H. E. Américo d'Oliveira dos Ramos
Minister of Planning and Public Administration
Ministry of Planning and Public Administration
Caixa postal 168
São Tomé
São Tomé and Príncipe

Re: Democratic Republic of São Tomé and Príncipe: Adaptation to Climate Change Project
(GEF Grant No. TF099869)
Second Amendment

Excellency:

We refer to the Global Environment Facility Grant Agreement (the “Agreement”), dated June 20, 2011 for the above mentioned Project between the Democratic Republic of São Tomé and Príncipe (the “Recipient”) and the International Bank for Reconstruction and Development (the “World Bank”) acting as Implementing Agency of the Global Environmental Facility (GEF), as amended. We also refer to the Recipient's letter dated July 10, 2015, requesting the World Bank to allow for cash compensation under the Project.

We are pleased to inform you that the World Bank has agreed to your request and proposes to amend the Agreement as follows:

1. Part B. 2. to Schedule I to the Agreement is amended to include the following:

“(c) Provision of Cash Compensation for lost assets and lost production of crops and fruit trees to a number of Affected Persons in the Recipient’s pilot communities referred to in Part B.1 of the Project”.

2. (i) The following new paragraph 3 is added to Section I to the Appendix to the Agreement and former paragraphs 3 to 16 are renumbered 4 to 17:

“3. “Cash Compensation” means a monetary compensation, based on standard compensation rates established and published by the Recipient’s ministry responsible for agriculture, for lost assets and lost production of crops and fruit trees. Such compensation to be paid to Affected Persons who are making part of their agricultural concession land available for settlement by households threatened by coastal storms and flooding, as well for protection works benefiting the larger community against these recurrent disasters.”

(ii) Paragraph 14 of Section I to the Appendix to the Agreement is revised as follows:

guidelines and procedures for preparation of Resettlement Action Plans, in the likely event of acquisition of rights of land, resettlement procedures and compensation of Affected Persons, institutional arrangements, including valuation procedures, budget, public consultation and participation, monitoring and evaluation, and disclosure, as the same may be amended from time to time with the agreement of the World Bank.”

3. The table in Section IV. 2 of Schedule 2 to the Agreement is deleted and replaced with the following:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive/exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works and consultant’s services under the Project, except for Part B.2.(c)</td>
<td>3,495,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Operating Costs and Training</td>
<td>600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Cash Compensation under Part B.2.(c) of the Project</td>
<td>5,000</td>
<td>100% of amount disbursed</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>4,100,000</td>
<td></td>
</tr>
</tbody>
</table>

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Elisabeth Huybens
Country Director for São Tomé and Príncipe
Africa Region

AGREED:

DEMOCRATIC REPUBLIC OF SÃO TOMÉ AND PRÍNCIPE

By:   
Authorized Representative

Name: AMERICO D'OLIVEIRA DOS RAMOS

Title: MINISTER OF FINANCE AND PUBLIC ADMINISTRATION

Date: 12.08.2015