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**ESMAP GRANT (A) NUMBER TF0C3221-ST  
ESMAP GRANT (B) NUMBER TF0C3220-ST**

**Energy Sector Management  
Assistance Program  
Grant 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  
acting as an administrator of the Energy Sector Management Assistance Program  
Umbrella 2.0 Multi-Donor Trust Fund**

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**ESMAP GRANT (A) NUMBER TF0C3221-ST**  
**ESMAP GRANT (B) NUMBER TF0C3220-ST**

**ENERGY SECTOR MANAGEMENT ASSISTANCE PROGRAM**  
**GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between DEMOCRATIC REPUBLIC OF SAO TOME AND PRINCIPE (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Bank”), acting as an administrator of the Energy Sector Management Assistance Program Umbrella 2.0 Multi-Donor Trust Fund.

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 Bank (“Rwanda Financing Agreement”), the Bank 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 Bank (“Tanzania Financing Agreement”), the Bank 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 Bank (“Somalia Financing Agreement”), the Bank 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 Bank and the Common Market for Eastern Africa (“COMESA”) (“COMESA Financing Agreement”), the Bank 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 Bank and the Trade Development Bank (“TDB”) (“TDB Financing Agreement”), the Bank 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 Bank, to assist in their financing activities related to the MPA Program.

NOW, THEREFORE, the Recipient and the Bank hereby agree as follows:

**Article I**  
**Standard Conditions; Definitions**

- 1.01. The Standard 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 Standard Conditions or in the Appendix this Agreement.

**Article II**  
**The Project**

- 2.01. The Recipient declares its commitment to the objective of the project described in Schedule 1 to this Agreement (“Project”) and the MPA Program. To this end, the Recipient shall carry out Part 2(a) and Part 2(c) of the Project, through MIRNMA, in accordance with the provisions of Article II of the Standard Conditions and Schedule 2 to this Agreement.

**Article III**  
**The Grant**

- 3.01. The Bank agrees to extend to the Recipient a grant from various sources in the following amounts, which in aggregate do not exceed six million nine hundred thousand United States Dollars (\$6,900,000) (“Grant”), to assist in financing Part 2(a) and Part 2(c) of the Project:
  - (a) an amount not to exceed five million United States Dollars (\$5,000,000) (Grant Portion A); and
  - (b) an amount not to exceed one million nine hundred thousand United States Dollars (\$1,900,000) (Grant Portion B).
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.

- 3.03. The Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

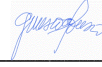
**Article IV**  
**Effectiveness; Termination**

- 4.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the conditions specified below have been satisfied.
- (a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.
  - (b) The Recipient has adopted the Project Operations Manual in form and substance satisfactory to the Bank.
  - (c) The Financing 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.
  - (d) The Recipient has adopted the ESMF and the RPF in form and substance satisfactory to the Bank.
  - (e) The Subsidiary Agreement has been executed and delivered and all conditions precedent to its effectiveness have been fulfilled.
- 4.02. By signing the Grant Agreement, the Recipient shall be deemed to represent and warrant that on the Signature Date, the Grant Agreement has been duly authorized by, and executed and delivered on behalf of, the Recipient and is legally binding upon the Recipient in accordance with its terms, except where additional action is required to make such Grant Agreement legally binding. Where additional action is required following the Signature Date, the Recipient shall notify the Bank when such additional action has been taken. By providing such notification, the Recipient shall be deemed to represent and warrant that on the date of such notification the Grant Agreement is legally binding upon the Recipient in accordance with its terms.
- 4.03. Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from



**DEMOCRATIC REPUBLIC OF SAO TOME AND PRINCIPE**

**By**



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

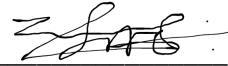
**Name:** Ginésio da Mata

**Title:** Ministro das Finanças

**Date:** 07-Feb-2024

**INTERNATIONAL DEVELOPMENT ASSOCIATION  
acting as an administrator of the Energy Sector Management  
Assistance Program Umbrella 2.0 Multi-Donor Trust Fund**

**By**



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**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.
  - (iii) (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.
- (b) 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 offtaker 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. Institutional and Other 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 Bank, 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 Bank, which shall convene at least once every six (6) months, to be responsible for reviewing Project progress and provide high-level guidance and coordination for Project implementation.
4. 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 Bank, 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 Bank 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 Bank, 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 Bank and to accomplish the purposes of the Financing.
3. Except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

**D. Environmental and Social Standards**

1. The Recipient shall, and shall cause AFAP and the Developer to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Recipient shall, and shall cause the Developer to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Recipient shall, and shall cause AFAP and the Developer 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 Bank 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 the Developer to, ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, 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 Bank, 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 Bank 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, and shall cause the Developer to, 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 Bank.
6. The Recipient shall, and shall cause AFAP and the Developer 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.

**E. Power Purchase Agreement and Credit Enhancement Mechanisms**

1. To facilitate the implementation of Part 2(c) of the Project, the Recipient shall select a project developer (“Developer”) for the construction and operation of the 10 MWp Plant through a competitive bidding process in accordance with the Procurement Regulations.
2. The Recipient shall cause the Developer to design, build, finance, own and operate the 10 MWp Plant and sell the power generated to the Recipient-owned electric utility (“Offtaker”), pursuant to a power purchase agreement entered into between the Developer and the Offtaker (“Power Purchase Agreement” or “PPA”).
3. The bidding package for the selection of the Developer shall include standardized project documents. In addition to the PPA, the following legal agreements shall be entered into as part of the project documents:
  - (a) for the implementation of Part 2(c)(ii)(1) of the Project, an agreement between the Recipient and the Developer (“Sub-Grant Agreement”), on terms and conditions approved by the Bank and further detailed in the Project Operations Manual, pursuant to which, among other obligations, the Recipient shall extend a grant (“Tariff Buy Down Grant”) to the Developer, for the purpose of reducing the impact on the tariff to consumers due to the financial cost of the PPA, and which shall be available to the Developer based on the performance of the 10 MWp Plant;
  - (b) for the implementation of Part 2(c)(ii)(2) of the Project:
    - (i) an agreement between the Recipient and the Developer (“Implementation Agreement”), on terms and conditions approved by the Bank and further detailed in the Project Operations Manual, which shall include the following:

- (1) the obligation of the Developer to:
    - (a) construct the 10 MWp Plant with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial standards and practices satisfactory to the Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient;
    - (b) construct the 10 MWp Plant in compliance with the environmental and social obligations described in Section I.D of this Schedule 2;
    - (c) provide, promptly as needed, the resources required for constructing the 10 MWp Plant;
    - (d) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the construction of the 10 MWp Plant and the achievement of its objectives;
    - (e) enable the Recipient and the Bank to inspect the 10 MWp Plant, its operation and any relevant records and documents; and
    - (f) prepare and furnish to the Recipient and the Bank all such information as the Recipient or the Bank shall reasonably request relating to the foregoing; and
  - (2) the obligation of the Recipient to provide and maintain in escrow a financial contribution as part of a payment security mechanism (“Security”) in the amount agreed between the Recipient and the Investor as collateral to secure the agreed part of the Offtaker’s obligations under the PPA (“Secured Obligation”), in accordance with the terms of the Escrow Agreement referred to in Section I.E.2(b)(ii) of this Schedule, all on the basis of terms and conditions acceptable to the Bank and further described in the Project Operations Manual.
- (ii) an agreement between the Recipient, the Offtaker, the Developer and a commercial bank acceptable to the Bank acting as escrow agent (“Escrow Agent”) (the “Escrow Agreement”), on terms and conditions approved by the Bank and further detailed in the

Project Operations Manual, for the purpose of implementing the Recipient's obligation referred to in Section I.E.2(b)(i)(2) of this Schedule, pursuant to which the Recipient shall:

- (1) establish the Security and commit to maintain it until the termination of the PPA, through an initial financial contribution and replenishments as and when needed into an account opened in the books of the Escrow Agent ("PPA Escrow Account"), which account shall be at all times protected against the risks of set off, seizure or attachment, to secure the payment of the Secured Obligation in case of payment default by the Offtaker; and
  - (2) together with the Offtaker and the Developer, irrevocably instruct and give authority to the Escrow Agent to manage the proceeds deposited from time to time in the Escrow Account ("PPA Escrow Amount"), including the obligation to make payments due and payable under the Secured Obligation in accordance with the provisions of the Escrow Agreement and to call for corresponding replenishments by the Recipient.
4. The Recipient shall exercise its rights under the Sub-Grant Agreement, the Implementation Agreement, and the Escrow Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant.
5. Except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Sub-Grant Agreement, the Implementation Agreement or the Escrow Agreement, or any of its provisions.
6. In the event that any of the proceeds of the Grant allocated to Category (3) of the Disbursement Table has not been committed to the financing of a Secured Obligation by the date which is three (3) months before the Closing Date, the Recipient and the Bank shall consult to identify other Project activities to which such proceeds can be reallocated before the Closing Date.
7. The Recipient agrees that, in the event that any of the proceeds of the Grant allocated to Category (3) of the Disbursement Table relating to a Secured Obligation which have been transferred to the PPA Escrow Account and remain in the PPA Escrow Account at the termination of the PPA, such funds shall be allocated by the Recipient to expenditures which serve a productive purpose.

**F. Regional Level Coordination Arrangements**

1. The Recipient shall 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 Bank, 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 ensure that each Project Report is furnished to the Bank 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 Bank, 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 Grant Proceeds**

**A. General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table.

<b>Category</b>	<b>Amount of Portion A of the Grant Allocated (expressed in USD)</b>	<b>Amount of Portion B of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consulting services, Operating Costs and Training under Part 2(a) and 2(c)(i) of the Project	0	1,900,000	Up to 100% in accordance with the quarterly IFR



<b>Category</b>	<b>Amount of Portion A of the Grant Allocated (expressed in USD)</b>	<b>Amount of Portion B of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(2) Tariff Buydown Grant	4,400,000	0	100%
(3) Security	600,000	0	100%
<b>TOTAL AMOUNT</b>	<b>5,000,000</b>	<b>1,900,000</b>	

**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), until the PPA and the Sub-Grant Agreement have been entered into in accordance with Section I.E of Schedule 2 to this Agreement; or
  - (c) under Category (3), until the PPA, the Implementation Agreement and the Escrow Agreement have been entered into in accordance with Section I.E., of Schedule 2 to this Agreement.
2. The Closing Date is June 30, 2027.

## APPENDIX

### Definitions

1. "5 MWp Plant" means the 5-megawatt peak solar PV plant to be financed by Credit proceeds under Part 2(a)(i)(2) of the Project.
2. "10 MWp Plant" means the 10-megawatt peak solar PV plant to be financed by a Developer and referred to under Part 2(c) of the Project.
3. "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 Bank.
4. "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.
5. "Anti-Corruption Guidelines" means, for purposes of paragraph 2 of the Appendix to the Standard 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.
6. "Association" means the International Development Association.
7. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
8. "COMESA Financing Agreement" means the financing agreement referred to in the preamble to this Agreement.
9. "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.
10. "Developer" means the project developer competitively selected to be responsible for the design, building, financing, owning and operating the 10 MWp Plant, and selling the power it generates.
11. "Disbursement Table" means the table in Section III.A.2 of Schedule 2 to this Agreement.
12. "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.

13. “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 Bank.
14. “EMAE” means the Recipient’s water and electricity company (Empresa de Água e Electricidade), or any successor thereto acceptable to the Bank.
15. “Escrow Agent” means a bank acceptable to the Bank (which may be the central bank of the Recipient), with which the Recipient, the Offtaker and the Investor have entered into an Escrow Agreement, in accordance with the provisions of Section I.E.,3(b)(ii) of Schedule 2 to this Agreement.
16. “Escrow Agreement” means the agreement referred to under Section I.E.,3(b)(ii) of Schedule 2 to this Agreement.
17. “Escrow Amount” means the balance in the PPA Escrow Account as agreed between the Recipient and the Investor.
18. “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.

19. “Financing Agreement” means the financing agreement for the Project between the Recipient and the Association, dated the same date as this Agreement, as such financing agreement may be amended from time to time. “Financing Agreement” includes all appendices, schedules, and agreements supplemental to the Financing Agreement.
20. “Implementation Agreement” means the agreement referred to under Section I.E.,3(b)(i) of Schedule 2 to this Agreement.
21. “MIRNMA” means the Recipient’s Ministry of Infrastructure and Natural Resources, or any successor thereto acceptable to the Bank.
22. “MPA Program” means the multiphase programmatic approach program designed to accelerate access to sustainable and clean energy.
23. “National Dispatch Center” means the Recipient’s control center from where the operation and supervision of the electricity network system is carried out.
24. “National Training Plan for the Energy Sector” means the Recipient’s plan dated November 4, 2021, issued by MIRNMA.
25. “Offtaker” means the Recipient-owned electric utility that will purchase the power under the PPA.
26. “Operating Costs” means the reasonable costs, as shall have been approved by the Bank, 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).
27. “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.
28. “PC5 Substation” means the Recipient’s 33 kilovolt substation located in Santo Amaro.
29. “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.

30. “PPA” or “Power Purchase Agreement” means the power purchase agreement referred to under Section I.E.,2 of Schedule 2 to this Agreement, entered or to be entered into between the Developer, as power seller; and the Offtaker, as purchaser of the power produced by the Developer.
31. “PPA Escrow Account” means a bank account opened in the Escrow Agent’s books for the purpose of depositing and managing the Security, operated in accordance with the provisions of the Escrow Agreement.
32. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
33. “Project Operations Manual” means the manual referred to under Section I.B of Schedule 2 to this Agreement.
34. “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 Bank.
35. “PV” means photovoltaic.
36. “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.
37. “RPF” or “Resettlement Policy Framework” means the resettlement policy framework to be prepared and adopted by the Recipient, satisfactory to the Bank, and to be disclosed on the Bank’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 Bank.
38. “Sao Tome and Principe” means the Recipient’s territory.
39. “Secured Obligation” means, with respect to the PPA, the Offtaker’s payment obligation whose payment is secured by a Security, in each case determined in accordance with the provisions of the Project Operations Manual.
40. “Security” means, with respect to the PPA entered or to be entered into, the amount of the contribution provided or to be provided by the Recipient, out of the proceeds

of the Grant under Part 2(c)(ii)(2) of the Project, in escrow to secure the payment of installments due and payable but unpaid on their due date by the Offtaker to the Developer, in accordance with the provisions of Section I.E.3(b)(i)(2) of Schedule 2 to this Agreement.

41. “Signature Date” means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.
42. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019.
43. “Sub-Grant Agreement” means the agreement referred to under Section I.E.3(a) of Schedule 2 to this Agreement.
44. “Subsidiary Agreement” means the agreement referred to under Section I.C of Schedule 2 to this Agreement.
45. “Tariff Buy Down Grant” means the sub-grant made out of the proceeds of the Grant to the Developer under Part 2. (c)(ii)(1) of the Project.
46. “TIU” means the unit referred to under Section I.A.2 of Schedule 2 to this Agreement.
47. “Training” means the reasonable costs, as shall have been approved by the Bank, 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).