
ESMAP GRANT NUMBER. TF0C0246

**Energy Sector Management Assistance
Program Grant Agreement**
(Eskom Just Energy Transition Project)

between

ESKOM HOLDINGS SOC LTD

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION**
(Acting as administrator of the Energy Sector Management Assistance Program
(ESMAP))

**ENERGY SECTOR MANAGEMENT ASSISTANCE PROGRAM GRANT
AGREEMENT**

AGREEMENT dated as of the Signature Date between ESKOM HOLDINGS SOC LTD (“Recipient”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION (collectively, the “Bank”), acting as administrator of the Energy Sector Management Assistance Program (“ESMAP”). 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, in the Loan Agreement, 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 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 ten million United States Dollars (\$10,000,000) (“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 Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following, namely, that without the consent of the Bank, the Memorandum or Articles of Association of the Recipient, or the status of its incorporation pursuant to the Companies Act of the Guarantor, have been substantially amended, suspended, abrogated, repealed, or waived, including the formation of subsidiaries, so as to affect materially and adversely the ability of the Recipient to perform any of its obligations arising under or entered into pursuant to this Agreement, or to achieve the objectives of the Project.

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 has been duly authorized or ratified by all necessary governmental and corporate action; and
 - (b) The Loan Agreement, the Guarantee Agreement, the CCEFCE Financing Agreement and the CCEFCE Guarantee Agreement have been executed and delivered and all conditions precedent to their effectiveness (other than the effectiveness of this Agreement) have been fulfilled.
- 5.02. As part of the evidence to be furnished pursuant to Section 4.01 (a), there shall be furnished to the Bank an opinion or opinions satisfactory to the Bank of counsel acceptable to the Bank showing on behalf of the Recipient, that this Agreement has been duly authorized or ratified by and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.
- 5.03. 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 4.01 (“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 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.
- 5.04. 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 Group Chief Executive or Chief Financial Officer.

6.02. For purposes of Section 7.01 of the Standard Conditions: (a) the Recipient's address is:

Eskom Holdings SOC Ltd
Megawatt Park, 2 Maxwell Drive
Sunninghill, Sandton
PO Box 6841, Johannesburg 2000
South Africa; and

(b) the Recipient's Electronic Address is:

Telex:	Facsimile:
+27 82 4918529	+27 866 601 088

6.03. For purposes of Section 7.01 of the Standard Conditions: (a) the Bank's address is:

International Bank for Reconstruction and Development/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:	E-mail
248423 (MCI) or 64145 (MCI)	1-202-477-6391	mmarienelly@worldbank.org

AGREED as of the Signature Date

ESKOM HOLDINGS SOC LTD

By

Calib Cassim

Authorized Representative

Name: _____ Calib Cassim

Title: _____ Interim Group CEO

Date: _____ 28-Feb-2023

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT/
INTERNATIONAL DEVELOPMENT
ASSOCIATION
acting as administrator of the Energy Sector Management
Assistance Program**

By

Marie Francoise Marie-Nelly

Authorized Representative

Name: _____ Marie Francoise Marie-Nelly

Title: _____ Country Director

Date: _____ 20-Dec-2022

SCHEDULE 1
Project Description

The objectives of the Project are to (a) decommission the Komati coal-fired power plant (“Komati Power Plant”), (b) repurpose the project area with renewables, and (c) create opportunities for workers and communities during the transition process.

The Project consists of the parts described in Schedule 1 to the Loan Agreement, provided that for the purposes of this Agreement the references to the “Borrower” in said Schedule 1 of the Loan Agreement shall be construed as references to the Recipient provided for under this Agreement.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

Section I (Implementation Arrangements) of Schedule 2 to the Loan Agreement is hereby incorporated by reference and shall apply, *mutatis mutandis*, to this Agreement, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement, provided that for the purposes of this Agreement: (a) the references to the “Loan” in said Sections shall be construed as references to the Grant provided for under this Agreement; and (b) the references to the “Borrower” in said Sections shall be construed as references to the Recipient.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall ensure that each Project Report is furnished to the Bank not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester. 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:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (Inclusive of Taxes)
(1) Consulting services and non-consulting services under Parts A.1, B.1, and B.3 of the Project	9,500,000	100%
(2) Consulting and non-consulting	500,000	100%

services under Part C of the Project		
TOTAL AMOUNT	10,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part, A above, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$ 2,000,000 may be made for payments made prior to this date but on or after March 1, 2022, for Eligible Expenditures under all Categories, to be applied on a *pro rata* basis.
2. The Closing Date is June 30, 2027.

APPENDIX

Definitions

1. “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.
2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “Loan Agreement” means the loan agreement for the Project between the Recipient and the Bank, dated the same date as this Agreement, as such loan agreement may be amended from time to time. “Loan Agreement” includes all appendices, schedules and agreements supplemental to the Loan Agreement.
4. “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 Financing Agreement” in the Standard Conditions.
5. “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.