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**GIF GRANT NUMBER TF0B8649**

# **Global Infrastructure Facility Grant Agreement**

**(Digital Sao Tome and Principe Project)**

**between**

**DEMOCRATIC REPUBLIC OF SAO TOME AND PRINCIPE**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION  
acting as Technical Partner of the Global Infrastructure Facility**

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**GLOBAL INFRASTRUCTURE FACILITY  
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 Technical Partner of the Global Infrastructure Facility (“GIF”). 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 to 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 eight hundred thousand United States Dollars (\$800,000) (“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 Recipient, through the MINR, has adopted the Project Implementation Manual in accordance with the provisions of Section I.C of Schedule 2 to this Agreement.
  - (b) The Recipient, through the MINR, has recruited the following additional staff with qualifications, experience and under terms of reference satisfactory to the Bank : a Project coordinator, a procurement specialist, an environmental specialist and a social specialist.
  - (c) The Subsidiary Agreement has been executed and delivered and all conditions precedent to its effectiveness have been fulfilled.
  - (d) The Recipient, through the MINR, has prepared and disclosed in the Recipient's territory the final ESMF and RPF, acceptable to the Bank.
- 5.02. By signing the Grant Agreement and the Subsidiary Agreement, the Recipient shall be deemed to represent and warrant that on their respective Signature Dates, the Grant Agreement and the Subsidiary Agreement have been duly authorized by, and executed and delivered on behalf of, the Recipient and are legally binding upon the Recipient in accordance with their terms, except where additional action is required to make such Grant Agreement and Subsidiary 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 and the Subsidiary Agreement are legally binding upon the Recipient in accordance with their 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 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 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. *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 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, Finance and Blue Economy.
- 6.02. For purposes of Section 7.01 of the Standard Conditions:
- (a) the Recipient’s address is:  
  
Ministry of Planning, Finance and Blue Economy  
Agua Grande  
Caixa Postal No. 168  
Sao Tome, Republic of Sao Tome and Principe; and
  - (b) the Recipient’s Electronic Address is:  
  
E-mail:  
mpf.geral@financas.gov.st

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: 248423 (MCI) or 64145 (MCI)      Facsimile: 1-202-477-6391

AGREED as of the Signature Date.

**DEMOCRATIC REPUBLIC OF SAO TOME AND PRINCIPE**

**By**

*Engracio do Sacramento Soares da Graça*

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**Authorized Representative**

**Name:** Engracio do Sacramento Soares da Graça

**Title:** Ministro do Planeamento, Finanças e Economia

**Date:** 21-Jul-2022

**INTERNATIONAL DEVELOPMENT ASSOCIATION  
acting as Technical Partner of the  
Global Infrastructure Facility**

**By**

*Albert Zeufack*

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**Authorized Representative**

**Name:** Albert Zeufack

**Title:** Director of Operations

**Date:** 21-Jul-2022

## **SCHEDULE 1**

### **Project Description**

The objectives of the Project are to improve equity and sustainability of telecommunications services between the islands of Sao Tome and Principe, and strengthen data governance, data systems and statistical capacity.

The Project consists of the following parts:

#### **1. Digital Access**

Support broadband wider access and adoption, through:

- (a) Reviewing, updating and strengthening of the policy, legal, regulatory and governance frameworks of the wholesale and retail broadband market to facilitate open access and fair competition
- (b) Long-term improvement of international broadband connectivity of the island of Principe, including:
  - (i) financing a submarine cable connection to the island of Principe; and
  - (ii) carrying out technical assistance on options for financial structuring of the ownership, management and operation of the submarine cable connection to the island of Principe.
- (c) Increasing digital access in primary and secondary schools, including:
  - (i) carrying out an assessment of schools connectivity needs; and
  - (ii) providing internet connectivity to schools in the islands of Sao Tome and Principe.

#### **2. Data Foundations for Digital Public Service Delivery**

Boost the Recipient's capacity for secure digital public service delivery, through:

- (a) Development of governance, strategic, regulatory and legal frameworks that enable secure digital service delivery, including:
  - (i) carrying out technical assistance for the drafting of laws and regulations on cybersecurity, cybercrime, data protection, data

sharing (including open data), electronic transactions, civil registration and identification, and national statistics; and

- (ii) carrying out technical assistance for the:
  - (1) development of national strategies, policies and governance frameworks for data management;
  - (2) development of a national strategy for digital identification; and
  - (3) upgrading of the Recipient's civil registration and identification systems.

(b) Building digital foundations for digital services, including:

- (i) strengthening the Recipient's cybersecurity capabilities through the establishment of a basic national computer emergency response team; upgrading and expanding the technical and operational capabilities of the National Agency of Personal Data Protection;
- (ii) implementing and maintaining a technical solution for data interoperability of the Recipient's information systems;
- (iii) improving the quality of civil registration and identification systems; and
- (iv) designing and implementing selected digital services and platforms to demonstrate the benefits of digital service delivery.

### **3. Housing and Population Census**

Support all phases of the Recipient's 2023 housing and population census and preparation of key outputs, through:

- (a) Improving the NIS's capacity to prepare for the census data collection, including:
  - (i) establishing the required organizational structure;
  - (ii) designing and implementing a communications campaign;
  - (ii) updating the relevant Recipient's cartography; and

- (iii) carrying out a pilot census.
- (b) Carrying out the data collection for the census and implementing a post enumeration survey.
- (c) Carrying out the census data analysis; preparation of tabulations and final reports; and publication and dissemination of census results.

**4. Project Management and Coordination**

Support the Recipient's Project implementation, management and coordination, including procurement, financial management, monitoring and evaluation, and environmental and social management functions under the Project.

**5. 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 carry out the Project in accordance with this Agreement, and for this purpose, the Recipient:
  - (a) through the MINR, shall establish and thereafter maintain throughout Project implementation, a Project Implementation Unit (“PIU”) satisfactory to the Bank, with a structure, staff, functions, responsibilities and adequate resources as set forth in the Project Implementation Manual, to be responsible for the overall management and supervision of Project implementation, and carrying out Parts 1, 2, 4 and 5 of the Project; and
  - (b) not later than three months after the Effective Date, through the NIS, shall establish a Dedicated Census Office satisfactory to the Bank, with a structure, staff, functions, responsibilities and adequate resources as set forth in the Project Implementation Manual, to be responsible for carrying out Part 3 of the Project.
2. Not later than one month after the Effective Date, the Recipient shall establish and thereafter maintain throughout Project implementation a Steering Committee with a composition and functions satisfactory to the Bank, including the responsibility to provide strategic guidance on Project implementation, and ensure coordination across the Recipient’s institutions and agencies, as set forth in the Project Implementation Manual.
3. Not later than three months after the Effective Date, the Recipient shall establish and thereafter maintain throughout Project implementation a Local Census Commission in each of the Recipient’s six districts with a composition and functions satisfactory to the Bank, including the responsibility to coordinate the carrying out of the census at district level, as set forth in the Project Implementation Manual.
4. Not later than one month after the Effective Date, the Recipient shall establish and thereafter maintain throughout Project implementation Project Technical Committees with a composition and functions satisfactory to the Bank, including the responsibility to ensure coordination amongst Project stakeholders, as set forth in the Project Implementation Manual.

5. Not later than one month after the Effective Date, the Recipient shall maintain throughout Project implementation a Private Sector Working Group with a composition and functions satisfactory to the Bank, including the responsibility to coordinate telecommunications investments under the Project, as set forth in the Project Implementation Manual.

**B. Subsidiary Agreement**

1. To facilitate the carrying out of the Project, the Recipient, through the MINR, shall make part of the proceeds of the Grant 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 the responsibility of AFAP to:
  - (a) carry out the financial management functions required for Project implementation;
  - (b) support the MINR in developing the Project Implementation Manual;
  - (c) not later than 60 days after the Effective Date, recruit an accountant with qualifications, experience and under terms of reference satisfactory to the Bank; and
  - (d) not later than 90 days after the Effective Date, recruit an external auditor with qualifications, experience and under terms of reference satisfactory to the Bank.
2. The Recipient, through the MINR, 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 Grant. Except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

**C. Project Implementation Manual**

1. The Recipient, through the MINR, shall and shall cause AFAP, to prepare an implementation manual (“Project Implementation Manual”), in form and substance satisfactory to the Bank, which shall contain detailed work flow, methods and procedures for the implementation of the Project, including but not limited to: (a) administration and coordination arrangements, including placement of necessary human resources for Project implementation; (b) performance indicators of the Project; (c) monitoring and evaluation methods; (d) financial management guidelines and procedures, including financial management and accounting consolidation; (e) environmental and social measures to manage and supervise environmental and social risks; (f) corruption and fraud measures; (g)

implementation modalities for each Part of the Project; and (viii) roles and responsibilities of various agencies and stakeholders in the implementation of the Project.

2. The Recipient, through the MINR, shall adopt the Project Implementation Manual, acceptable to the Bank.
3. The Recipient, through the MINR, 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, through the MINR, shall and shall cause AFAP to not assign, amend, abrogate or waive any provision of the Project Implementation Manual. In the event of any conflict between the provisions of the Project Implementation Manual and this Agreement, the provisions of this Agreement shall prevail.

**D. Environmental and Social Standards**

1. The Recipient, through the MINR, shall 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 MINR, shall 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 MINR, shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the 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 MINR, shall ensure that:
  - (a) all measures necessary on its part 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 MINR, shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of such concerns and grievances, in a manner acceptable to the Bank.
6. The Recipient, through the MINR, shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors, and supervising entities to: (a) comply with the relevant aspects of the 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**

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 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 services for Part 1.(b)(ii) of the Project	800,000	100%
<b>TOTAL AMOUNT</b>	800,000	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the Signature Date.
2. The Closing Date is December 31, 2024.

## APPENDIX

### Definitions

1. “AFAP” means the Recipient’s Fiduciary Agency for Project Administration, *Agência Fiduciária de Administração de Projetos*, established pursuant to the AFAP Legislation, or any successor thereto acceptable to the Bank.
2. “AFAP Legislation” means the Recipient’s Decree-Law No. 10/2018, dated May 16, 2018, published in the Recipient’s Journal of the Republic 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. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “Dedicated Census Office” means the office within the NIS referred to under Section I.A.1 (b) of Schedule 2 to this Agreement.
6. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated May 13, 2022, 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.
7. “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.

8. “ESMF” means the environmental and social management framework to be prepared and adopted by the Recipient, satisfactory to the Bank, disclosed in-country, and at 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, sexual exploitation and abuse and sexual harassment, 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, sexual exploitation and abuse, and sexual harassment, 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.
9. “Local Census Commission” means the commission referred to under Section I.A.3 of Schedule 2 to this Agreement.
10. “MINR” means the Recipient’s Ministry of Infrastructure and Natural Resources (*Ministério das Infraestruturas e Recursos Naturais*), or any successor thereto acceptable to the Bank.
11. “National Agency of Personal Data Protection” means the Recipient’s National Agency of Personal Data Protection (*Agência Nacional de Proteção de Dados Pessoais*), or any successor thereto acceptable to the Bank.
12. “NIS” means the Recipient’s National Institute of Statistics (*Instituto Nacional de Estatística*), or any successor thereto acceptable to the Bank.
13. “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, and salaries of contractual staff for the Project (but excluding consulting services and salaries of officials of the Recipient’s civil service).
14. “Private Sector Working Group” means the group referred to under Section I.A.5 of Schedule 2 to this Agreement.

15. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
16. “Project Implementation Manual” means the manual referred to under Section I.C of Schedule 2 to this Agreement.
17. “Project Implementing Unit” means the unit within the MINR referred to under Section I.A.1(a) of Schedule 2 to this Agreement.
18. “Project Technical Committees” means the committees referred to under Section I.A.4 of Schedule 2 to this Agreement.
19. “RPF” means the resettlement policy framework to be prepared and adopted by the Recipient, satisfactory to the Bank, and 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 resettlement action plans under the Project, as such framework may be amended from time to time with the prior written agreement of the Bank.
20. “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.
21. “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.
22. “Steering Committee” means the committee referred to under Section I.A.2 of Schedule 2 to this Agreement.
23. “Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement.
24. “Training” means the reasonable costs, as shall have been approved by the Bank, for training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consulting services).