Project Agreement

(Rural Electrification Hybrid System Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as Administrator of the Global Partnership on Output-based Aid

and

L'AGENCE MALIENNE POUR LE DEVELOPPEMENT DE L'ENERGIE DOMESTIQUE ET DE L'ELECTRIFICATION RURALE

Dated December 23, 2013
GRANT NUMBERS TF015897 & TF015961

PROJECT AGREEMENT

Agreement dated December 23, 2013, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION acting as Administrator of the Global Partnership on Output-based Aid ("World Bank") and the L'AGENCE MALIENNE POUR LE DEVELOPPEMENT DE L'ENERGIE DOMESTIQUE ET DE L'ELECTRIFICATION RURALE (AMADER) ("Project Implementing Entity") ("Project Agreement") in connection with the Global Partnership on Output-based Aid Grant Agreement ("Grant Agreement") of the same date between the Recipient and the World Bank.

The World Bank and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS


1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in Grant Agreement or the Standard 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 II of the Standard 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 World 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 — REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity’s Representative is the General Director.

3.02. The World Bank’s Address is:

World Bank  
1818 H Street, NW  
Washington, DC 20433  
United States of America

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

3.03. The Project Implementing Entity’s Address is:

L’Agence Malienne pour le Développement  
de l’Energie Domestique et de l’Electrification Rurale  
B.P. E715  
Colline de Badalabougou  
Bamako  
Mali

Facsimile: (+223) 20 23 82 39
AGREED at Bamako, Mali, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Oumarou B/agne

Title: 

L'AGENCE MALIENNE POUR LE DEVELOPPEMENT DE L'ENERGIE DOMESTIQUE ET DE L'ELECTRIFICATION RURALE

By

Authorized Representative

Name: Cheick Ahmed Sanogo

Title: Director
SCHEDULE

Execution of the Project

A. Institutional Arrangements

Project Implementing Entity

1. The Project Implementing Entity shall be responsible for Project coordination, implementation, and monitoring and evaluation, as well as administrative, financial management, procurement, and disbursements under the Project, including ensuring compliance with safeguards measures and procedures, and carrying out the regular progress reports under the Project.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Grant available to the Project Implementing Entity under a subsidiary agreement ("Subsidiary Agreement") between the Recipient and the Project Implementing Entity, under terms and conditions approved by the World Bank.

2. The Project Implementing Entity shall exercise its rights and fulfill its obligations under the Subsidiary Agreement in such a manner as to protect the interests of the Recipient, the Project Implementing Entity and the World Bank, and accomplish the purposes of the Financing. Except as the Recipient or the World Bank shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Project Implementation Manual

The Project Implementation Entity shall carry out the Project in accordance with the Project Implementation Manual.

D. Sub-Grants Agreements

1. To facilitate the carrying out of Part 1 of the Project, the Project Implementing Entity shall enter into an implementation agreement with each participating private operator ("Participating Operator") ("Sub-Grant Agreements"), under terms and conditions acceptable to the World Bank and set forth in the PIM.

E. Independent Verification Agent

The Project Implementing Entity shall appoint, in accordance with the provisions of Section III of Schedule 2 hereof, and thereafter maintain at all times during the implementation of the Project, independent verification agents to audit and verify eligible
outputs submitted by each Participating Operator under the Project as a basis for disbursement requests, in accordance with the provisions of the PIM.

F. 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 and revised in January 2011 (“Anti-Corruption Guidelines”).

G. Safeguards

1. The Project Implementing Entity shall carry out in accordance with the provisions of the Environmental and Social Management Framework (ESMF). Where the ESMF requires that an Environmental and Social Management Plan (ESMP) be prepared for an activity under the Project, the Project Implementing Entity shall, in accordance with the ESMF, prepare such a plan, in form and substance satisfactory to the Association, and disclose it, before the implementation of such activity.

2. The Project Implementing Entity shall carry out in accordance with the provisions the Resettlement Policy Framework (RPF). Where the RPF requires that a Resettlement Action Plan (RAP) should be prepared for an activity under the Project, the Project Implementing Entity shall, in accordance with the terms of the RPF, prepare such RAP in form and substance satisfactory to the Association, disclose it, and execute it before the implementation of such activity.

3. The Project Implementing Entity shall ensure that Chance Find Procedures are followed in cases where physical cultural resources are found during the course of Project implementation. The Recipient shall further ensure that Chance Find Procedure clause are included in civil works contracts and that such clauses are enforced during the course of Project implementation.

4. In case of any conflict between the terms of the Safeguard Documents referred to in subparagraph (1) of this paragraph and those of this Agreement, the terms of this Agreement shall prevail.

E. Annual Work Plan

1. The Project Implementing Entity shall carry out the implementation of the Project on the basis of annual work programs which shall have been prepared by October 31 of each year and approved by January 15 of each year, in terms and conditions satisfactory to the Association, and which shall include: (a) an assessment of the feasibility and priority of the activities envisaged, based on Project performance indicators; and (b) such other administrative, financial and organizational arrangements as shall be required for the implementation of the envisaged activities.

2. The Project Implementing Entity shall: (a) review and furnish to the Association for its approval, not later than December 15 in each Fiscal Year during the implementation of
the Project, the proposed annual work plan (including activities for the following Fiscal Year and related budget); (b) afford the Association a reasonable opportunity to exchange views with the Recipient on said proposed plan; and (c) thereafter ensure that the Project is implemented with due diligence during said following Fiscal Year in accordance with such annual work plan as shall have been approved by the Association ("Annual Work Plan").

3. The Project Implementing Entity shall not make or allow to be made any change to the Annual Work Plan without prior approval in writing by the Association.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each such Project Report shall cover the period of forty five (45) days, and shall be furnished to the Recipient not later two (2) weeks after the end of the period covered by such report for incorporation and forwarding by the Recipient to the World Bank of the overall Project Report.

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 World Bank, 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, all in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Project Implementing Entity shall submit Annual Financial Statements satisfactory to the World Bank and in accordance with the provisions of Project Implementation Manual. The Annual Financial Statements shall contain, inter alia: (i) a statement of sources and uses of funds which includes all cash receipts, cash payments and cash balances; (ii) a statement of commitments; (iii) accounting policies adopted and explanatory notes; and (iv) a management assertion that Project funds have been expended for the intended purposes.

3. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, all in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. 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: (i) furnished to the World Bank not later than five (5) months after the end of such period; and (ii) audited annually by an external auditor selected based on qualifications satisfactory to the World Bank.
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 Grant Agreement.

Section IV. **Other Undertakings**

The Project Implementing Entity shall:

(i) appoint an external financial auditor for the Project under terms of reference, and with qualifications and experience satisfactory to the World Bank, not later than four (4) months after the Effective Date;

(ii) purchase and install a new accounting software factoring in its ability to generate financial statements, not later than three (3) months after the Effective Date; and

(iii) appoint a procurement specialist for the Project, under terms of reference and qualifications, and with experience satisfactory to the World Bank, not later than two (2) months after the Effective Date.