Project Agreement

(Senegal River Basin Multi-Purpose Water Resources Development Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

Organisation pour la Mise en Valeur du Fleuve Sénégal (OMVS)

Dated September 13, 2006
PROJECT AGREEMENT

Agreement dated September 13, 2006, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and Organisation pour la Mise en Valeur du Fleuve Senegal (“Project Implementing Entity”)(“Project Agreement”) in connection with the Financing Agreements of same date between Mauritania, Senegal, Guinea and Mali (“Recipients”) and the Association (the “Financing Agreements”).

WHEREAS: (A) by Financing Agreements of even date herewith between Mali, Mauritania, Guinea and Senegal, respectively, and the Association (hereinafter called the Mali Financing Agreement, the Mauritania Financing Agreement, the Guinea Financing Agreement, and the Senegal Financing Agreement, respectively), the Association has agreed to make available to Mali an amount in various currencies equivalent to SDR 21,000,000, to Mauritania an amount in various currencies equivalent to SDR 22,200,000, to Guinea amount in various currencies equivalent to SDR 12,600,000, and to Senegal an amount in various currencies equivalent to SDR 21,000,000, on the terms and conditions set forth in the Financing Agreements (as such term is defined hereinafter), but only on condition that the Project Implementation Agency agrees to undertake such obligations toward the Association as are set forth in this Agreement; and (B) the proceeds of the Financings (as such term is defined hereinafter) will be made available to OMVS, on the terms and conditions set forth the Mali Financing Agreement, the Mauritania Financing Agreement, the Guinea Financing Agreement, and the Senegal Financing Agreement, respectively;

NOW THEREFORE the Association and the Project Implementing Agency hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Financing Agreements) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in the Project Agreement have the meanings ascribed to them in the Financing Agreements or the General Conditions.

ARTICLE II — PROJECT

2.01. The Project Implementing Entity declares its commitment to the objectives of the Project and 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 Schedule 2 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 years after the date of this Agreement.
ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is the High Commissioner of Organisation pour la Mise en Valeur du Fleuve Sénégal (OMVS).

4.02. The Association’s Address is:

For the Association:

International Association for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433
United States of America

Cable: Telex: Facsimile:
INTBAFRAD 248423(MCI) or 1-202-477-6391
Washington, D.C. 64145(MCI)

4.03. The Project Implementing Entity’s Address is:

For the Organisation pour la Mise en Valeur du fleuve Sénégal (OMVS)

Haut Commissariat
46 rue Carnot
BP 3152,
Dakar Senegal

Facsimile:
221 823 45 30, 822 01 63,
and 842 28 01
AGREED at Dakar, Republic of Senegal, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Madani M. Tall  
Authorized Representative

ORGANISATION POUR LA MISE EN VALEUR DU FLEUVE SENEGAL (OMVS)

By: /s/ Mohamed Salem Ould Merzoug  
Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to enhance the regional integration among the riparian countries of the Senegal River Basin through OMVS for multipurpose water resources development to foster growth including improved community livelihoods.

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

Part A: Regional Institutional Development

1. Carry out activities to reform OMVS and enhance institutional capacities including:

   a. Evaluation, reinforcement and capacity enhancement for common management of resources, including improving the performances of dam agencies;

   b. modernization of OMVS including the definition of human resources management and performance monitoring and evaluation tools, improving access to and the flow of information with more accountability and transparency at all levels;

   c. modernization and enhancement of National Cellules including coordination and collaboration with OMVS;

   d. modernization of the Permanent Water Commission to include modalities to prevent overexploitation of the water resource and to handle competing water users and conflict resolution;

   e. OMVS strategic coordination and collaboration among national water and agricultural technical bodies including SAED-SONADER-PDIAM and Direction Nationale du Génie Rural (DNGR);

   f. implementing the principles of the Water Charter for mainstreaming environmental and social issues into water resources development in the Basin; and

   g. improving communication and information dissemination including installing real-time connections and networks between OMVS and National Cellules.

2. Carry out activities to achieve effectiveness of Guinea membership to OMVS, including:
   (i) an update of the institutional and legal framework of OMVS; (ii) preparation of the additional legal instruments necessary to effectively implement the Inclusive Framework in line with the Water Charter principles; and (iii) definition of a new cost-sharing formula to accommodate Guinea as a new member of OMVS.
3. Carry out activities to rehabilitate the OMVS Regional Document Center, including the rehabilitation of building facilities, provision of equipment for archiving and library establishment, staff training, internet accession, supporting specific conventions with other institutions for more effective management and dissemination of Basin information.

Part B: Local Level Multi-Purpose Water Resources Development

1. Development of small hydraulic infrastructure and related activities including:

   a. Infrastructure development which involves rehabilitation and construction of intakes in Senegal and Mauritania, pumping stations in Mali, Mauritania and Senegal, and hydraulics waterways in the Delta;

   b. Agriculture development which includes land leveling and development, income-generation promotion for women, provision of agricultural equipment, support to agricultural products processing and marketing and improvement to cropping systems; and

   c. Expansion and rehabilitation of small-scale irrigation and drainage schemes.

2. Carry out activities to promote sustainable and efficient development of traditional fisheries, including (i) promotion of sustainable fishing practices and fish production processing, (ii) provision of technical modernization to facilitate fishermen’s livelihoods, and (iii) institutional strengthening and capacity building for sustainable development of the fisheries activities.

3. Carry out activities to support planning and management of land and water resources collectively at the community and sub-basin levels to protect water resources and promote sustainable development of the resource, including:

   a. Conducting integrated land and water management by (i) identifying the challenges facing irrigation, (ii) developing integrated farming plans, (iii) developing a program for sustainable operation and maintenance of farms and I&D systems including a financing plan and a monitoring plan, (iv) developing a plan for integrated water and soil protection and conservation activities, and (v) empowering and involving communities;

   b. carrying out activities to protect River Banks including (i) river bank construction and beautification; (ii) afforestation of fragile surrounding areas; (iii) prevention and reduction of soil erosion; and (iv) community organization and train;

   c. development of agro-forestry which includes: (i) creation and reconstitution of wooded areas; (ii) afforestation of key vulnerable and degraded areas; (iii) forest
regeneration; (iv) identification of a suitable framework for improved management of forests and forestation activities and (v) training for community organizations; and
d. development of lowland ‘Bas-fonds’ which includes: (i) repair of terraces and planting of vegetation barriers along contours to prevent erosion (ii) mapping of areas suitable for income-generation activities; (iii) developing appropriate income-generation activities and (iv) training on appropriate agricultural practices for watershed areas.

4. Carry out activities to reduce waterborne diseases such as malaria and schistosomiasis at the community level, including:

a. Distribution of long-lasting insecticide treated bed-nets and other vector control measures;

b. Provision of praziquantel and albendazole treatment for targeted communities;

c. Provision of education on preventive health practices and introduction of mechanisms to prevent the disease from spreading to other areas in the Basin; and

d. Disease surveillance and operations research on joint malaria-schistosomiasis control activities.

Part C: Regional Multipurpose and Multi-sectoral Master Planning

1. Preparation of the SRB Comprehensive Master Plan including (i) conducting technical, economic, environmental and social (including health) assessments, for the range of potential multi-purpose and multi-sectoral investments in the Basin, (ii) preparing the SRB Regional Master Plan, and sub-basin development plans to further guide OMVS in member countries in implementing the Master plan under a decentralized water resources management structure.

2. Pre-investment support for the OMVS Gouina Hydroelectric which includes: (i) preparation and public disclosure of the environmental Management Plan and Resettlement Action Plan associated with the implementation of the Gouina HEP; and (ii) preparation of comprehensive bidding documents for use in a competitive process to select a contractor to implement the Gouina HEP.

3. Pre-investment support for OMVS Multi-Purpose Dams (Balassa, Boureya, Gourbassi and Koukoutamba) including supporting OMVS to prepare comprehensive feasibility studies for the prospective multi-purpose Dams, an Options Assessment, and a Strategic Regional Environmental Assessment for future deployment of the multipurpose hydropower facilities.

4. Ensuring stakeholder participation in Multipurpose and Master Planning.
SCHEDULE 2

Execution of the Project

Section I. Institutional and Other Arrangements

A. Project Implementation, Management and Coordination

1. The OMVS Regional Steering Committee will be responsible for the oversight and overall coordination of the Project.

2. The High Commission of OMVS and the OMVS Cellules Nationales will be responsible for the implementation, coordination, and supervision of the Project.

3. Activities related to agriculture and water infrastructure under Parts B of the Project will be implemented by SAED, SONADER, PDIAM, and DNGR, respectively, under performance-based agreements, in form and substance acceptable to the Association, and under the supervision of the respective OMVS Cellule Nationale in each of the countries.

4. Health related activities under Part B of the Project will be implemented by implementing partners under performance-based agreements, in form and substance acceptable to the Association, and in coordination with the respective Ministries in charge of health in each of the countries and with WARN.

5. Activities related to fisheries, river bank protection and agroforestry under Part B of the Project will be implemented by relevant specialized agencies at the national level, private and non governmental agencies under performance-based agreements, in form and substance acceptable to the Association.

6. The implementation of the Project shall be carried out on the basis of annual work programs which shall have been approved by 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.

B. Project Manuals

1. The Project Implementing Agency shall carry out, and cause to be carried out, the Project in accordance with the provisions of the PIM and the PAFAM, and shall not, except as the Association shall otherwise agree, amend or waive any provision of the aforementioned if such amendment or waiver may, in the opinion of the Association, adversely and materially affect Project implementation.
C. Environmental and Social Safeguards

1. The Recipient shall carry out the Project activities in accordance with the guidelines, procedures and timetables and other specifications set forth in the Environmental and Social Management Framework (ESMAF) and the Resettlement Policy Framework (RPF), and shall not, except as the Association shall otherwise agree, amend or waive any provision thereof which, in the opinion of the Association, may adversely and materially affect the implementation of the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Project Implementation 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 semester, and shall be furnished to the Association not later than one (1) month 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:

Component 1:

(a) 20% of WUAs with increased capacities, access to information, and decision-making processes; 1.

(b) Use of M&E data to improve program management;

(c) Integration of Guinea into OMVS’ decision-making structures;

(d) 35% increase of people who use the documents and information at the documentation center;

Component 2:

(a) 3 intakes built and 2 intakes rehabilitated in the coverage areas;

(b) 50km of irrigation canals built and rehabilitated in the coverage areas;
(c) 80 km of drainage canals built and rehabilitated in the coverage areas;

(d) 10 pumping stations installed or rehabilitated in the coverage areas to be fully functional;

(e) 5% increase in the number of womens’ cooperatives with access to irrigated areas;

(f) At least 80% of identified lowland areas (Bas-fonds) rehabilitated;

(g) 25% of farmers in the coverage areas use the irrigation facilities to improve agricultural yield/production;

(h) 35% increase of acreage under cultivation;

(i) 35% increase in crop yields;

(j) 30% of communities in the coverage areas in the basin applying better land and water management practices;

(k) 50 km of river banks restored;

(l) 15% of communities in the coverage areas in the basin applying better agro forestry practices;

(m) 15% of fishermen participating in the program reporting improved catch after the implementation of the program;

(n) 60% of children under 5 in the Project areas are utilizing insecticide-treated mosquito nets to control malaria;

(o) Number of households in the Project areas with at least one ITN; 2.

(p) 60% of the population in the Project areas has been treated for schistosomiasis;

Component 3:

(a) A decision has been made to build at least one dam and 20% of megawatts added to the hydroelectric capacity of the OMVS member countries following the completion of the second phase of the project.
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 six (6) months following the Closing Date.

B. Financial Management, Financial Reports; 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 fiscal year of the Project Implementing Entity, commencing with the fiscal year in which the first withdrawal under the Project Preparation Advance was made. The audited financial statements for each period shall be furnished to the Association not later than six months after the end of the period.

Section III. Procurement

A. General

1. Goods and Works. All goods and works required for the Project and to be financed out of the proceeds of the Financing 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 Schedule.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Financing 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 Schedule.

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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. Other Methods of Procurement of Goods and Works. The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
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<tbody>
<tr>
<td>(a) National Competitive Bidding</td>
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<tr>
<td>(b) Shopping</td>
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<tr>
<td>(c) Limited International Competitive Bidding</td>
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<tr>
<td>(d) Procurement from UN Agencies</td>
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</tbody>
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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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used. Short lists of consultants for services estimated to cost less than US$100,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

<table>
<thead>
<tr>
<th>Procurement Method</th>
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<tbody>
<tr>
<td>(a) Selection based on the Consultants’ Qualifications</td>
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<tr>
<td>(b) Fixed Budget</td>
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<tr>
<td>(c) Single Source Selection</td>
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<tr>
<td>(d) Least Cost Selection</td>
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<tr>
<td>(e) Individual Consultants</td>
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D. Review by the Bank of Procurement Decisions

1. Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) each contract for works estimated to cost US$ 500,000 or more, (b) each contract for goods estimated to cost the equivalent of $ 250,000 or more procured on the basis of International Competitive Bidding; and (c) each contract for health goods estimated to cost the equivalent of $250,000 or more procured on the basis of Limited International Bidding. The 3 first contracts for goods estimated to cost less than $250,000 procured through National Competitive Bidding. Each contract for consultants’ services provided by a firm estimated to cost the equivalent of $100,000 or more; all consultant services procured on the basis of single source; all individual consultants services contract estimated to the equivalent of $50,000 or more and all individual consultant contract
procured on the basis of single source. All other contracts shall be subject to Post Review by the Association.