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United Nations Development Programme
Country: Republic of Sao Tome and Principe
PROJECT DOCUMENT

Project Title: Promotion of environmentally sustainable and climate-resilient grid/isolated grid-based hydroelectric electricity through an integrated approach in Sao Tome and Principe.

UNDAF Outcome(s): #4 – By 2016, the Government and districts, as well as the population, adopt techniques and behaviour that promote a sustainable environment and ensure better prevention and management of risks and natural disasters.

UNDP Strategic Plan Focus Area: Environment and Sustainable Development: Promoting the use of renewable energy and alternative sustainable habitats.

Mainstreaming environment and energy.

Executing Entity/Implementing Partner: Ministry of Public Works, Infrastructure, Natural Resources and Environment (MPWINRE).

Other Implementing Partners: Empresa da Agua e Electricidade (EMAE – Water and Electricity Company), Ministry of Agriculture, Fisheries and Rural Development.

Implementing Entity/Responsible Partners: United Nations Development Programme.

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Brief Description: The objective of the project is to introduce an integrated energy and ecosystems-based approach to grid/isolated-grid-based mini/small hydro-electricity generation in Sao Tome and Principe by leveraging \$ 20.7 million in multilateral and private sector financing over its five-year implementation period. This, in turn, is expected to generate direct global benefits of 137,200 tons of CO₂ over the same period and 36,850 tons CO₂/yr thereafter in avoided greenhouse gas (GHG) emissions. When one looks at the 25 year lifetime of the hydropower stations earmarked for development during the 5-year project period, the power station would have generated 365,000 MWh, with a combined amount of CO₂ reduced of 874,200 (737,000 + 137,200) tons, including the CO₂ reduction related to sustainable land and forest management; this is equivalent to \$ 6 of GEF funds per tCO₂. The project will achieve this target by introducing a conducive regulatory framework and by establishing a financial support mechanism that together will facilitate private sector participation in increasing the share of hydropower electricity generation in the country.

In addition, in order to ensure the availability of hydro resources for electricity generation (and irrigation for job creation), the project will implement an integrated watershed management approach. It aims at integrating natural resource management with community livelihoods improvement in a sustainable way and within a landscape approach. The project will introduce innovative participative methods of natural resource management, conservation farming and agro-ecology. This will be achieved through watershed level land use planning and implementation of community forests over 6,000 ha, sustainable agricultural land management practices over 10,000 ha, and income generating activities (such as mushrooms, medicinal plants, ecotourism, etc.) for rural communities. This landscape approach will be sustained by a financial mechanism between the private hydroelectricity producers and the upstream communities, based on the maintenance of environmental services (water supply regulation).

Programme Period:	2011-2015
Atlas Award ID:	00087589
Project ID:	00094537
PIMS #	4602
Start date:	January 2016
End Date:	December 2020
Management Arrangements:	NIM
PAC Meeting Date:	TBD

<i>Total resources required (total project fund)</i>	\$25,980,248
- Regular (UNDP)	\$1,000,000
- GEF	\$5,274,544
Other (partner managed sources)	
• Government	\$15,382,704
• Private sector (banks)	\$800,000
• Private sector (IPPs)	\$3,400,000
• NGO	\$123,000
•	

Agreed by (Government):

Date/Month/Year

Carly 20/01/2016

Agreed by (Executing Entity/Implementing Partner):

Date/Month/Year

Agreed by (UNDP):

Date/Month/Year

[Signature]

23.01.2016