

**CREDIT NUMBER 5787-GM
GRANT NUMBER D1140-GM**

Project Agreement

(Electricity Support Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

NATIONAL WATER AND ELECTRICITY COMPANY

Dated May 26, 2016

CREDIT NUMBER 5787-GM
GRANT NUMBER D1140-GM

PROJECT AGREEMENT

Agreement dated May 26, 2016, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and NATIONAL WATER AND ELECTRICITY COMPANY ("Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between the REPUBLIC OF THE GAMBIA ("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 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 twenty (20) years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

- 4.01. The Project Implementing Entity's Representative is its Managing Director.

4.02. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423(MCI)

1-202-477-6391

4.03. The Project Implementing Entity's Address is:

National Water and Electricity Company
Mamady Maniyang Highway, Kanifing
PO Box 609, Banjul,
The Gambia

Telephone:

Facsimile:

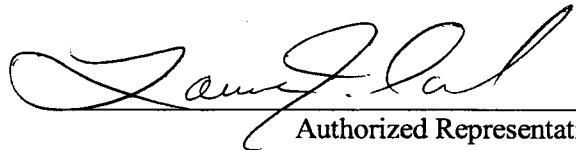
+(220) 437 6606/ 437 6607

+(220) 437 5990

AGREED at Washington, D.C., United States of America, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

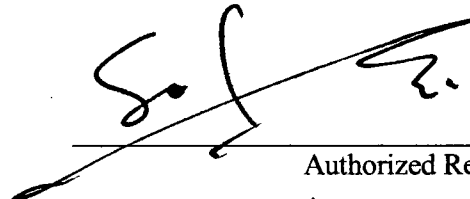

Authorized Representative

Name: Louise J. Cord

Title: Country Director

NATIONAL WATER AND ELECTRICITY COMPANY

By


Authorized Representative

Name: Sheikh Omar Faye

Title: Ambassador

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Project Management Unit

1. The Project Implementing Entity shall establish, and thereafter maintain, throughout the implementation of the Project, a project management unit ("Project Management Unit") within the Project Implementing Entity, with functions, staffing and resources satisfactory to the Association, including a project coordinator, a financial management specialist, an accountant, a procurement specialist, a safeguards specialist (environmental and social specialist), a generation engineer, transmission and distribution engineer, and a monitoring and evaluation specialist.
2. Without limitation to sub-paragraph (a) immediately above, the Project Management Unit shall be responsible for day-to-day administration of overall planning, coordination, the technical, fiduciary (i.e. procurement and financial management), environmental and social safeguards compliance, monitoring, evaluation, reporting and communication of the activities under the Project, all in accordance with the provisions of this Agreement, the Project Agreement and the Project Implementation Manual.

B. Subsidiary Agreement

The Project Implementing Entity shall carry out the Project in accordance with the Subsidiary Agreement as set forth in Section I.B of Schedule 2 to the Financing Agreement.

C. Project Implementation Manual

1. The Project Implementing Entity shall carry out the Project in accordance with the provisions of the Financing Agreement, the provisions of this Agreement, and the provisions of a manual satisfactory to the Association ("Project Implementation Manual"), which shall include: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) environmental and social safeguard guidelines; (e) monitoring, evaluation, reporting and communication; and (f) such other administrative, financial, technical, and organizational arrangements and procedures as shall be required for the Project.
2. The Project Implementing Entity shall not amend, abrogate, waive or fail to enforce any provision of the Project Implementation Manual without the prior written agreement of the Association; provided, however, that in case of any conflict between the arrangements and procedures set out in the Project Implementation Manual and the provisions of this Agreement and the Financing Agreement, the provisions of this Agreement and the Financing Agreement shall prevail.

D. Annual Work Plan and Budget

The Project Implementing Entity shall prepare, under terms of reference satisfactory to the Association, and furnish to the Association not later than October 31 in each calendar year (with the exception of 2016, year in which the referred date of submission will be August 1), for the Association's consideration, the Annual Work Plan and Budget referred to in Section I.D of Schedule 2 to the Financing Agreement; and shall thereafter, implement with due diligence and efficiency said Annual Work Plan and Budget as it shall have been approved by the Association.

E. Anti-Corruption

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

F. Environmental and Social Safeguards

1. The Project Implementing Entity shall implement the Project in accordance with the provisions of the ESMP, including its addendum and the guidelines, rules and procedures defined in such ESMP.
2. The Project Implementing Entity shall perform all measures required for carrying out the recommendations of the ESMP in a timely manner.
3. Without limitation to its other reporting obligations under this Agreement and under Section 4.08 of the General Conditions, the Project Implementing Entity shall include in the Project Reports referred to in Section II.A of this Schedule adequate information on the implementation of the ESMP, giving details of:
 - (a) measures taken in furtherance of the ESMP;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the ESMP;
 - (c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of the ESMP; and
 - (d) afford the Association a reasonable opportunity to exchange views with the Project Implementing Entity on such reports. Each such report shall be furnished to the Association not later than forty-five (45) days after the end of the calendar quarter covered by such report.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. 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 one (1) calendar quarter, and shall be furnished to the Recipient not later forty-five (45) days 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.
2. The Project Implementing Entity shall provide to the Recipient not later than six (6) months after the Closing Date stated in the Financing Agreement, for incorporation in the report referred to in Section 4.08(c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

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 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 (1) 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 (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.
3. The Project Implementing Entity shall, not later than three (3) months after the Effective Date: (a) set-up an accounting software for financial management of the Project; and (b) recruit an auditor in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.

Section III. Procurement

All goods, works non-consulting services and consultant 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.