Project Agreement
(Energy Sector Utility Reform Project)

Between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY

Dated: April 8, 2015
CREDIT NUMBER 5333-SL

PROJECT AGREEMENT

AGREEMENT dated April 8 2015, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY ("Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") dated January 17, 2014, between the REPUBLIC OF SIERRA LEONE ("Recipient") and the Association, as amended. The Association 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 Financing 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 Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

2.01. The Project Implementing Entity declares its commitment to the objective of the Project and the Program. To this end, the Project Implementing Entity shall carry out Parts 1 and 2 of the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for said Parts 1 and 2 of the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out Parts 1 and 2 of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

3.01. For purposes of Section 8.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is its Director General.
4.02. The Association’s Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America

Cable: INDEVAS  Telex: 248423(MCI)  Facsimile: 1-202-477-6391

Washington, D.C.

4.03. The Project Implementing Entity’s Address is:

Electricity House
36 Siaka Steven Street
Freetown
Sierra Leone
AGREED at Washington, D.C., USA and Freetown, Sierra Leone, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]
Authorized Representative

Name: Sergiy Kulev
Title: Acting Country Director

ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY

By

[Signature]
Authorized Representative

Name: Alhaji Timbo
Title: AD. Director General
SCHEDULE

Execution of Parts 1 and 2 of the Project

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. Board of Directors

(a) The Project Implementing Entity shall designate, at all times during the implementation of Parts 1 and 2 of the Project, its Board of Directors, to be responsible for, inter alia: (i) appointment of the Contractor under Part 1 of the Project; and (ii) prompt and efficient oversight of implementation of activities under Parts 1 and 2 of the Project, and to this end, shall take all actions including the provision of funding, personnel and other resources necessary to enable said Board of Directors to perform said functions.

(b) The Project Implementing Entity, through the Board of Directors, shall establish and thereafter maintain, at all times during the implementation of said Parts 1 and 2 of the Project, a Steering Committee, to be responsible for, inter alia: (i) monitoring, evaluating and reporting on the performance of the Contractor to the Board of Directors; (ii) reviewing progress made towards achieving the objectives of said Parts 1 and 2 of the Project; and (iii) facilitating coordination of activities under said Parts 1 and 2 of the Project and removal of any obstacle(s) to the implementation of said Parts 1 and 2 of the Project, and shall take all actions including the provision of funding, personnel and other resources necessary to enable said Steering Committee to perform said functions.

2. Project Implementation Unit

The Project Implementing Entity shall establish and thereafter maintain, at all times during the implementation of Parts 1 and 2 of the Project, the Project Implementation Unit, to be responsible for day to day execution, coordination and management (including procurement, financial management, environmental and social safeguards, monitoring and evaluation, supervision, reporting and communication aspects) of activities under Part 2 of the Project. To this end, the Project Implementing Entity shall take all actions, including the provision of funding, personnel (including, among others, a Project manager, a procurement specialist, a financial management specialist and an environmental and social development specialist), and other resources satisfactory to the Association, to enable the Project Implementation Unit to perform said functions.

B. Anti-Corruption

The Project Implementing Entity shall ensure that Parts 1 and 2 of the Project are carried out in accordance with the provisions of the Anti-Corruption Guidelines.
C. Safeguards

1. The Project Implementing Entity shall ensure that Parts 1 and 2 of the Project are carried out in accordance with the Safeguard Frameworks and Safeguard Instruments. To this end, the Project Implementing Entity shall ensure that the following actions are taken in a manner acceptable to the Association:

   (a) if any activity would, pursuant to the Environmental and Social Management Framework ("ESMF"): (i) require the carrying out of an Environmental and Social Impact Assessment ("ESIA"), the Project Implementing Entity shall ensure that an ESIA for such activity is: (A) carried out, in accordance with the requirements of the ESMF and furnished to the Association for review and approval; and (B) disclosed as required by the ESMF and approved by the Association; and (ii) require the preparation of an Environmental and Social Management Plan ("ESMP"), such ESMP is prepared in accordance with the ESMF and furnished to the Association for review and approval, and is disclosed as required by the ESMF and approved by the Association; and

   (b) if a Resettlement Action Plan ("RAP") would be required for any activity on the basis of the Resettlement Policy Framework ("RPF"): (i) said RAP shall be prepared in accordance with the requirements of the RPF, furnished to the Association for review and approval, and disclosed as required by the RPF and approved by the Association; and (ii) no works under said activity shall be commenced until all measures required to be taken under said RAP prior to the initiation of said works have been taken.

2. Without limitation upon its other reporting obligations under this agreement and under Section 4.08 of the General Conditions, the Project Implementing Entity shall include in the Project Reports referred to in Section II.A of this Schedule, adequate information on the implementation of the Safeguard Frameworks and Safeguard Instruments, giving details of: (a) measures taken in furtherance of such Safeguard Frameworks and Safeguard Instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Frameworks and Safeguard Instruments; and (c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such Safeguard Frameworks and Safeguard Instruments.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of Parts 1 and 2 of the Project and prepare Project Reports for said Parts 1 and 2 of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later than one
week after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

2. The Project Implementing Entity shall provide to the Recipient not later than one week, for incorporation in the report referred to in Section 4.08(c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to Parts 1 and 2 of the Project.

2. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one Fiscal Year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association not later than six months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

Section III. Procurement

All goods, works, non-consulting services and services required for Parts 1 and 2 of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.