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CREDIT NUMBER 5149-ET

# EEP Project Agreement

(Eastern Electricity Highway Project under the  
First Phase of the Regional Eastern Africa Power Integration Program)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

ETHIOPIAN ELECTRIC POWER

Dated *October 28, 2015*

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**ARTICLE IV — REPRESENTATIVE; ADDRESSES**

4.01. The EEP's Representative is its General Manager.

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. EEP's Address is:

Ethiopian Electric Power  
House No. 044/045  
Woreda 07, sub-city kirkos  
Addis Ababa  
Federal Democratic Republic of Ethiopia

Telex:

Facsimile:

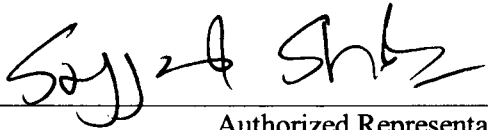
21023

+(251) 111-552345

AGREED at Addis Ababa, Ethiopia, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By


  
Authorized Representative

Name: SAYYID ALI SHAH

Title: COUNTRY DIRECTOR  
(ACTING)

ETHIOPIAN ELECTRIC POWER

By

  
Authorized Representative

Name: Wido Azeb Asnake

Title: CEO

## SCHEDULE

### Execution of the Project

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

##### 1. Project Implementation Unit

- (a) EEP shall maintain, throughout Project implementation, the PIU within its structure under terms of reference satisfactory to the Association and with financial, technical and administrative resources adequate to enable it to carry out the Project in a timely and diligent manner. The PIU shall consist of the existing staff from EEP and shall be responsible for management of country-specific procurement, contract administration, financial flows, and environmental and social matters, providing the JPCU: (i) quarterly Project Reports on the Ethiopian part of the Project; and (ii) technical support in joint procurement and other Project implementation matters with the support of the supervision consultant to be employed under Part B.1 of the Project. Furthermore, the PIU shall be responsible for the implementation of the Resettlement in cooperation and collaboration with the *woreda's* level authorities and Resettlement/implementation committees referred to in paragraph D.1 (b) of Section I.A of Schedule 2 to the Ethiopia Financing Agreement.
- (b) In furtherance of the precedent subparagraph (a), EEP shall ensure that the Project Implementation Unit is headed at all times by a Project manager and that its composition include the relevant and necessary experts and Project implementation specialists responsible for procurement, financial management, Project monitoring and evaluation and coordination, including at all times one (1) substation engineer, one (1) transmission engineer, one (1) protection engineer, one (1) communications engineer, one (1) civil engineer, one (1) Project accountant, one (1) environmental/resettlement specialist, one (1) procurement specialist, and a staff to be responsible for the monitoring and evaluation functions of the PIU.

##### 2. Environmental Monitoring Unit

EEP shall take all measures required on its behalf to ensure that its Environmental Monitoring Unit is maintained throughout Project implementation within its structure under terms of reference satisfactory to the Association and with financial, technical and administrative resources adequate to enable it: (i) to support the PIU through the team dedicated to the Project; and (ii) to carry out the

Environment and Social Impact Assessment, the Environment and Social Management Plan, the Resettlement Policy Framework, and the Resettlement Action Plan in a timely and diligent manner.

3. Joint Project Coordination Unit

(a) EEP shall take all actions required on its behalf to maintain throughout Project implementation the JPCU under terms of reference and with the financial and human resources adequate to enable it to carry out the following responsibilities under the Project: (i) facilitating coordination of Project activities among all relevant institutions; (ii) streamlining the Project's preparation and implementation; (iii) managing joint procurement; (iv) serving as a single-point for tracking the progress in the achievement of the Project's outcomes; (v) monitoring costs and financing; and (vi) preparing reports for EEP, KETRACO, the Recipient, Kenya, the Association, the Co-financier and the *Agence Française de Développement* according to an agreed-upon results monitoring plan and on the basis of the Project reporting information provided by each of EEP and KETRACO. The JPCU will report to the JSC.

(b) The JPCU shall be managed by a Joint Project Coordinator jointly appointed by EEP and KETRACO and its composition shall include the national Project managers from EEP and KETRACO, the experts that EEP and KETRACO shall assign from time to time on an as needed basis depending on the workload, and the manager of the supervision consultant referred to in the following paragraph 4 of this Section I.A and the procurement specialist member of the team of said supervision consultant. The JPCU shall coordinate and manage joint tender evaluation committees consisting of senior technical staff designated by each of EEP and KETRACO to participate in tender evaluations when needed.

4. Supervision Consultant

EEP shall take all actions necessary on its part to ensure that the process for the selection and the employment of the supervision consultant under Part B.1 of the Project is carried out jointly with KETRACO to ensure a smooth and cost-effective selection process. The supervision consultant, so selected, shall deploy separate consultant teams, respectively, for the JPCU, the PIU of EEP, and the project implementation unit of KETRACO.

**B. Anti-Corruption**

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

**C. Safeguards**

1. For the purposes of ensuring the timely and punctual compliance by EEP with the provisions set forth in Parts C and D of this Section I and to ensure that the ESIA, the ESMP and the RAP achieve their objectives, EEP shall promptly and timely provide the financial resources required for the carrying out of the measures stipulated in the ESIA, the ESMP, the RPF, and the RAP.

2. ESIA, ESMP, RPF, and RAP

(a) EEP shall: (i) prepare and carry out the Resettlement Action Plan (RAP) as designed and stipulated in the RPF; and (ii) implement the provisions of the Environmental and Social Impact Assessment (ESIA) and the Environmental and Social Management Plan (ESMP), all in a manner satisfactory to the Association.

(b) Without limitation upon its other reporting obligations under this Agreement, every three (3) months EEP shall collect, compile and furnish, as part of the Progress Reports, reports on the status of compliance with the ESIA, the ESMP, and the RAP, giving details on: (i) the measures taken in furtherance of the ESIA, the ESMP and/or the RAP; (ii) the conditions, if any, which interfere or threaten to interfere with the smooth implementation of the ESIA, the ESMP and/or the RAP; and (iii) remedial measures taken or required to be taken to address such conditions.

(c) EEP shall promptly take all remedial measures referred to in paragraph 2 (b) of this Section C as shall have been agreed by the Association.

**D. Project Implementation Manual**

EEP shall: (i) take all action required to carry out the Project in accordance with the provisions and requirements set forth or referred to in the Project Implementation Manual; (ii) submit recommendations to the Association for its consideration for changes and updates of the Project Implementation Manual as they may be necessary or advisable during Project implementation in order to achieve the objectives of the Project; and (iii) not assign, amend, abrogate or waive the Project Implementation Manual or any of its provisions without the Association's prior agreement. Notwithstanding the foregoing, if any of the provisions of the Project Implementation Manual is inconsistent with the provisions of this Agreement or the Ethiopia Financing Agreement, the provisions

of this Agreement or the Ethiopia Financing Agreement, as the case may be, shall prevail and govern.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports**

1. EEP shall monitor and evaluate the progress of the Project and prepare Project Reports for the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the EEP Monitoring and Evaluation Indicators. Each such Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the Recipient and the Association not later thirty (30) days after the end of the period covered by such report.
2. For purposes of Section 4.08(c) of the General Conditions, EEP shall furnish to the Recipient and the Association the report on the execution of the Project and related plan required pursuant to that Section not later than four (4) months after the Closing Date.

**B. Mid-Term Review**

EEP shall:

- (a) prepare, under terms of reference satisfactory to the Association, and furnish to the Recipient and the Association, not later than twelve (12) months after the Effective Date, a report integrating the results of the monitoring and evaluation activities referred to in paragraph A.1 of Section II of this Schedule and setting out the measures recommended to ensure the efficient carrying out of the Project and achievement of the objectives thereof during the period following such date; and
- (b) review with the Recipient and Association, not later than fourteen (14) months after the Effective Date, or such later date as the Association shall request, the report referred to in the preceding paragraph (a), and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

**C. Financial Management, Financial Reports, Audits and Financial Covenants**

1. EEP 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 EEP, including the operations, resources and expenditures related to the Project.
2. Without limitation on the provisions of Part A of this Section, not later than forty-five (45) days after the end of each quarter, EEP shall prepare and furnish to the Recipient for incorporation into the interim unaudited financial reports which the Recipient is required to submit to the Association pursuant to the provisions of paragraph C.2 of Section I of Schedule 2 to the Ethiopia Financing Agreement, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. EEP 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. EEP shall ensure that the audited financial statements for each period shall be: (i) furnished to the Recipient and the Association not later than six (6) months after the end of the period; and (ii) made publicly available in a timely fashion and in a manner acceptable to the Association.
4. Not later than March 31 of each year during Project implementation, starting in calendar year 2016, EEP shall: (i) exchange views with the Recipient and the Association on the annual progress report prepared by EEP on the implementation of the Financial Viability Plan; and (ii) make recommendations on any measures proposed to ensure the continued financial viability of EEP.

**Section III. Procurement**

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