Scaling-up Renewable Energy Program under the Strategic Climate Fund Grant Agreement

(Lesotho Renewable Energy and Energy Access Project)

between

KINGDOM OF LESOTHO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

acting as an implementing entity of the Scaling-up Renewable Energy Program under the Strategic Climate Fund
SCALING-UP RENEWABLE ENERGY PROGRAM UNDER THE STRATEGIC CLIMATE FUND GRANT AGREEMENT

AGREEMENT dated as of the Signature Date between: KINGDOM OF LESOTHO ("Recipient"); and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Bank"), acting as an implementing entity of the Scaling-up Renewable Energy Program under the Strategic Climate 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: (a) in the Standard Conditions; (b) in the Appendix to this Agreement; or (c) in the Appendix to the IDA Financing Agreement with the following modification: the term “Association” shall be read as the “Bank”.

**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: (a) cause the Project Implementing Entity to carry out Parts 1 and 2(a) of the Project; (b) carry out Parts 2(b) and 3 of the Project through MEM; and (c) carry out Part 4 of the Project through the Coordinating Authority; all in accordance with the provisions of Article II of the Standard Conditions, Schedule 2 to this Agreement and the Project 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 nine hundred thousand United States Dollars ($4,900,000) ("Grant") to assist in financing Parts 2(a) and 3 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 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
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 has been satisfied:

(a) the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary corporate or governmental action;

(b) the IDA Financing Agreement has been signed and delivered by all the parties to such agreement, and all conditions precedent to its effectiveness (other than the fulfillment of effectiveness of this Agreement) have been fulfilled; and

(c) the SREP Loan Agreement has been signed and delivered by all the parties to such agreement, and all conditions precedent to its effectiveness (other than the fulfillment of effectiveness of this Agreement) have been fulfilled.

4.02. 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 or, if the Bank so requests, a certificate satisfactory to the Bank of a competent official of the Recipient, showing that this Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Recipient and is legally binding upon it 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 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.

4.04. 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 (the Effectiveness Deadline), 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

5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister responsible for finance.

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

Ministry of Finance
P.O. Box 395
Maseru 100
Kingdom of Lesotho; and

(b) the Recipient’s Electronic Address is:

Facsimile:
(266) 22 310 157
(266) 22 310 622

5.03. 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: E-mail:
248423 (MCI) or 64145 (MCI) 1-202-477-6391 mmarienelly@worldbank.org
AGREED at the Signature Date.

KINGDOM OF LESOTHO

By

Authorized Representative

Name: MDEKETS MAJORD
Title: MINISTER
3.13.2020

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as implementing entity of the Scaling-up Renewable Energy Program under the Strategic Climate Fund

By

Authorized Representative

Name: MAURICE FRANCOIS MAURICE-MILLY
Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to increase access to electricity in rural and peri-
urban areas of the Recipient.

The Project consists of the parts set forth in Schedule 1 (Project Description) of
the IDA Financing Agreement.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements.

1. The institutional and other arrangements described in Section I of Schedule 2 to the IDA Financing Agreement are hereby incorporated by reference in this Section and, unless the context otherwise requires, shall apply, mutatis mutandis, to the Grant, and the Recipient hereby undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.

2. For greater clarity and the avoidance of doubt, in view of the incorporation of Section I of Schedule 2 to the IDA Financing Agreement in this Agreement pursuant to the preceding paragraph, if the IDA Financing Agreement terminates prior to the termination of this Agreement, such termination shall have no effect for purposes of this Agreement, and the provisions of the IDA Financing Agreement incorporated in this Agreement pursuant to the preceding paragraph shall continue in full force and effect between the Recipient and the Bank for purposes of this Agreement following and notwithstanding such termination of the IDA Financing Agreement.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

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 quarter, covering the calendar quarter.

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 Costs and Incremental Operating Costs under Part 2(a) of the Project | 2,000,000 | 36% |
| (2) Goods, works, non-consulting services, consulting services, Training Costs and Incremental Operating Costs under Part 3 of the Project | 2,900,000 | 100% |
| **TOTAL AMOUNT** | **4,900,000** | |

### 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 USD 980,000 may be made for payments made prior to this date but on or after December 5, 2019, for Eligible Expenditures.

2. The Closing Date is January 31, 2027.
APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General 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 IV.A of Schedule 2 to this Agreement.

3. “IDA Financing Agreement” means the agreement signed between the Recipient and the Association for the financing of Parts 1, 2(b) and 4 of the Project.

4. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.

5. “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.