Project Agreement

(Urgent Electricity Rehabilitation Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

SOCIÉTÉ DE GESTION DU PATRIMOINE DU SECTEUR DE L'ÉLECTRICITÉ

Dated July 21, 2009
AGREEMENT dated July 21, 2009 entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and SOCIÉTÉ DE GESTION DU PATRIMOINE DU SECTEUR DE L’ÉLECTRICITÉ ("Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between the REPUBLIC OF CÔTE D’IVOIRE ("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. To this end, the Project Implementing Entity shall carry out implementation 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 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 its implementation 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 fifteen (15) years after the date of this Agreement.
ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is its managing director.

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:

Société de Gestion du Patrimoine du Secteur de l’Électricité  
01 P. O. Box 1345  
Abidjan 01  
Côte d’Ivoire

Facsimile:  
225-20-33-26-82
AGREED at Abidjan, Côte d’Ivoire, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Madani M. Tall

Authorized Representative

SOCIÉTÉ DE GESTION DU PATRIMOINE
DU SECTEUR DE L’ÉLECTRICITÉ

By /s/ Jeanne-Chantal Bouédy

Authorized Representative
SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall be responsible for Project implementation, management, and monitoring and evaluation and technical supervision of Part 3 (a) (i), (iv), and (v) in accordance with the following institutional arrangements.

2. The Project Implementing Entity shall appoint, no later than one (1) month after the Effective Date, in accordance with the provisions of Section II of Schedule 2 to the Financing Agreement as applicable, and thereafter maintain throughout Project implementation, a procurement specialist, with qualifications, experience, and terms of reference satisfactory to the Association.

3. The Project Implementing Entity shall maintain, throughout Project implementation, a chief finance officer and an accountant, with qualifications, experience, and terms of reference satisfactory to the Association.

4. The Project Implementing Entity shall be responsible for procurement under the Project in consultation with the entity responsible for technical supervision of the respective part of the Project as set out in Section I.A.4 of Schedule 2 to the Financing Agreement.

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. Manual

1. The Project Implementing Entity shall: (i) ensure that the Project is carried out in accordance with the provisions of the Project Implementing Entity’s Procedures Manual; and (ii) except as the Association shall otherwise agree, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
2. In the event of any conflict between the provisions of the Project Implementing Entity's Procedures Manual and those of this Agreement, the latter shall prevail.

D. Safeguards

1. The Project Implementing Entity shall ensure that the Project, including any Subprojects, is carried out in accordance with the provisions of the Environmental and Social Management Framework, the Resettlement Policy Framework, any Environmental Impact Assessments, any Environmental Management Plans, and any Resettlement Action Plans, and, except as the Association shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. Wherever required in terms of the Environmental and Social Management Framework or Resettlement Policy Framework, the Project Implementing Entity shall, for the purposes of any Subproject, and prior to implementation thereof, cause SOPIE to proceed to have an Environmental Impact Assessment, Environmental Management Plan, and / or Resettlement Action Plan, as the case may be,

   (a) prepared in form and substance satisfactory to the Association,

   (b) except as otherwise agreed with the Association, submitted to the Association for review and approval, and

   (c) thereafter, adopted and locally disclosed.

3. In the event of any conflict between the provisions of the Environmental and Social Management Framework, the Resettlement Policy Framework, any Environmental Impact Assessments, any Environmental Management Plans, or any Resettlement Action Plans, and those of this Agreement, the latter shall prevail.

4. The Project Implementing Entity shall take all measures necessary on its part to regularly collect, compile, and submit to the Association, on a quarterly basis, reports on the status of compliance with the Environmental and Social Management Framework, the Resettlement Policy Framework, any Environmental Impact Assessments, any Environmental Management Plans, and any Resettlement Action Plans, giving details of:
(a) measures taken in furtherance of such Frameworks, Assessment, and Plans;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Frameworks, Assessment, and Plans; and

(c) remedial measures taken or required to be taken to address such conditions.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) 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 the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the Recipient and the Association not later than 45 days after the end of the period covered by such report.

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

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<thead>
<tr>
<th>No.</th>
<th>Indicator</th>
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<tr>
<td>1.</td>
<td>Project Objective</td>
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<td>Reduction of outages and average outage duration in the Project’s target areas</td>
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<td>2.</td>
<td>Reduction of energy losses in the Abidjan agglomeration</td>
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<td>3.</td>
<td>Amount of Recipient’s subsidy to the sector</td>
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<td>Part 1 of Project</td>
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<td>4.</td>
<td>Number of new customers connected in the Abidjan agglomeration</td>
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<td>5.</td>
<td>Number of overloaded low- and medium-voltage substations</td>
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<tr>
<td>6.</td>
<td>Number of overloaded medium-voltage feeders</td>
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<tr>
<td>7.</td>
<td>Number of overloaded medium- and high-voltage transformers replaced</td>
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8. Reduction in voltage on the eastern high-voltage line during peak periods

2. The Project Implementing Entity shall provide to the Recipient not later than nine (9) months before 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.

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. Without limitation on the provisions of Part A of this Section, the Project Implementing Entity shall prepare and furnish to the Association as part of the Project Report, interim un-audited 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 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 audited financial statements for each period shall be furnished to the Association not later than six (6) months after the end of the period.

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 II of Schedule 2 to the Financing Agreement.
Section IV. Other Undertakings

A. Financial Auditors

The Project Implementing Entity shall, no later than four (4) months after the Effective Date, appoint, in accordance with the provisions of Section II of Schedule 2 to the Financing Agreement, external auditors, with qualifications, experience, and terms of reference satisfactory to the Association, for purposes of the audit referred to in Section II.B.3 of this Schedule.

B. Revolving Fund

The Project Implementing Entity shall ensure that the revolving fund referred to under Part 3 (a) (iv) of the Project is established, with an institutional framework, functions, and resources satisfactory to the Association, no later than September 30, 2010.

C. Annual Work Plans and Budgets

The Project Implementing Entity shall:

(a) furnish to the Association for approval as soon as available, but in any case not later than November 30 of each year, the annual work plan and budget for the Project for each subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested, 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; and

(b) thereafter, ensure that the Project is carried out in accordance with said plans and budgets as approved by the Association.
D. **Semi-Annual Reviews**

The Project Implementing Entity shall review jointly with the Recipient and the Association, no later than one (1) month after the transmittal to the Association of every second Project Report referred to in Section II.A.1 (a) of this Schedule, or such later date as the Association shall request, said Project Report and the preceding one, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of said Reports and the Recipient’s and the Association’s views on the matter.

E. **Midterm Review**

The Project Implementing Entity shall:

(a) carry out jointly with the Recipient, the Association, SOPIE, and CIE, no later than 18 months after the Effective Date, a midterm review to assess the status of Project implementation, as measured against the performance indicators referred to in Section II.A.1 (a) of the Schedule to this Agreement. Such review shall include an assessment of the following: (i) overall progress in Project implementation; (ii) results of monitoring and evaluation activities; (iii) annual work plans and budgets; (iv) progress on procurement and disbursement; (v) progress on implementation of safeguards measures; (vi) Project implementation arrangements; and (vii) the need to make any adjustments to the Project and reallocate funds to improve performance;

(b) prepare and furnish to the Recipient, the Association, SOPIE, and CIE, at least three (3) months before such review, a report, in scope and detail satisfactory to the Association, needed to undertake the review, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section on the progress achieved in the carrying out of the Project during the period preceding the date of the said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the period following such date; and
(c) review, jointly with the Recipient, the Association, SOPIE, and CIE, the report referred to in paragraph (b) of this Section and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of the said report and the Recipient and the Association’s views on the matter.