Project Agreement

(Emergency Infrastructure Project)

among

REPUBLIC OF LIBERIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

UNITED NATIONS DEVELOPMENT PROGRAMME

Dated October 26, 2006
PROJECT AGREEMENT

Agreement dated October 26, 2006, entered into among the REPUBLIC OF LIBERIA ("Recipient"), the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and the UNITED NATIONS DEVELOPMENT PROGRAMME ("Project Implementing Entity") ("Project Agreement").

WHEREAS (A) the Recipient and the Association have entered into a Financing Agreement dated August 8, 2006 ("Financing Agreement"), for the financing of the Emergency Infrastructure Project (Grant Number H236-LBR), described in Schedule 1 to the Financing Agreement ("Project");

(B) the Recipient has requested the Association to provide further assistance for purposes of scaling up the activities to be financed under the Project by providing additional financing in an amount equivalent to eleven million, two hundred thousand Special Drawing Rights (SDR 11,200,000), the term Project to hereinafter include such expanded activities, as set forth in the Agreement Amending the Financing Agreement between the Recipient and the Association;

(C) the Recipient has further requested that Parts C.2 and D of the Project be implemented on its behalf by the Project Implementing Entity; and

NOW THEREFORE the Recipient, 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 the Project Agreement have the meanings ascribed to them in the Financing Agreement, the Agreement Amending the Financing Agreement, or the General Conditions.

ARTICLE II—PROJECT

2.01. The Recipient undertakes to fulfill all its obligations as set forth in the Financing Agreement to facilitate the implementation of Parts C.2 and D of the Project (hereinafter referred to as the Project Implementing Entity’s “Respective Parts of the Project”) by the Project Implementing Entity.
2.02. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out its Respective Parts 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 its Respective Parts of the Project.

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

ARTICLE III

Effective Date

3.01. This Agreement shall come into force and effect on the date upon which the Agreement Amending the Financing Agreement becomes effective.

ARTICLE IV – REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is the UNDP Resident Representative.

4.02. The Recipient’s Address is:

Minister of Finance  
Ministry of Finance  
Broad Street  
1000 Monrovia 10  
Liberia

4.03. The Association’s Address is:

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

Cable: INTBAFRAD  
Telex: 248423(MCI) or 64145(MCI)  
Facsimile: 1-202-477-6391
4.04. The Project Implementing Entity’s Address is:

United Nations Development Programme
United Nations Drive
Mamba Point
Monrovia, Liberia

AGREED at Monrovia, Republic of Liberia, as of the day and year first above written.

REPUBLIC OF LIBERIA

By /s/ Antoinette Sayeh
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Luigi Giovine
Authorized Representative

UNITED NATIONS DEVELOPMENT PROGRAMME

By /s/ Jordan Ryan
Authorized Representative
SCHEDULE

Execution of the Project Implementing Entity’s Respective Parts of the Project

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall work closely with the Recipient’s Ministry of Public Works, Liberia Water and Sewer Corporation, and the Monrovia City Corporation in the implementation of its Respective Parts of the Project.

2. The Project Implementing Entity shall implement or cause Part C.2 of the Project to be implemented in accordance with the Joint Project Implementation Document, and ensure that the Association’s approval is obtained prior to amending, abrogating or waiving any of the provisions of the said Document.

B. Environmental and Social Safeguards

The Project Implementing Entity shall implement or cause its Respective Parts of the Project to be implemented in accordance with the Environmental Management Plan and the Resettlement Action Plan, as the case may be.

C. Annual Work Plan

The Project Implementing Entity shall prepare an annual work plan and budget within three months of the effective date of the Agreement Amending the Financing Agreement for its Respective Parts of the Project for the first year of Project implementation, for the approval of the Recipient and the Association, and thereafter for each subsequent year of Project implementation prepare and submit such plan for approval by the Recipient and the Association, on or about December 15.

D. Technical Audits

The Recipient shall undertake periodic independent technical audits of the implementation of Part C of the Project under terms of reference that are acceptable to the Association. The Project Implementing Entity shall work closely with the Recipient in the undertaking of such audits with respect to Part C.2 of the Project and implement or cause to be implemented the recommendations from such audits in such manner as shall be agreed upon with the Recipient and the Association.
Section II. Project Monitoring, Reporting, Evaluation.

A. Project Reports.

1. (a) The Project Implementing Entity shall monitor and evaluate the progress of its Respective Parts of the Project and prepare Project Reports for its Respective Parts of the Project in accordance with the provisions of Section 4.08 (b) of the General Conditions and on the basis of the indicators set forth below in subparagraph (b) of this paragraph. Each such Project Report shall cover the period of one year, and shall be furnished to the Recipient and the Association not later than one month after the period covered by such report.

   (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

   (i) number of bridges and culverts repaired or constructed.

   (ii) number of skilled and unskilled laborers employed (number of man-months of employment).

   (iii) number of on-site sanitation facilities rehabilitated.

   (iv) total volume of solid waste removed from Monrovia (metric tonnes or m3).

   (c) Without limitation to the generality of sub-paragraph (a) above, the Recipient and the Project Implementing Entity shall carry out jointly with the Association, on or about twelve (12) months after the effective date of the Agreement Amending the Financing Agreement, a comprehensive review to assess the status of implementation of its Respective Parts of the Project. The Project Implementing Entity shall not later than one (1) month before such review prepare and furnish to the Recipient and the Association a report that is satisfactory to the Association in scope and detail for purposes of such review. The Project Implementing Entity shall participate in such other reviews as shall be requested by the Recipient and the Association.


1. The Project Implementing Entity shall maintain a financial management system for its Respective Parts of the Project, including records and accounts, and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, adequate to reflect the operations, resources and expenditures related to its Respective Parts of the Project.
2. Upon the Association’s request, the Project Implementing Entity shall: (i) have the financial statements referred to in subparagraph (1) above audited for the period indicated in the Association’s request, in accordance with auditing standards, acceptable to the Association, by independent auditors acceptable to the Association; (ii) furnish to the Recipient and the Association as soon as available, but in any case not later than six months after the date of the Association’s request for such audit, (A) certified copies of the financial statements referred to in subparagraph (a) above for such period, as so audited, and (B) an opinion on such statements by said auditors, in scope and detail satisfactory to the Association; and (iii) furnish to the Association such other information concerning such records and accounts and the audit of such financial statements, and concerning said auditors, as the Association shall have reasonably requested.

3. The Project Implementing Entity shall prepare and furnish to the Recipient and the Association not later than one (1) month after the end of each calendar quarter, Interim Unaudited Financial Reports for its Respective Parts of the Project covering the quarter, in form and substance satisfactory to the Association.

Section III. Procurement

1. All goods, works and services required for the Project Implementing Entity’s Respective Parts of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the Project Implementing Entity’s procurement guidelines and procedures. The Project Implementing Entity shall exercise the same care and diligence in the administration of the Financing, including in the area of procurement, as it exercises in the administration of its own funds, having due regard to economy and efficiency and the need to uphold the highest standards of integrity in the administration of public funds, including the prevention of fraud and corruption.

2. The Project Implementing Entity shall ensure that all bidding documents and all contracts with contractors, suppliers and consultants (except for contracts with individuals engaged by the Project Implementing Entity) contain a clause giving the Association, as grantor, “the right to inspect the accounts and records and other documents relating to bid/proposal submission and contract performance and to have these accounts, records, and other documents audited by the Association or auditors appointed by the Association.”

3. The Project Implementing Entity shall prepare a Procurement Plan for its Respective Parts of the Project for the first year of Project implementation and submit such plan for the approval of the Association within two (2) months of the Effective Date, and thereafter update such plan annually and submit to the Association all such updates for its approval.