
CREDIT NUMBER 6993-CV

Financing Agreement

(Cabo Verde Renewable Energy and Improved Utility Performance Project)

between

REPUBLIC OF CABO VERDE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 6993-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, in the Loan Agreement 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 two million five hundred thousand Special Drawing Rights (SDR 2,500,000) (variously, “Credit” and “Financing”), to assist in financing the 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 The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.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, through UGPE, 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 Condition of Effectiveness consists of the following:
- (a) The Loan Agreement, the CCEFCF Financing Agreement, the CCEFCF Grant Agreement and the GIF Grant Agreement have been executed and delivered and all conditions precedent to the effectiveness of said agreements (other than the execution and effectiveness of this Agreement) have been fulfilled.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is the 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 Amilcar 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: 248423 (MCI) Facsimile: 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: 17-jan-2022

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

LL

Authorized Representative

Name: Luc Lecuit

Title: Acting Country Director

Date: 13-Jan-2022

SCHEDULE 1

Project Description

The objectives of the Project are to: (i) increase renewable energy generation; and (ii) improve the performance of the electricity utility in Cabo Verde by leveraging private finance.

The Project consists of the parts described in Schedule 1 to the Loan Agreement.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

The provisions of Section I in Schedule 2 to the Loan Agreement are incorporated herein by reference and apply to the Project.

Section II. Project Monitoring, Reporting and Evaluation

The provisions of Section II in Schedule 2 to the Loan Agreement are incorporated herein by reference and apply to the Project.

Section III. Withdrawal of the Proceeds of the Financing

A. General

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

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Operating Costs and Training for under Part 1 of the Project (except for Part 1.2 of the Project).	1,100,000	100% or such percentage of Eligible Expenditures set forth by the Annual Work Plan in accordance with the provisions set forth in Section III.B.2 of Schedule 2 to the Loan Agreement
(2) Goods, works, non-consulting services, consulting services, Operating Costs and Training for Part 3 of the Project	1,400,000	100%
TOTAL AMOUNT	2,500,000	

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 500,000 may be made for payments made prior to this date but on or after the date falling twelve months from the Signature Date, for Eligible Expenditures.
2. Notwithstanding the foregoing provisions of the table under Part A of this Section, the sum of the Bank's financing percentage of Eligible Expenditures under the Credit combined with the financing percentage of Eligible Expenditures under financing provided by the Loan Agreement, the CCEFCF Financing Agreement, the CCEFCF Grant Agreement, the GIF Grant Agreement and/or any other financing for the Project, shall equal 100% of each Eligible Expenditure.
3. The Closing Date is December 31, 2026.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 15 and November 15:	
commencing May 15, 2032 to and including November 15, 2041	1%
commencing May 15, 2042 to and including November 15, 2061	2%

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

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “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).
4. “Loan Agreement” means the loan agreement for the Project between the Recipient and the Bank, dated the same date as this Agreement, as such loan agreement may be amended from time to time. “Loan Agreement” includes all appendices, schedules and agreements supplemental to the Loan Agreement.
5. “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.
6. “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.