Project Agreement

(Increased Access to Modern Energy Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

SOCIETE BENINOISE D’ENERGIE ELECTRIQUE

Dated July 13, 2009
CREDIT NUMBER 4587-BJ

PROJECT AGREEMENT

AGREEMENT dated July 13, 2009, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and SOCIETE BENINOISE D’ENERGIE ELECTRIQUE ("SBEE") ("SBEE Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between the REPUBLIC OF BENIN ("Recipient") and the Association.

The Association and the SBEE 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 SBEE declares its commitment to the objectives of the Project. To this end, the SBEE shall carry out Parts A.4 and C.2 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 its Respective Part of the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the SBEE shall otherwise agree, the SBEE shall carry out its Respective Part 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 twenty years after the date of this Agreement.
ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The SBEE’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: Telex: Facsimile:

INDEVAS 248423(MCI) 1-202-477-6391
Washington, D.C.

4.03. SBEE’s Address is:

Société Béninoise d’Energie Electrique
01 BP 123
Cotonou, Republic of Benin

Facsimile:

229-21-315028
AGREED at Cotonou, Benin, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Joseph Baah-Dwomoh
Authorized Representative

SOCIETE BENINOISE D'ENERGIE ELECTRIQUE

By /s/ Godefroy Chekete
Authorized Representative
SCHEDULE

Execution of the SBEE’s Respective Part of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The SBEE shall maintain throughout Project implementation, a team of specialized staff within the SBEE with terms of reference, composition and resources satisfactory to the Association, including staff specialized in environmental and social safeguards.

2. The SBEE specialized staff shall be responsible for the day-to-day: (i) financial management under Parts A.4 and C.2 of the Project, including audits and management of the Designated Account; (ii) oversight of all technical, social, and environmental matters relating to Project implementation; (iii) monitoring and evaluation of Parts A.4 and C.2 of the Project activities; (iv) implementation of the SBEE Subsidiary Agreement; and (v) carrying out procurement, financial management and disbursements activities for Parts A.4 and C.2 of the Project.

B. Anti-Corruption

The SBEE shall ensure that its Respective Part of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Manual

Except as the Association shall otherwise agree, the SBEE shall carry out Parts A.4 and C.2 of the Project in accordance with the Project Implementation Manual.

D. Safeguards

1. The SBEE shall ensure that Parts A.4 of the Project are implemented in accordance with the provisions of the Environmental and the Social Management Framework and the Resettlement Policy Framework.
2. In the event of any conflict between the provisions of the Environmental and Social Management Framework, or the Resettlement Policy Framework and those of this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The SBEE shall monitor and evaluate the progress of its Respective Part of the Project and prepare Project Reports for its Respective Part of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators agreed with the Association. Each such Project Report shall cover the period of one calendar semester, 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 Association of the overall Project Report.

2. The SBEE shall provide to the Recipient not later than three (3) months after 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 SBEE 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 SBEE, including the operations, resources and expenditures related to its Respective Part of the Project.

2. The SBEE 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 a Fiscal Year. 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.

3. The SBEE shall carry out the SBEE Financial Improvement Plan, under terms and conditions satisfactory to the Association and, except as the Association shall otherwise agree, not amend, abrogate; or waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof, without the prior written agreement of the Association.
Section III. **Procurement**

All goods, works and services required for the SBEE’s Respective Part of 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 Financing Agreement.