project Operations Manual, that the Beneficiary satisfies the following requirements, and such further requirements as are elaborated in said Project Operations Manual:

(a) for VFP Cash Transfers:

(1) the Beneficiary shall:

- i. have been classified as extreme poor, following a registration process and the application of a proxy means test formula;
- ii. have children under the age of 18 years; and
- iii. have, as part of the registration process, received training on the VFP's operations and requirements, including, *inter alia*, applicable Beneficiary co-responsibilities, as set forth in the Project Operations Manual; and

(2) the Recipient, through the MTSFFP, shall have confirmed the Beneficiary's compliance with said co-responsibilities; and

(b) for COVID-19 VFP Cash Transfers, Beneficiaries shall be selected based on pre-identified categorical targeting described in the Project Operations Manual, including, *inter alia*, female head of household, member of household with children, elderly individual, and individual with a disability.

2. The Recipient, through the MTSFFP, shall monitor and evaluate, under terms of reference satisfactory to the Association, the implementation of the Cash Transfers, so as to ensure that payments made under the Cash Transfers are made exclusively to Beneficiaries for productive purposes consistent with the objective of the Project.

G. Safeguards

1. The Recipient shall ensure, and cause the Project Implementing Entity to ensure, that the Project is carried out with due regard to appropriate health, safety, social and environmental practices and standards, and in accordance with the Project Operations Manual.
2. The Recipient shall ensure, and cause the Project Implementing Entity to 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.
3. Without limitation upon its other reporting obligations under this Agreement, the Borrower shall, and cause the Project Implementing Entity to:
 - (a) take all measures necessary on its part to regularly collect, compile, and submit to the Association, as part of the Project Reports, and promptly in a separate report whenever the Association may require, information on the status of compliance with the social risks mitigation measures, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the social risks mitigation measures; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the social risks mitigation measures; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) promptly notify the Association 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.
4. The Recipient shall, and shall cause the Project Implementing Entity to, maintain, throughout Project implementation, and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Association, to 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.

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.

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 Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services Operating Costs and Training for Part 1 of the Project	1,050,000	100%
(2) VFP COVID-19 Cash Transfers	4,550,000	100%
TOTAL AMOUNT	5,600,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date; or
 - (b) under Category (2) until the Recipient, through the MF, has hired a payment agent in accordance with Section I.A.3(a) of Schedule 2 to this Agreement.
2. The Closing Date is December 31, 2024.

SCHEDULE 3

Amendments to the Original Financing Agreement

The Recipient and the Association hereby agree to amend the Original Financing Agreement as follows:

1. The Project description set forth in Schedule 1 to the Original Financing Agreement is modified as set forth in Schedule 1 to this Agreement.
2. Section I.B.2(a) of Schedule 2 to the Original Financing Agreement is hereby deleted in its entirety and amended to read as follows:
 - “(a) maintain staff throughout the implementation of the Project with functions and responsibilities acceptable to the Association, including *inter alia*, a senior operations officer (to ensure coordination among the Project Co-Implementing Entities and the Project Implementing Entity), a procurement specialist, a procurement assistant, a financial manager, an accountant and one social safeguards specialist, all as further detailed in the Project Operations Manual.”
3. Section I.E.(b)(i) of Schedule 2 to the Original Financing Agreement is hereby deleted in its entirety and amended to read as follows:
 - “(i) for the MTSFFP, through DPSS, *inter alia*, an operations officer, a communications specialist, and a management information system officer; and”
4. Category (5) of the table in Section A of Schedule 2 of the Original Financing Agreement is hereby deleted in its entirety and amended to read as follows:

“(5) VFP Cash Transfers and Stipends”
5. Section III.B.2 of Schedule 2 to the Original Financing Agreement is hereby deleted in its entirety and amended to read as follows:
 - “2. The Closing Date is December 31, 2024.”
6. Paragraph 4 of the Appendix to the Original Financing Agreement is hereby deleted in its entirety and amended to read as follows:
 - “4. “Cash Transfer” means a VFP Cash Transfer or a VFP COVID-19 Cash Transfer; and “Cash Transfers” means, collectively, all such Cash Transfer.”

7. The following definitions are added to the Appendix to the Original Financing Agreement in alphabetical order and subsequent paragraphs are renumbered accordingly:

““VFP Cash Transfer” means the conditional cash transfer to be made to a Beneficiary under the VFP and referred to in Part 2.A.2.1(a) of Schedule 1 to this Agreement; and “VFP Cash Transfers” means, collectively, all such transfers.”

““VFP COVID-19” means the Recipient’s window under the VFP to respond to COVID-19, created through the Resolution No. 28/2020 of the Presidency of the Council of Ministers dated June 24, 2020.”

““VFP COVID-19 Cash Transfer” means the unconditional cash transfer to be made to a Beneficiary under the VFP COVID-19 and referred to in Part 2.B of Schedule 1 to this Agreement; and “VFP COVID-19 Cash Transfers” means, collectively, all such transfers.”

APPENDIX

Definitions

1. “AFAP Legislation” means the Recipient’s Decree-Law No. 10/2018, dated May 16, 2018, published in the Recipient’s Journal of the Republic No. 100 dated July 19, 2018.
2. “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.
3. “Beneficiary” means a household which is eligible to receive Cash Transfers; and “Beneficiaries” means, collectively, all such households.
4. “Cash Transfer” means a VFP Cash Transfer or a VFP COVID-19 Cash Transfer; and “Cash Transfers” means, collectively, all such Cash Transfer.
5. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. “DETPEJA” means the Recipient’s Directorate of Technical and Professional Education for Youth and Adults (Direcção do Ensino Técnico Profissional e da Educação para Jovens e Adultos), or any successor thereto acceptable to the Association.
7. “DPSSF” means the Recipient’s Directorate of Social Protection and Solidarity (Direcção de Providência Social, Solidariedade e Família), or any successor thereto acceptable to the Association.
8. “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.
9. “EHT” means a hospitality and tourism school (Escola de Hotelaria e Turismo) to be established by the Recipient under the Project.
10. “EHT Governing Board” means the Recipient’s governing board for the EHT, established pursuant to the MCT Joint Decision No. 9/GMTC/2020.
11. “Fiscal Year” means the twelve (12) month period corresponding to any of the Recipient’s fiscal years, which period commences on January 1 and ends on December 31 in each calendar year.

12. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020).
13. “Graduate” means a participant that has completed a training under Part 2.2(a) of the Project and is eligible to receive a Stipend; and “Graduates” means, collectively, all such participants.
14. “Interinstitutional Agreement” means the agreement described under Section I.E of Schedule 2 to this Agreement.
15. “MCT” means the Recipient’s Ministry of Culture and Tourism (Ministério de Cultura e Turismo), or any successor thereto acceptable to the Association.
16. “MEES” means the Recipient’s Ministry of Education and Higher Teaching (Ministério da Educação e Ensino Superior), or any successor thereto acceptable to the Association.
17. “MF” means the Recipient’s Ministry of Finance, or any successor thereto acceptable to the Association.
18. “MTSFFP” means the Recipient’s Ministry of Labor, Solidarity, Family and Professional Training (Ministério do Trabalho, Solidariedade, Família e Formação Profissional), or any successor thereto acceptable to the Association.
19. “National Skills Development Coordination Committee” means the Recipient’s national skills development committee to be created by the Recipient in accordance with Section I.A.2 of Schedule 2 to this Agreement.
20. “Operating Costs” means the reasonable costs, as shall have been approved by the Association, for the incremental expenses incurred by the MF, the MTSFFP, the MEES, the MCT and AFAP on account of Project implementation, consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and per diem for Project staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Project (but excluding consultants’ services and salaries of officials of the Recipient’s civil service).
21. “Original Financing Agreement” means the agreement for the Social Protection and Skills Development Project between the Democratic Republic of Sao Tome and Principe and the International Development Association, dated January 15, 2019 (Grant No. D3760-ST).
22. “Original Project” means the Project Described in the Original Financing Agreement.

23. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
24. “Project Agreement” means an agreement referred to in Article 3.01 of this Agreement, to be entered into by the Project Implementing Entity and the Association to facilitate the implementation of the Project.
25. “Project Co-Implementing Entity” means the MTSFFP, the MEES or the MCT; and “Project Co-Implementing Entities” means, collectively, all such entities.
26. “Project Implementing Entity” means the Recipient’s Fiduciary Agency for Project Administration (Agência Fiduciária de Administração de Projetos), established pursuant to the AFAP Legislation, or any successor thereto acceptable to the Association.
27. “Safeguards 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>.
28. “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.
29. “Stipend” means the stipend referred to under Part 2.A.2.2(c) of Schedule 1 to this Agreement, to be made to Beneficiaries; and “Stipends” means, collectively, all such stipends.
30. “Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement, to be entered into by the Recipient and the Project Implementing Entity.
31. “Training” means the reasonable costs, as shall have been approved by the Association, for training conducted under the Project, including tuition, travel and subsistence costs for training participants, costs associated with securing the services of trainers and speakers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training course and implementation (but excluding goods and consultants’ services).
32. “TVET” means technical and vocational education and training.

33. “VFP” means the Recipient’s Vulnerable Families Program created through the Recipient’s National Social Protection Policy and Strategy dated February September 8, 2015 and implemented by the MTSFFP.
34. “VFP Cash Transfer” means the conditional cash transfer to be made to a Beneficiary under the VFP and referred to in Part 2.A.2.1(a) of Schedule 1 to this Agreement; and “VFP Cash Transfers” means, collectively, all such transfers.
35. “VFP COVID-19” means the Recipient’s window under the VFP to respond to COVID-19, created through the Resolution No. 28/2020 of the Presidency of the Council of Ministers dated June 24, 2020.
36. “VFP COVID-19 Cash Transfer” means the unconditional cash transfer to be made to a Beneficiary under the VFP COVID-19 and referred to in Part 2.B of Schedule 1 to this Agreement; and “VFP COVID-19 Cash Transfers” means, collectively, all such transfers.