Project Agreement

(Power Sector Recovery Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

ELECTRICITÉ DE GUINÉE

Dated July 2, 2014
PROJECT AGREEMENT

AGREEMENT dated July 2, 2014, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and ELECTRICITÉ DE GUINÉE ("Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between the REPUBLIC OF GUINEA ("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. To this end, the Project Implementing Entity shall carry out Component 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 Component 2 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 Component 2 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.
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  
Washington, D.C.

4.03. The Project Implementing Entity’s Address is:

Immeuble Koundara  
Cité Chemin de Fer  
P.O Box 1463, Conakry  
Republic of Guinea

AGREED at Conakry, Republic of Guinea, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION  

By

Authorized Representative

Name: Youssouf DiAGANA  
Title: Directeur des Opérations

ELECTRICITÉ DE GUINÉE  

By

Authorized Representative

Name: Mamadou Douy DiALLO  
Title: Directeur Général
SCHEDULE

Execution of Component 2 of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Project Implementing Entity shall:

   (a) designate the ESIP-PIT to be responsible for: (i) day-to-day execution, coordination and implementation (including procurement, financial management, environmental and social safeguards, monitoring and evaluation, supervision, reporting and communication aspects) of activities under Component 2 of the Project; and (ii) preparation of urgent investments; and

   (b) by no later than the ESIP Closing Date, set up the EDG-PIU to be responsible for the functions that were carried out by ESIP-PIT. To that end, the Project Implementing Entity shall take all actions, including the provision of funding, personnel (including, a Project coordinator, a procurement specialist, a financial management specialist, an accountant, and a safeguards specialist), and other resources satisfactory to the Association, to enable the EDG-PIU to perform said functions.

B. Anti-Corruption.

The Project Implementing Entity shall ensure that Component 2 of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Safeguards.

1. The Project Implementing Entity shall, and shall cause the private Operator to:

   (a) carry out Component 2 of the Project in accordance with the Safeguards Instruments, including each ESMP and RAP to be prepared pursuant to paragraph 2 of this Sub-Section;

   (b) refrain from taking any action, or consenting to an action to be taken, which would prevent or interfere with the implementation of the Safeguards Instruments, including any amendment, suspension, waiver, and/or voidance of any provision thereof, whether in whole or in part, without the prior written concurrence of the Association; and

   (c) promptly and timely provide the financial resources required for the carrying out of the measures stipulated in the Safeguards Instruments.

2. The Project Implementing Entity shall:
(a) prior to commencing each activity under Component 2 of the Project:

(i) prepare: (A) each ESMP, required by and consistent with the EA for such activity; and (B) each RAP required by and consistent with the RPF for such activity;

(ii) have each ESMP and RAP furnished to the Association for its prior review and approval; and

(iii) adopt and disclose, as approved by the Association, each ESMP and RAP in a manner acceptable to the Association;

(b) thereafter take such measures as shall be necessary to ensure compliance with the requirements of each ESMP and RAP; and

(c) in the case of any activity under the Project involving Displaced Persons, ensure that no displacement or loss of income sources or means of livelihood, whether or not the affected persons are displaced, shall occur before necessary resettlement measures consistent with the RAP applicable to such activity have been executed, including, in the case of displacement, full payment to Displaced Persons of compensation and of other assistance required for relocation, prior to displacement.

3. The Project Implementing Entity shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, any of the Safeguards Instruments, unless the Association has provided its prior approval thereof in writing, and the Project Implementing Entity and the Recipient have complied with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.

4. Without limitation upon its other reporting obligations under this Agreement, the Project Implementing Entity shall, every three (3) months, collect, compile and furnish, as parts of the Project Report, reports on the status of compliance with the Safeguards Instruments giving details on:

(a) the measures taken in furtherance of the Safeguards Instruments;

(b) the conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments; and

(c) remedial measures taken or required to be taken to address such conditions.

5. The Project Implementing Entity shall ensure that each contract procured under Component 2 of the Project includes the obligation of the relevant contractor to comply with the relevant Safeguard Instruments applicable to the respective activities commissioned/awarded pursuant to said contract.

6. In the event of any inconsistency between the provisions of the Safeguards Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.
Section II.  Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of Component 2 of the Project and prepare Project Reports for Component 2 of the Project 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 one calendar semester, 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.

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 Component 2 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 Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association not later than six months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

Section III. Procurement

All goods, works and services required for Component 2 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.