

LOAN NUMBER 8563-DO

Project Agreement

(Distribution Grid Modernization and Loss Reduction Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

and

CORPORACIÓN DOMINICANA DE EMPRESAS ELÉCTRICAS ESTATALES



En

Dated *December 30* , 2015

PROJECT AGREEMENT

Agreement dated December 30, 2015 entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and CORPORACIÓN DOMINICANA DE EMPRESAS ELÉCTRICAS ESTATALES ("Project Implementing Entity") ("Project Agreement") in connection with the Loan Agreement ("Loan Agreement") dated December 29, 2015 between the DOMINICAN REPUBLIC ("Borrower") and the Bank. The Bank 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 Loan 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 Loan Agreement or the General Conditions.

ARTICLE II — PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objective of the Project (as defined in Schedule 1 to the Loan Agreement). To this end, the Project Implementing Entity shall carry out Parts 1 to 3 of the Project in accordance with the provisions of Article V 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 Bank and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its Respective Parts of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

- 3.01. The Project Implementing Entity's Representative is its Executive Vice-President.



3.02. The Bank's Address is:

International Bank for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433
United States of America

Cable:	Telex:	Facsimile:
INTBAFRAD	248423(MCI) or	1-202-477-6391
Washington, D.C.	64145(MCI)	

3.03. The Project Implementing Entity's Address is:

Av. Enrique Jiménez Moya
Centro de los Héroes de Constanza, Maimón y Estero Hondo
Santo Domingo, Dominican Republic



AGREED at Santo Domingo, Rep. Dom, as of the day and year first above written.

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By

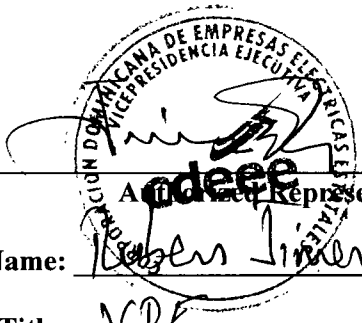
Catherine Abreu Rojas
Authorized Representative

Name: ZOLA Catherine Abreu R.

Title: Powerplant Specialist

**CORPORACIÓN DOMINICANA DE EMPRESAS
ELÉCTRICAS ESTATALES**

By


Authorized Representative
Name: Ruben Jimenez B
Title: VPE

SCHEDULE

Execution of the Project Implementing Entity's Respective Parts of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall maintain, throughout the implementation of Parts 1 to 3 of the Project, a PIU within its own structure, with functions, staffing, terms of reference and resources satisfactory to the Bank.
2. Without limitation to the provisions of Section I.A.1 of this Schedule, the PIU shall be responsible for day-to-day administration of overall planning, coordination, technical, fiduciary (i.e. procurement and financial management), environmental and social safeguards compliance, coordination, monitoring, evaluation, reporting and communication of the activities under Parts 1 to 3 of the Project, all in accordance with the provisions of the Loan Agreement, this Agreement and the Project Operations Manual.

B. Anti-Corruption

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

C. Safeguards

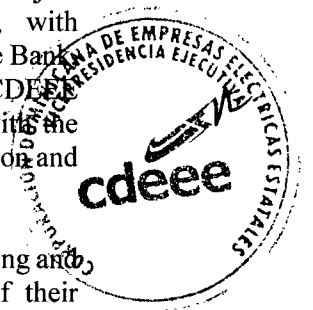
1. The Project Implementing Entity shall implement the Project in accordance with the guidelines, procedures, timetable and other specifications set forth in the EIA and the EMP, as the case may be, and except as the Bank shall otherwise agree, shall not amend or waive any provision of the aforementioned documents.
2. Without limitation upon its other reporting obligations under this Agreement, the Project Implementing Entity shall regularly collect, compile and submit to the Bank upon request, reports, in form and substance satisfactory to the Bank, on the status of compliance with the World Bank's Safeguard Policies, as appropriate: (a) measures taken in furtherance of the above-mentioned safeguard documents; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation; and (c) remedial measures taken or required to be taken to address such conditions.

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D. EDE Agreements

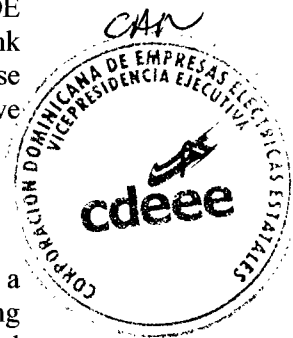
1. For the purposes of carrying out Parts 1 to 3 of the Project, the Project Implementing Entity shall enter into an agreement with each EDE participating in the implementation of the Project, under terms and conditions approved by the Bank (collectively referred to as “the EDE Agreements”), which shall include *inter alia*, the following provisions:
 - (a) the right of the Project Implementing Entity to take remedial actions against the pertinent EDE in case said EDE shall have failed to comply with any of its obligations under the pertinent EDE Agreement;
 - (b) a conflict resolution mechanism to solve any dispute or claim arising out of or relating to any of the obligations set forth in the EDE Agreements, which is not settled by agreement of the parties;
 - (c) the obligation of each EDE:
 - (i) to establish and thereafter maintain throughout Project implementation, a Project management unit (PMU), with resources, staffing and terms of reference satisfactory to the Bank, in charge of coordinating the respective EDE support to CDEEE for implementation of Parts 1 to 3 of the Project, and with the relevant IFIs involved in the Distribution Grid Modernization and Electrical Losses Reduction Program;
 - (ii) to prepare detailed budget, economic evaluations, engineering and design, as well as technical specifications in respect of their implementation support to the Project Implementing Entity under Part 1 of the Project;
 - (iii) to promptly provide to the Project Implementing Entity all the necessary information for the preparation and public disclosure by the Project Implementing Entity of energy sector performance reports on a monthly basis, at least for the duration of the Project implementation;
 - (iv) to participate actively in all procurement procedures, including bid evaluations and recommendations for award of contracts for the supply of goods, works and services;
 - (v) to provide the pertinent information for the preparation and consequent updating of the Procurement Plan;



- (vi) to allocate the funds, facilities, services and other resources, necessary or appropriate to carry out the corresponding activities under the Project;
 - (vii) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the EDE Agreements or any provision thereof unless previously agreed by the Bank;
 - (viii) to ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines; and
 - (ix) to furnish to the Bank no later than June 30 of each year during Project implementation, its financial statements audited by an independent auditor in accordance with international standards on auditing, at an interval acceptable to the Bank.
2. The Project Implementing Entity shall exercise its rights under each EDE Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate or waive any of the EDE Agreements or any of their provisions.

E. EDE Business Plans

The Project Implementing Entity shall cause each EDE to prepare and adopt in a manner satisfactory to the Bank a rolling five year business plan, including projected income statement, cash flow and balance sheets based on reasonable and realistic assumptions, no later than April 30 of each year preceding the Closing Date, commencing from April 30, 2016.



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 5.08 (b) of the General Conditions and on the basis of indicators acceptable to the Bank. Each such Project Report shall cover the period of one calendar quarter, and shall be furnished to the Borrower not later than forty-five (45) days after the end of the period covered by such report for incorporation and forwarding by the Borrower to the Bank of the overall Project Report.

2. The Project Implementing Entity shall provide to the Borrower not later than four (4) months after the Closing Date, for incorporation in the report referred to in Section 5.08 (c) of the General Conditions all such information as the Borrower or the Bank shall reasonably request for the purposes of that Section.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall, and shall cause each EDE to, maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity and the EDEs, including the operations, resources and expenditures related to the Project.
2. The Project Implementing Entity shall, and shall cause each EDE to, have its financial statements referred to above audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity, and each of the EDEs, respectively. The Project Implementing Entity shall ensure that the Project Implementing Entity's and the EDEs' audited financial statements for each period shall be: (a) furnished to the Borrower and the Bank 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 Bank.



Section III. Procurement

All goods, works and services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement.