Project Agreement

(Additional Financing for the Energy Services Delivery Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

COMMUNAUTE ELECTRIQUE DU BENIN

Dated July 3, 2008
PROJECT AGREEMENT

Agreement dated July 3, 2008, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and COMMUNAUTE ELECTRIQUE DU BENIN (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of the same date between the Republic of Benin (“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 objectives of the Project and the Program. To this end, the Project Implementing Entity shall carry out Parts B.2 and C.1 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 Project Implementing Entity shall otherwise agree, the Project Implementing Entity 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 Project Implementing Entity’s Representative is its Director General or such other person or persons as the Director General shall designate in writing.

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

4.03. The Project Implementing Entity’s Address is:

Communauté Electrique du Bénin
BP 1368
Lomé, Togolese Republic

Facsimile:

(228) 221 3764
AGREED in the District of Columbia, United States of America, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: Michel Wormser
    Authorized Representative

COMMUNAUTE ELECTRIQUE DU BENIN

By: /s/ Cyrille Oguin
    Authorized Representative
SCHEDULE

Execution of the Project Implementing Entity’s Respective Part of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Agency shall ensure that, at all times during the execution of the Project, the qualifications, experience and performance of its staff in charge directly or indirectly of the implementation of any parts of the Project, shall be satisfactory to the Association.

B. Anti-Corruption

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

C. Safeguards

1. The Project Implementing Entity shall ensure that its Respective Part of the Project is carried out in accordance with the guidelines, procedures, recommendations, and other specifications set forth in the Environmental Assessment (EA), including its Environmental Mitigation Plan (EMP), and Resettlement Action Plan (RAP) as the case may be, and, except as the Association shall otherwise agree, shall not amend or waive any provision of the aforementioned frameworks, assessments and plans.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Project Implementing Entity 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 set forth below in subparagraph (b) of this paragraph. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later than two 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.

(b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
• Reliable power supplied to northern Benin through the interconnected grid as measured in GWh from southern grid and through higher stability of overall grid.

• Power provided to northern Benin through the Togolese power grid, as measured in GWh supplied.

• Planning completed for investments identified in key feasibility/safeguards studies prepared to facilitate closing of the generation gap.

2. The Project Implementing Entity shall provide to the Recipient not later than May 30, 2011, 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 conditions of the Project Implementing Entity, including the operations, resources and expenditures related to its Respective Part 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, works and services required for the Project Implementing Entity’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.