Mr. Amadou Diallo  
Secretary General  
West African Power Pool  
06 BP 2907  
Cotonou  
Republic of Benin

Re: West African Power Pool  
Advance Agreement for the Preparation of Proposed West African Power Pool (WAPP) Integration and Technical Assistance Project  
Project Preparation Advance No. Q815

Dear Mr. Diallo:

In response to the request for financial assistance from the International Development Association ("World Bank") on behalf of the West African Power Pool ("WAPP" or "Recipient"), I am pleased to inform you that the World Bank proposes to extend to the Recipient a project preparation advance out of the World Bank’s Project Preparation Facility in an amount not to exceed two million five hundred thousand Dollars ($2,500,000) ("Advance") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in financing the activities described in Section 2.01 of the Annex ("Activities"). The objective of the Activities is to facilitate the preparation of a proposed project designed to increase the technical integration of the Recipient’s network ("Project"), for the carrying out of which the Recipient has requested the World Bank’s financial assistance.

The Recipient represents, by confirming its agreement below, that: (i) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project; and (ii) it is authorized to enter into this Agreement and to carry out the Activities, and perform its other obligations under this Agreement, all in accordance with the provisions of this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received this countersigned
copy within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank has established a later date for such purpose.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: 

Elizabeth L. Lule
Acting Director, Regional Integration
Africa Region

AGREED:
WEST AFRICAN POWER POOL

By: 

Authorized Representative
Name: Amadou Diallo
Title: Secretary General
Date: 09/05/15

Enclosures:

✓ (1) “Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility”, dated July 31, 2010

✗ (2) Disbursement Letter for the Advance of the same date as this Agreement, together with “World Bank Disbursement Guidelines for Projects”, dated May 1, 2006


✗ (5) Guidelines on “Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement and the following additional terms have the following meanings:


   (b) “CLSG” means the Côte d’Ivoire, Liberia, Sierra Leone and Guinea Power Interconnection Project.

   (c) “CLSG Regional Transmission Company” means the supranational entity with commercial character to be created for the purpose of designing, constructing, owning, operating, maintaining, and developing the transmission line under the CLSG.


   (e) “ECOWAS” means the Economic Community of West African States, whose member states are the Republic of Benin, Burkina Faso, the Republic of Cape Verde, the Republic of Côte d’Ivoire, the Republic of The Gambia, the Republic of Ghana, the Republic of Guinea, the Republic of Guinea Bissau, the Republic of Mali, the Republic of Niger, the Federal Republic of Nigeria, the Republic of Senegal, the Republic of Sierra Leone, and the Republic of Togo.

   (f) “General Secretariat” means the administrative organ of the Recipient established pursuant to the provisions of Article 7 of the WAPP Articles of Agreement (as hereinafter defined) to support the Recipient’s executive board in the accomplishment of its duties and which is responsible for the day-to-day management of the Recipient.

   (g) “Joint Implementation Committee” means the joint implementation committee for the execution of the CLSG interconnection Project as established by resolution of the ministers in charge of energy of Côte d’Ivoire, Liberia, Sierra Leone, and Guinea, and the WAPP dated August 19, 2008.

   (h) “Operating Costs” means the expenditures incurred by the Recipient to finance: (i) the salaries of the staff of the Project Implementation Unit (as hereinafter defined) and state contributions thereon; (ii) *per diem* and travel expenses of the said staff to perform their responsibilities under the Activities; (iii) fuel and vehicle maintenance and insurance;
(iv) communication technology (including, without limitation, internet and telephone); (v) building security and maintenance; (vi) translation services, photocopies and publications; (vii) bank commissions; and (viii) utilities and office supplies.


(j) "Procurement Plan" means the Recipient’s procurement plan for the Activities, dated April 23, 2012 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

(k) "Project Implementation Unit" means the unit to be established within the General Secretariat to manage the preparation of the West African Power Pool Integration and Technical Assistance Project as agreed by the Joint Implementation Committee in Conakry on July 13, 2011.


(m) "Training" means the reasonable cost associated with training and workshop participation under the Activities, consisting of travel and subsistence costs for training participants, costs (other than consulting services) associated with securing the services of trainers and presenters, rental of training facilities, translation and interpretation services, preparation and reproduction of training materials.

(n) "WAPP Articles of Agreement" means the document setting forth the Recipient’s management structure, its organization and functions with a view to establish a good framework of cooperation between its members to ensure improved efficiency of power supply in ECOWAS member states and increased access to energy for its citizens.

(o) "West African Power Pool Legislation" means collectively the Decision A/Dec.18/01/06 dated January 12, 2006 and the Decision A/Dec.20/01/06 of the Authority of Heads of State and Government of the ECOWAS, and the WAPP Articles of Agreement, pursuant to which the WAPP has been established as an international organization that associates all public and private power entities in the ECOWAS member states.

Article II
Execution of the Activities

2.01. Description of the Activities. The Activities for which the Advance is provided consist of the following parts:

(1) Development of the Project’s institutional framework, including the CLSG Regional Transmission Company, through: (i) staffing and outfitting of the Project Implementation Unit, the financing of its Operating Costs, and the provision of goods and two (2) vehicles; (ii) strengthening of the Joint Implementation Committee through the carrying out of workshops and the provision of technical assistance and training; (iii) technical advisory services to facilitate the conclusion of power
purchase agreements between potential suppliers and off-takers; (iv) the recruitment of a procurement specialist; and (v) the carrying out of studies for the institutional development and business plan for the CLSG.

(2) Preparation of the required technical studies and environmental and social safeguard instruments for the Project through: (i) the carrying out of an environmental and social impact assessment and a resettlement action plan for the Mount Coffee-Monrovia interconnection; (ii) the completion of the environmental and social management frameworks and resettlement policy framework for the assessment and enhancement of the sub-transmission and distribution functions for the CLSG; (iii) the carrying out of a study for the enhancement of sub-transmission and distribution functions for the CLSG; and (iv) the carrying out of a study for the supply of heavy fuel oil from Monrovia port to Bushrod Island.

2.02. Execution of the Activities Generally. The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities through its General Secretariat in accordance with the provisions of: (i) Article II of the Standard Conditions; (ii) this Article II; and (iii) the Anti-Corruption Guidelines.

2.03. Monitoring, Reporting and Evaluation of the Activities. The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.04. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.

(b) The Recipient shall ensure that interim un-audited financial reports for the Activities are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions.

(i) If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, the Recipient shall have the Financial Statements included in the first audit of financial statements required under the Refinancing Agreement.

(ii) If, by the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, such audit of the Financial Statements shall cover the period of the Advance, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of the Recipient’s fiscal year in which the Refinancing Date occurs.

(iii) Notwithstanding the provisions of paragraphs (i) and (ii) of this Section, the World Bank may request an audit of the Financial Statements prior to the Refinancing Date, covering such period as is indicated in its request. The audited Financial Statements for such
period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.05. **Procurement**

(a) **General.** All goods and consultants' services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the Procurement Guidelines, in the case of goods;

(ii) Sections I and IV of the Consultant Guidelines, in the case of consultants' services; and

(iii) the provisions of this Section, as the same shall be elaborated in the Procurement Plan.

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Goods**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods for those contracts specified in the Procurement Plan: (A) National Competitive Bidding, using the competitive bidding procedure normally used for public procurement in the Republic of Benin with the modifications and additions that the World Bank may determine are required to make such procedure acceptable for use under the Advance; (B) Shopping; and (C) Direct contracting.

(d) **Particular Methods of Procurement of Consultants’ Services**

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following method may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Least Cost Selection; (B) Selection Based on Consultants’ Qualifications; (C) Single-source Selection of Consulting Firms; (D) Selection of Individual Consultants; and (E) Single-source procedures for the Selection of Individual Consultants.

(e) **Review by the World Bank of Procurement Decisions.** The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.
Article III
Withdrawal of the Advance

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Advance in accordance with the provisions of: (i) Article III of the Standard Conditions; (ii) this Section; and (iii) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% of Eligible Expenditures as set forth in the following table, exclusive of Taxes (it being understood that pursuant to that certain General Convention on Privileges and Immunities of the Economic Community of West African States enacted on April 22, 1978 and which entered into force on June 5, 1980, among the member states of ECOWAS, Eligible Expenditures incurred by the Recipient are exempt from Taxes levied by, or in the territory of the Republic of Benin on or in respect of such Eligible Expenditures, or on their importation, manufacture, procurement or supply). The table specifies the category of Eligible Expenditures that may be financed out of the proceeds of the Advance (“Category”), the amount of the Advance allocated to the Category, and the percentage of expenditures to be financed for Eligible Expenditures in the Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Advance Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be Financed (exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, and consultants’ services, Operating Costs and Training</td>
<td>2,500,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>2,500,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made: (i) prior to the date of countersignature of this Agreement by the Recipient, except that withdrawals up to an aggregate amount not to exceed $500,000 equivalent may be made for payments made prior to this date but on or after May 31, 2011, for Eligible Expenditures under the Category.

3.03. **Refinancing Date.** The Refinancing Date is December 1, 2012.

Article IV
Terms of the Advance

4.01. **Refinancing under the Refinancing Agreement:** If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be paid to the World Bank as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of such amount of the Refinancing Proceeds, in accordance with the provisions of the Refinancing Agreement.
4.02. **No Repayment in the absence of a Refinancing Agreement:** Notwithstanding any provision to the contrary in the Standard Conditions, if, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date or at any time thereafter, it has been so executed but terminates without becoming effective, then the Recipient shall not be obligated to repay the Withdrawn Advance Balance.

**Article V**

**Additional Remedies**

5.01. **Additional Events of Suspension.** The Additional Event of Suspension consists of the following, namely that the West African Power Pool Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under this Agreement.

**Article VI**

**Recipient’s Representative; Addresses**

6.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 9.02 of the Standard Conditions is its Secretary General.

6.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 9.01 of the Standard Conditions is:

   West African Power Pool  
   06 BP 2907  
   Cotonou  
   Republic of Benin

   Facsimile:  
   229 21 37 41 96 or 229 21 37 71 43

6.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 9.01 of the Standard Conditions is:

   International Development Association  
   1818 H Street, N.W.  
   Washington, D.C. 20433  
   United States of America

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

Modifications to the Standard Conditions

The modifications to The Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility dated July 31, 2010 are set forth below (all references to Sections and the Appendix are to Sections of and the Appendix to said Standard Conditions). In all other respects, the Standard Conditions remain in full force and effect.

(a) Section 2.11 (a) is modified to read as follows:

"Section 2.11. (Visits) (a) The Recipient shall take all measures required on its part to enable the representatives of the World Bank to visit any part of any Member Country’s territory for purposes related to the Advance or the Activities."

(b) The expression “territory of the Recipient” or “its territory”, wherever used in Sections 3.06 (Financing Taxes), 4.07 (Manner of Payment) and 5.01 (Financial and Economic Data) is modified to read “territory of each Member Country”.

(c) Section 5.01 (Financial and Economic Data) is deleted in its entirety, and the remaining paragraphs of Article V are renumbered accordingly.

(d) The expression “Recipient” in Section 6.02(h) (Membership) is modified to read “Member Country or any member of the Recipient”.

(e) The expression “Implementing Entity”, wherever used in Sections 6.02 (i) (Condition of Implementing Entity) and 6.02 (j) (Ineligibility), is modified to read “Recipient”.

(f) A new paragraph (l) is added to Section 6.02 (Suspension by the World Bank) (and the existing paragraph (l) is renumbered as (m)) to read as follows:

“(a) Interference. Any Member Country has: (i) taken or permitted to be taken any action which would prevent or interfere with the execution of the Activities or the performance by the Recipient of its obligations under the Advance Agreement; or (ii) failed to afford a reasonable opportunity for representatives of the World Bank to visit any part of its territory for purposes related to the Advance or the Activities.”

(g) A new definition is added to the Appendix to read as follows:

“‘Member Country’ means the member of the World Bank in whose territory the Activities are carried out or any of such member’s political or administrative subdivisions. If such activity is carried out in the territory or more than one such member, “Member Country” refers separately to each such member.”

(h) The definition of “Recipient” is modified to read as follows:

“‘Recipient’ means the entity which is a party to the Advance Agreement and to which the Advance is extended.”

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