Project Agreement

(Electricity Sector Recovery Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

MADJI NA MWENDJE YA KOMOR - MA-MWE

Dated: September 24, 2013
PROJECT AGREEMENT

AGREEMENT dated September 24, 2013, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and MADJI NA MWENDJE YA KOMOR MA-MWE ("Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between the Union of the Comoros ("Recipient") and the Association. 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 to the Program. To this end, the Project Implementing Entity shall carry out 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 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 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 General Manager (Directeur Général).
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:

Volovolo
Ngazidja
Comoros

Facsimile:
(+269) 773 23 59
AGREED at Moroni, Comoros, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Af  
Title: Chief Director

MADJI NA MWENDJE YA KOMOR MA MWY

By

Authorized Representative

Name: MCIYMI COHIA
Title: DIRETUR GENERAL
SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall establish and maintain under the authority of its Managing Director (Directeur Général), throughout the implementation of the Project, the Fiduciary Team, with mandate, composition and resources acceptable to the Association. In particular, the Project Implementing Entity shall maintain at all times sufficient staff (in the views of the Association), each with adequate (in the views of the Association) terms of reference, qualifications and experience for the Project.

2. Without limitation to the provisions of paragraph (1) immediately above, the Fiduciary Team shall be responsible for the monitoring of Project implementation as well as procurement, financial management and reporting.

3. Without limitation to the provisions of paragraph (1) immediately above, the Fiduciary Team shall include, inter alia: (i) a procurement specialist; and (ii) a financial management specialist, each recruited on the basis of terms of reference, qualifications and experience satisfactory to the Association and in accordance with the provisions of Section III of Schedule 2 to this Agreement.

4. The Project Implementing Entity shall recruit an internal auditor, no later than six (6) months after the Effective Date.

B. Anti-Corruption

The Project Implementing Entity shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Restructuring and Development Plan

1. For the implementation of Part 1 of the Project, the Project Implementing Entity shall prepare a restructuring and development plan and submit it to the Recipient and to its Board of Directors for approval. The restructuring and development plan shall then be submitted to the Association for approval.

2. The Project Implementing Entity shall not commence activities for the implementation of the restructuring and development plan before it has been formally approved by the Recipient and by the Project Implementing Entity’s Board of Directors and then by the Association (the “Restructuring and Development Plan”).
3. The Restructuring and Development Plan may be revised, as needed, during Project implementation subject to the prior approval of the Recipient, the Project Implementation Entity’s Board of Directors (or, as the case may be, of the person to whom the Board of Directors will have delegated such authority) and the Association.

D. Annual Work Plans and Budgets

1. Each year Project Implementing Entity, acting through the Fiduciary Team, shall prepare and submit to the Recipient and to the Association for approval a draft annual work plan and budget for the Project (including Training and Operating Costs) for each subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested.

2. The Project Implementing Entity shall furnish to the Recipient and then the Association, as soon as available, but in any case not later than November 30 of each year, the annual work plan and budget for the following year formally approved by the Recipient, for the Association’s review and approval; except for the annual work plan and budget for the Project for the first year of Project implementation which shall be furnished no later than one (1) month after the Effective Date. Only the activities included in an annual work plan and budget expressly approved by the Association (each an “Annual Work Plan and Budget”) are eligible to a financing from the proceeds of the Financing.

3. Training shall be carried out on the basis of Annual Work Plans and Budgets, which shall, inter alia, identify: (a) particulars of the training envisaged; (b) the personnel to be trained; (c) the selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.

4. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Recipient’s and the Association’s prior approval.

E. Project Implementation Manual

1. (a) The Project Implementing Entity shall carry out the Project in accordance with the Project Implementation Manual; and

(b) the Project Implementing Entity shall not assign, amend, abrogate, or waive the Project Implementation Manual or any provision thereof, if such assignment, amendment, abrogation or waiver may, in the opinion of the Association, materially or adversely affect the implementation of the Project.
2. In the event of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail.

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 in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association and set forth in the Project Implementation Manual. Each such Project Report shall cover the period of one calendar quarter, and shall be furnished to the Recipient not later one (1) month 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 five (5) months after the Closing Date, 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.

3. No later than eighteen (18) months after the Effective Date, or on such other date acceptable to the Association, the Project Implementation Entity shall, in conjunction with the and the Recipient and the Association, carry out a mid-term review of the Project (the "Mid-term Review"), covering the progress achieved in the implementation of the Project. The Project Implementing Entity shall prepare and furnish to the Association not less than three (3) months prior to the beginning of the Mid-term Review, a report integrating the results of the monitoring and evaluation activities performed pursuant to this Agreement and the Financing Agreement, on the progress achieved in the carrying out of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective of the Project during the period following such date. Following the Mid-term Review, the Project Implementing Entity shall act promptly and diligently in order to take, or cause to be taken, any corrective action deemed necessary by the Association to remedy any shortcoming noted in the carrying out of the Project in furtherance of the objective of the Project.

B. Financial Management, Financial Reports and Audits

1. (a) 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 the Project.

(b) Without limitation to the provisions of paragraph (a) immediately above, the Project Implementing Entity shall purchase and install accounting software acceptable to the Association no later than four (4) months after the Effective Date.

2. The Project Implementing Entity shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Project Implementing Entity shall have its financial statements referred to above (including funds used by the Project Implementing Entity for the benefit of EDA) 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 (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

4. In order to ensure the timely carrying out of the audits referred to in Section II. B.3 of this Schedule, the Recipient shall engage auditors for the purpose not later than six (6) months after the Effective Date, in accordance with the provisions of Section III of this Schedule.

Section III. Procurement

All goods and services required for 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.