SCALING UP RENEWAL ENERGY PROGRAM IN LOW-INCOME COUNTRIES 
(SREP)

Grant Agreement

Rural Electrification Project II

between

REPUBLIC OF VANUATU

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

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

Dated 23 July, 2017
SCALING UP RENEWABLE ENERGY PROGRAM IN LOW-INCOME COUNTRIES

GRANT AGREEMENT

AGREEMENT dated 23 July 2017, entered into between:

the REPUBLIC OF VANUATU ("Recipient"); and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"), acting as an implementing entity of the Scaling-up Renewable Energy Program under the Strategic Climate Fund

WHEREAS, (A) the Recipient has requested the Association to extend a credit and a grant in the amount of three million Special Drawing Rights (SDR 3,000,000.00) ("Financing") to assist in the financing of the Project, pursuant to a financing agreement to be signed between the Recipient and the Association ("Financing Agreement")

(B) the Recipient has also requested the Association, acting as administrator of the Pacific Region Infrastructure Facility ("PRIF") multi-donor trust fund, to make available to the Recipient a grant in the amount of three million four and fifty thousand United States Dollars (US$3,450,000.00) to assist in the financing of the Project, pursuant to a grant agreement to be signed between the Recipient and the Association ("PRIF Grant Agreement")

The Recipient and the Association hereby agree as follows:

Article I - Standard Conditions; Definitions


1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Appendix to the Financing Agreement, the Standard Conditions or in this Agreement.
Article II - The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to the Financing Agreement ("Project"). To this end, the Recipient shall carry out the Project through the Ministry of Climate Change and Natural Disasters in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Section 2.03 of this Agreement.

2.03. Project Execution Generally. Section I (Institutional and Implementation Arrangements), Section II (Project Monitoring, Reporting and Evaluation), Section III (Procurement), and Section IV (Withdrawal of the Proceeds of the Financing) of Schedule 2 (except for Section IV.B(2) for the PRIF Grant Agreement - Closing Date) to the Financing Agreement are hereby incorporated by reference and shall apply, mutatis mutandis, to this Agreement, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement, provided that for the purposes of this Agreement: (1) the references to the "Financing" in said Sections shall be construed as references to the Grant provided for under this Agreement; (2) the reference to Section 4.08 of the General Conditions in Section II.A of Schedule 2 to the Financing Agreement shall be construed as reference to Section 2.06 of the Standard Conditions; (3) the references to Section 4.09 and 4.09 (b) of the General Conditions in Section II.B of Schedule 2 to the Financing Agreement shall be construed as references to Section 2.07 and 2.07 (b) of the Standard Conditions; and (4) the reference to Article II of the General Conditions in Section IV.A(1) of Schedule 2 to the Financing Agreement shall be construed as reference to Article III of the Standard Conditions.

Article III - The Grant

3.01. The Association 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 six million seven hundred seventy thousand United States Dollars (US$ 6,770,000.00) ("Grant") to assist in financing the Project described in Schedule 1 to the Financing Agreement.
3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to the Financing Agreement.

3.03. The Grant is funded out of the above mentioned trust fund for which the Association receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the Association's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the above mentioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV - Donor Visibility and Visit

4.01. The Recipient shall take or cause to be taken all such measures as the Association may reasonably request to identify publicly the Donors' support for the Project.

4.02. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the Association's request, enable the representatives of the Donors to visit any part of Recipient's territory for purposes related to the Project.

Article V - Effectiveness; Termination; Closing Date

5.01. Condition of effectiveness. This Agreement shall not become effective until evidence satisfactory to the Association has been furnished to the Association that the Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

5.02. Effective Date. Except as the Recipient and the Association shall otherwise agree, this Agreement shall enter into effect on the date upon which the Association 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 Association to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Association may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.03. 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 Association, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Association shall promptly notify the Recipient of such later date.

5.04 Closing Date. The Closing Date is June 30, 2022.
Article IV - Recipient's Representative; Addresses

6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister at the time responsible for Finance and Economic Management.

6.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance and Economic Management
PMB 9058
Port Vila, Vanuatu

Telex: Facsimile:
67823032 67827937

6.03. The Association's Address referred to in Section 7.01 of the Standard Conditions is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex: Facsimile:
248423 (MCI) or 1-202-477-6391
64145 (MCI)
AGREED at Port Vila, Vanuatu as of the day and year first above written.

REPUBLIC OF VANUATU

By

Authorized Representative

Name: Hon. Gaetan Pikionne (MP)
Title: Minister of Finance & Economic Management

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

By

Authorized Representative

Name: Michel Kerf
Title: Country Director