

**CONFORMED COPY**

**CREDIT NUMBER 4490-BJ**

# **Project Agreement**

**(Additional Financing For the Second Decentralized City Management Project)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

***AGENCE D'EXECUTION DES TRAVAUX URBAINS***

**Dated September 12, 2008**

**PROJECT AGREEMENT**

Agreement dated September 12, 2008, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and *AGENCE D’EXECUTION DES TRAVAUX URBAINS* (AGETUR) (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between the Republic of Benin (“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 and the Program. 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 years after the date of this Agreement.

**ARTICLE IV — REPRESENTATIVE; ADDRESSES**

4.01. The Project Implementing Entity's Representative is the Director General of AGETUR S.A.

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:

*Agence d'Exécution des Travaux Urbains*  
01 BP 2780 R.P.  
Cotonou, République du Bénin  
Facsimile : 229-21-31-26-73

Facsimile:

229 31 26 73

AGREED at Cotonou, Republic of Benin, as of the day and year first above written.

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By /s/ Madani M. Tall**

**Authorized Representative**

***AGENCE D'EXECUTION DES TRAVAUX URBAINS***

**By /s/ Lambert Koty**

**Authorized Representative**

## **SCHEDULE**

### **Execution of the Project**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements**

1. Project Implementing Entity shall carry on its operations and conduct its affairs in accordance with sound administrative, financial, environmental and technical practices under the supervision of qualified and experienced management assisted by competent staff in adequate numbers.
2. Project Implementing Entity shall at all times operate and maintain its installations, material, equipment and other property, and from time to time, promptly as needed, make all necessary repairs and renewals thereof, all in accordance with sound engineering, financial and technical practices.
3. Project Implementing Entity shall take out and maintain with responsible insurers, or make other provision satisfactory to the Association for, insurance against such risks and in such amounts as shall be consistent with appropriate practice.

##### **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 ensure that the Project is implemented in accordance with the guidelines, procedures, recommendations, and other specifications set forth in the ESMF, the Environmental and Social Assessments, Environmental Management Plans, and Resettlement Action Plans, as the case may be.

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

##### **A. Project Reports**

1. (a) 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 the indicators set forth below in subparagraph (b) of this paragraph. Each such Project Report shall cover the period of one calendar semester, and shall be

furnished to the Recipient not later than 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) The performance indicators referred to above in sub-paragraph (a) consist of the following:

- (i) By the end of the Project, at least 9.6 kilometers of urban roads and associated drainage works shall have been rehabilitated or reconstructed in the Primary Cities.
- (ii) By the end of the Project, at least 10.8 kilometers of primary drainage network shall have been rehabilitated or constructed in the Primary Cities.
- (iii) By the end of the Project, the additional number of persons getting access to primary and secondary paved roads shall be at least 106,000.
- (iv) By the end of the Project, the additional number of persons protected from periodic flooding shall be at least 165,000.

2. The Project Implementing Entity shall provide to the Recipient not later than February 28, 2011, 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 conditions 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 fiscal year of the Project Implementing Entity. The audited financial statements for each period shall be furnished to the Association not later than six months after the end of the period.

**Section III. Procurement**

All goods, works and 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.

**Section IV. Other Undertakings**

1. The Project Implementing Entity shall, at the request of the Association, exchange views with the Association with regard to the progress of the Project, the performance of its obligations under this Agreement and under the Subsidiary Agreement, and other matters relating to the purposes of the Credit.

2. The Project Implementing Entity shall promptly inform the Association through the Project Unit of any condition which interferes or threatens to interfere with the progress of the Project, the accomplishment of the purposes of the Credit, or the performance by the Project Implementing Entity of its obligations under this Agreement and under the Subsidiary Agreement.