

---

---

GIF TF NUMBER TF0B6853

# **Global Infrastructure Facility Grant Agreement**

**(Cabo Verde Renewable Energy and Improved Utility Performance Project)**

**between**

**REPUBLIC OF CABO VERDE**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
(acting as Technical Partner of the Global Infrastructure Facility)**

---

---

**GLOBAL INFRASTRUCTURE FACILITY  
GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF CABO VERDE (“Recipient”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“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, 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 through UGPE 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, on the terms and conditions set forth or referred to in this Agreement a grant in an amount not to exceed two million United States Dollars (\$2,000,000) (“Grant”) to assist in financing the Project; provided that up to fifty percent (50%) of all the amounts of the Grant withdrawn from the Grant Account and outstanding from time to time (the “Withdrawn Grant Balance”) shall be reimbursed to the Bank under the terms and conditions set forth in Sections 3.04, 3.05 and 3.06 of this Agreement.
- 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.

- 3.04. The Recipient shall reimburse the Bank all or part of the Withdrawn Grant Balance as follows:
  - (a) if the Proposed Project reaches the Financial Close on or before the Long-Stop Date (except where the Proposed Project reaches the Financial Close after the occurrence of the Recipient's Withdrawal from the Project in which case sub-paragraph (b) below of this Section 3.04 shall apply), a reimbursement shall be made in the amount equal to fifty percent ( 50%) of the Withdrawn Grant Balance, to be paid in full within sixty (60) calendar days of the Financial Close of the Proposed Project, or by any such later date if so specified in the notice delivered by the Bank pursuant to Section 3.06;
  - (b) if at any time the Recipient's Withdrawal from the Project occurs, a reimbursement shall be made in the amount equal to one hundred percent (100 %) of the Withdrawn Grant Balance, to be paid in full within thirty (30) calendar days of the date of the notice delivered by the Bank to the Recipient notifying of the occurrence of the Recipient's Withdrawal from the Project, or by any such later date if so specified in the notice delivered by the Bank pursuant to Section 3.06.
- 3.05. The Recipient shall promptly notify the Bank in writing of the occurrence, on or before the Long-Stop Date, of the Financial Close.
- 3.06. The Bank shall notify the Recipient of the amount to be reimbursed under Section 3.04 promptly upon the occurrence of any of the events referred to in that Section 3.04 (a) or (b), as the case may be.
- 3.07. Payment of reimbursement under Section 3.04 above shall be made:
  - (a) in Dollars in immediately available funds to such account as the Bank designates in writing; and
  - (b) (i) without restrictions of any kind imposed by, or in the territory of, the Republic of Cabo Verde and without deduction for, and free from, any Taxes levied by, or in the territory of, the Republic of Cabo Verde.

- (ii) should any restriction or deduction of the kind indicated in Section 3.07(b)(i) occur, the Recipient shall pay such increased amount to ensure that for each payment, the net amount received by the Bank is equal to the full amount of the reimbursement indicated in Section 3.04.
- 3.08. If the Recipient requests to the Bank in writing and if the Bank so agrees, the Investor designated by the Recipient may make any payment under Section 3.04 above directly to the Bank on behalf of the Recipient; provided that the Recipient shall make any such payment to the Bank when the designated Investor fails to do so.
- 3.09. This Agreement shall be free from any Taxes levied by, or in the territory of the Republic of Cabo Verde, or in connection with their execution, delivery or registration.

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

- 4.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the conditions specified below have been satisfied.
  - (a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.
  - (b) The Loan Agreement, the CCEFCF Financing Agreement, the Financing Agreement and the CCEFCF Grant Agreement have been executed and delivered and all conditions precedent to the effectiveness of said agreements (other than the execution and effectiveness of this Agreement) have been fulfilled.
- 4.02. By signing the Grant Agreement, the Recipient shall be deemed to represent and warrant that on the Signature Date, the Grant Agreement has been duly authorized by, and executed and delivered on behalf of the Recipient and is legally binding upon the Recipient in accordance with its terms, except where additional action is required to make such Grant Agreement legally binding. Where additional action is required following the Signature Date, the Recipient shall notify the Bank when such additional action has been taken. By providing such notification, the Recipient shall be deemed to represent and warrant that on the date of such notification the Grant Agreement is legally binding upon the Recipient in accordance with its terms.
- 4.03. Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice



AGREED as of the Signature Date.

**REPUBLIC OF CABO VERDE**

**By**

*Olavo Avelino Garcia Correia*

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

**Name:** Olavo Avelino Garcia Correia  
\_\_\_\_\_

**Title:** Minister of finance  
\_\_\_\_\_

**Date:** 17-jan-2022  
\_\_\_\_\_

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**  
acting as Technical Partner of the  
Global Infrastructure Facility

**By**

*LL*

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

**Name:** Luc Lecuit  
\_\_\_\_\_

**Title:** Acting Country Director  
\_\_\_\_\_

**Date:** 13-Jan-2022  
\_\_\_\_\_

**SCHEDULE 1**  
**Project Description**

The objectives of the Project are to: (i) increase renewable energy generation; and (ii) improve the performance of the electricity utility in Cabo Verde by leveraging private finance.

The Project consists of the parts described in Schedule 1 to the Loan Agreement.

**SCHEDULE 2**

**Project Execution**

**Section I. Institutional and Other Arrangements**

The provisions of Section I in Schedule 2 to the Loan Agreement are incorporated herein by reference and apply to the Project.

**Section II. Project Monitoring, Reporting and Evaluation**

The provisions of Section II in Schedule 2 to the Loan Agreement are incorporated herein by reference and apply to the Project.

**Section III. Withdrawal of Grant Proceeds**

**A. General**

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

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Consulting services under Part 2 of the Project	2,000,000	100%
<b>TOTAL AMOUNT</b>	2,000,000	

**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, except that withdrawals up to an aggregate amount not to exceed \$ 400,000 may be made for payments made prior to this date but on or after the date falling twelve months prior to the Signature Date, for Eligible Expenditures.
2. The Closing Date is December 31, 2026.



## APPENDIX

### Section I. 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. “Effective Date” means the date when this Agreement shall become effective and is referred to in Section 4.03 of this Agreement.
4. “Financial Close” means the date on which the debt, equity and/or other financing agreements that are necessary for commencement of implementation of the Proposed Project: (i) are fully executed between the investor(s) selected by the Recipient (the “Investor(s)”) and the relevant parties for the financing of the Proposed Project, and (ii) became effective.
5. “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.
6. “Long-Stop Date” means the date falling three (3) years after the Closing Date, or such other date as the Bank shall establish by notice to the Recipient.
7. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
8. “Proposed Project” means the proposed project for the preparation of which the Bank has made the Grant, comprising the restructuring and privatization of ELECTRA.
9. “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.
10. “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.
11. “Recipient’s Withdrawal from the Project” means any of the following events:

- (A) the Bank notifies the Recipient of a failure by the Recipient to carry out the Project in accordance with the provisions of this Agreement, and such failure continues for no less than thirty (30) consecutive calendar days after the Bank's notice; or
  - (B) the Recipient either: (i) cancels any unwithdrawn amount of the Grant under Section 4.01 of the Standard Conditions before completion of the execution of the Project or the Closing Date, whichever is earlier, or (ii) notifies the Bank of its withdrawal from the Proposed Project. Notwithstanding the foregoing, if the Recipient makes such cancellation or withdrawal with the prior concurrence of the Bank, due to the determination by the Recipient that the Proposed Project is no longer considered viable, either based on Proposed Project preparation, appraisal and structuring work, or because the Proposed Project fails to receive a viable bid, or because a winning bidder of the Proposed Project fails to secure necessary financing, then the cancellation or withdrawal by the Recipient shall not constitute the Recipient's Withdrawal from the Project.
12. "Withdrawn Grant Balance" means all or part of the amounts of the Grant withdrawn from the Grant Account and outstanding from time to time.