

---

---

CREDIT NUMBER 5670-NG

# Program Agreement

(Third Lagos State Development Policy Operation)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

LAGOS STATE

Dated 25<sup>TH</sup> JANUARY, 2016

---

---

CREDIT NUMBER 5670-NG

**PROGRAM AGREEMENT**

AGREEMENT dated 25TH JANUARY, 2016, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and LAGOS STATE ("Program Implementing Entity") ("Program Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between the Federal Republic of Nigeria ("Recipient") and the Association. The Association and the Program 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 General Conditions and this Agreement.

**ARTICLE II — PROGRAM**

- 2.01. The Program Implementing Entity declares its commitment to the objectives of the Program and its implementation. To this end:
  - (a) the Program Implementing Entity and the Association shall from time to time, at the request of either party, exchange views on the Program Implementing Entity's expenditure program, debt, fiscal arrangements with the Recipient, and progress achieved in carrying out of the Program;
  - (b) prior to each such exchange of views, the Program Implementing Entity shall furnish the Association for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Association shall reasonably request; and
  - (c) without limitation upon the provision of paragraphs (a) and (b) of this Section, the Program Implementing Entity shall promptly inform the Association of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in the Schedule to this Agreement.

**ARTICLE III — REPRESENTATIVE; ADDRESSES**

3.01. The Program Implementing Entity's Representative is its commissioner responsible for finance.

3.02. The Association's Address is:

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

Cable address:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423(MCI)	1-202-477-6391

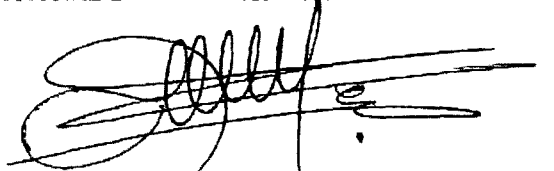
3.03. The Program Implementing Entity's Address is:

Honorable Commissioner for Finance  
Block 12A  
The Secretariat  
Alausa  
Ikeja, Lagos

AGREED at ABUJA, NIGERIA, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

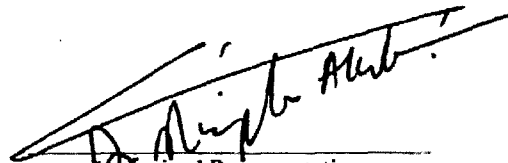
  
Authorized Representative

Name: RACHID BENMESSAD

Title: COUNTRY DIRECTOR FOR NIGERIA

LAGOS STATE

By

  
Authorized Representative

Name: Dr. MUSTAPHA A. AKINWAMI

Title: H.C FINANCE

## SCHEDULE

### Actions Taken Under the Program

The actions taken by the Program Implementing Entity under the Program referred to in the Preamble to the Financing Agreement include the following:

1. 2012 and 2013 consolidated state of affairs (balance sheets) of 15 key Lagos State parastatals have been published by the Lagos State Parastatal Monitoring Office.
2. The Program Implementing Entity's 2015 budget employs 25 medium-term sector strategies for MDAs with relevant MDAs' strategies consolidated into at least 3 sectoral medium-term strategies based on defined functions of government (education, health, and one more sector) in accordance with the Medium-Term Expenditure Framework.
3. Standard bidding documents are required to be used by all MDAs of the Program Implementing Entity for the purposes of public procurement.
4. The institutional capacity of the Public Procurement Agency has been strengthened by filling 8 key vacant managerial and technical specialist positions as agreed with the Association.
5. The "procure to pay" module of the Oracle-based Financial Management System has been introduced to at least 8 MDAs accounting for at least 85 percent of total state capital expenditures.
6. The Program Implementing Entity's cleansed and validated payroll system has been integrated with the Oracle-based Financial Management System for direct posting of payroll expenditures in General Ledger.
7. The cost of land transactions has been reduced by at least 50% (from its current rate of 13% of assessed value) and a new methodology has been implemented for assessing the value of land and other property that determines payable fees and charges related to land transactions.
8. The Ministry of Physical Planning and Urban Development of the Program Implementing Entity has developed and effectively introduced an electronic web-based system for processing of planning permits.

**APPENDIX**

**Definitions**

1. "Financing Agreement" means the agreement between the Association and the Recipient of the same date herewith, as the same may be amended from time to time, and such terms include all schedules and agreements supplemental to the Financing Agreement.
2. "Letter of Development Policy" means the letter from the Program Implementing Entity to the Association dated May 5, 2015, declaring the Program Implementing Entity's commitment to the execution of the Program, and requesting assistance from the Association in support of the Program during its execution.
3. "MDA" means a ministry, department or agency of the Program Implementing Entity, and the term "MDAs" means, collectively, all such ministries, departments and agencies.
4. "Oracle" means any object-relational database management system produced by Oracle Corporation, including Oracle financials and its subsets Oracle general ledger and Oracle accounts payable.
5. "Public Procurement Agency" means the procurement agency established pursuant to Lagos State public procurement law of 2011.