EEP Project Agreement

(Electricity Access (Rural) Expansion Phase II Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

ETHIOPIAN ELECTRIC POWER

Dated June 20, 2014
PROJECT AGREEMENT


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 the Project 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 objectives of the Project. To this end, the Project Implementing Entity shall carry out Parts I and 3(a) 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 such Parts of 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 Parts I and 3(a) 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 20 years after the date of this Agreement.
ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is its General Manager.

4.02. The Association’s Address is:

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

Cable: INTBAFRAD  
Telex: 248423(MCI) or 64145(MCI)  
Facsimile: 1-202-477-6391

4.03. The Project Implementing Entity’s Address is:

Ethiopian Electric Power  
House No. 044/045  
Woreda 07, Sub-city Kirkos  
Addis Ababa  
Ethiopia

Cable: 21023  
Telex: +251 115 54 68 44  
Facsimile:
AGREED at Addis Ababa, Federal Democratic Republic of Ethiopia, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: ________________________
Authorized Representative

ETHIOPIAN ELECTRIC POWER

By: ________________________
Authorized Representative

Azeh Asnake
Chief Executive Officer
Section I. Implementation Arrangements

A. Institutional and Other Arrangements

The Project Implementing Entity shall, at all times during Project implementation, maintain the UEAP Office, with competent staff in adequate numbers, qualifications and experience satisfactory to the Association (including monitoring and evaluation, procurement, accounting and environmental specialists), with responsibility for implementing the grid-based rural electrification program under Parts 1 and 3(a) of the Project.

B. Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF).

The Project Implementing Entity shall, in accordance with Section 1.D of Schedule 2 to the Financing Agreement, ensure that Parts 1 and 3(a) of the Project are implemented in accordance with the provisions of the ESMF and RPF, and carry out any EMP and RAP, all in a manner and substance satisfactory to the Association.

C. Anti-Corruption

The Project Implementing Entity shall ensure that Parts 1 and 3(a) of the Project are 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 Parts 1 and 3(a) of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 (b) of the General Conditions and on the basis of the indicators set forth below in subparagraph (2) of this paragraph. Each such Project Report shall cover the period of six months, and shall be furnished to the Recipient not later than one month after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association.
(2) The performance indicators referred to above in sub-paragraph (1) consist of the following: (i) 130,000 customers connected in rural towns and villages; (ii) annual consumption of 36 GWh or above in the domestic (residential) market; (iii) annual consumption of 11 GWh or above in the commercial and industrial markets; (iv) 365 rural towns and villages electrified.
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 Parts 1 and 3(a) of 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. 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

All goods and services required for Parts 1 and 3(a) of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Schedule 2 to the Financing Agreement.