
GRANT NUMBER E259-ST

Financing Agreement

(Access to Clean Resilient Electricity Project
under the ASCENT Regional Program – Multi Programmatic Approach)

between

DEMOCRATIC REPUBLIC OF SAO TOME AND PRINCIPE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

GRANT NUMBER E259-ST

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between DEMOCRATIC REPUBLIC OF SAO TOME AND PRINCIPE (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

WHEREAS:

- A. The Participating Countries, including the Recipient, and the Regional Bodies have agreed to participate in the MPA Program, and intend to coordinate among each other for the carrying out of activities under projects and programs to be implemented by the Participating Countries and the Regional Bodies to accelerate access to sustainable, reliable, and clean energy in Eastern and Southern Africa.
- B. To facilitate the implementation of the MPA Program:
 - 1. by a financing agreement to be entered into on or about the date hereof between the Republic of Rwanda (“Rwanda”) and the Association (“Rwanda Financing Agreement”), the Association will extend to Rwanda financing to assist Rwanda in financing activities related to the MPA Program, on the terms and conditions set forth in the Rwanda Financing Agreement;
 - 2. by a financing agreement to be entered into on or about the date hereof between the United Republic of Tanzania (“Tanzania”) and the Association (“Tanzania Financing Agreement”), the Association will extend to Tanzania financing to assist Tanzania in financing activities related to the MPA Program, on the terms and conditions set forth in the Tanzania Financing Agreement;
 - 3. by a financing agreement to be entered into on or about the date hereof between the Federal Republic of Somalia (“Somalia”) and the Association (“Somalia Financing Agreement”), the Association will extend to Somalia financing to assist Somalia in financing activities related to the MPA Program, on the terms and conditions set forth in the Somalia Financing Agreement;
 - 4. by a financing agreement to be entered into on or about the date hereof between the Association and the Common Market for Eastern Africa (“COMESA”) (“COMESA Financing Agreement”), the Association will extend to COMESA financing to assist COMESA in financing activities

related to the MPA Program, on the terms and conditions set forth in the COMESA Financing Agreement;

5. by a financing agreement to be entered into on or about the date hereof between the Association and the Eastern and Southern African Trade Development Bank (“TDB”) (“TDB Financing Agreement”), the Association will extend to TDB financing to assist TDB in financing activities related to the MPA Program, on the terms and conditions set forth in the TDB Financing Agreement; and

C. The Recipient, having satisfied itself as to the feasibility and priority of its activities, has requested the Association, to assist in their financing activities related to the MPA Program.

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 a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to twenty-eight million nine hundred thousand Special Drawing Rights (SDR 28,900,000) (“Financing”), to assist in financing the project described in Schedule 1 to this Agreement (except Part 2(c)) (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are June 15 and December 15 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project and the MPA Program. To this end, the Recipient shall carry out the Project, through MIRNMA, 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 Project Operations Manual in form and substance satisfactory to the Association.
 - (b) The ESMAP Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
 - (c) The Recipient has adopted the ESMF and the RPF in form and substance satisfactory to the Association.
 - (d) The Subsidiary Agreement has been executed and delivered and all conditions precedent to its effectiveness have been fulfilled.
- 4.02. The Effectiveness Deadline is the date one hundred and twenty (120) 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 of Planning, Finance and Blue Economy.
- 5.02. For purposes of Section 11.01 of the General Conditions:
- (a) the Recipient's address is:
Ministry of Planning, Finance and Blue Economy
Agua Grande
Caixa Postal No. 168
Sao Tome, Republic of Sao Tome and Principe; and
 - (b) the Recipient's Electronic Address is:
Facsimile:
+239-2222182
- 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.

DEMOCRATIC REPUBLIC OF SAO TOME AND PRINCIPE

By



Authorized Representative

Name: Ginésio da Mata

Title: Ministro das Finanças

Date: 07-Feb-2024

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Albert G. zeufack

Title: Country Director

Date: 03-Feb-2024

SCHEDULE 1

Project Description

The objective of the Project is to increase access to sustainable and clean electricity in Sao Tome and Principe.

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

1. On-grid and Off-grid Electricity Access Expansion

- (a) Expand access to electricity through:
 - (i) electricity network reinforcement, including upgrade and extension of distribution lines, installation of distribution transformers.
 - (ii) last-mile electricity connections, including payment of connection fees, line service drops, installation of meters and acquisition and installation of ready boards for households; and
 - (iii) development and implementation in selected areas of a gender-sensitive community engagement and outreach program to strengthen the relationship and accountability between the utility and customers and promote electricity literacy.
- (b) Provide hybrid and off-grid solar PV systems for public facilities and productive uses through:
 - (i) acquisition, installation, and maintenance of grid-connected and off-grid solar PV systems, including *inter alia* solar PV panels, inverters, auxiliary equipment, and battery storage, for selected public facilities, especially education and health facilities; and
 - (ii) (1) construction of a solar powered charging station for swappable electric boat batteries; (2) provision of subsidies to fishers for the acquisition of electric outboard motors; and (3) if deemed feasible by a technical study to be undertaken, acquisition and installation of a community cold-storage unit for storage of aquacultural food products on Principe Island.
- (c) Acquire, deliver, and install solar PV home systems to off-grid remote households, including *inter alia* solar PV panels, inverters, batteries, and auxiliary equipment.

2. Solar PV Scale-up through Deployment of Common Infrastructure

- (a) Prepare site for grid-connected utility-scale solar PV park through:
 - (i) (1) preparation of a 15-megawatt peak solar PV capacity park site in Agua Casada, including land clearing, construction of security fence, surface preparation, installation of drainage and on-site water supply; (2) purchase, delivery, and installation of a 5-megawatt peak solar PV plant in the Agua Casada Solar PV Park, and financing of its operation and maintenance costs for two years starting on its Commercial Operation Date; and
 - (ii) (1) construction of a substation at the Agua Casada Solar PV Park; and (2) construction of a 30-kilovolt line from the Agua Casada Solar PV Park to the PC5 Substation.
- (b) (i) Acquire new equipment, computer hardware and software licenses to upgrade the National Dispatch Center and the supervisory control and data acquisition (SCADA) system in Sao Tome island; and (ii) acquire and install a 4-megawatt hour battery energy storage system at the PC5 Substation.
- (c) Provide support to construct a 10-megawatt peak solar PV capacity plant in the Agua Casada Solar PV Park with independent power producers through:
 - (i) provision of technical assistance on structuring and tendering for the selection of a project developer for a 10-megawatt peak solar PV plant, including technical, legal, and financial aspects, capacity building; and carrying out market outreach to potential developers to gauge investor interest and inform the structure of the power purchase agreement; and
 - (ii) provision of credit enhancement mechanisms to be offered to the selected project developer in the form of:
 - (1) a tariff buydown grant to reduce the impact to consumers of the financial cost of the power purchase agreement on the tariff; and
 - (2) contributions into a secured fund, to mitigate the risk of payment default of the off taker in connection with the power purchase agreement and associated agreements.

3. Improved Governance and Institutional Capacity Building

- (a) Improve the electricity sector governance through:
 - (i) acquisition and operation of management information systems for EMAE and carrying out of a review of EMAE's business processes to align with the new information systems; and
 - (ii) carrying out technical assistance on:
 - (1) increasing private sector participation across the electricity sector supply chain; and
 - (2) establishing a revenue management mechanism for the electricity sector.
- (b) Implement selected aspects of the National Training Plan for the Energy Sector, through:
 - (i) provision of technical assistance on *inter alia* policy formulation and implementation, power system planning and carrying out selected systems studies.
 - (ii) carrying out of an internship program for young professionals on Project management during Project implementation, including through *inter alia* capacity building and provision of stipends;
 - (iii) supporting Project implementation through carrying out the management, monitoring, evaluation, procurement, environmental, social and financial management aspects of the Project; and
 - (iv) gender-informed capacity building on environmental and social standards and project management for EMAE technical staff supervising Project implementation.

4. Contingent Emergency Response

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

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall designate, at all times during Project implementation, MIRNMA to be responsible for the implementation of the Project, and shall take all actions, including the provision of funding, personnel and other resources necessary to enable MIRNMA to perform said functions.
2. For purposes of Project implementation, the Recipient, through MIRNMA, shall maintain throughout Project implementation, the Technical Implementation Unit (“TIU”), with structure, functions, adequate staff (including a Project coordinator who shall be recruited no later than 45 days after the Effective Date), and resources, as further detailed in the Project Operations Manual, acceptable to the Association, to be responsible for day-to-day Project management, supervision, coordination, monitoring, and evaluation, including all technical, environmental and social aspects.
3. The Recipient, through MIRNMA, shall establish and maintain throughout Project implementation a Project Steering Committee, with a structure, composition and functions, as further detailed in the Project Operations Manual, acceptable to the Association, which shall convene at least once every six (6) months, to be responsible for reviewing Project progress and providing high-level guidance and coordination for Project implementation.
4. For purposes of implementation of Part 2(c) of the Project, the Recipient shall enter into a Power Purchase Agreement, Sub-Grant Agreement, Implementation Agreement and Liquidity Escrow Agreement in accordance with Section I.E of Schedule 2 to the ESMAP Agreement.
5. For purposes of Project Implementation, the Recipient shall ensure coordination between MIRNMA, UNDP, AFAP and EMAE.

B. Project Operations Manual

1. The Recipient shall prepare and adopt an operations manual (“Project Operations Manual”), in form and substance satisfactory to the Association, which shall contain detailed workflow, methods, and procedures for the implementation of the Project, including but not limited to: (i) administration and coordination arrangements; (ii) performance indicators of the Project; (iii) monitoring and evaluation methods; (iv) financial management guidelines and procedures; (v)

corruption and fraud measures; (vi) implementation modalities for each Part of the Project; (vii) roles and responsibilities of various agencies and stakeholders in the implementation of the Project; (viii) criteria for the selection of beneficiaries of subsidies under Part 1(b)(ii)(2) of the Project; (ix) Personal Data collection and processing in accordance with applicable national law and good international practice; (x) terms and conditions of the Implementation Agreement, Sub-Grant Agreement and Escrow Agreement; and (xi) procedures for the management of community assets financed under Part 1(b)(ii)(1) and Part 1(b)(ii)(3) of the Project.

2. The Recipient shall carry out the Project in accordance with the Project Operations Manual.
3. Except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, or waive any provision of the Project Operations Manual.
4. In the event of any conflict between the provisions of the Project Operations Manual and this Agreement, the provisions of this Agreement shall prevail.

C. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make part of the proceeds of the Financing available to AFAP under a subsidiary agreement between the Recipient and AFAP (“Subsidiary Agreement”), under terms and conditions approved by the Association, which shall include *inter alia* AFAP’s responsibility for:
 - (a) the procurement, financial management and disbursement functions under the Project;
 - (b) providing guidance to the TIU on environment and social functions under the Project;
 - (c) not later than two (2) months after the Effective Date, recruiting an additional accountant;
 - (d) not later than four (4) months after the Effective Date, updating the computerized accounting software to facilitate financial reporting of the Project; and
 - (e) not later than six (6) months after the Effective Date, hire an external auditor.
2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing.

3. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the Subsidiary Agreement or any of its provisions.

D. Outputs Agreement

1. To facilitate the carrying out of Parts 1. (b)(i) and 1. (c) of the Project, the Recipient shall make part of the proceeds of the Financing available to the UNDP under an appropriate agreement between the Recipient and the UNDP (“Outputs Agreement”), under terms and conditions approved by the Association.
2. The Recipient shall exercise its rights under the Outputs Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing.
3. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the Outputs Agreement or any of its provisions.

E. Environmental and Social Standards

1. The Recipient shall, and shall cause AFAP and UNDP to, 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, and shall cause AFAP and UNDP to, 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, and shall cause AFAP and UNDP to, 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, and shall cause AFAP and UNDP to, 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.

F. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project (“Contingent Emergency Response Part”), the Recipient shall ensure that:
 - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed

implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;

- (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association.
 - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
 - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed, or waived without the prior written approval by the Association.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Association.
3. The Recipient shall ensure that:
- (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed, and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
 - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
 - (c) Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

G. Regional Level Coordination Arrangements

1. The Recipient shall, and shall cause AFAP and UNDP to, during implementation of the Project, collaborate and coordinate with COMESA to outline arrangements that will facilitate the Recipient's participation in the regional energy access acceleration platform established under the MPA Program, and to draw on the technical assistance and other benefits available to the Recipient and other Participating Countries through said platform.
2. Without limitation to the provisions of paragraph 1 immediately above, the Recipient shall, not later than one hundred and eighty (180) days after the Effective Date, or ninety (90) days after the Effective Date of the COMESA Financing Agreement (whichever shall be the later date), establish a memorandum of understanding with COMESA, outlining the collaboration and coordination arrangements, satisfactory to the Association, that will enable the Recipient to participate in the regional energy access acceleration platform on the same terms as COMESA's member states.

Section II. Project Monitoring, Reporting and Evaluation

1. The Recipient shall furnish to the Association each Project Report not later than one month after the end of each calendar quarter, covering the calendar quarter.
2. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Association, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.

Section III. Withdrawal of the Proceeds of the Financing

A. General

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

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 the Project (except Part 1. (b), Part 1.(c), Part 2.(c) and Part 4 of the Project)	26,162,100	Up to 100% in accordance with the quarterly IFR
(2) Goods, works, non-consulting services, consulting services, Operating Costs and Training for Part 1.(c) of the Project	608,374	Up to 100% in accordance with the quarterly IFR
(3) Goods, works, non-consulting services, consulting services, Operating Costs and Training for Part 1.(b) of the Project	2,129,526	Up to 100% in accordance with the quarterly IFR
(4) Emergency Expenditures	0	100%
TOTAL AMOUNT	28,900,000	

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; or
 - (b) under Category (2), unless and until the Outputs Agreement has been executed and delivered and all conditions precedent to its effectiveness have been fulfilled; or
 - (c) under Category (3), unless and until the Outputs Agreement, and an agreement providing for co-financing of Part 1(b) of the Project, have been executed and delivered and all conditions precedent to their effectiveness have been fulfilled; or
 - (d) for Emergency Expenditures under Category (4), 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 (4); 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.

2. The Closing Date is December 31, 2028.

APPENDIX

Definitions

1. “AFAP” means Agência Fiduciária Administração Projectos, the Recipient’s Fiduciary and Administrative Agency for Projects, established pursuant to the Recipient’s Decree-Law No. 10/2018, dated July 4, 2018, published in the Recipient’s official Gazette (Diário da República) No. 100, dated July 19, 2018, or any successor thereto acceptable to the Association.
2. “Agua Casada Solar PV Park” means the solar PV park to be prepared under Part 2(a) of the Project for the construction of solar PV plants under the Project.
3. “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.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “CERC Manual” means the manual referred to in Section I.F of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Project Operations Manual.
6. “COMESA Financing Agreement” means the financing agreement referred to in the preamble to this Agreement.
7. “Commercial Operation Date” means the date in which the plant has successfully completed and passed all commissioning tests and started generating electricity into the electric grid.
8. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 4 of the Project to respond to an Eligible Crisis or Emergency.
9. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated October 30, 2023, 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.

10. “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”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
11. “EMAE” means the Recipient’s water and electricity company (Empresa de Água e Electricidade), or any successor thereto acceptable to the Association.
12. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.F of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
13. “Emergency Action Plan” means the plan referred to in Section I.F, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
14. “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.
15. “ESMAP” means Energy Sector Management Assistance Program.
16. “ESMAP Grant Agreement” means the ESMAP grant agreement for the Project between the Recipient and the Association, dated the same date as this Agreement, as such grant agreement may be amended from time to time. “ESMAP Grant Agreement” includes all appendices, schedules, and agreements supplemental to the ESMAP Grant Agreement.
17. “ESMF” or “Environmental and Social Management Framework” means the framework to be prepared and adopted by the Recipient, satisfactory to the Bank, to be disclosed in-country and the Bank’s website, 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 measures that endeavor to prevent and respond to gender-based violence and 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 Projects' risks and impacts; as well as for the preparation of environmental and social management plans, as such framework may be amended by the Recipient from time to time, with the prior written agreement of the Bank.

18. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Investment Project Financing", dated December 14, 2018 (Last revised on July 15, 2023).
19. "IFR" means interim unaudited financial report.
20. "MIRNMA" means the Recipient's Ministry of Infrastructure and Natural Resources, or any successor thereto acceptable to the Association.
21. "MPA Program" means the multiphase programmatic approach program designed to accelerate access to sustainable and clean energy.
22. "National Dispatch Center" means the Recipient's control center from where the operation and supervision of the electricity network system is carried out.
23. "National Training Plan for the Energy Sector" means the Recipient's plan dated November 4, 2021, issued by MIRNMA.
24. "Operating Costs" means the reasonable costs, as shall have been approved by the Association, for the incremental expenses incurred on account of Project implementation, consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and per diem for Project staff for travel linked to the implementation of the Project, salaries for non-contractual staff of the TIU (including stipend for an internship on Project management, and salaries of contractual staff for the Project (but excluding consulting services and salaries of officials of the Recipient's civil service)].
25. "Outputs Agreement" means the agreement referred to under Section I.D of Schedule 2 to this Agreement.
26. "Participating Countries" means the Recipient and all the countries referred to in the preamble to this Agreement, and those that will participate in the future operations under the MPA Program.

27. “PC5 Substation” means the Recipient’s 33 kilovolt substation located in Santo Amaro.
28. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata, and factors specific to the physical, physiological, genetic, mental, economic, cultural, or social identity of an individual.

“Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
29. “Project Operations Manual” means the manual referred to under Section I.B of Schedule 2 to this Agreement.
30. “Project Steering Committee” means the Recipient’s committee to be established pursuant to Section I.A.3 of Schedule 2 to this Agreement, or any successor thereto acceptable to the Association.
31. “PV” means photovoltaic.
32. “Regional Bodies” means the regional organizations participating in the MPA Program, namely, COMESA, and TDB, referred to in the preamble to this Agreement, and other regional organizations that may participate in future projects under the MPA Program.
33. “RPF” or “Resettlement Policy Framework” means the resettlement policy framework to be prepared and adopted by the Recipient, satisfactory to the Association, and to be disclosed on the Association’s website, which sets out the resettlement principles, guidelines, organizational arrangements (including consultation and budget), and design criteria for the preparation of RAPs under the Project, as such framework may be amended from time to time with the prior written agreement of the Association.
34. “Sao Tome and Principe” means the Recipient’s territory.
35. “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.
36. “Subsidiary Agreement” means the agreement referred to under Section I.C of Schedule 2 to this Agreement.

37. "TIU" means the unit referred to under Section I.A.2 of Schedule 2 to this Agreement.
38. "Training" means the reasonable costs, as shall have been approved by the Association, for training conducted under the Project, including tuition, travel and subsistence costs for training participants, costs associated with securing the services of trainers and speakers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training course preparation and implementation (but excluding goods and consulting services).
39. "UNDP" means the United National Development Program.