WAPP Financing Agreement

(West African Power Pool (WAPP) Integration and Technical Assistance Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

WEST AFRICAN POWER POOL

Dated August 20th, 2012
GRANT NUMBER H770-3A

WAPP FINANCING AGREEMENT

AGREEMENT dated [August 20th], 2012, entered into between the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and the WEST AFRICAN POWER POOL ("Recipient" or "WAPP", as further defined in Section I of the Appendix to this Agreement).

WHEREAS (A) the Authority of Heads of State and Government of the Economic Community of West African States ("ECOWAS", as further defined in Section I of the Appendix to this Agreement) adopted the ECOWAS Energy Protocol ("EEP") under: (i) the Decision A/DEC dated January 17, 2003, to serve as the framework for policy reform, institutional development and investments in the energy sector in the ECOWAS member countries; and (ii) the Decision A/DEC.5/12/99 dated December 10, 1999, relative to the development of a cooperative mechanism for pooling the operations of the national power systems of ECOWAS member states into a unified regional electricity market ("West African Power Pool Market" or "Program");

(B) the Association initially provided support to precedent activities under the Program by extending financial assistance to the Republic of Ghana ("Ghana") to finance the First Phase of the Coastal Transmission Backbone Project pursuant to the Development Credit Agreement dated August 31, 2005, between Ghana and the Association;

(C) the Association extended financial assistance again to Ghana and to the Republic of Benin ("Benin") to finance the Second Phase of the Coastal Transmission Backbone Project under the Program pursuant, respectively, to the Financing Agreement between Ghana and the Association dated December 4, 2007, and the Financing Agreement between Benin and the Association dated March 2, 2007;

(D) thereafter, the Association extended financial assistance to the Republic of Mali ("Mali"), the Islamic Republic of Mauritania ("Mauritania") and the Republic of Senegal ("Senegal") to finance the OMVS (Organisation pour la Mise en Valeur du fleuve Sénégal) Félou Hydroelectric Project under the Program pursuant, respectively, to the Financing Agreement between Mali and the Association dated September 13, 2006, the Financing Agreement between Mauritania and the Association dated September 13, 2006, and the Financing Agreement between Senegal and the Association dated March 2, 2007;

(E) subsequently, the Association extended financial assistance to Ghana and Burkina Faso to finance the First Phase of the Inter-Zonal Transmission Hub Project under the Program pursuant, respectively, to the Financing Agreement between Ghana
and the Association dated March 26, 2012 and the Financing Agreement between Burkina Faso and the Association dated August 9, 2011;

(F) by a financing agreement (“Liberia Financing Agreement”, as further defined in Section I of the Appendix to this Agreement) to be entered into between the Republic of Liberia (“Liberia”) and the Association, the Association will extend to Liberia a credit in an amount equivalent to ninety-three million three hundred thousand Special Drawing Rights (SDR 93,300,000) to assist Liberia in financing part of the cost of the Côte d’Ivoire, Liberia, Sierra Leone and Guinea Power Interconnection Project on the terms and conditions set forth in the Liberia Financing Agreement;

(G) the Recipient, having satisfied itself as to the feasibility and priority of the project (“Project”, as described in Schedule I hereto) under the first phase of the Program, has requested the Association to assist in the financing of the Project; and

(H) by each of the Letters of Agreement provided, respectively, by the Republic of Côte d’Ivoire (“Côte d’Ivoire”), Benin, Burkina Faso, the Republic of Niger (“Niger”) and the Republic of Togo (“Togo”) (collectively the “Participating Countries” as further defined in Section I of the Appendix to this Agreement), the said aforementioned countries have agreed to, and authorized, that the activities under Part B.1 of the Project be carried out in their respective territories and have declared their commitment to allowing the implementation of the said Project activities with due diligence and efficiency upon the terms and conditions set forth in the respective Letters of Agreement;

WHEREAS the Association has also agreed, on the basis, inter alia, of the foregoing, to extend the grant provided for in Article II of this Agreement to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the Association and the Recipient hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this 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 General Conditions or in the Preamble or the Appendix to this Agreement.
ARTICLE II — GRANT

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to twenty million four hundred thousand Special Drawing Rights (SDR 20,400,000) (the “Grant”) to assist in financing the Project.

2.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Grant Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Payment Dates are March 15 and September 15 in each year.

2.05. The Payment Currency is the Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project and the Program. To this end, the Recipient shall carry out the Project through its General Secretariat in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Events of Suspension consist of the following:

(a) The WAPP Articles of Agreement or the EEP, as the case may be, have been amended, suspended, abrogated, supplemented, replaced or waived so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under this Agreement.
(b) A situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out.

(c) Benin, Burkina Faso, Côte d'Ivoire, Niger, or Togo, as the case may be, shall have failed to comply with any of the representations or assurances contained in the respective Letter of Agreement.

(d) A Participating Country has failed to make payment (notwithstanding the fact that such payment may have been made by a third party) of principal, interest service charges or any other amount due to the Association or the Bank: (i) under any agreement between such Participating Country and the Association; or (ii) under any agreement between such Participating Country and the Bank; or (iii) in consequence of any guarantee extended or other financial obligation of any kind assumed by the Association or the Bank to any third party with the agreement of such Participating Country.

4.02. The Additional Events of Acceleration consist of the following:

(a) Any event specified in paragraphs (c) and (d) of Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

(b) Any event specified in paragraph (a) of Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Recipient shall have adopted the WAPP Project Implementation Manual in form and substance satisfactory to the Association.

5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

5.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.
ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its Secretary General.

6.02. The Association’s Address is:
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:              Telex:       Facsimile:
INDEVAS             248423 (MCI) (1) 202-477-6391
Washington, D.C.    

6.03. The Recipient’s Address is:

West African Power Pool
06 BP 2907
Cotonou
Republic of Benin

Facsimile:

(229) 21 37 4121 96
(229) 21 37 71 43
AGreed at Cotonou, BENIN, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: ELIZABETH LULE

Title: Acting Director

WEST AFRICAN POWER POOL

By

Authorized Representative

Name: Amadou Diallo

Title: Secretary General
SCHEDULE 1

Project Description

The objective of the Project is to increase the technical integration of the Recipient’s network.

The Project constitutes the first phase of the Program, and consists of the following parts:

Part A: Supply Alternatives Studies and Project Preparation Support

Carrying out by the Recipient of a program to ensure that the generation capacity along the transmission line to be constructed under Part A.1 of the project described in the Liberia Financing Agreement is developed in the medium- to long-term in a timely manner and in accordance with least cost principles, encompassing the carrying out of preparatory institutional, legal, pre-feasibility/feasibility, and environmental and social impact assessment studies for potential hydropower plants or energy infrastructure and the provision of workshops, training and goods as required for the purpose.

Part B: Integration of the Recipient Network and Strengthening of the Recipient

1. Integration of the Recipient Interconnected Network

Carrying out by the Recipient of a synchronization program aimed to establish a sub-regional market for electricity on the basis of a suitably interconnected and synchronous operation of the regional transmission networks of four power utilities in the ECOWAS region, encompassing: (i) the updating of a feasibility study to determine the equipment needs and the installation of the equipment in the power utilities; (ii) the leasing of such equipment on a gratis basis to the power utilities; and (iii) the operation and maintenance of the equipment by the power utilities to control frequency and load/supply.

2. Strengthening of the Recipient

Strengthening of the Recipient, with particular emphasis on capacity building of the PIPES and the ICC, to support the Recipient in: (i) the development, implementation and monitoring of the WAPP priority projects; (ii) deploy the operational security and mitigation plan for the power pool operation; (iii) the implementation of a certification process for the network operators to allow better coordination between control centers involved in the regional energy exchanges; and (iv) the completion of a study to establish a road map for the market and a tariff methodology for the regional electricity market and the development of standardized market operating rules for the WAPP Market zone.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. General Secretariat

The Recipient shall carry out the Project through the General Secretariat. To that end, the Recipient shall maintain the General Secretariat adequately provided with financial resources and staffed throughout Project implementation with professionals hired under terms of reference and with qualifications and experience satisfactory to the Association.

B. Anti-Corruption

The Recipient shall ensure the Project are carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Safeguards

1. The Recipient shall take all action required on its behalf to ensure that the Project is implemented in accordance with the provisions of the Environmental and Social Management Plan (ESMP) in a manner satisfactory to the Association.

2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall compile and furnish to the Association on a quarterly basis reports on the status of compliance with the ESMP, giving details of:

   (a) measures taken in furtherance of the ESMP;

   (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the ESMP; and

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

3. The Recipient shall promptly take all remedial measures referred to in paragraph 2 of this Section C as shall have been agreed by the Association.

D. Training

For the purposes of the training and workshops to be provided under the Project, the Recipient shall:
(a) furnish to the Association for its approval, not later than November 30 of each year, a training program and the workshops including an explanation of how such training and workshops are consistent and conducive to the objective of the Project and whether it offers the best price/quality ratio, as well as the schedule for its implementation;

(b) to select the trainees in accordance with a transparent process and criteria satisfactory to the Association; and

(c) to furnish to the Association a report of such scope and detail as the Association shall reasonably request, on the results of each training and the benefits to be derived therefrom.

E. WAPP Project Implementation Manual

The Recipient shall: (i) take all action required to carry out the Project in accordance with the provisions and requirements set forth or referred to in the WAPP Project Implementation Manual; (ii) submit recommendations to the Association for its consideration for changes and updates of the WAPP Project Implementation Manual as they may become necessary or advisable during Project implementation in order to achieve the objective of the Project; and (iii) not assign, amend, abrogate or waive the WAPP Project Implementation Manual or any of its provisions without the Association’s prior agreement. Notwithstanding the foregoing, if any of the provisions of the WAPP Project Implementation Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail and govern.

F. Operation and Maintenance of the Recipient

The Recipient shall:

(a) carry on its operations and conduct its affairs in accordance with sound administrative, financial, engineering and environmental practices under the supervision of qualified and experienced management assisted by competent staff in adequate numbers;

(b) at all times cause its plants, machinery, equipment and other property to be operated and maintained and, from time to time, promptly as needed, cause all necessary repairs and renewals thereof to be made, all in accordance with sound engineering, environmental and financial practices; and
(c) take out and maintain, or cause to be taken out and maintain, with responsible insurers, or make other provision satisfactory to the Association for, insurance against such risks and in such amounts as shall be consistent with appropriate practice.

Section II. Project Monitoring, Mid-Term Review, Reporting and Evaluation

A. Project Reports

1. The Recipient 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 Monitoring and Evaluation Indicators. Each Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than four (4) months before the Closing Date.

B. Mid-Term Review

The Recipient shall:

(a) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, not later than November 30, 2014, a report integrating the results of the monitoring and evaluation activities referred to in Section II.A.1 of this Schedule and setting out the measures recommended to ensure the efficient carrying out of the Project and achievement of the objective thereof during the period following such date; and

(b) review with the Association, not later than January 31, 2015, or such later date as the Association shall request, the report referred to in the preceding paragraph (a), 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 Association’s views on the matter.
C. **Financial Management, Financial Reports and Audits**

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Report not later than forty-five (45) days after the end of each quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) Fiscal Year of the Recipient, commencing with the Fiscal Year in which the first withdrawal was made under the Preparat on Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

**Section III. Procurement**

A. **General**

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants’ Services.** All consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.
B. **Particular Methods of Procurement of Goods, Works and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (i) Limited International Bidding; (ii) National Competitive Bidding, using the competitive bidding procedure normally used for public procurement in the Republic of Benin with the modifications and additions that the Association may determine are required to make such procedure acceptable for use under the Grant; (iii) Shopping; and (iv) Direct Contracting.

C. **Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (i) Quality-based Selection; (ii) Least Cost Selection; (iii) Selection based on Consultants' Qualifications; (iv) Single-source Selection of consulting firms; (v) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (vi) Single-source procedures for the Selection of Individual Consultants.

D. **Review by the Association of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.
Section IV.  Withdrawal of the Proceeds of the Grant

A.  General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, training and workshops under the Project</td>
<td>18,800,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Refund of Preparation Advance No. Q815</td>
<td>1,600,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>20,400,000</td>
<td></td>
</tr>
</tbody>
</table>

B.  Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 1,880,000 equivalent may be made for payments made prior to this date but on or after June 20, 2011, for Eligible Expenditures under Category (1).

2. The Closing Date is December 31, 2017.
APPENDIX

Section I. Definitions


2. "Benin Letter of Agreement" means the letter from Benin dated March 29, 2012, stipulating certain representations on the cooperation it will provide to the WAPP to ensure the Project is carried out promptly and effectively and relied upon by the Association in making the Grant available to the Recipient.

3. "Burkina Faso Letter of Agreement" means the letter from Burkina Faso dated March 23, 2012, stipulating certain representations on the cooperation it will provide to the WAPP to ensure the Project is carried out promptly and effectively and relied upon by the Association in making the Grant available to the Recipient.

4. "Category" means the category of items set forth in the table in Section IV of Schedule 2 to this Agreement.


6. "Côte d'Ivoire Letter of Agreement" means the letter from Côte d'Ivoire dated April 4, 2012, stipulating certain representations on the cooperation it will provide to the WAPP to ensure the Project is carried out promptly and effectively and relied upon by the Association in making the Grant available to the Recipient.

7. "ECOWAS" means the Economic Community of West African States, whose member states are Benin, the Republic of Cape Verde, Côte d'Ivoire, the Republic of The Gambia, Ghana, Guinea, the Republic of Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo.

8. "ECOWAS Energy Protocol" and "EEP" means the protocol number A/P4/1/03 adopted and signed by the ECOWAS Heads of State in January 2003 as an Annex to the treaty creating the ECOWAS and which establishes the legal framework intended to promote long-term cooperation between ECOWAS member states in the field of energy on the basis of complementarity and mutual benefit with a view to augment investment in the energy sector and develop trade of energy within the West African region.
9. "Environmental and Social Management Plan" or "ESMP" means the site-specific environmental and social management plan that has been prepared by Côte d'Ivoire under the Liberia Financing Agreement and adopted by the Recipient, setting forth a set of mitigation, monitoring, and institutional measures to be taken during the implementation and operation of the Project activities to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, and including the actions needed to implement these measures.

10. "Fiscal Year" means the twelve (12) month period corresponding to any of the Recipient's fiscal years, which period commences on January 1 and ends on December 31 in each calendar year.


12. "General Secretariat" means the administrative organ of the Recipient established pursuant to the provisions of Article 7 of the WAPP Articles of Agreement (as hereinafter defined) to support the Recipient's executive board in the accomplishment of its duties and which is responsible for the day-to-day management of the Recipient.

13. "ICC" means the Recipient's Information and Coordination Center, an organ of the General Secretariat established pursuant to the provisions of Article 8 of the WAPP Articles of Agreement (as hereinafter defined) and responsible for promoting operational coordination between transmission owning/operating members through actual day-to-day informationsharing/exchange between the Recipient's operational coordination centers.

14. "kV" means kilovolt, the unit of electromotive force equal to one thousand volts.

15. "Letters of Agreement" means the Benin Letter of Agreement, the Burkina Faso Letter of Agreement, the Côte d'Ivoire Letter of Agreement, the Niger Letter of Agreement, and the Togo Letter of Agreement, and "Letter of Agreement" means individually each and any of the Letters of Agreement.

16. "Liberia Financing Agreement" means the financing agreement for activities related to the Project between Liberia and the Association, as such Liberia Financing Agreement may be amended from time to time, and includes all appendices, schedules and agreements supplemental to the Liberia Financing Agreement.

17. "Monitoring and Evaluation Indicators" means the agreed-upon monitoring and evaluation indicators set forth in the WAPP Project Implementation Manual (as hereinafter defined) to be utilized by the Recipient to measure the progress in the
implementation of the Project and the degree to which the objective thereof is being achieved.

18. “MW” means megawatt, the unit of power equal to one million watts.

19. “Niger Letter of Agreement” means the letter from Niger dated March 27, 2012, stipulating certain representations on the cooperation it will provide to the WAPP to ensure the Project is carried out promptly and effectively and relied upon by the Association in making the Grant available to the Recipient.

20. “Participating Countries” means Côte d’Ivoire, Benin, Burkina Faso, Niger and Togo, the countries in whose territories the Project is carried out; and “Participating Country” means individually each and any of the Participating Countries.

21. Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions and refers to the advance No. Q815 granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on May 4, 2012 and on behalf of the Recipient on May 9, 2012.

22. “PIPS” means the Recipient’s Planning, Investment Programming and Environmental Safeguards Department.


24. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 6, 2012, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

25. “Regional Transmission Company” and “RTC” means the supranational entity with commercial character to be created by its shareholders pursuant to the Treaty (as hereinafter defined) for the purpose of designing, constructing, owning, operating, maintaining, and developing the transmission line under Part A.1 of the project described in the Liberia Financing Agreement.

26. “Togo Letter of Agreement” means the letter from Togo dated April 3, 2012, stipulating certain representations on the cooperation it will provide to the WAPP to ensure the Project is carried out promptly and effectively and relied upon by the Association in making the Grant available to the Recipient.

27. “WAPP” means the international organization that associates all public and private power entities in the ECOWAS member states established by the
Authority of Heads of State and Government of the ECOWAS pursuant to the Decision A/Dec.18/01/06 dated January 12, 2006 and granted the character of a specialized institution by the Decision A/Dec.20/01/06, and whose mission is: (i) the full and effective implementation of the WAPP priority projects; (ii) the development and approval of clear, measurable standards to harmonize electricity planning and operation of pooled electric systems in ECOWAS member states; (iii) the effective programming for enforcing compliance with mandatory standards; (iv) the improvement in cross-border and reliable flows of electricity in ECOWAS member states among electric system operating organizations; and (v) the effective communication and information sharing.

28. "WAPP Articles of Agreement" means the document setting forth the Recipient's management structure, its organization and functions with a view to establish a good framework of cooperation between its members to ensure improved efficiency of power supply in ECOWAS member states and increased access to energy for its citizens.

29. "WAPP Project Implementation Manual" means the set of guidelines and procedures to be adopted by the Recipient for the purpose of implementing the Project, including in the areas of monitoring and evaluation, coordination, financial management (including financial, administrative and accounting procedures, procurement, internal controls and audits), environment and social safeguards, and other provisions related to the institutional organization of the Project, as such guidelines and procedures may be amended from time to time with the prior written agreement of the Association.

Section II. Modifications to the General Conditions

The provisions of the General Conditions are modified as follows:

1. Section 2.06 is modified to read as follows:

"Section 2.06. Financing Taxes

The use of any proceeds of the Financing to pay for Taxes levied by, or in the territory of, the Participating Countries on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply, if permitted by the Financing Agreement, is subject to the Association's policy of requiring economy and efficiency in the use of the proceeds of its credits and grants. To that end, if the Association at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Association may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the
Financing specified in the Financing Agreement, as required to ensure consistency with such policy of the Association.”

2. Sections 3.03, 3.04 and 3.08 are deleted in their entirety, and Sections 3.05, 3.06, 3.07, 3.09 and 3.10 are re-numbered, respectively, as Sections 3.03, 3.04, 3.05, 3.06 and 3.07.

3. Paragraphs (b) and (c) of the newly re-numbered Section 3.07 are modified to read as follows:

   “(b) All Financing Payments shall be paid without restrictions of any kind imposed by, or in the territory of, the Participating Countries, and without deduction for, and free from, any Taxes levied by, or in the territory of, the Participating Countries.

   (c) The Legal Agreements shall be free from any Taxes levied by, or in the territory of the Participating Countries, or in connection with their execution, delivery or registration.”

4. In Section 4.11, paragraph (a) is modified to read as follows:

   “Section 4.11. Visits

   (a) The Recipient shall take all action necessary or useful to ensure that the Participating Countries afford all reasonable opportunity for representatives of the Association to visit any part of their territories for purposes related to the Financing or the Project.”

5. Section 5.01 is modified to read as follows:

   “Section 5.01. Financial and Economic Data

   The Recipient shall furnish to the Association all such information as the Association shall reasonably request with respect to its own financial condition as well as with respect to the financial and economic conditions in the territory of the Participating Countries, including the balance of payments and their External Debt as well as that of their political or administrative subdivisions and of any entity owned or controlled by, or operating for the account or benefit of, the Participating Countries or any such subdivision, and of any institution performing the functions of a central bank or exchange stabilization fund, or similar functions, for the Participating Countries.”

6. Section 6.02 is modified as follows:
(a) Paragraphs (d)(i)(ii) on Cross-Suspension are modified to read as follows:

“(i) The Association or the Bank has suspended in whole or in part the right of the Recipient or of one or more Participating Countries to make withdrawals under any agreement with the Association or with the Bank because of a failure, respectively, by the Recipient or one or more Participating Country to perform any of its obligations under such agreement.

(ii) The Bank has suspended in whole or in part the right of any borrower to make withdrawals under a loan agreement with the Bank guaranteed by a Participating Country because of a failure by such borrower to perform any of its obligations under such agreement.”

(b) Paragraph (j) on Membership is modified to read as follows:

(j) Membership. Any one or more of the Participating Countries: (i) have been suspended from membership in or ceased to be a member of the Association; or (ii) have ceased to be a member of the International Monetary Fund.”

7. Paragraph (a) of Section 8.01 is modified to read as follows:

“(a) The execution and delivery of each Legal Agreement on behalf of the Recipient which is a party to such Legal Agreement have been duly authorized by all necessary corporate action.”

8. The Appendix (Definitions) is modified as follows:

(a) Paragraph 23 is modified to read as follows:

“23. "External Debt" means any debt which is or may become payable in a Currency other than the Currency of the Participating Countries”.

(b) Paragraph 29 is modified to read as follows:

“29. "Foreign Expenditure" means an expenditure in the Currency of any country other than the Republic of Benin for goods, works or services supplied from the territory of any country other than the Republic of Liberia.”

(c) Paragraph 33 is modified to read as follows:
"33. "Local Expenditure" means an expenditure: (a) in the Currency of the Republic of Benin; or (b) for goods, works or services supplied from the territory of the Republic of Benin; provided, however, that if the Currency of the Republic of Benin is also that of another country from the territory of which goods, works or services are supplied, an expenditure in such Currency for such goods, works or services shall be deemed to be a Foreign Expenditure."

(d) Paragraph 45 is modified to read as follows:

"45. "Recipient" means the party to the Financing Agreement to which the Financing is extended."