
**GEF GRANT NUMBER TF0B4205
GEF GRANT NUMBER TF0A7132 (AMENDMENT)**

Global Environment Facility

Grant Agreement

(Additional Grant for West Africa Coastal Areas Resilience Investment Project)

between

DEMOCRATIC REPUBLIC OF SÃO TOMÉ AND PRÍNCIPE

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

(acting as an Implementing Agency of the Global Environment Facility)

**GEF GRANT NUMBER TF0B4205
GEF GRANT NUMBER TF0A7132 (AMENDMENT)**

**GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between DEMOCRATIC REPUBLIC OF SÃO TOMÉ AND PRÍNCIPE (“Recipient”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”), acting as an Implementing Agency of the Global Environment Facility (“GEF”) Trust Fund for the purpose of providing an additional grant for activities related to the Original Project (as defined in the Appendix to this Agreement) and amending the Original Grant Agreement (as set forth in Schedule 3 to this Agreement).

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”). To this end, the Recipient shall carry out its Respective Part of the Project through the Ministry of Infrastructure and Natural Resources 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 six million United States Dollars (\$6,000,000) (“Grant”) to assist in financing its Respective Part of 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 GEF Trust Fund for which the Bank receives periodic contributions from the donors to the GEF 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:
- (a) The Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but on or after the date of this Agreement, an event has occurred which would have entitled the Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.
 - (b) The Bank has suspended in whole or in part the right of the Recipient to make withdrawals under the Participating Country Financing Agreement.

Article V
Effectiveness; Termination

- 5.01. *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 V
Recipient's Representative; Addresses

- 6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the 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
Largo das Alfandegas, Caixa Postal 168
São Tomé
República Democrática de São Tomé e Príncipe; and

(b) the Recipient's Electronic Address is:

Email:

mpf.geral@financas.gov.st

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

(a) the Bank's address is:

International Bank for Reconstruction and Development
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 SÃO TOMÉ AND PRÍNCIPE

By:

H.E. Osvaldo Taraves dos Santos Vaz

Authorized Representative

Name: H.E. Osvaldo Taraves dos Santos Vaz

Title: Ministro das Finanças

Date: 13-jan-2021

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
(acting as an Implementing Agency of the Global Environment Facility)**

By:

Deborah L. Wetzel

Authorized Representative

Name: Deborah L. Wetzel

Title: Director, Regional Integration, Africa and ME

Date: 22-Dec-2020

SCHEDULE 1

Project Description

The objective of the Project is to strengthen the resilience of targeted communities and areas in coastal Western Africa.

The Project constitutes part of the Program and consists of the following parts (emphasis added):

Part 1: Strengthening Regional Integration

Part 1.1: Strategy and Financial Solutions

Establishment by WAEMU of the Regional Steering Committee with a view to reinforcing its coordination and integration capabilities in the regional sector and assist it in identifying, developing and mainstreaming new financing options for coastal resilience into development finance and regional dialogue and in developing a communication plan, and encompassing the financing of Operating Costs for the recruitment of technical expert for country relationships and the provision of consulting services and equipment.

Part 1.2: Regional Coastal Zone Agreements and Protocols

Reinforcement and advancement by the IUCN of regional integration on integrated coastal zone management among the member states parties to the Abidjan Convention and other regional coastal and marine agreements of relevance, and encompassing the provision of consulting services and equipment as required: (i) to advance the implementation of the Abidjan Convention, of its Additional Protocols and, as the case may be, other regional agreements of relevance; (ii) to review the institutional and regulatory frameworks of the Participating Countries in view of harmonizing their national coastal and marine laws; (iii) to design a monitoring and tracking system on the progress made on the ratification and implementation of the Additional Protocols; and (iv) to organize engagement and regional meetings to underpin the provisions of the Abidjan Convention, of its Additional Protocols and of other regional agreements.

Part 1.3: Regional Coastal Observation

Operationalization by the IUCN of the West African Coastal Observatory, through the provision of consulting services and equipment as required for the IUCN: (i) to develop and establish collaboration protocols setting forth the terms for data collection, the sharing of information, and the carrying out of analyses useful to the governance and coastal zone management in Western Africa; (ii) to develop a framework for national and regional coastal observation indicators to generate the annual “state of the Western Africa coast” report; (iii) to validate regional coastal areas information sharing platforms and monitoring systems; and (iv) to develop knowledge products including synthesis publications and products and services to improve communication with various stakeholders.

Part 1.4: Regional Implementation Support

Operationalization by the IUCN of a holistic and capacity-building RISU for the regional aspects of Project management, including its fiduciary aspects, monitoring (including of safeguard mitigation measures) and evaluation, knowledge generation and management, communication, as well as for critical cross-cutting institutional support in the Participating Countries, and encompassing the provision of equipment, consulting services, training and the financing of Operating Costs as required to RISU in: (i) assisting new countries join the Program; (ii) support the Regional Steering Committee on organizational matters, including with the preparation of the material needed for strategic decision-making at regional level; (iii) strengthening the capacities of WAEMU to efficiently perform core Project management functions, including operational planning, financial management, procurement arrangements, and environmental and social safeguards policies; (iv) enhancing its monitoring and evaluation systems, including routine health management and information systems and other data sources; (v) managing the operational research program implemented by its national and regional institutions; (vi) designing and implementing impact evaluation studies to measure impact of Project interventions; and (vii) coordinating the roles of the existing Western Africa national and regional institutions to better support the planned Project activities.

Part 2: Strengthening the Policy and Institutional Framework

Development by the Recipient of the adequate policy framework and the necessary tools for the articulation and/or operationalization of its coastal management strategies and plans, respecting national and regional positive and negative externalities, through provision of consulting services required to develop and operationalize coastal management and land use strategies and action plans at the central and local levels and promote effective management of transboundary coastal ecosystems and spatial planning, and encompassing: (i) the review of the existing coastal-related laws and regulations of the Recipient and the elaboration of recommendations to harmonize them and fill any existing gaps; (ii) the development of guidelines for environmental and social impact assessments for coastal planning and infrastructure and for regional and strategic assessments, the development of contingency plans for events with transboundary impacts, and the identification and designation of protected areas in the Recipient's territory; (iii) the development of the Recipient's blue economy broadly, through review of strategies for extractive industries, energy, fisheries and marine biodiversity, maritime transport, tourism, climate change, and waste management; (iv) the establishment of public-private partnerships to help mobilizing additional resources to finance the integrated coastal management agenda; (v) the development and support of the implementation of preparedness, response and management strategies associated with coastal erosion, inundation, and pollution aimed to improve the interaction of the Recipient's national hydrological and meteorological agencies with its disaster management structures; (vi) the establishment and strengthening of the Recipient's national coastal observatories; (vii) the establishment, expansion and strengthening of the Recipient's safety-at-sea national systems to include, among others, coverage of all artisanal fishermen and

provision of equipment and other resources as required therefor, namely; (a) acquisition and distribution of safety, search and rescue equipment such as life-jackets, rain-coats, first-aid kits and water-proof pockets to said fishermen; creation of a sustainable structure of suppliers of said equipment; and establishment of fishermen associations for the management and maintenance of said equipment and other safety devices; (b) installation of automatic identification system transponders for boats at sea; (c) provision of on-going training and peer-to-peer exchanges amongst fishermen groups on safety practices; (d) reinforcing monitoring of safety at sea incidents and establishment of registration systems for fishermen and canoes; and (e) strengthening national regulations on safety at sea, and the capacity for their implementation; (viii) upgrading the coastal early warning system, through: (a) provision of specialized training for national meteorologists on marine weather, especially on storm surge modeling, and improving the content and the format of weather forecast bulletins; (b) developing a platform for coastal and marine climate and weather data and information sharing between agencies and strengthening the capacities of various institutions working on early warning systems to facilitate sharing and interpretation of data; and (c) installation and maintenance of two marine meteorology stations in the southern part of the São Tomé island and along the shoreline of the island of Príncipe to enhance coverage of the observation network for, *inter alia*, observing sea conditions over the long term, storm surge monitoring and early warnings and provision of appropriate training to NMI staff; and (ix) development of climate-informed marine spatial planning to facilitate the coordination and integrated management of the coastal and marine areas, integrating future climate and disaster risk information.

Part 3: Strengthening National Physical and Social Investments

Part 3.1: Physical Investments

Carrying out by the Recipient of Subprojects in Target Communities focusing on, *inter alia*, medium-scale coastal adaptation activities (both engineered, with development of drainage system, medium scale rock revetment, seawall and ecosystem-based approaches, with plantation of mangrove or vegetation of exposed river berm); small-scale community-based adaptation (including maintenance of drainage and revegetation); capacity building in ecosystem-based approaches for adaptation to climate change and support to coastal ecosystem restorations to strengthen resilience; exchanges of experiences and dissemination of lessons learned; restoration of vacated at-risk areas to promote local and sustainable income generating initiatives linked to road maintenance, tourism and social protection; and associated community outreach and awareness; their complementary technical studies, and development of the related environmental and social impact assessments, including management plans, as required to underpin innovative approaches aiming at increasing climate resilience in key coastal areas, and encompassing the provision of works, goods, non-consulting and consulting services, and equipment as required therefor.

Part 3.2: Social Subprojects

Carrying out by the Recipient of Social Subprojects including cash-for-works activities during the most at-risk season for fishermen, participatory risk assessments to enhance community resilience, health, safety and livelihoods, awareness raising activities on perceived imminent climate change risks, a participatory process for relocation planning and decision-making, socio-economic monitoring for the implementation of decisions on any such relocation and to assist, as the case may be, with future planned relocations, all through the provision of works, goods, non-consulting services, consulting services, workshops, training and equipment as required therefor.

Part 4: National Coordination

Scaling up support for strengthening by the Recipient of the PIU to ensure day-to-day Project management and that the Project is implemented with coordinated support from technical and financial partners and thereby address the most pressing needs for management of the coastal zone, through the delivery of national workshops and the carrying out of meetings and priority communication activities, and entailing the provision of consulting services, goods, and the financing of Operating Costs.

SCHEDULE 2

Execution of the Recipient's Respective Part of the Project

Section I. Institutional and Implementation Arrangements

The Project's institutional and implementation arrangements shall be identical to those set forth in Sections I.A to I.G of Schedule 2 to the Original Grant Agreement ("OGA"), except as modified immediately below with respect to: (A) all references to "Parts 2 (i) and (ii), 3 and 4 of the Project" in said Sections which are hereby amended to refer to "its Respective Part of the Project"; (B) all references to the "Ministry of Infrastructure, Natural Resources and the Environment" or "MINRE" in Sections I.A and I.B, which are hereby amended to refer to the "Ministry of Infrastructure and Natural Resources" or "MINR" as the case may be; and (C) the reference to the "Ministry of Finance, Commerce and Blue Economy" in Section I.G which is hereby amended to refer to "Ministry of Planning, Finance and Blue Economy".

Section II. Project Monitoring, Reporting and Evaluation

A. Documents; Records

In addition, and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

- (a) all records evidencing expenditures under the Project are retained for seven years and six months after the Closing Date, such records to include:
 - (i) this Agreement, all addenda thereof, and any amendments thereto;
 - (ii) the Recipient's financial and narrative progress reports submitted to the Bank;
 - (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records;
 - (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and
 - (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and
- (b) the representatives of the Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donors.

B. Project Reports

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 semester, covering the calendar semester.

2. The provisions of Section II.B (*Mid-Term Review*) of Schedule 2 to the OGA (as amended to date) shall apply to this Agreement.
3. The provisions of Section II.C (*Grievance Mechanism*) of Schedule 2 to the OGA (as amended to date) shall apply to this Agreement.

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, workshops and Operating Costs under:		
(a) Parts 2(i) and (ii), 3.1 and 4 of the Project	3,800,000	Such percentage as may be determined by the Bank and communicated to the Recipient based on the Annual Work Plan and Budget (financed from IDA D2890, TF0A71323 and TF0B4205).
(b) Part 3.2 of the Project	360,000	Such percentage as may be determined by the Bank and communicated to the Recipient based on the Annual Work Plan and Budget (financed from

(c) Part 2(vi) of the Project	50,000	IDA D2890, TF0A71323 and TF0B4205) Such percentage as may be determined by the Bank and communicated to the Recipient based on the Annual Work Plan and Budget (financed from TF0A71323 and TF0B4205)
(d) Parts 2(vii), (viii) and (ix) of the Project	1,790,000	100%
TOTAL AMOUNT	6,000,000	

2. For the purposes of this table:

- (a) the term “training” means expenditures incurred by the Recipient to finance the cost under its Respective Part of the Project of: (i) the training received or provided in-country or abroad, including its fees and the pedagogical materials; and (ii) the travel, accommodations, *per diem* and insurance for the training received or provided outside the Recipient’s territory as well as study tours inside the Recipient’s territory or abroad; and
- (b) the term “workshop” means expenditures incurred by the Recipient to finance the cost under its Respective Part of the Project of: (i) workshops organized in-country, including fees, meeting rooms, and equipment rental and materials; and (ii) the travel, accommodations, *per diem*, loss of revenue compensation and insurance for the participants to the workshops organized in-country.

B. Withdrawal Conditions; Withdrawal Period

- 1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for:
 - (a) payments made prior to the Signature Date; or

(b) to finance expenditures for cash payments for compensation or other cash payments for assistance due to a Displaced Person or for the cost of land acquisition related to the activities to be carried out under the Project.

2. The Closing Date is December 31, 2023.

SCHEDULE 3

First Amendment to the OGA (GEF Grant Number TF0A7132)

1. **SCHEDULE 1**

Schedule 1 (*Project Description*) to the OGA is amended to read as set out in Schedule 1 (*Project Description*) to this Agreement.

2. **SCHEDULE 2**

Schedule 2 to the OGA is amended as follows:

- (a) The amendments stipulated in Section I of Schedule 2 to this Agreement shall apply to Sections I.A to I.G of Schedule 2 to the OGA, *mutatis mutandis*.
- (b) The table under paragraph A.2 (*General*) of Section IV (*Withdrawal of Grant Proceeds*) of Schedule 2 is amended to read as set out in the table below:

“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, workshops and Operating Costs under: (a) Parts 2(i) and (ii), 3.1 and 4 of the Project	515,000	Such percentage as may be determined by the Bank and communicated to the Recipient based on the Annual Work Plan and Budget (financed from IDA D2890, TF0A7132 and TF0B4205)

(b) Part 3.2 of the Project	126,789	Such percentage as may be determined by the Bank and communicated to the Recipient based on the Annual Work Plan and Budget (financed from IDA D2890, TF0A7132 and TF0B4205)
(c) Part 2(v) of the Project	185,000	Such percentage as may be determined by the Bank and communicated to the Recipient based on the Annual Work Plan and Budget (financed from IDA D2890, and TF0A7132)
(d) Part 2(vi) of the Project	320,000	Such percentage as may be determined by the Bank and communicated to the Recipient based on the Annual Work Plan and Budget (financed from TF0A7132 and TF0B4205)
TOTAL AMOUNT	1,146,789”	

(c) Paragraph A.3 (*General*) of Section IV (*Withdrawal of Grant Proceeds*) of Schedule 2 is amended to read as follows:

“3. For the purposes of this table:

- (a) the term “training” means expenditures incurred by the Recipient to finance the cost under its Respective Part of the Project of: (i) the training received or provided in-country or abroad, including its fees and the pedagogical materials; and (ii) the travel, accommodations, *per diem* and insurance for the training received or provided outside the Recipient’s territory as well as study tours inside the Recipient’s territory or abroad; and
- (b) the term “workshop” means expenditures incurred by the Recipient to finance the cost under its Respective Part of the Project of: (i) workshops organized in-country, including fees,

meeting rooms, and equipment rental and materials; and (ii) the travel, accommodations, *per diem*, loss of revenue compensation and insurance for the participants to the workshops organized in-country.”

3. Definitions:

Paragraph 3 of the Appendix is amended as follows:

“AFAP” means the *Agencia Fiduciária de Administração de Projectos*, established and operating pursuant to *Decree No. 10/2018*, or any successor thereto.”

All other provisions of the OGA, except as herein amended, shall remain in full force and effect.

APPENDIX

Definitions

The Capitalized terms in this Agreement shall have the meanings set forth in the Appendix to the Original Grant Agreement or the meanings set forth below:

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. “GEF Trust Fund” means the Global Environment Facility Trust Fund Number TF050552.
4. “Original Grant Agreement” or “OGA” means the GEF Trust Fund grant agreement for the West Africa Coastal Areas Resilience Investment Project between the Recipient and the Bank, dated April 21, 2018 (GEF Grant Number TF0A7132), as amended to date.
5. “Original Project” means the Project described in Schedule 1 to the Original Grant Agreement.
6. “Participating Country Financing Agreement” means the financing agreement for the West Africa Coastal Areas Resilience Investment Project between the Recipient and the Association, dated April 21, 2018 (Grant Number D289-STP), as amended to date.
7. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
8. “Program” means the West Africa Coast Areas Resilience program.
9. “Respective Part of the Project” means Parts 2(i), (ii), (vii), (viii) and (ix), 3 and 4 of the Project.
10. “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.

11. “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.
12. “Target Communities” means the communities of *Ribeira Afonso, Malanza, Santa Catarina, Iô Grande, Praia Melão, Pantufo, Praia Gamboa, Praia Loxinga, Praia Cruz* and *Micoló* in São Tomé Island, and *Praia Burra* and *Praia Abade* in Príncipe.