Project Agreement
(Guinea – Mali Interconnection Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

ENERGIE DU MALI S.A
AGREEMENT between the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and ENERGIE DU MALI S.A ("EDM" or "Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of the Signature Date between the Republic of Mali ("Recipient") and the Association, concerning Grant No. D337-ML and Credit No. 6262-ML. The Association and EDM hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) apply to and form 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. EDM declares its commitment to the objectives of the Project and the Program. To this end, EDM shall carry out Parts 1.A.1, 1.A.4, 1.B and 2 of the Project in accordance with the provisions of Article V of the General Conditions and the Schedule to this Agreement, and shall provide promptly as needed, the funds, facilities, services and other resources required for Parts 1.A.1, 1.A.4, 1.B and 2 of the Project.

ARTICLE III — TERMINATION

3.01. For purposes of Section 10.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the Signature Date.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. EDM’s Representative is its General Director.
4.02. For purposes of Section 11.01 of the General Conditions:

(a) the Association’s address is:

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

(b) the Association’s Electronic Address is:

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

4.03. For purposes of Section 11.01 of the General Conditions:

(a) EDM’s address is:

_Energie du Mali S.A._
Square Patrice Lumumba, BP 69
Bamako
Republic of Mali; and

(b) EDM’s Electronic Address is:

Facsimile:

(223) 20228430
AGREED as of the later of the two dates written below.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

[Signature]

Authorized Representative

Name: Souleyna Kane
Title: Country Director
Date: October 2, 2018

ENERGIE DU MALIS.A

By:

[Signature]

Authorized Representative

Name: [Redacted]
Title: General Director
Date: October 2, 2018
SCHEDULE

Execution of Parts 1.A.1, 1.A.4, 1.B and 2 of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Project Implementation Unit

EDM shall maintain throughout Project implementation, at all times under terms of reference and with a composition satisfactory to the Association, the Project Implementation Unit vested with responsibility for, inter alia: (i) carrying out the bidding process for the works to be financed under the Project; (ii) supervising the implementation of the Project; (iii) coordinating the activities of the various stakeholders, including consultants, manufacturers, installers, inspection services and all the public services concerned; (iv) approving technical documents; (v) ensuring sound financial management of the Project; (vi) preparing Project and Completion Reports; (vii) coordinating the commissioning of the Project once completed; (viii) ensuring the smooth handing over of its facilities to the utility that shall, upon Project completion, be in charge of operating and maintaining them; and (ix) preparing and participating in, as secretary, the meeting of the Joint Implementation Steering Committee. For such purposes, the PIU shall be headed by the Project Coordinator and its composition shall include existing staff of EDM, consultants, and the following specialists to be employed by the EDM not later than three (3) months after the Effective Date: one (1) senior environmental specialist, one (1) social development specialist, and one (1) accountant, all with experience and qualifications satisfactory to the Association.

B. Safeguards

1. EDM shall implement the Project in accordance with the provisions of the Environmental and Social Management Plan (ESMP) and the Resettlement Action Plan (RAP), all in a manner satisfactory to the Association.

2. Without limitation upon the provisions of the precedent paragraph 1, EDM shall take all required measures to ensure, through its own staff and/or existing environmental/social institutions, that no works are commenced under the Project until and unless all Project Affected Persons have been properly compensated in accordance with the provisions and procedures set forth in the RAP, including an up-to-date census which adequately identifies all such Project Affected Persons, and in compliance with the requirements of appropriate national and/or local authorities.
3. Without limitation upon its other reporting obligations under this Agreement, EDM shall collect, compile and furnish to the Association on a quarterly basis, or promptly whenever the circumstances warrant, reports on the status of compliance with the Environmental and Social Management Plan (ESMP) and the Resettlement Action Plan (RAP), giving details of:

(a) measures taken in furtherance of the ESMP and the RAP;
(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the ESMP and the RAP; and
(c) remedial measures taken or required to be taken to address such conditions.

4. EDM shall promptly take all remedial measures referred to in paragraph 3 of this Section C as shall have been agreed by the Association.

C. Project Implementation Manual

EDM shall: (i) take all action required to carry out the Project in accordance with the provisions and requirements set forth or referred to in the Project Implementation Manual; (ii) submit recommendations to the Association for its consideration for changes and further updates of the Project Implementation Manual as they may become necessary or advisable during Project implementation in order to achieve the objectives of the Project; and (iii) not assign, amend, abrogate or waive the Project Implementation Manual or any of its provisions without the prior approval of the Association. Notwithstanding the foregoing, if any of the provisions of the Project Implementation Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail and govern.

D. Annual Work Plan and Budget (AWP&B)

EDM shall:

(a) prepare a draft AWP&B for each Fiscal Year, setting forth, inter alia: (i) a detailed description of planned Project activities for the following Fiscal Year; (ii) the sources and uses of funds therefor; and (iii) responsibility for execution of said Project activities, budgets, start and completion date, outputs, and monitoring indicators to track progress of each activity;
(b) on or about November 30 of each Fiscal Year and after considering the comments provided by the Joint Implementation Steering Committee, furnish to the Association for its comments and approval, the draft AWP&B and, promptly thereafter, finalize the AWP&B taking into account the Association's views and recommendations thereon; and
E. Training

For the purposes of the training to be provided under Parts 1.A.1, 1.A.4, 1.B and 2 of the Project and to be delivered through study tours, workshops and conferences, EDM shall:

(a) furnish to the Association for its approval, not later than November 30 of each year, a training program including an explanation of how such training is consistent and conducive to the objectives of the Project and whether it offers the best price/quality ratio, as well as the schedule for its implementation;

(b) select the trainees in accordance with a transparent process and criteria satisfactory to the Association; and

(c) furnish to the Association a report of such scope and detail as the Association shall reasonably request, on the results of each training and the benefits to be derived therefrom.

F. Commercial Terms for Future Energy Exchange

EDM shall, not later than three (3) months after the Effective Date, sign with EDG a term sheet, upon conditions deemed satisfactory to the Association, describing broadly the commercial terms of the energy exchange between the two utilities, including a commitment on a range of quantity and price of energy, which shall govern the negotiation of a future power purchase agreement between EDM and EDG.

G. Complaint Handling Mechanism

EDM shall, not later than three (3) months after the Effective Date establish, and thereafter maintain and operate, a functional complaint handling mechanism for the Project with adequate staffing and processes for registering complaints and acceptable to the Association, thereby ensuring the ongoing improvement on service delivery under the Project.

H. Accounting Systems and Auditing

EDM shall: (i) not later than three (3) months after the Effective Date: (A) purchase a new accounting software for the Project or, in the alternative, customize its existing accounting software version to make it suitable for the Project and reflect the Project specificities, thereby allowing EDM to comply with its obligations under this Agreement; and (B) train the staff of its audit and control department on
the Association's procedures and appoint a dedicated internal auditor for the Project; and (ii) not later than five (5) months after the Effective Date, appoint an external auditor under terms of reference and with qualifications and experience satisfactory to the Association.

Section II. **Project Monitoring, Reporting and Evaluation**

A. **Project Reports**

1. EDM shall monitor and evaluate the progress of Parts 1.1.1, 1.1.4, 1.1.B and 2 of the Project and prepare Project Reports for Parts 1.1.1, 1.1.4, 1.1.B and 2 of the Project in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of the Monitoring and Evaluation Indicators. Each such Project Report shall cover the period of one calendar quarter, and shall be furnished to the Recipient and the Association not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.

2. EDM shall provide to the Recipient and the Association not later than six (6) months after the Closing Date, the report referred to in Section 5.08(c) of the General Conditions.

B. **Mid-Term Review**

EDM shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the Monitoring and Evaluation Indicators, the carrying out of Parts 1.1.1, 1.1.4, 1.1.B and 2 of the Project and the achievement of the objectives thereof;

(b) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about April 30, 2022, a report integrating the results of the monitoring and evaluation activities and setting out the measures recommended to ensure the efficient carrying out of Parts 1.1.1, 1.1.4, 1.1.B and 2 of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review with the Association, on or about June 30, 2022, or such later date as the Association shall request, the report referred to in the preceding paragraph (b), and, thereafter, take all measures required to ensure the efficient completion of Parts 1.1.1, 1.1.4, 1.1.B and 2 of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.