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CREDIT NUMBER 70780-CV

# **Financing Agreement**

**(Cabo Verde Human Capital Project)**

**between**

**REPUBLIC OF CABO VERDE**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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**CREDIT NUMBER 70780-CV**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF CABO VERDE (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of assisting in financing the project described in Schedule 1 to this Agreement (“Project”). 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 an amount equivalent to eighteen million seven hundred thousand Special Drawing Rights (SDR 18,700,000) (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 The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.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 May 15 and November 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 objectives of the Project. 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 Additional Conditions of Effectiveness consist of the following:
- (a) The Recipient has adopted the ESMF, LMP and RPF in a manner acceptable to the Association.
  - (b) The Recipient has adopted the Project Implementation Manual in form and substance satisfactory to the Association.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.03. 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 V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Recipient's Representative is its minister responsible for finance and business development.
- 5.02. For purposes of Section 11.01 of the General Conditions:
- (a) the Recipient's address is:  
  
Ministry of Finance and Business Development  
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 soeli.d.santos@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**

*Olavo Avelino Garcia Correia*

\_\_\_\_\_  
**Authorized Representative**

**Name:** Olavo Avelino Garcia Correia

**Title:** Minister of finance

**Date:** 02-mai-2022

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**

*Nathan M. Belete*

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**Authorized Representative**

**Name:** Nathan M. Belete

**Title:** Country Director

**Date:** 20-Apr-2022

## **SCHEDULE 1**

### **Project Description**

The objectives of the Project are to improve access to basic services and labor market relevant training in Cabo Verde.

The Project consists of the following parts:

#### **Part 1: Support education system reforms to better prepare in-school youth for future employment**

Improving the quality of the Recipient's education system and ensuring that in-school youth acquire skills relevant to the needs of the labor market through: (a) supporting the curriculum reform in secondary education in subject areas which directly align with skills needed in the labor market; (b) strengthening the system for teacher professional development; and (c) strengthening the system to monitor learning outcomes and improving education quality.

##### ***Part 1.1: Ensure all youth in secondary education acquire skills relevant to the labor market***

Supporting the development of new learning materials for school grades 9-12 with direct links to potential employment opportunities, including: (a) foreign languages, sciences and technology, entrepreneurial skills, digital skills, socio emotional skills, and specific courses such as accounting and business management; (b) incorporating aspects related to climate change in the science curriculum; (c) ensuring that learning materials are gender sensitive and promote girls' empowerment; and (d) integrating aspects on global citizenship transversally; through the provision of, *inter-alia*: (i) technical assistance to develop course programs; (ii) technical assistance to hire subject experts and develop course materials based on global best practices; and (iii) technical assistance to coordinate the development and approval of all new course materials, based full-time within the National Directorate of Education.

##### ***Part 1.2: Strengthen the system for teacher professional development***

Carrying out activities aimed at strengthening implementation of the curriculum reforms, including strengthening of the current system for teacher professional development and implementation of the new teacher training strategy, through *inter alia*: (a) the acquisition of equipment for training centers; (b) the provision of technical assistance to develop a distance learning platform to manage teacher training programs and online courses to accompany the secondary education reform; and (c) the provision of technical assistance and related Operating Costs to conduct a pilot and adapt the TEACH classroom observation tool.

***Part 1.3: Monitor learning outcomes and use results to improve education quality***

Carrying out activities aimed at strengthening the assessment system in the education sector, including through: (a) implementing a follow-up national assessment in school grades 2 and 6; (b) supporting the Recipient's participation in PASEC and carrying out a standardized international assessment of learning outcomes in school grades 2 and 6; and (c) disseminating assessment results to all key stakeholders, with particular attention on school leaders and teachers.

**Part 2: Improve access to labor market relevant professional training for youth and women**

Improving the results of the existing professional training system and ensuring professional training investments lead to greater employability of youth and women.

***Part 2.1: Improve the employability of professional training graduates***

Carrying out activities aimed at improving the efficacy of the professional training system, including: (a) supporting the development and implementation of tracer studies to be conducted by all public professional training institutions to ensure greater accountability and awareness of employability of training graduates through: (i) technical assistance to develop questionnaires and build capacity of staff at the professional training institutions, the DGE, the Labor Market Observatory, and the FPEFP; and (ii) technical assistance to update a monitoring and evaluation system tracking training results to regularly update and incorporate the results of the tracer studies carried out by public training institutions; and (b) providing Professional Training Grants.

***Part 2.2: Increase the supply of quality professional training courses in tourism and blue economy***

Carrying out activities aimed at developing and delivering training courses related to tourism and the blue economy through, *inter-alia*: (a) technical assistance for curriculum development and the training of trainers; (b) software to upgrade the existing navigation simulators and equipment to ensure quality of the courses; and (c) Operating Costs to support the carrying out of training activities.

**Part 3: Strengthen access to basic services and social and productive inclusion of poor and vulnerable**

Providing support to youth and women in poor and vulnerable households to improve their access to basic services, social and productive inclusion.

***Part 3.1: Strengthen social protection delivery systems***

Strengthening the CSU and other delivery systems, including through: (a) technical assistance to the CSU unit both at the central and local levels, support for upgrading of data collection equipment as well as seminars and workshops with key line ministries and NGOs; (b) maintenance costs of the CSU system, technical assistance to make necessary system adjustments to improve cost-efficiency, sustainability, and ability of the MFIDS to manage the CSU system, technical assistance to strengthen the existing grievance and redress mechanism in the MFIDS; and (c) technical assistance for the development of the MIS for the PISP, as well as training of program implementers on the use of the MIS.

***Part 3.2: Enhance economic and social inclusion for poor and vulnerable households***

Carrying out activities aimed at strengthening and expanding the PISP through, *inter alia*: (a) provision of Cash Transfers to a sub-set of the PISP beneficiaries to facilitate access to child care; (b) provision of technical assistance and operational support to strengthen and expand the Family Accompaniment intervention, including through, *inter alia*: operational support for the organization of group sessions; (c) provision of technical assistance and operational support to strengthen and expand the Productive Inclusion Intervention; (d) development of a communication plan; (e) provision of IT equipment; (f) provision of Training; and (g) Operating Costs.

***Part 3.3: Improve access to basic services and living conditions for poor and vulnerable households***

Improving access to basic services and living conditions for vulnerable households in selected neighbourhoods on the island of Santiago, including *inter-alia*: (a) installation of toilets and faucets, including the construction of septic tanks; (b) urban requalification such as the paving of streets and access to houses, construction of drainage systems, and afforestation in housing located on dirt roads; and (c) providing adequate cooking facilities including the installation of kitchen sinks, faucet fixtures, and connections to water and sewage systems.

**Part 4: Project Management**

Carrying out activities related to Project management, including Project coordination, procurement, financial management, monitoring and evaluation, Project communication, citizen engagement, and environmental and social safeguards as well as provision of audits and Operating Costs.

**Part 5: CERC**

Provide immediate response to an Eligible Crisis or Emergency, as needed.



## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

##### 1. Unidade de Gestão de Projetos Especiais (UGPE)

The Recipient shall maintain, throughout Project implementation, the UGPE within the Ministry of Finance and Business Development 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, resources and personnel, with qualifications and experience, and under terms of reference, satisfactory to the Association, to enable the UGPE to perform said functions, as further detailed in the Project Implementation Manual.

##### 2. Project Steering Committee

Without limitation upon the provisions of paragraph 1 of this section I.A, the Recipient shall establish and thereafter maintain, throughout Project implementation, the Project Steering Committee chaired by the Vice-Prime Minister and Minister of Finance and Business Development, or the relevant delegate, and composed of the Minister of Education, Minister of Family, Inclusion and Social Development, and Minister of Infrastructure, Territorial Planning and Housing, or the relevant delegates, which shall be responsible for providing strategic guidance on Project implementation. The Project Steering Committee shall meet annually to review annual progress reports and approve Annual Work Plans.

##### 3. Technical Project Steering Committee

Without limitation upon the provisions of paragraphs 1 and 2 of this section I.A, the Recipient shall establish and thereafter maintain, throughout Project implementation, the Technical Project Steering Committee, which shall meet bimonthly, and shall be responsible for: (i) reviewing Project Reports; (ii) providing strategic guidance and recommendations to UGPE; and (iii) monitoring Project implementation. The Technical Project Steering Committee shall be led by the National Planning Directorate of the Ministry of Finance and Business Development, with UGPE acting as its secretariat, and shall be composed of representatives of the Ministry of Education, Ministry of Family, Inclusion and Social Development, and Ministry of Infrastructure, Territorial Planning and

Housing. The Technical Project Steering Committee members shall be appointed by the Vice-Prime Minister and Minister of Finance and Business Development.

**B. Project Implementation Manual (PIM), Fund Procedures Manual, Family Accompaniment Manual and Productive Inclusion 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 *inter alia*: (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; and (j) 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 Professional Training Grants), responsibilities, budgeting (costs and fees, if any), procurement, and reporting for the implementation of Part 2.1(b) of the Project.
3. The Recipient shall carry out the Project in accordance with the Family Accompaniment Manual, which shall include, *inter alia*, detailed procedures, eligibility and selection criteria for the Family Accompaniment intervention.
4. The Recipient shall carry out the Project in accordance with the Productive Inclusion Manual, which shall include, *inter alia*, detailed procedures, eligibility, selection criteria and flow of funds for the Productive Inclusion Intervention and Cash Transfers under Part 3.2(a), as applicable.
5. The Recipient shall carry out the Project in accordance with the Project Implementation Manual, the Fund Procedures Manual, the Family Accompaniment Manual and the Productive Inclusion Manual, as applicable, and except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive these manuals or any provision thereof.
6. In the event of any conflict between the provisions of the Project Implementation Manual, the Fund Procedures Manual, the Family Accompaniment Manual and the Productive Inclusion Manual, and those of this Agreement, the provisions of this Agreement shall prevail.

**C. Annual Work Plans**

1. Without limitation to the obligations set forth in Section I.B above, the Recipient shall carry out the Project in accordance with Annual Work Plans to be prepared and furnished to the Association no later than November 30 of each calendar year during the implementation of the Project (the first such Annual Work Plan being due one month after the Effective Date), and containing all activities proposed for inclusion in the Project for the next calendar year, including: (a) detailed timetables for the sequencing and implementation of proposed Project activities; (b) types of expenditures required for such activities and a proposed financing plan and sources of funding for such expenditures; and (c) any Operating Costs or Training that may be required under the Project.
2. The Recipient shall afford the Association a reasonable opportunity to exchange views on each such proposed Annual Work Plan; and, thereafter ensure that the Project is implemented with due diligence during said following calendar year in accordance with such Annual Work Plan as shall have been approved by the Association.
3. The Annual Work Plans may only be amended from time to time in consultation with, and after approval of, the Association. In case of any conflict between the terms of the Annual Work Plans and those of this Agreement, the terms of this Agreement shall prevail.

**D. Professional Training Grants**

1. For purposes of implementing Part 2.1(b), the Recipient shall:
  - (a) enter into an agreement with each Professional Training Grant Beneficiary (“Professional Training Grant Agreement”), on terms and conditions satisfactory to the Association, as set out in a form agreement to be appended to the PIM, setting forth, *inter alia*:
    - (i) the obligation of the Recipient to transfer an amount determined on the basis of criteria, conditionality and targets set forth in the PIM to the relevant Professional Training Grant Beneficiary to finance the Professional Training Grants; and
    - (ii) the obligation of the relevant Professional Training Grant Beneficiary to: (A) provide the appropriate training to relevant beneficiaries, under terms and conditions acceptable to the Association and set forth in the PIM; (B) keep records of the funds provided, and progress reports including specifically achievement of set targets and milestones; and (C) comply with the provisions of the PIM and the Anti-Corruption Guidelines;

- (b) exercise its rights and carry out its obligations under each Professional Training Grant Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing.
- 2. Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not abrogate, amend, suspend, terminate, waive or otherwise fail to enforce any Professional Training Grant Agreement or any provision thereof.
- 3. In case of any conflict between the terms of the Professional Training Grant Agreement and those of this Agreement, the terms of this Agreement shall prevail.

**E. Cash Transfers**

- 1. The Recipient shall provide Cash Transfers to eligible poor beneficiaries selected in accordance with the criteria set forth in the Productive Inclusion Manual, in an amount acceptable to the Association.
- 2. The Recipient shall keep records of the Cash Transfers disbursed and provide periodic reports to the Association on the implementation of this activity, as part of the Project Reports, or as requested from time to time by the Association.

**F. 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 environmental and social instruments 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.

**G. Environmental and Social Standards**

- 1. The Recipient shall carry-out the Project 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 implement the Project 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, as 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.

6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

#### **H. Contingent Emergency Response**

1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of the Project (“Emergency Response Part”), the Recipient shall:
  - (a) prepare and furnish to the Association for its review and approval, a Contingency Emergency Response Manual (“CER Manual”) which shall set forth detailed implementation arrangements for the Emergency Response Part, including: (i) any additional institutional structures or arrangements for coordinating and implementing the Emergency Response Part; (ii) specific activities which may be included in the Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Emergency Response Part; (iv) procurement methods and procedures for the Emergency Response Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social management arrangements and instruments for the Emergency Response Part adopted in accordance with the Environmental and Social Standards of Section I.G of this Schedule 2; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the Emergency Response Part;
  - (b) afford the Association a reasonable opportunity to review the proposed CER Manual;
  - (c) promptly adopt the CER Manual for the Emergency Response Part as shall have been approved by the Association and integrate it as an annex to the Project Implementation Manual;
  - (d) ensure that the Emergency Response Part is carried out in accordance with the CER Manual; provided, however, that in the event of any inconsistency

between the provisions of the CER Manual and this Agreement, the provisions of this Agreement shall prevail; and

- (e) not amend, suspend, abrogate, repeal or waive any provision of the CER Manual without the prior written approval by the Association.
2. The Recipient shall, throughout the implementation of the Emergency Response Part, maintain the institutional structures and arrangements established in accordance with the CER Manual, with adequate staff and resources satisfactory to the Association.
  3. The Recipient shall undertake no activities under the Emergency Response Part unless and until the following conditions have been met in respect of said activities:
    - (a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Emergency Response Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
    - (b) the Recipient has ensured the preparation and disclosure of all environmental and social instruments as may be required for said activities in accordance with the CER Manual, the Association has approved all said instruments, and the Recipient has ensured the implementation of any actions which are required to be taken under said instruments.

**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:

<b>Category</b>	<b>Amount of the Credit Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, non-consulting services, consulting services, Training and Operating Costs under Part 1 of the Project	5,000,000	100%
(2) Goods, non-consulting services, consulting services, Professional Training Grants, Training and Operating Costs under Part 2 of the Project	3,800,000	100%
(3) Goods, non-consulting services, consulting services, Cash Transfers, Training and Operating Costs under Part 3 of the Project, except for Part 3.3	5,500,000	100%
(4) Goods, works, non-consulting services, consulting services, Training and Operating Costs under Part 3.3 of the Project	4,100,000	100%
(5) Goods, works, non-consulting services, consulting services, Training and Operating Costs under Part 4 of the Project	300,000	100%
(6) Emergency Expenditures under Part 5 of the Project (CER Part)	0	100%
<b>TOTAL AMOUNT</b>	18,700,000	

**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, except that withdrawals up to an aggregate amount not to exceed \$1,000,000 may be made for



payments made prior to this date but on or after March 1, 2022, for Eligible Expenditures under Categories (1), (3) and (5); or

- (b) under Category 4 until the Recipient has: (i) adopted the Housing Manual and; (ii) provided evidence that selected households identified to benefit from activities financed under Part 3.3 of the Project, belong to the two poorest quintiles in the CSU, all in form and substance satisfactory to the Association.
- (c) for Emergency Expenditures under Category (6), unless and until the Association is satisfied, and notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said expenditures:
  - (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include the proposed activities in the Emergency Response Part in order to respond to said crisis or emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;
  - (ii) the Recipient has ensured that all environmental and social instruments required for said activities have been prepared and disclosed, and the Recipient has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Section I.H.3(b) of this Schedule;
  - (iii) the entities in charge of coordinating and implementing the Emergency Response Part have adequate staff and resources, in accordance with the provisions of Section I.H.2 of this Schedule, for the purposes of said activities; and
  - (iv) the Recipient has adopted the CER Manual, in form and substance acceptable to the Association, and the provisions of the CER Manual remain in accordance with the provisions of Section I.H.1(a) of this Schedule so as to be appropriate for the inclusion and implementation of said activities under the Emergency Response Part.

2. The Closing Date is March 31, 2027.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each May 15 and November 15	
commencing May 15, 2032 to and including November 15, 2041	<b>1%</b>
commencing May 15, 2042 to and including November 15, 2061	<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. “Annual Work Plan” or “Annual Work Plans” means any or all work plans prepared annually by the UGPE in accordance with the provisions of Section I.C of Schedule 2 to this Agreement, as further detailed in the PIM and as approved by the Association.
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. “Cash Transfers” means financial resources allocated from time to time to Category (3) which shall be disbursed to selected beneficiaries under eligibility criteria, conditions and terms described in the PIM under Part 3.2(a) of the Project.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “CSU” means *Cadastro Social Único* which is a social registry established and operating pursuant to Decree No.7/2018 of September 20, 2018.
6. “Contingency Emergency Response Manual” and the acronym “CER Manual” means the manual referred to in Section I.H.1(a) of Schedule 2 to this Agreement, to be adopted by the Recipient for the Emergency Response Part (Part 5) in form and substance satisfactory to the Association.
7. “Cooperation Agreement” means the agreement referred to in Section I.F of Schedule 2 to this Agreement.
8. “CSU” means *Cadastro Social Unico*, which is a database containing a record of the most vulnerable families in Cabo Verde.
9. “DGE” means *Direção Geral do Emprego*, the General Directorate for Employment within the Ministry of Finance and Business Development which has the overall responsibility for overseeing all professional training activities under the Project.
10. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

11. “Emergency Expenditure” means any of the eligible expenditures set forth in the CER Manual in accordance with the provisions of Section I.H.1(a)(ii) of Schedule 2 to this Agreement and required for the Emergency Response Part.
12. “Emergency Response Part” means Part 5 of the Project, as further described in Section I.H of Schedule 2 to this Agreement.
13. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated February 24, 2022, 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.
14. “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”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
15. “ESMF” means the environmental and social management framework to be prepared and adopted by the Recipient, and deemed satisfactory to the Association, setting out the principles, rules, guidelines and procedures to screen and assess the potential adverse environmental and social risks and impacts (including health and safety issues) of Project activities, including the risks of gender-based violence and sexual exploitation and abuse, adopt measures to avoid, reduce, mitigate or offset environmental and social adverse risks and impacts, including: the principles, organizational arrangements (including consultation, budget and disclosure); measures that endeavor to prevent and respond to gender-based violence, sexual exploitation and abuse, procedural, budget and institutional arrangements and actions needed to implement these measures, and information on the agency or

agencies responsible for addressing the Project's risks and impacts; as well as for the preparation of any environmental and social instruments referred to therein, as such framework may be amended by the Recipient from time to time, with the prior written agreement of the Association.

16. "Family Accompaniment" means a set of activities that forms part of the PISP through which MFIDS provides direct support to targeted beneficiaries for preparing and executing individualized Family Support Plans as spelled out in the Family Accompaniment Manual, which may be amended from time to time with the agreement of the Association.
17. "Family Accompaniment Manual" means the manual referred to in Section I.B.3 of Schedule 2 to this Agreement, as the same may be amended from time to time with the approval of the Association.
18. "Family Support Plans" means plans prepared by the Recipient for the Family Accompaniment activities, identifying key constraints and challenges and concrete proposals to address them.
19. "FPEFP" or "Fund" means *Fundo de Promoção do Emprego e da Formação Profissional*, a fund without legal personality ("*fundo autónomo*") within the Recipient's Ministry of Finance and Business Development, established pursuant to Regulatory Decree No. 4/2012, published in the Recipient's Official Gazette dated February 29, 2012, and its restructured successor thereto, 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.
20. "Fund Procedures Manual" means the manual referred to in Section I.B.2 of Schedule 2 to this Agreement, as the same may be amended from time to time with the approval of the Association.
21. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Investment Project Financing", dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).
22. "Housing Manual" means the manual to be adopted by the Recipient which shall include procedures, eligibility, and selection criteria for households benefitting from activities under Part 3.3 of the Project.
23. "Labor Market Observatory" is the Recipient's entity for investigation, diagnosis, prevention, anticipation and solution of problems related to employment, qualifications, professional training, established pursuant to Law No. 89/IX/2020, dated May 7, 2020.

24. “LMP” means the labor management procedures to be prepared and adopted by the Recipient, and deemed satisfactory to the Association, identifying labor requirements and setting out the procedures for addressing labor conditions and risks associated with the Project activities, which is intended to help the Project identify the resources necessary to address Project labor issues. The LMP is enshrined within the context of the World Bank Environmental and Social Standards (ESS) 2: Labor and Working Conditions.
25. “MFIDS” or “Ministry of Family, Inclusion and Social Development” means *Ministério da Família, Inclusão e Desenvolvimento Social*, the Recipient’s ministry in charge of family, inclusion and social development, or any successor thereto acceptable by the Association; and “Minister of Family, Inclusion and Social Development” means the official heading such ministry.
26. “Ministry of Education” means the Recipient’s ministry in charge of education, or any successor thereto acceptable by the Association; and “Minister of Education” means the official heading such ministry.
27. “Ministry of Finance and Business Development” means the Recipient’s ministry in charge of finance and business development, or any successor thereto acceptable by the Association.
28. “Ministry of Infrastructure, Territorial Planning and Housing” means the Recipient’s ministry in charge of infrastructure, territorial planning and housing, or any successor thereto acceptable by the Association; and “Minister of Infrastructure, Territorial Planning and Housing” means the official heading such ministry.
29. “MIS” means the management information system for the Productive Inclusion Intervention.
30. “National Directorate of Education” means the directorate within the Ministry of Education, responsible for overseeing curriculum, teacher training, and student assessment.
31. “National Planning Directorate” means the directorate within the Ministry of Finance and Business Development, responsible for designing the national development planning strategy.
32. “Operating Costs” means reasonable and necessary incremental expenses incurred on account of Project implementation, including office supplies, vehicle rental, operation and maintenance, insurance costs, bank charges, office administration and rental costs, utilities, travel, *per diem* and supervision costs and salaries of locally contracted employees (excluding salaries of the Recipient’s civil service staff), all as approved by the Association.

33. “PASEC” means *Programme d’analyse des systèmes éducatifs de la confemen* and is a Program for the Analysis of Education Systems implementing evaluations aimed at reporting on the performance of the education systems in member countries.
34. “PIM” or “Project Implementation Manual” means the manual referred to in Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the approval of the Association.
35. “PISP” means *Programa da Inclusão Social e Produtiva*, the Recipient’s social and productive inclusion program, which consists of the Family Accompaniment Intervention and the Productive Inclusion Intervention.
36. “Productive Inclusion Intervention” means a set of activities that forms part of the PISP and aims to help targeted households become more resilient (including to climate-related and other types of shocks), employable and self-sufficient, through the provision of training to improve their businesses and assisting in the creation of new productive activities as spelled out in the Productive Inclusion Manual, which may be amended from time to time with the agreement of the Association.
37. “Productive Inclusion Manual” means the manual referred to in Section I.B.4 of Schedule 2 to this Agreement, as the same may be amended from time to time with the approval of the Association.
38. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
39. “Professional Training 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 (b) of the Project.
40. “Professional Training Grant Agreement” means an agreement to be entered between the Recipient and a selected Professional Training Grant Beneficiary, pursuant to Section I.D of Schedule 2 to this Agreement.
41. “Professional Training Grant Beneficiary” means any beneficiary of a Professional Training Grant.
42. “Project Steering Committee” means the committee to be established by the Recipient, referred to in Section I.A.2 of Schedule 2 to this Agreement.
43. “RPF” means the Resettlement Policy Framework prepared for the Project.

44. “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.
45. “TEACH” means a new classroom observation tool developed by the Association to improve the design of teacher training programs, particularly in lower middle-income countries.
46. “Technical Project Steering Committee” means the committee to be established by the Recipient, referred to in Section I.A.3 of Schedule 2 to this Agreement.
47. “Training” means expenditures incurred by the Recipient in connection with carrying out training activities under the Project (excluding consulting services), including travel costs and per diem for local trainees, study tours, workshops, conferences, rental of facilities and equipment, and training materials and related supplies.
48. “UGPE” means *Unidade de Gestão de Projetos Especiais*, a unit established within the Ministry of Finance and Business Development pursuant to *Resolução 81/2017* of July 28, 2017, and referred to in Section I.A.1 of Schedule 2 to this Agreement.
49. “Vice-Prime Minister and Minister of Finance and Business Development” means the Recipient’s minister responsible for finance and business development, or any successor thereto acceptable by the Association.