
PROBLUE GRANT NUMBER TF0C414-ST

**Global Program for the Blue Economy
Grant Agreement**

(Coastal Resilience and Sustainable Tourism Project Project)

between

DEMOCRATIC REPUBLIC OF SAO TOME AND PRINCIPE

and

**INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of the Global Program for the
Blue Economy Multi-Donor Trust Fund**

PROBLUE GRANT NUMBER TF0C414-ST

**GLOBAL PROGRAM FOR THE BLUE ECONOMY
MULTI-DONOR TRUST FUND
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 administrator of the Global Program for the Blue Economy Multi-Donor Trust Fund. 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 objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project through the Ministry of Environment 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 in an amount not to exceed four million United States Dollars (\$4,000,000) (“Grant”) to assist in financing the Project.
- 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
Additional Remedies

- 4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:
- (a) AFAP Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely AFAP's ability to perform any of its obligations under the Subsidiary Agreement.
 - (b) The Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by AFAP of its obligations under the Subsidiary Agreement.

Article V
Effectiveness; Termination

- 5.01. 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 Subsidiary Agreement referred to in Section I.D of Schedule 2 to this Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of AFAP to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
 - (c) The Project Implementation Manual has been adopted by the Recipient in form and substance satisfactory to the Bank, in accordance with Section I.B of Schedule 2 to this Agreement.
 - (d) The Project Implementation Unit has been established by the Recipient, through the Ministry of Environment, in form and substance satisfactory to the Bank, in accordance with Section I.A.1 of Schedule 2 to this Agreement.
 - (e) 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.
- 5.02. 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.

- 5.02. By signing the Subsidiary Agreement, the Recipient and AFAP shall be deemed to represent and warrant that on the date of the last signature of the Subsidiary Agreement, the Subsidiary Agreement has been duly authorized by, and executed and delivered on behalf of, the Recipient and AFAP and is legally binding upon the Recipient and AFAP in accordance with its terms.
- 5.04. 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 confirming it is satisfied that the conditions specified in Section 5.01 have been met (“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 the Grant Account if this Agreement had been effective, the Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 5.05. *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient’s Representative; Addresses

- 6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Planning and Finance.
- 6.02. For purposes of Section 7.01 of the Standard Conditions:
- (a) the Recipient’s address is:
- Ministry of Planning and Finance
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

6.03. For purposes of Section 7.01 of the Standard Conditions:

(a) the Bank's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank's Electronic Address is:

Telex:

Facsimile:

248423 (MCI) or
64145 (MCI)

1-202-477-6391

AGREED as of the Signature Date.

DEMOCRATIC REPUBLIC OF SAO TOME AND PRINCIPE

By



Authorized Representative

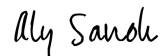
Name: H.E. Ginésio Valentim Afonso da Mata

Title: Ministro das Finanças

Date: 29-Apr-2024

**INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of the Global Program for the Blue
Economy Multi-Donor Trust Fund**

By



Authorized Representative

Name: Aly Sanoh

Title: Acting Country Director

Date: 26-Apr-2024

SCHEDULE 1

Project Description

The objectives of the Project are to increase the resilience of targeted coastal communities and the sustainability of tourism in Sao Tome and Principe.

The Project consists of the following parts:

1. Strengthening the Policy and Institutional Framework

Improve the coastal adaptation, blue economy and tourism development regulatory and institutional framework through:

- 1.1 strengthening the Recipient's policy framework and key institutions involved in coastal management and adaptation, weather and climate services and disaster risk reduction, including through:
 - (a) strengthening the national early warning system to improve capacity to generate and transmit accurate, reliable and timely meteorological forecasts through:
 - (i) establishing standard operating procedures among early warning system stakeholders; and
 - (ii) improving dissemination and communication of information among early warning system stakeholders and the public;
 - (b) strengthening CONPREC, the National Service for Civil Protection and Fire Brigade and local risk management committees to enhance their capacity to reduce and manage disaster risks through: capacity building, strengthening of information and communication systems, acquiring equipment and developing joint emergency response plans;
 - (c) enhancing the capacity of relevant institutions to reduce and manage incidents at sea due to meteorological-related conditions;
 - (d) strengthening the country's disaster risk finance system by supporting a risk layering approach through developing and implementing relevant policies and regulations;
 - (e) strengthening the national coastal observatory to enhance coastal management-related decision-making through: improving

- information management systems, acquiring equipment and financing relevant studies;
- (f) strengthening the National Meteorological Institute through on-the-job training and mentoring, and access to improved meteorological information; and
 - (g) preparation of disaster response plans in targeted coastal communities;
- 1.2 supporting the implementation of the Blue Economy Transition Strategy through:
- (a) carrying out legal framework and policy reform, and capacity building on integrated blue economy planning and selected blue economy sectors, including *inter alia*, sustainable fisheries, energy, transport, natural resource extraction, trade and tourism;
 - (b) carrying out technical assistance for the implementation of the Blue Economy Transition Strategy, including the associated Recipient's blue economy transition investment plan; and
 - (c) carrying out demand-driven assessments and studies linked to the blue economy, including *inter alia*, alternatives to unregulated sand extraction and use in the construction sector, just-in-time feasibility assessments for investment projects, ecosystem extent and health analysis, and carbon assessments; and
- 1.3 strengthening the capacity for tourism planning and management through:
- (a) strengthening DGTH's capacity to carry out essential functions, including *inter alia*, improving its internal organization, managing the Tourism Fund, facilitating public-private dialogue on sustainable tourism development;
 - (b) elaborating and deploying promotional strategies for tourism destination promotion, including through increasing the Recipient's online digital presence and brand visibility;
 - (c) reinforcing inter-institutional coordination for the production of tourism statistics and deployment of visitor surveys;
 - (d) carrying out studies and technical assistance on sustainable destination planning and management for select tourism destinations;

- (e) developing sustainability and quality guidelines for accommodations and tour operators; and
- (f) carrying out a tourism master plan for Rolas island.

2. Strengthening Physical and Social Investments

Support investments in coastal adaptation and community climate and economic resilient and implement selected integrated tourism destination initiatives through:

- 2.1 increasing the resilience of targeted coastal areas through the financing of physical and social investments in Vulnerable Coastal Communities, including through *inter alia*:
 - (a) site-specific spatial planning, grey, green and/or hybrid physical rehabilitation of community-level infrastructure, carrying out infrastructure investments for erosion and flood control, and support for the development [and implementation] of a strategy for the relocation of vulnerable households to safe expansion zones; and
 - (b) mangrove ecosystem conservation, including mangrove restoration, awareness raising and mangrove-related sustainable income generation activities.
- 2.2 improving the physical conditions of selected high-potential tourism areas and increasing economic opportunities from tourism for local MSMEs and communities, including through *inter alia*:
 - (a) carrying out investments in last mile infrastructure;
 - (b) supporting the economic resilience of targeted communities through:
 - (i) the promotion of sustainable integration into the tourism value chain and the development of new tourism products and activities; and
 - (ii) capacity building on business development skills, strengthening market access, access to funding sources and business formalization;
 - (c) carrying out investments for the adoption of circular economy practices in the tourism sector, including through:
 - (i) provision of grants;

- (ii) provision of technical assistance for the preparation and implementation of circular economy practices in the tourism sector; and
- (iii) management of the above-mentioned grants.

3. Project and Knowledge Management

Provide support for Project implementation, including, *inter alia*: (a) carrying out the Project administrative, social, environmental, financial management, procurement, monitoring, evaluation and coordination functions; and (b) carrying out citizen engagement and stakeholder coordination activities.

4. Contingent Emergency Response

Provide 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, through the Ministry of Environment, shall carry out the Project in accordance with this Agreement and for this purpose the Recipient, through the Ministry of Environment, shall establish and thereafter maintain throughout Project implementation a Project Implementation Unit with a structure, functions, responsibilities, resources and qualified staff, as further described in the PIM, acceptable to the Bank.
2. The Recipient, through the Ministry of Environment, shall ensure coordination among the Ministry of Economy, DGTH and AFAP for purposes of Project implementation, as further detailed in the PIM.
3. Not later than ninety (90) days after the Effective Date, the Recipient, through the Ministry of Environment, shall establish and thereafter maintain throughout Project implementation a Steering Committee with a composition and terms of reference as further described in the PIM, acceptable to the Bank, including the responsibility to provide strategic guidance and review and provide guidance on Annual Work Plans and Budgets for Project implementation.

B. Project Implementation Manual

1. The Recipient, through the Ministry of Environment, shall cause AFAP to prepare an implementation manual ("Project Implementation Manual" or "PIM"), 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) anti-corruption and fraud measures; (vi) implementation modalities for each Part of the Project; and (vii) roles and responsibilities of various agencies and stakeholders in the implementation of the Project.
2. The Recipient, through the Ministry of Environment, shall adopt the PIM and shall, and shall cause AFAP to, carry out the Project in accordance with the Project Implementation Manual. Except as the Bank shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, or waive any provision of the Project Implementation Manual.

3. In the event of any conflict between the provisions of the Project Implementation Manual and this Agreement, the provisions of this Agreement shall prevail.

C. Matching Grants Manual

1. The Recipient, through the Ministry of Environment, shall cause AFAP to prepare a matching grants manual (“Matching Grants Manual”), in form and substance satisfactory to the Bank, which shall contain the detailed documentation, selection criteria, selection process, and model for Matching Grant Agreement for the implementation of the Matching Grants, including that:
 - (a) for Matching Grants of up to \$30,000, the Beneficiaries shall be micro, small or medium sized-enterprises or associations operating in the Recipient’s territory involved directly or indirectly in the tourism sector; and
 - (b) for Matching Grants of up to \$100,000, the Beneficiaries shall be micro, small or medium sized-enterprises or associations legally established in the Recipient’s territory involved directly or indirectly in the tourism sector.
2. The Recipient, through the Ministry of Environment, shall adopt the Matching Grants Manual and shall, and shall cause AFAP to, carry out the Project in accordance with the Matching Grants Manual. Except as the Bank shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, or waive any provision of the Matching Grants Manual.
3. In the event of any conflict between the provisions of the Matching Grants Manual and this Agreement, the provisions of this Agreement shall prevail.

D. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient, through the Ministry of Environment, shall make the proceeds of the Financing available to AFAP under a subsidiary agreement (“Subsidiary Agreement”) to be entered between the Recipient, through the Ministry of Planning and Finance, the Ministry of Environment and the Ministry of Economy, and AFAP, under terms and conditions approved by the Bank, which shall include, *inter alia*:
 - (a) the obligation of the Recipient, through the Ministry of Environment, to make the proceeds of the Financing available to AFAP;
 - (b) the obligation of the Recipient, through the Ministry of Economy, to provide technical support to AFAP with respect to the implementation of Part 2.2(c) of the Project;

- (c) the obligation of AFAP, *inter alia*, to:
 - (i) carry out the procurement and financial management functions under the Project in accordance with this Agreement and the Project Implementation Manual;
 - (ii) not later than one month after the Effective Date, update its accounting software to facilitate the recording of the Project's financial transactions;
 - (iii) not later than six (6) months after the Effective Date, hire external auditors in accordance with the Procurement Regulations;
 - (iv) not later than one month after the Effective Date, hire one qualified accountant in accordance with the Procurement Regulations; and
 - (d) the right of the Recipient, through the Ministry of Environment, to suspend or terminate the right of AFAP to use the proceeds of the Financing, or to obtain a refund of all or any part of the amount of the financing then withdrawn by AFAP, upon AFAP's failure to perform any of its obligation under the Subsidiary Agreement.
2. The Recipient, through the Ministry of Planning and Finance, the Ministry of Environment and the Ministry of Economy, 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, through the Ministry of Planning and Finance, the Ministry of Environment and the Ministry of Economy, shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

E. Matching Grants and Sub-projects

1. To facilitate the carrying out of Part 2.2(c) of the Project, the Recipient, through the Ministry of Environment and the Ministry of Economy, shall cause AFAP to competitively hire a manager in accordance with the Procurement Regulations ("Matching Grants Manager") to be responsible for the management of the Matching Grants and provision of technical assistance to Beneficiaries.
2. The Recipient, through the Ministry of Environment and the Ministry of Economy, shall cause AFAP to cause the Matching Grants Manager to make Matching Grants to Beneficiaries in accordance with the Matching Grants Manual.

3. The Recipient, through the Ministry of Environment and the Ministry of Economy, shall cause AFAP to cause the Matching Grants Manager to make each Matching Grant under a Matching Grant Agreement with the respective Beneficiary on terms and conditions approved by the Bank.
4. The Recipient, through the Ministry of Environment and the Ministry of Economy, shall cause AFAP to cause the Matching Grants Manager to, obtain rights adequate to protect its interests and those of the Bank, including the right to:
 - (a) suspend or terminate the right of the Beneficiary to use the proceeds of the Matching Grant, or obtain a refund of all or any part of the amount of the Matching Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Matching Grant Agreement; and
 - (b) require each Beneficiary to:
 - (i) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient;
 - (ii) provide, promptly as needed, the resources required for the purpose;
 - (iii) when agreed with the Bank, procure the goods, works and services to be financed out of the Matching Grant in accordance with the provisions of this Agreement;
 - (iv) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the Sub-project and the achievement of its objectives;
 - (v) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (2) at the Bank's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Recipient and the Bank;

- (vi) enable the Recipient and the Bank to inspect the Sub-project, its operation and any relevant records and documents; and
 - (vii) 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.
5. The Recipient, through the Ministry of Environment and the Ministry of Economy, shall cause the Matching Grants Manager to exercise its rights under each Matching Grant Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant.
 6. Except as the Bank shall otherwise agree, the Recipient, through the Ministry of Environment and the Ministry of Economy, shall cause the Matching Grants Manager to not assign, amend, abrogate or waive any Matching Grant Agreement or any of its provisions.

F. Annual Work Plan and Budget

1. The Recipient, through the Ministry of Environment, shall, not later than November 30 of each calendar year (commencing on 2024), prepare and furnish to the Bank, an annual work plan, in form and substance satisfactory to the Bank, informed by the Project Implementation Manual and containing activities proposed for implementation under the Project and milestones to be achieved during the following calendar year, together with a proposed budget for the purpose.
2. The Recipient, through the Ministry of Environment, shall cause AFAP to exchange views with the Bank on each such proposed annual work plan and budget, and shall thereafter adopt, and carry out such program of activities for such following calendar year as shall have been agreed with the Bank, as such plan may be subsequently revised during such following calendar year with the prior written agreement of the Bank.

G. Environmental and Social Standards

1. The Recipient, through the Ministry of Environment, shall cause AFAP 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, through the Ministry of Environment, shall cause AFAP 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, through the Ministry of Environment, shall cause AFAP 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, through the Ministry of Environment, shall cause AFAP 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, through the Ministry of Environment, shall cause AFAP 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, through the Ministry of Environment, shall cause AFAP 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.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall ensure that each Project Report is furnished to the Bank not later than one month after the end of each calendar semester, covering the calendar semester.

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.

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training and Operating Costs under Part 1.2, Part 1.3(e), Part 1.3(f) and Part 2.1(b) of the Project	2,500,000	100%
(2) Goods, works, non-consulting services, consulting services, Training and Operating Costs under Part 2.2 (c)(ii) and Part 2.2(c)(iii)	400,000	100%
(3) Matching Grants	1,100,000	100%
TOTAL AMOUNT	4,000,000	

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: (i) the Matching Grants Manager has been recruited in accordance with Section I.E.1 of this Schedule; (ii) the Matching Grants Manual has been adopted by the Recipient in form and substance satisfactory to the Bank, in accordance with Section I.C.2 of this Schedule; or
 - (c) under Category (3) unless at least one Matching Grant Agreement has been executed and delivered and all conditions present to its effectiveness have been fulfilled.
2. The Closing Date is September 30, 2025.

APPENDIX

Definitions

1. “AFAP” means Agência Fiduciária de Administração Projectos, the Recipient’s Fiduciary and Administrative Agency for Projects, established pursuant to the AFAP Legislation, or any successor thereto acceptable to the Association.
2. “AFAP Legislation” means 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.
3. “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.
4. “Beneficiary” means any entity selected in accordance with Section I.C.1 of Schedule 2 to this Agreement; and “Beneficiaries” means, collectively, all such “Beneficiary”.
5. “Blue Economy Transition Strategy” means the Blue Economy Transition Strategy for Sao Tome and Principe (*Stratégia de transição da economia azul para São Tomé e Príncipe*), issued by the United Nations Food and Agriculture Organization in 2021.
6. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
7. “CONPREC” means the Recipient’s National Council for Disaster Prevention and Response, established pursuant to Decree-Law No. 17/2011, published in the Recipient’s official gazette (*Diário da República*) No. 51, dated May 24, 2011, or any successor thereto acceptable to the Association.
8. “DGTH” means the Recipient’s General Directorate of Tourism and Hospitality of the Ministry of Economy, established pursuant to the Recipient’s Decree No. 32/2011, dated May 17, 2011, published in the Recipient’s official gazette (*Diário da República*) No. 107, dated September 29, 2011.
9. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated February 8, 2024, 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”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
11. “Matching Grant” means a grant made out of the proceeds of the Financing to a Beneficiary to finance a Sub-project under Part 2.2(c)(i) of the Project.
12. “Financing Agreement” means the financing agreement for the Project between the Recipient and the Bank, dated the same date as this Agreement, as such grant agreement may be amended from time to time. “Financing Agreement” includes all appendices, schedules and agreements supplemental to the Financing Agreement.
13. “Matching Grant Agreement” means the agreement referred to under Section I.E.3 of Schedule 2 to this Agreement.
14. “Matching Grants Manager” means the manager referred to under Section I.E.1 of Schedule 2 to this Agreement.
15. “Matching Grant Manual” means the manual referred to under Section I.C of Schedule 2 to this Agreement.
16. “Ministry of Environment” means the Recipients ministry in charge of environment, or any successor thereto acceptable to the Association.
17. “Ministry of Economy” means Recipient’s ministry in charge of economy, or any successor thereto acceptable to the Association.
18. “Ministry of Planning and Finance” means the Recipient’s Ministry in charge of planning and finance, or any successor thereto acceptable to the Association.

19. “MSME” means micro, small and medium enterprise.
20. “National Meteorological Institute” means the Recipient’s institute responsible for carrying out activities related to meteorology, geophysics, astronomy and for any other technical information necessary for air and maritime navigation, or any successor thereto acceptable to the Association.
21. “National Service for Civil Protection and Fire Brigade” means the Recipient’s national service responsible for responding to national emergencies, or any successor thereto acceptable to the Association.
22. “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, and salaries of contractual staff for the Project (but excluding consulting services and salaries of officials of the Recipient’s civil service).
23. “Principe Autonomous Region” means an autonomous region of the Recipient, constituted by Principe Island and its surrounding islets.
24. “PROBLUE Grant Agreement” means the 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. “Grant Agreement” includes all appendices, schedules and agreements supplemental to the Grant Agreement.
25. “Preparation Advance” means the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on September 11, 2023 and on behalf of the Recipient on September 11, 2023.
26. “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.
27. “Project Implementation Manual” or “PIM” means the manual referred to under Section I.B of Schedule 2 to this Agreement.
28. “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.

29. “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.
30. “Steering Committee” means the committee referred to under Section I.A.3 of Schedule 2 to this Agreement.
31. “Sub-project” means any investment referred under Part 2.2(c) of the Project.
32. “Subsidiary Agreement” means the agreement referred to under Section I.D of Schedule 2 to this Agreement.
33. “Tourism Fund” means the Recipient’s fund established pursuant to Decree 27/2007, dated August 13, 2007, published in the Recipient’s official gazette (*Diário da República*) No. 49, dated September 21, 2007.
34. “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, 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).
35. “Vulnerable Coastal Communities” means the following communities in the Recipient’s territory: (a) in Sao Tome Island: Santa Catarina, Micoló, Loxinga, Gamboa, Cruz, Pantufo, Praia Melao, Ribeira Afonso, Io Grande and Malanza; and (b) in the Principe Autonomous Region: Praia Abade, Praia das Burras and Chimaloa; and any other communities selected by the Recipient acceptable to the Association.

¹ Copy of this legal instrument to be provided by the Recipient.