Road Fund Project Agreement

(AMENDED AND RESTATED)

(Roads and Bridges Management and Maintenance Project- Phase II)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

ROAD FUND (FUNDO DE ESTRADAS)

Dated February 24, 2014
PROJECT AGREEMENT
AMENDED AND RESTATED

AGREEMENT dated February 24, 2014, entered into between the INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and the ROAD FUND (“Fundo de Estradas” or “Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Amended and Restated Financing Agreement”) of same date between the REPUBLIC OF MOZAMBIQUE (“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 Amended and Restated Financing Agreement or the General Conditions.

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 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(e) 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 the Chairman of its Board.

4.02. The Association’s Address is:

International Development Association
1818 H Street, N.W.
Washington, DC 20433
United States of America
Cable: INDEVAS
Telex: 248423(MCI)
Facsimile: 1-202-477-6391

4.03. The Project Implementing Entity’s Address is:

Fundo de Estradas
Av. Mártires de Inhaminga, Number 170,
First Floor
C.P. 797
Maputo
Republic of Mozambique

Facsimile:

258 21 305035
AGREED at Maputo, Republic of Maputo, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]
Authorized Representative

Name: Mark R. Lundell
Title: Country Director

FUNDO DE ESTRADAS

By

[Signature]
Authorized Representative

Name: Cecilio Grachane
Title: CHAIRMAN
SCHEDULE

Project Execution

Section I. Institutional and Other Arrangements

A. Subsidiary Agreement

To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity, under the terms and conditions approved by the Association ("Subsidiary Agreement") and provided under Section I.A. of the Amended and Restated Financing Agreement.

B. Institutional Arrangements

1. The Project Implementing Entity shall, at all times during Project implementation, maintain its departments in charge of the implementation, coordination and oversight of its Respective Part of the Project, with competent staff in adequate numbers, qualifications and experience satisfactory to the Association (including monitoring and evaluation, procurement, and financial management specialists), with responsibility for implementing its Respective Part of the Project.

2. The Project Implementing Entity shall:

   (a) carry out the Project in accordance with a manual (the PIM) in form and substance satisfactory to the Association, containing detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) disbursement and financial management; (iii) procurement; (iv) environmental and social impact screening guidelines; (v) monitoring, evaluation, reporting and communication; and (vi) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

   (b) carry out the Project in accordance with the arrangements and procedures set out in the PIM (provided, however, that in case of any conflict between the arrangements and procedures set out in the PIM and the provisions of this Agreement, the provisions of this Agreement shall prevail) and, except as the Association shall otherwise agree, shall not amend, abrogate or waive any provision of the PIM, if such amendment, abrogation or waiver shall, in the opinion of the Association, materially or adversely affect the implementation of the Project.
3. The Project Implementing Entity shall, in accordance with paragraph C of Section I of Schedule 2 to the Financing Agreement, ensure that the Project is implemented in accordance with the provisions of the EAs, RPF, and the ARAP and in a manner and substance satisfactory to the Association.

C. Anti-Corruption

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

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 its Respective Parts of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the Monitoring and Evaluation Indicators. 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 consolidated Project Report.

2. The Project Implementing Entity shall provide to the Recipient not later than June 30, 2017, for incorporation in the report referred to in Section 4.08(c) of the General Conditions all such information related to the Project 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 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 (1) fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (i) furnished to the Recipient and the Association not later than six (6) months
after the end of the period; and (ii) made publicly available in a timely fashion and in a manner acceptable to the Association.

Section III. **Procurement**

All goods, works and services and non-consulting 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.