Project Agreement

(Wind Power Development Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

and

EGYPTIAN ELECTRICITY TRANSMISSION COMPANY

Dated November 4, 2010
PROJECT AGREEMENT

Agreement dated November 4, 2010, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and EGYPTIAN ELECTRICITY TRANSMISSION COMPANY ("Project Implementing Entity") ("Project Agreement") in connection with the Loan Agreement ("Loan Agreement"), the CTF Loan Agreement, and the CTF Grant Agreement of same date between ARAB REPUBLIC OF EGYPT ("Borrower") and the Bank. The Bank and the Project Implementing Entity hereby agree as follows:

ARTICLE I - GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) constitute an integral 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 Loan Agreement or the General Conditions, and in the Appendix to this Agreement.

ARTICLE II - PROJECT

2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article V of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III – EFFECTIVE DATE; TERMINATION

3.01. This Agreement shall come into force and effect on the date upon which the Loan Agreement and the CTF Loan Agreement become effective.

3.02. This Agreement and all obligations of the Bank and of the Project Implementing Entity thereunder shall terminate on the date on which the Loan Agreement shall terminate in accordance with its terms, and the Bank shall promptly notify the Project Implementing Entity thereof.
3.03. All the provisions of this Agreement shall continue in full force and effect notwithstanding any cancellation or suspension under the General Conditions.

ARTICLE IV - REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is the Chairman of the Board of the Egyptian Electricity Transmission Company.

4.02. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433
United States of America

Cable: INTBAFRAD
Telex: 248423(MCI) or 1-202-477-6391
Facsimile: 64145(MCI)

4.03. The Project Implementing Entity’s Address is:

EGYPTIAN ELECTRICITY TRANSMISSION COMPANY
Abassia, Nasr City
Cairo, Arab Republic of Egypt

Facsimile: 202 26843824
AGREED at Cairo, Arab Republic of Egypt, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Shamshad Akhtar

Authorized Representative

EGYPTIAN ELECTRICITY TRANSMISSION
COMPANY

By /s/ Fathalla Lotfy Shalaby

Authorized Representative
SCHEDULE

Execution of the Project

Section I.  Project Implementation

A. Institutional Arrangements

The Project Implementing Entity shall: (i) maintain the PMU throughout the duration of the Project; and (ii) implement the Project in accordance with the provisions set forth in Schedule 2 to the Loan Agreement and in Schedule 2 to the CTF Loan Agreement and Grant Agreement.

B. Project Implementation and Management

The Project Implementing Entity shall maintain arrangements, acceptable to the Bank, for the carrying out of the Project in accordance with the ESMP and the RPF. Except as the Bank shall otherwise agree, the Project Implementing Entity shall not amend or waive any provision of the ESMP and the RPF, if, in the opinion of the Borrower or of the Bank, such amendment or waiver may materially and adversely affect the carrying out of the Project or the achievement of the objectives thereof.

C. Anti-Corruption

The Project Implementing Entity shall ensure that the Project is carried out in accordance with the provisions of the Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, dated October 15, 2006.

D. Safeguards

The Project Implementing Entity shall ensure that: (i) remedial measures are taken during the implementation and operation of the Project to offset or reduce adverse environmental impacts to levels set forth in the ESMP; and (ii) all land acquisition required for the purposes of carrying out activities under the Project, and activities related to resettlement and rehabilitation of persons (if any) under the Project in connection with such activities, shall be completed prior to commencing the carrying out of such activities, and in accordance with the provisions set forth in the RPF.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports for the Project in accordance with the provisions of Section 5.08(b) of the General Conditions and on the basis of the indicators agreed with the Bank. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Borrower not later than one month after the end of the period covered by such report for incorporation and forwarding by the Borrower to the Bank of the overall Project Report.

2. The Project Implementing Entity shall provide to the Borrower not later than three months after the closing date, for incorporation in the report referred to in Section 5.08(c) of the General Conditions (Completion Report) all such information as the Borrower or the Bank shall reasonably request for the purposes of that Section.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare its financial statements, in accordance with consistently applied accounting standards acceptable to the Bank. These financial statements shall be prepared in a manner adequate to reflect their respective operations and financial condition.

2. The Project Implementing Entity shall have its financial statements (balance sheets, statements of income and expenses and related statements), for each fiscal year, audited, by the Borrower's Central Auditing Organization in accordance with consistently applied auditing standards acceptable to the Bank. The audited financial statements for each fiscal year shall be furnished to the Bank not later than six (6) months after the end of the period.

3. The Project Implementing Entity shall prepare interim un-audited financial reports for the Project covering the quarter, in form and substance acceptable to the Bank and shall furnish to the Bank such reports not later than forty five (45) days after the end of each calendar quarter.

Section III. Procurement

A. General

1. Works and Goods. All works and goods required for the Project and to be financed out of the proceeds of the Loan or the proceeds of the CTF Loan shall
be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants’ Services.** All consultants’ services required for the Project and to be financed out of the proceeds of the CTF Loan or the proceeds of the CTF Grant shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. **Definitions.** The bold capitalized terms used below in this Section to describe the particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines or the Consultant Guidelines.

B. **Particular Methods of Procurement of Works and Goods**

**International Competitive Bidding.** Works and goods shall be procured under contracts awarded on the basis of International Competitive Bidding procedures. The draft bidding documents for such procurement of works and goods shall incorporate the practices and procedures agreed upon between the Borrower and the Bank and shall be furnished to the Bank for its approval.

C. **Particular Methods of Procurement of Consultants’ Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.**

The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (a) Selection under a Fixed Budget; (b) Selection based on Consultants’ Qualifications; (c) Single-source Selection; and (d) Selection of Individual Consultants.

D. **Review by the Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Bank’s Prior Review. All other contracts shall be subject to Post Review by the Bank.
APPENDIX

Definitions

1. “Financial Report” means each report prepared in accordance with the provisions of Section II.B of the Schedule to this Project Agreement.

2. “Fiscal Year” means, individually, the twelve (12) month period corresponding to any of the Borrower’s or the Project Implementing Entity’s fiscal years, which period commences on July 1 and ends on June 30 in each calendar year, and the term “Fiscal Years” means, collectively, more than one Fiscal Year.

3. “Procurement Plan” means the Project Implementing Entity’s procurement plan for the Project, dated May 11, 2010, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

4. “PMU” means the Project Management Unit, referred to in Section I.A. of the Schedule to this Project Agreement.