

Public Disclosure Authorized

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**CREDIT NUMBER 4935-GD**

# **Project Agreement**

**(Eastern Caribbean Energy Regulatory Authority Project)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**ORGANISATION OF EASTERN CARIBBEAN STATES**

**Dated September 23, 2011**

Public Disclosure Authorized

**PROJECT AGREEMENT**

Agreement dated September 23, 2011, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and the ORGANISATION OF EASTERN CARIBBEAN STATES (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between Grenada (“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 respective Financing Agreement or the General Conditions.

**ARTICLE II — PROJECT**

- 2.01. The Project Implementing Entity declares its commitment to the objective of the Project. To this end, the Project Implementing Entity shall carry out Part A of 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 Part A of 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 Part A of 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 its Director General.

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:

OECS Secretariat  
Morne Fortune  
P.O. Box 179  
Saint Lucia

Facsimile:  
  
1-758-453-1628

AGREED at the District of Columbia, United States of America, as of the day and year first above written.

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By /s/ Françoise Clottes**

**Authorized Representative**

**ORGANISATION OF EASTERN CARIBBEAN STATES**

**By /s/ Len Ishmael**

**Authorized Representative**

## SCHEDULE

### Execution of the Project

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

##### 1. REC

The Project Implementing Entity shall, at all times during the implementation of Part A of the Project, coordinate and facilitate the meetings of the REC.

##### 2. PMU and Transitional Arrangements for Implementation of Parts A and B of the Project

- (a) The Project Implementation Entity shall: (i) operate and maintain the PMU with a composition, mandate and resources satisfactory to the Association, and with the responsibility for implementing Part A of the Project; (ii) appoint an official from among its staff with the responsibility for overseeing the recruitment of the key Project management staff referred to in subparagraph (iii) immediately below, and other officials from among its staff with the responsibility for fiduciary (*i.e.*, procurement and financial management) issues pending the recruitment of said key PMU staff; and (iii) not later than seven months after the Effective Date or such later date as the Association shall establish, recruit to the PMU, a procurement specialist and a financial management specialist. To this end, the Project Implementing Entity shall cause the PMU to be responsible for day-to-day management of Part A of the Project, including ensuring the prompt and efficient implementation, technical, financial management, procurement, monitoring, reporting, evaluation and communication of Part A of the Project, seeking guidance from the REC, preparing reports for the benefit of the Recipient and the Association, and efficient overall coordination of Project activities.
- (b) The Project Implementation Entity shall: (i) not later than seven months after the Effective Date or such later date as the Association shall establish, ensure effective and coordinated transition of the responsibilities of its officials referred to in Section I.A.2 (a) (ii) of this schedule to the PMU staff referred to in Section I.A.2(a)(iii) of this Schedule; and (ii) upon the establishment of ECERA, cause the PMU to be responsible for assisting ECERA in carrying out Part B of the Project in accordance with Section I.A.3 of Schedule 2 to the Financing Agreement.

## **B. Implementation Arrangements**

### 1. Operations Manual

- (a) The Project Implementing Entity shall carry out Part A of the Project in accordance with the arrangements, procedures and guidelines set out in the Operations Manual (provided, however, that in case of any conflict between the arrangements and procedures set out in the Operations Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail) and, except as the Association shall otherwise agree in writing, shall not amend, abrogate or waive any provision of the Operations Manual, if such amendment, abrogation or waiver may, in the opinion of the Association, materially or adversely affect the implementation of the Project.
- (b) Without limitation upon the provisions of Section I.B.1(a) immediately above, the Operations Manual sets forth detailed arrangements and procedures for implementation of the Project, including, *inter alia*: (i) roles, responsibilities, terms of reference and composition of the REC and the PMU respectively; (ii) institutional coordination and day-to-day execution of the Project; (iii) disbursement and financial management procedures for the Project, administrative arrangements, internal control procedures, and flow of funds to support the Project activities; (iv) the final format of the Financial Statements, chart of accounts and the interim unaudited financial reports for the Project; (v) the procurement procedures and the standard bidding documents to be used for each procurement method as well as the model contracts for the procurement of goods and services; (vi) the procedures for carrying out monitoring, evaluation and reporting of the Project; (vii) the Project monitoring indicators; and (viii) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

## **C. Anti-Corruption**

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

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

### **A. Project Reports**

- 1. The Project Implementing Entity shall monitor and evaluate the progress of Part A 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

acceptable to the Association. Each such Project Report shall cover the period of three calendar months, 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. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project (including Part A of the Project) and related plan required pursuant to that Section shall be furnished to the Association not later than six months after the Closing Date.

**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 Part A of the Project.
2. Without limitation on the provisions of Part A of this Section, the Project Implementing Entity, on its behalf and that of the Recipients, shall prepare and furnish to the Association not later than 45 days after the end of each quarter, interim unaudited financial reports for Part A of the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Project Implementing Entity, on its behalf and that of the Recipient, shall have the Project consolidated 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 consolidated financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the consolidated audited financial statements for each period shall be: (a) furnished to the Association 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 Association.

**Section III. Procurement**

All goods and consultants' services required for the Project shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.