

CONFORMED COPY

CREDIT NUMBER 2466 CV

Project Agreement

(Transport and Infrastructure Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

EMPRESA NACIONAL DE ADMINISTRACAO DOS PORTOS

Dated March 19, 1993

CREDIT NUMBER 2466 CV

PROJECT AGREEMENT

AGREEMENT, dated March 19, 1993, between INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association) and EMPRESA NACIONAL DE ADMINISTRACAO DOS PORTOS (ENAPOR).

WHEREAS: (A) by the Development Credit Agreement of even date herewith between the Republic of Cape Verde (the Borrower) and the Association, the Association has agreed to make available to the Borrower an amount in various currencies equivalent to eight million nine hundred thousand Special Drawing Rights (SDR 8,900,000), on the terms and conditions set forth in the Development Credit Agreement, but only on condition that ENAPOR agree to undertake such obligations toward the Association as are set forth in this Agreement;

(B) by a subsidiary loan agreement to be entered into between the Borrower and ENAPOR, a portion of the proceeds of the Credit provided for under the Development Credit Agreement will be relented to ENAPOR on the terms and conditions set forth in said Subsidiary Loan Agreement; and

WHEREAS ENAPOR, in consideration of the Association's entering into the Development Credit Agreement with the Borrower, has agreed to undertake the obligations set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Definitions

Section 1.01. Unless the context otherwise requires, the several terms defined in the Development Credit Agreement and in the General Conditions (as so defined) have the respective meanings therein set forth.

ARTICLE II

Execution of the Project

Section 2.01. ENAPOR declares its commitment to the objectives of the Project as set forth in Schedule 2 to the Development Credit Agreement and, to this end, shall carry out Parts A.1 and E.5 of the Project with due diligence and efficiency and in conformity with appropriate administrative, financial, engineering and technical practices, and shall provide, or cause to be provided, promptly as needed, the funds, facilities, services and other resources required for Parts A.1 and E.5 of the Project.

Section 2.02. Except as the Association shall otherwise agree, procurement of the goods, works and consultants' services required for Parts A.1 and E.5 of the Project and to be financed out of the proceeds of the Credit shall be governed by the provisions of Schedule 1 to this Agreement.

Section 2.03. ENAPOR shall carry out the obligations set forth in Sections 9.03, 9.04, 9.05, 9.06, 9.07 and 9.08 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively) in respect of the Project Agreement and Parts A.1 and E.5 of the Project.

Section 2.04. ENAPOR shall duly perform all its obligations under the Subsidiary Loan Agreement and the Contract Plan. Except as the Association shall otherwise agree, ENAPOR shall not take or concur in any action which would have the effect of amending, abrogating, assigning or waiving the Subsidiary Loan Agreement or the Contract Plan, or any provision thereof.

Section 2.05. (a) ENAPOR shall participate fully in the annual review referred to in Schedule 4 of the Development Credit Agreement and, to this end, shall: (i) furnish to the Borrower and the Association such reports as may be required for that purpose, and in such detail as the Borrower or the Association shall reasonably request, on the progress and status of the Project; and (ii) following each such review, act promptly and diligently, in order to take, or assist the Borrower in taking, any corrective action deemed necessary to remedy any shortcoming noted in the implementation of the Project, or to implement, or assist the Borrower in implementing, such other measures as may have been agreed upon between the parties in furtherance of the objectives of the Project.

(b) Without prejudice to the generality of the foregoing, ENAPOR shall, at the request of the Association, exchange views with the Association with regard to the progress of Parts A.1 and E.5 of the Project, the performance of its obligations under this Agreement, the Subsidiary Loan Agreement and the Contract Plan, and other matters relating to the purposes of the Credit.

(c) ENAPOR shall promptly inform the Association of any condition which interferes or threatens to interfere with the progress of Parts A.1 and E.5 of the Project, the accomplishment of the purposes of the Credit, or the performance by ENAPOR of its obligations under this Agreement and under the Subsidiary Loan Agreement.

ARTICLE III

Management and Operations of ENAPOR

Section 3.01. ENAPOR shall carry on its operations and conduct its affairs in

accordance with sound administrative, financial and technical practices under the supervision of qualified and experienced management assisted by competent staff in adequate numbers.

Section 3.02. ENAPOR shall at all times operate and maintain its plant, machinery, 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.

Section 3.03. ENAPOR 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.

ARTICLE IV

Financial Covenants

Section 4.01. (a) ENAPOR shall maintain records and accounts adequate to reflect in accordance with sound accounting practices its operations and financial condition.

(b) ENAPOR shall:

(i) have its records, accounts and financial statements (balance sheets, statements of income and expenses and related statements) for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Association;

(ii) furnish to the Association as soon as available, but in any case not later than six months after the end of each such year: (A) certified copies of its financial statements for such year as so audited; and (B) the report of such audit by said auditors, of such scope and in such detail as the Association shall have reasonably requested; and

(iii) furnish to the Association such other information concerning said records, accounts and financial statements as well as the audit thereof, as the Association shall from time to time reasonably request.

Section 4.02. ENAPOR shall: (a) at all times employ a chief accountant to be responsible for the management of its accounts and records, and (b) not later than June 30, 1994, introduce a cost accounting system.

ARTICLE V

Effective Date; Termination; Cancellation and Suspension

Section 5.01. This Agreement shall come into force and effect on the date upon which the Development Credit Agreement becomes effective.

Section 5.02. (a) This Agreement and all obligations of the Association and of ENAPOR thereunder shall terminate on the earlier of the following two dates:

(i) the date on which the Development Credit Agreement shall terminate in accordance with its terms; or

(ii) the date seven years after the date of this Agreement.

(b) If the Development Credit Agreement terminates in accordance with its terms before the date specified in paragraph (a) (ii) of this Section, the Association shall promptly notify ENAPOR of this event.

Section 5.03. All the provisions of this Agreement shall continue in full force

and effect notwithstanding any cancellation or suspension under the General Conditions.

ARTICLE VI

Miscellaneous Provisions

Section 6.01. Any notice or request required or permitted to be given or made under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable, telex or radiogram to the party to which it is required or permitted to be given or made at such party's address hereinafter specified or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For the Association:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:

INDEVAS
Washington, D.C.

Telex:

248423 (RCA)
82987 (FTCC)
64145 (WUI) or
197688 (TRT)

For ENAPOR:

Managing Director, ENAPOR
P.O. Box 82
Sao Vicente
Cabo Verde

Fax:

238 31 46 61

Telex:

993 3049

Section 6.02. Any action required or permitted to be taken, and any document required or permitted to be executed, under this Agreement on behalf of ENAPOR, or by ENAPOR on behalf of the Borrower under the Development Credit Agreement, may be taken or executed by the Managing Director, ENAPOR, or such other person or persons as Managing Director, ENAPOR, shall designate in writing, and ENAPOR shall furnish to the Association sufficient evidence of the authority and the authenticated specimen signature of each such person.

Section 6.03. This Agreement may be executed in several counterparts, each of which shall be an original, and all collectively but one instrument.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Katherine Marshall

Acting Regional Vice President
Africa

EMPRESA NACIONAL DE ADMINISTRACAO DOS PORTOS

By /s/ Carlos Santos Silva

Authorized Representative

SCHEDULE

Procurement and Consultants' Services

Section I: Procurement of Goods and Works

Part A: International Competitive Bidding

1. Except as provided in Part B hereof, goods and works shall be procured under contracts awarded in accordance with procedures consistent with those set forth in Sections I and II of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 1992 (the Guidelines).

2. To the extent practicable, contracts for goods and works shall be grouped into bid packages estimated to cost the equivalent of \$250,000 or more.

Part B: Review by the Association of Procurement Decisions

1. Review of invitations to bid and of proposed awards and final contracts:

(a) With respect to each contract for goods and works estimated to cost the equivalent of \$150,000 or more, the procedures set forth in paragraphs 2 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract required to be furnished to the Association pursuant to said paragraph 2 (d) shall be furnished to the Association prior to the making of the first payment out of the Special Account in respect of such contract.

(b) With respect to each contract not governed by the preceding paragraph, the procedures set forth in paragraphs 3 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract, together with the other information required to be furnished to the Association pursuant to said paragraph 3, shall be furnished to the Association as part of the evidence to be furnished pursuant to paragraph 4 of Schedule 5 to the Development Credit Agreement.

(c) The provisions of the preceding subparagraph (b) shall not apply to contracts on account of which withdrawals from the Credit Account are to be made on the basis of statements of expenditure.

2. The figure of 15% is hereby specified for purposes of paragraph 4 of Appendix 1 to the Guidelines.

Section II: Employment of Consultants

In order to assist ENAPOR in carrying out Parts A.1 and E.5 of the Project, ENAPOR shall employ consultants whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Association. Such consultants shall be selected in accordance with

principles and procedures satisfactory to the Association on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and by The World Bank as Executing Agency" published by the Bank in August 1981.

