

Financing Agreement
(Additional Financing for Improving Connectivity and Urban Infrastructure in
Cabo Verde Project)
between
REPUBLIC OF CABO VERDE
and
INTERNATIONAL DEVELOPMENT ASSOCIATION

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF CABO VERDE (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for the project described in Schedule 1 to this Agreement (“Project”).

WHEREAS:

- A. pursuant to a financing agreement signed between the Association and the Recipient on November 29, 2023 (CREDIT (SUW-SML/PORCION A) NUMBER 7436-CV CREDIT (PBA/PORCION B) NUMBER 7437-CV) (“Original Financing”), the Association provided (a) a first portion of the Financing in the amount of fifteen million three hundred thousand Special Drawing Rights (SDR15,300,000) (“Portion A of the Financing”); and (b) a second portion of the Financing in the amount of fifteen million and three hundred thousand Special Drawing Rights (SDR15,300,000) (“Portion B of the Financing”), to assist in financing the Project.
- B. The Recipient has also requested the Association additional financing in an amount equivalent to USD 40 million for the purpose of assisting in financing Parts 1, 2, 3, 4, and 5 of the Project.

NOW THEREFORE 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 credits, which is deemed as Concessional Financing for purposes of the General Conditions to: (a) assist in financing the project described in Schedule 1 to this Agreement (“Project”); and (b) provide the Rapid Response Option (“RRO”), as follows:
- (a) a credit in an amount equivalent to seven million three hundred thousand Special Drawing Rights (SDR 7,300,000) (“Credit (A)”); and
 - (b) a credit in an amount equivalent to twenty-one million nine hundred thousand Special Drawing Rights (SDR21,900,000) (“Credit (B)”).
- (Credit (A) and Credit (B) hereinafter collectively referred to as the “Financing”).
- 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 of Credit (A) and Credit (B).
- 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 January 15 and July 15 in each year.
- 2.06. Except as provided in Section 2.07, the principal amount of the Credit shall be repaid in accordance with Section 3.05 of the General Conditions and the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07 (a) Upon occurrence of an Eligible Event and issuance of government declaration of national emergency, the Recipient may request the Association to activate the Principal Payment Deferral in respect of a portion or all of the Withdrawn Credit Balance; and/or the Interest Payment Deferral; for the Deferral Period, provided that such request shall be made no earlier than in respect of the first Principal Payment Date and no later than the fifth anniversary prior to the final maturity of the Credit. Such request and any activation shall be made in accordance with the CRDC Terms and Conditions in effect at the time of the submission of the request, the provisions of which are hereby incorporated by reference and form an integral part of this Agreement. The activation of the Payment Deferral may occur only once during the term of the Credit.
- (b) At the time of requesting the Principal Payment Deferral pursuant to the provisions of paragraph (a) of this Section 2.07, the Recipient may also request repayment provisions different from those set out in Schedule 3 to this Agreement for a portion or all of the Withdrawn Credit Balance for which Principal Payment Deferral is requested, provided that (i) the

average maturity of the Withdrawn Credit Balance after the Deferral Period equals the original average maturity of such Withdrawn Credit Balance prior to the Principal Payment Deferral request and the final maturity of the Withdrawn Credit Balance after the Deferral Period will not exceed the original final maturity of such Withdrawn Credit Balance prior to the Principal Payment Deferral request; and (ii) such repayment provisions have been agreed between the Recipient and the Association.

- (c) Upon review of the Recipient's request and the Association's reasonable determination of the eligibility of the Credit for a Payment Deferral, the Association shall take such actions as necessary to implement the Payment Deferral in accordance with the terms of this Agreement and the CRDC Terms and Conditions. Effective the date of the activation of the Payment Deferral as notified by the Association to the Recipient, the provisions of this Agreement providing for repayment of the proceeds of the Credit, including the provisions of Schedule 3, shall be deemed to have been modified, as applicable. The Association shall notify the Recipient of the applicable financial terms of the Credit, including any revised amortization provisions, if applicable, at the time of the Payment Deferral activation or promptly thereafter.
- (d) In the event the Interest Payment Deferral is activated, the Recipient shall pay to the Association interest on any such deferred amount at the rate set forth in Section 2.04 of this Agreement until such time as the deferred amount is fully paid to the Association. Such interest shall accrue from the respective dates when the relevant amounts are deferred after the Interest Payment Deferral is activated and shall be payable on the remaining Payment Dates after the Deferral Period.
- (e) The Payment Deferral shall not be activated, if either of the events specified in Section 8.02 (a) or 8.06 (a) of the General Conditions occurs and is continuing, provided, however, that the Payment Deferral itself, upon its activation, shall not constitute an event described in Sections 8.02 (a) or 8.06 (a) of the General Conditions. Furthermore, the Recipient shall continue to pay all applicable and accrued Financing Payments during the Deferral Period, except the amounts that have been deferred pursuant to the activated Payment Deferral as described herein.
- (f) If the Withdrawn Credit Balance or any interest and other applicable Credit Charges, to which the request for Payment Deferral relates, are subject to a Conversion then in effect, the Recipient and the Association shall agree to amend or terminate such Conversion. In the event of an early termination of such Conversion prior to the end of its Conversion Period as a result of the Payment Deferral, the provisions of Section 4.06(b) of the General Conditions shall apply.

2.08. The Payment Currency is United States Dollar.

**ARTICLE III — PROJECT; CONTINGENT EMERGENCY RESPONSE
PROJECT**

3.01. The Recipient declares its commitment to the objective of the Project and the Contingent Emergency Response Project (“CERP”). To this end, the Recipient shall: (a) carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement; and (b) carry out, or cause to be carried out, the CERP in accordance with Article V of the General Conditions.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

4.02. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. Except as provided in Section 2.02 of this Agreement, the Recipient’s Representative is its minister responsible for finance.

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

(a) the Recipient’s address is:

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

(b) the Recipient’s Electronic Address is:

E-mail:

dnplaneamento@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

Authorized Representative

Name: _____

Title: _____

Date: _____

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: _____

Title: _____

Date: _____

SCHEDULE 1

Project Description

The objective of the Project is to improve access to climate-resilient transport and urban infrastructure for selected Project areas in the Recipient's territory.

The Project consists of the following parts:

Part 1: Enhancing Resilient Urban and Community Infrastructure

- (a) Carrying-out climate-resilient urban upgrading in urban centers and selected neighborhoods, including, *inter alia*, construction and rehabilitation of primary and secondary drainage systems, slopes stabilization, requalification and upgrading of access roads, and reconstruction of public spaces and mobility corridors.
- (b) Carrying out climate-resilient rehabilitation of historic centers, rehabilitation of waterfront areas, and urban infrastructure interventions with tourism potential.
- (c) Carrying out technical assistance for: (i) studies, and designs of urban infrastructure investments; (ii) the development of the National Infrastructure Plan 2023-2030; and (iii) analytical work on gender barriers in urban infrastructure access and mobility patterns with a gender perspective.
- (d) Supporting the establishment of women-led community-based committees, which will serve as organizational bodies that operate, maintain, and facilitate the flow of information between women in the communities about climate events, preparedness, and response.

Part 2: Enhancing Transport Connectivity and Resilience

- (a) Carrying out climate-resilient and risk-informed rehabilitation and upgrading of inter-city and rural roads, including through targeted drainage improvements, localized slope stabilization, and reinforcement of vulnerable sections, aimed at ensuring all-season access and reducing transport costs in Project areas in the Recipient's territory.
- (b) Carrying out training and capacity building activities aimed at strengthening the Recipient's technical and operational capacity for sustainable road asset management.

Part 3: Technical Assistance

Promoting improved, climate-resilient low-carbon integrated urban and transport planning, intermodal connectivity, and transport asset management through:

1. Providing technical assistance for road safety diagnostics and recommendations in support to the Recipient's road safety strategy.

2. Providing support for capacity building and technical assistance activities:
 - (a) for improved climate-resilient urban connectivity and transport management, including: (i) the development of the Recipient's capacity in the areas of integrated urban and transport planning as well as transport assets management; and (ii) the reform of SOEs and the design and planning of public-private partnership schemes, as well as the reform (tariffs and regulations) of transport services, *inter alia* with a focus on the maritime dimension through Cabnave, CV Inter-Ilhas and ENAPOR.
 - (b) for urban development, including, *inter alia*: (i) support for the development of geo-referenced climate risks mapping aimed at informing territorial planning and specific investment design to streamline climate resilience requirements in future public plans and investments; and (ii) support for the development and implementation of a housing information system.
 - (c) for the generation and implementation of knowledge, including the development of related surveys, studies, and systems to inform relevant institutions on transport, mobility, and urban needs in the face of climate change.

Part 4: Project Management

- (a) Carrying out activities related to the management of Parts 1 and 2 of the Project, including, *inter alia*, coordination, procurement, financial management, monitoring and evaluation, including, consolidation of financial and progress reports, Project communication, citizen engagement, environmental and social safeguards, office equipment, Operating Costs, Training and provision of audits.
- (b) Carrying out activities related to the management of Part 3 of the Project, including, *inter alia*, coordination, procurement, financial management, monitoring and evaluation, environmental and social safeguards, office equipment, Operating Costs, Training and provision of audits.
- (c) Establishing and operating a cohort-based trainee program to support the environmental and social supervision of the Project.

Part 5: Contingent Emergency Response Component (CERC)

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

SCHEDULE 2
Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. MIOTH

- (a) The Recipient shall ensure that MIOTH is in charge of the overall implementation and coordination of the Project.
- (b) The Recipient, through MIOTH, shall maintain throughout the implementation of the Project, the Implementation Team in charge of the implementation and coordination of Parts 1, 2, 4(a), and 4(c) of the Project, with an adequate mandate, facilities, staffing and other resources satisfactory to the Association, including the following responsibilities: (i) day-to-day coordination of activities; (ii) procurement, including procedures carried out through ECV and ICV; (iii) environmental and social risk management; (iii) preparation of the Annual Work Plans; (iv) monitoring and evaluation of Project activities as well as the preparation and consolidation of financial and progress reports; (v) financial management; and (vi) coordination with other stakeholders on Project implementation, as further detailed in the Project Operations Manual.
- (c) The Recipient, through MIOTH, shall, no later than one (1) month after the Effective Date, or such later date as agreed by the Association, recruit an internal auditor, under the terms of reference and qualifications satisfactory to the Association.

2. UGPE

The Recipient, through MF shall maintain throughout the implementation of the Project, the UGPE in charge of the implementation and coordination of Parts 3 and 4 (b) of the Project, with an adequate mandate, facilities, staffing and other resources satisfactory to the Association, including the following responsibilities: (i) day-to-day implementation of activities under said Parts 3 and 4(b) of the Project; (ii) procurement; (iii) environmental and social risk management; (iv) monitoring and evaluation; and (v) financial management, as further detailed in the Project Operations Manual.

3. Project Steering Committee

The Recipient, through MF, shall maintain throughout the implementation of the Project, the Project Steering Committee in charge of the overall strategy for the Project including the approval of the Annual Work Plans, to be led by MF, through DNP, with quarterly meetings and with representatives from MIOTH, UGPE, UASE, ICV, ECV and INGT, with adequate mandate, facilities, staffing and other

resources satisfactory to the Association, as further detailed in the Project Operations Manual.

B. Project Operations Manual

1. The Recipient, through the Implementation Team and UGPE, shall, no later than two (2) months after the Effective Date, update the Project Operations Manual (POM), 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; (j) codes of conduct, labor management procedures and grievance mechanisms; (k) priority investments pipeline; (l) the operating procedures for the trainee program under Part 4(c) of the Project; (m) selection criteria of the eligible trainees; (n) the outputs and performance targets to be achieved by the eligible trainees and the arrangements for monitoring, evaluating and reporting on such targets; (o) the amount per Stipend and the modalities of transfer of funds to the pertinent eligible trainees; and (l) such other arrangements and procedures as shall be required for the effective implementation of the Project; all in form and substance satisfactory to the Association.
2. The Recipient, through the Implementation Team and UGPE, shall carry out the Project in accordance with the POM, as applicable, and except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the POM or any provision thereof.
3. In the event of any conflict between the provisions of the POM, 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. Cooperation Agreements

1. To facilitate the carrying out of Parts 1 and 2 of the Project, the Recipient through MIOTH shall maintain the Cooperation Agreements with ICV and ECV during the implementation of the Project, on terms and conditions acceptable to the Association, including, *inter alia*: (a) ICV's and ECV's obligation to hire or appoint a focal point and a procurement specialist for each institution; and (b) the Recipient's obligation to make parts of the proceeds of the Financing allocated to Category (1) available to ICV and ECV in order to assist the Recipient in the carrying out Parts 1 and 2 of the Project in accordance with the Anti-Corruption Guidelines, the Procurement Regulations, the ESCP and the Project Operations Manual.
2. The Recipient, through MIOTH shall exercise its rights or carry out its obligations under the Cooperation Agreements 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 Agreements, or any of their provisions.
3. In case of any conflict between the terms of the Cooperation Agreements and those of this Agreement, the terms of this Agreement shall prevail.

E. Environmental and Social Standards

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, 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. Without limitation upon the provisions of paragraph 2 above, if sixty (60) days prior to the Closing Date, the Association determines that there are measures and actions specified in the ESCP which will not be completed by the Closing Date, the Recipient shall: (a) not later than thirty (30) days before the Closing Date, prepare and present to the Association, an action plan satisfactory to the Association on the outstanding measures and actions, including a timetable and budget allocation for such measures and actions (which action plan shall be deemed to be considered an amendment of the ESCP); and (b) thereafter, carry out said action plan in accordance with its terms and in a manner acceptable to the Association.
- 4. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 5. 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, including any case of sexual exploitation and abuse, sexual harassment and violence against minors, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- 6. 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.
- 7. 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.

8. The Recipient shall prepare, consult upon, adopt no later than two months after Effective Date, and thereafter maintain an action plan against sexual exploitation and abuse/sexual harassment, in form and substance satisfactory to the Association.

F. 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 (“CERC 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 therefore (“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 CERC Manual;
 - (c) promptly adopt the CERC Manual for the Emergency Response Part as shall have been approved by the Association and integrate it as an annex to the Project Operations Manual;
 - (d) ensure that the Emergency Response Part is carried out in accordance with the CERC Manual; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual and this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive any provision of the CERC 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 CERC 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 CERC 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, through MIOETH, shall furnish to the Association each consolidated 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: (a) to finance Eligible Expenditures for the Project or the CERP in accordance with the respective Disbursement and Financial Information Letter; and (b) for the Complementary Financing for the CAT DDO in accordance with the provisions of Section II.A of the relevant Schedule on “Program Actions, Availability of Financing Proceeds” (or such equivalent heading) to the Cat DDO Legal Agreement (including the relevant provisions of any other document that is referred to or forms part of the Cat DDO Legal Agreement), which are hereby incorporated by reference in this Agreement, and which shall apply, *mutatis mutandis*, to the amount of the Financing allocated to the aforementioned Category; all in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of Credit (A) Allocated (expressed in SDR)	Amount of Credit (B) Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training; Stipends, and Operating Costs for Parts 1, 2, 4(a), and 4(c) of the Project	4,799,750	21,900,000	Up to 100% as set forth in the Annual Work Plan
(2) Goods, works, non-consulting services, consulting services, Training and Operating Costs for Parts 3 and 4(b) of the Project	2,500,250	0	Up to 100% as set forth in the Annual Work Plan
(3) Emergency Expenditures under Part 5 of the Project	0	0	100%
(4) Eligible Expenditures for the CERP	0	0	100%
(5) Complementary Financing for the Cat DDO	0	0	Not applicable
TOTAL AMOUNT	7,300,000	21,900,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date;

- (b) for Emergency Expenditures under Category (3), unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (3); and (B) the Association] has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.
- (c) for Eligible Expenditures under Category (4), until and unless the Association has notified the Recipient that the conditions set forth in Section 5.15 (a) of the General Conditions have been fulfilled;
- (d) for Complementary Financing for the Cat DDO under Category (5), until and unless:
 - (i) the Recipient has furnished to the Association a request to reallocate and thereafter withdraw all or part of the Unwithdrawn Credit Balance for the Complementary Financing for the Cat DDO, and such notice specifies the Cat DDO Legal Agreement; and
 - (ii) the Association has accepted said request and notified the Recipient thereof, and is satisfied, based on evidence satisfactory to it, that the conditions precedent to withdrawal of the financing provided under the Cat DDO Legal Agreement have been fulfilled.
 - (iii) In the event of withdrawal of the Complementary Financing for the Cat DDO, the Recipient shall comply with any provisions on “Deposits of Financing Proceeds/Amounts” and “Audits” (or such equivalent heading) set forth in Section II of the relevant Schedule on “Program Actions, Availability of Financing Proceeds” (or such equivalent heading) to the Cat DDO Legal Agreement (including the relevant provisions of any other document that is referred to or forms part of the Cat DDO Legal Agreement) to the same extent as if such provisions have been set out in full in this Agreement, except that: (a) the terms “Credit”, “Grant” or “Financing” (or such equivalent terms) shall be deemed to refer to the amount of the Complementary Financing for the Cat DDO; and (b) the terms “Credit Account”, “Grant Account” or “Financing Account” (or such equivalent terms) shall be deemed to refer to the Financing Account for this Financing.

2. The Closing Date is December 31, 2028.

SCHEDULE 3

Repayment Schedule

Section I. Repayment Schedule for Credit (A)

Subject to the provisions of Section 2.07 of this Agreement, the Recipient shall repay the principal amount of Credit (A) in accordance with the table set forth below.

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each January 15 and July 15	
commencing July 15, 2036, to and including January 15, 2046	1%
commencing July 15, 2046, to and including January 15, 2066	2%

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

Section II. Repayment Schedule for Credit (B)

Subject to the provisions of Section 2.07 of this Agreement, the Recipient shall repay the principal amount of Credit (B) in accordance with the table set forth below.

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each January 15 and July 15	
commencing July 15, 2036, to and including January 15, 2046	1%
commencing July 15, 2046, to and including January 15, 2066	2%

* The percentages represent the percentage of the principal amount of Credit (B) 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. “Annual Work Plan” or “Annual Work Plans” means any or all work plans prepared annually by MIOTH in accordance with Section I.C of Schedule 2 to this Agreement, as further detailed in the POM 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. “Cabnave” means *Estaleiros Navais de Cabo Verde, SA*, a Recipient’s state-owned enterprise as established and operating under its articles of incorporation in accordance with the Recipient’s laws and regulations.
4. “Cat DDO Legal Agreement” means the agreement between the Recipient and the Association or the Bank, as the case may be, for the Cat DDO, whose closing date is after the date when the Recipient requests the withdrawal of the Complementary Financing for the Cat DDO, as further specified by the Recipient in such request for withdrawal.
5. “Cat DDO” means the financing provided under the Cat DDO Legal Agreement with a deferred drawdown option for catastrophe risks.
6. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
7. “CERC Manual” means the manual referred to in Section F of Schedule 2 to this Agreement, as such manual may be updated from time to time with the prior and written agreement of the Association.
8. “Complementary Financing for the Cat DDO” means the amount of the Financing allocated to the Category entitled “Complementary Financing for the Cat DDO” in the table set forth in the table in Section III.A of Schedule 2 to this Agreement.
9. “Credit (A)” means the credit in the amount referenced in Section 2.01(a) of this Agreement and the Credit for purposes of paragraph 29 of the Appendix of the General Conditions.
10. “Credit (B)” means the credit in the amount referenced in Section 2.01(b) of this Agreement and the Credit for purposes of paragraph 29 of the Appendix of the General Conditions.
11. “CV Inter-Ilhas” means a new Cape Verdean shipowner, with a 20-year concession contract for the public inter-island passenger and cargo transport service, as

established and operating under its articles of incorporation in accordance with the Recipient's laws and regulations.

12. "DNP" means *Direção Nacional de Planeamento*, the national directorate for planning under the administrative structure of MF, as established and operating under the Recipient's laws and regulations.
13. "ECV" means *Estradas de Cabo Verde*, the Recipient's state-owned road enterprise as established and operating under the Recipient's Decree-Las No.20/2019 dated May 13, 2019.
14. "Emergency Response Part" means any activity or activities to be carried out under Part 5 of the Project to respond to an Eligible Crisis or Emergency.
15. "ENAPOR" means *Empresa Nacional de Administração dos Portos, SA*, a Recipient's state-owned enterprise as established and operating under its articles of incorporation in accordance with the Recipient's laws and regulations.
16. "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.
17. "Emergency Expenditures" means any of the eligible expenditures set forth in the CERC Manual referred to in Section F of Schedule 2 to this Agreement and required under Part 5 of the Project.
18. "Emergency Action Plan" means the plan detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
19. "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated October 18, 2023, and updated on March 6, 2026, 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.
20. "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 African 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.

21. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (Last revised on July 1, 2025), with the modifications set forth in Section II of this Appendix.
22. “ICV ” means *Infraestruturas de Cabo Verde, Sociedade Anónima*, a Recipient's state-owned enterprise as established and operating under its articles of incorporation in accordance with the Recipient's laws and regulations.
23. "Implementation Team” means the team established under the administrative authority of MIOTH and in charge of the implementation of Parts 1, 2, 4(a) and 4(c) of the Project, as further detailed in the Project Operations Manual.
24. “INGT” means *Instituto Nacional de Gestão do Território*, the national institute for territorial administration, under the administrative structure of MIOTH, as established and operating under the Recipient’s laws and regulations
25. “MF” means *Ministério das Finanças*, the Recipient’s Ministry of Finance, or any successor thereto acceptable to the Association.
26. “MIOTH” means *Ministério das Infraestruturas, Ordenamento do Território e Habitação*, the Recipient’s Ministry of Infrastructure, Territorial Planning and Housing, or any successor thereto acceptable to the Association.
27. "National Infrastructure Plan 2023-2030" means the Recipient's national plan for infrastructure for the period 2023-2030 to be developed and adopted under the Project.
28. “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, rental of facilities, office administration and rental costs, administrative fees, utilities, travel, accommodation, *per diem* and supervision costs and salaries of locally contracted employees (excluding salaries of the Recipient’s civil service staff or regular staff of ICV and ECV, all as approved by the Association.
29. “Procurement Regulations” means, for purposes of paragraph 92 (a) of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2025.

30. “Project Operations Manual” or “POM” means the manual referred to in Section I.B of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written approval of the Association.
31. “Project Steering Committee” means the committee to be established for the overall strategic guidance of the Project, as referred to in Section I.A.3 of Schedule 2 to this Agreement and as further detailed in the Project Operations Manual.
32. “Rapid Response Option” or “RRO” means the use of all or any portion of the Financing that has been requested by the Recipient and accepted by the Association in accordance with the terms of this Agreement to: (a) assist in financing the CERP; and (b) provide complementary financing in support of the program defined in the Cat DDO Legal Agreement.
33. “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.
34. “SOE” or “SOEs” means one or several state-owned enterprises in the Recipient’s territory.
35. “Stipend” means each non reimbursable grant or payment made out of the proceeds of the Financing to support the trainee program under Part 4(c) of the Project, in an amount and under terms and conditions as set forth in the POM. “Stipends” means the plural thereof.
36. “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.
37. “UASE” means *Unidade de Acompanhamento do Setor Empresarial do Estado*, the national unit in charge of the public business sector under the administrative structure of MF, as established and operating under the Recipient’s laws and regulations.
38. “UGPE” means *Unidade de Gestão de Projetos Especiais*, a unit established within the Ministry of Finance pursuant to *Resolução 81/2017* of July 28, 2017, and in charge of the implementation of Part 3 and 4(b) of the Project, as further detailed in the Project Operations.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. The following definitions are inserted at the end of the Appendix as paragraphs 127-133:

“127. “CRDC” or the “Climate Resilient Debt Clause” means a mechanism established in the Financing Agreement allowing the eligible Recipient to defer certain payments of principal and/or interest (and other Credit charges) during a Deferral Period upon occurrence of an Eligible Event.”

128. “CRDC Terms and Conditions” means the terms and conditions as issued and revised from time to time, by the Bank and the Association, and in effect at the time of the Payment Deferral request.”

“129. “Deferral Period” means the period of up to 24 (twenty-four) months, during which the Payment Deferral is activated pursuant to the provisions of the Financing Agreement.”

“130. “Eligible Event” means the event defined in the CRDC Terms and Conditions.”

“131. “Interest Payment Deferral” means a one-time temporary deferral of payment of Interest and other applicable Credit charges during a Deferral Period, requested by the Recipient and activated by the Association pursuant to the provisions of the Financing Agreement.”

“132. “Payment Deferral” means a Principal Payment Deferral and/or Interest Payment Deferral, requested by the Recipient and activated by the Association pursuant to the provisions of the Financing Agreement.”

“133. “Principal Payment Deferral” means the one-time temporary deferral of repayments of the Withdrawn Credit Balance during a Deferral Period, requested by the Recipient and activated by the Association pursuant to the provisions of the Financing Agreement.”

2. In paragraph numbered 65 of the Appendix, the term “Financing Payment” is modified to read as follows:

65. “Financing Payment” means any amount payable by the Recipient to the Association pursuant to the Financing Agreement, including (but not limited to) any amount of the Withdrawn Credit Balance, the Service Charge, the Interest Charge, any deferred amount pursuant to the Financing Agreement and any interest thereon, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any transaction fee for a Conversion or early termination of a Conversion, any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, any Unwinding Amount payable by the Recipient, any other fees, costs or charges applicable under the Financing, and any refund of the Withdrawn Credit Balance or Withdrawn Grant Balance payable by the Recipient, as applicable.”