Project Agreement

(Rural Electrification Hybrid System Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

L'AGENCE MALIENNE POUR LE DEVELOPPEMENT DE L'ENERGIE DOMESTIQUE ET DE L'ELECTRIFICATION RURALE

Dated December 23, 2013
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, the GPOBA Grant Agreement, the SREP Grant 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 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 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 (twenty) years after the date of this Agreement.
ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is the General Director.

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:

L’Agence Malienne pour le Développement  
de l’Energie Domestique et de l’Electrification Rurale  
B.P. E715  
Colline de Badalabougou  
Bamako  
Mali

Facsimile:

(+223) 20 23 82 39
AGREED at Bamako, Mali, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Ousmane Diagana
Title: Country Director

L'AGENCE MALIENNE POUR LE DEVELOPPEMENT DE L'ENERGIE DOMESTIQUE ET DE L'ELECTRIFICATION RURALE

By

Authorized Representative

Name: Cheick Ahmed Sango
Title: Directeur General
SCHEDULE

Execution of the Project

Section I. **Implementation Arrangements**

A. **Institutional Arrangements.**

1. The Project Implementing Entity shall be responsible for Project coordination, implementation, and monitoring and evaluation, as well as administrative, financial management, procurement, and disbursements under the Project, including ensuring compliance with safeguards measures and procedures, and carrying out the regular progress reports under the Project.

2. Without prejudice to the provisions of paragraph 1 of this Part A, the Rural Electrification Directorate of AMADER shall be responsible for day-to-day coordination, implementation, and monitoring and evaluation of Part 1 of the Project.

3. Without prejudice to the provisions of paragraph 1 of this Part A, the Domestic Energy Directorate of AMADER shall be responsible for day-to-day coordination, implementation, and monitoring and evaluation of Part 2 of the Project.

4. Without prejudice to the provisions of paragraph 2 of this Part A, the Project Implementing Entity shall ensure the implementation of Part 3 of the Project through the collaboration among its various units, including the Administrative and Financial Unit, the Communications and Training Unit, the Monitoring and Unit and the Safeguards Unit.

B. **Subsidiary Agreement**

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under a Subsidiary Agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association.

2. The Project Implementing Entity shall exercise its rights and fulfill its obligations under the Subsidiary Agreement in such a manner as to protect the interests of the Recipient, the Project Implementing Entity and the Association, and accomplish the purposes of the Financing. Except as the Recipient or the Association shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. **Project Implementation Manual**

The Project Implementation Entity shall carry out the Project in accordance with the PIM.
D. Output-based Subsidies Agreements

1. To facilitate the carrying out of Part 2.1(i) of the Project, the Project Implementing Entity shall enter into an agreement with the selected Participating Distributors (the “Output-based Subsidies Agreements”), under terms and conditions described in the PIM and approved by the Association, for the sale of approximately 100,000 solar portable lanterns in target rural areas.

2. In carrying out the implementation of Part 2.1(i) of the Project, the Project Implementing Entity, shall ensure the verification of the outputs by an Independent Verification Agent prior to the payment of Output-based Subsidies.

E. Annual Work Plan

1. The Project Implementing Entity shall carry out the implementation of the Project on the basis of annual work programs which shall have been prepared by October 31 of each year and approved by January 15 of each year, in terms and conditions satisfactory to 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.

2. The Project Implementing Entity shall: (a) review and furnish to the Association for its approval, not later than December 15 in each Fiscal Year during the implementation of the Project, the proposed annual work plan (including activities for the following Fiscal Year and related budget); (b) afford the Association a reasonable opportunity to exchange views with the Recipient on said proposed plan; and (c) thereafter ensure that the Project is implemented with due diligence during said following Fiscal Year in accordance with such annual work plan as shall have been approved by the Association (“Annual Work Plan”).

3. The Project Implementing Entity shall not make or allow to be made any change to the Annual Work Plan without prior approval in writing by the Association.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Project Implementing 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 indicators acceptable to the Association. Each such Project Report shall cover the period of forty five (45) days, and shall be furnished to the Recipient not later 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.
CONFORMED

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 condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.

2. The Project Implementing Entity shall submit Annual Financial Statements satisfactory to the Association and in accordance with the provisions of Project Implementation Manual. The Annual Financial Statements shall contain, *inter alia*: (i) a statement of sources and uses of funds which includes all cash receipts, cash payments and cash balances; (ii) a statement of commitments; (iii) accounting policies adopted and explanatory notes; and (iv) a management assertion that Project funds have been expended for the intended purposes.

3. 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 Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (i) furnished to the Association not later than five (5) months after the end of such period; and (ii) audited annually by an external auditor selected based on qualifications satisfactory to the Association.

Section III. Procurement

All goods and services required for 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.

Section IV. Other Undertakings

The Project Implementing Entity shall:

(i) appoint an external financial auditor for the Project under terms of reference, and with qualifications and experience satisfactory to the Association, not later than four (4) months after the Effective Date;

(ii) purchase and install a new accounting software factoring in its ability to generate financial statements, not later than three (3) months after the Effective Date; and

(iii) appoint a procurement specialist for the Project, under terms of reference and qualifications, and with experience satisfactory to the Association, not later than two (2) months after the Effective Date.