
GRANT NUMBER E2320-SB

Project Agreement

(Community Benefits Sharing Project - Phase 2)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

SOLOMON ISLANDS ELECTRICITY AUTHORITY

GRANT NUMBER E2320-SB

PROJECT AGREEMENT

AGREEMENT between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and SOLOMON ISLANDS ELECTRICITY AUTHORITY (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of the Signature Date between SOLOMON ISLANDS (“Recipient”) and the Association, concerning Grant No. E2320-SB. 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) apply to and form 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. To this end, the Project Implementing Entity shall carry out Part 2(c) of the Project in accordance with the provisions of Article V of the General Conditions and the Schedule to this Agreement, and shall provide promptly as needed, the funds, facilities, services, and other resources required for its Respective Part of the Project.

ARTICLE III — TERMINATION

- 3.01. For purposes of Section 10.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the Signature Date.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity's Representative is its Chief Executive Officer.

4.02. For purposes of Section 11.01 of the General Conditions:

(a) the Association's address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America; and

(b) the Association's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423(MCI) or	1-202-477-6391	cdpngpacific@worldbank.org

4.03. For purposes of Section 11.01 of the General Conditions:

(a) the Project Implementing Entity's address is:

PO Box 6,
Head Office Ranadi,
Honiara; and

(b) the Project Implementing Entity's Electronic Address is:

Facsimile:	E-mail:
+677 39472	martin.sam@solomonpower.com.sb

AGREED as of the later of the two dates written below.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Stephen N. Ndegwa

Title: Country Director, PNG & Pacific Islands

Date: 22-Oct-2023

SOLOMON ISLANDS ELECTRICITY AUTHORITY

By



Authorized Representative

Name: Martin Sam

Title: Chief Executive Officer

Date: 05-Nov-2023

SCHEDULE

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

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. To ensure the proper and efficient implementation of its Respective Part of the Project, the Project Implementing Entity shall maintain at all times during Project implementation, a Special Projects and Planning Division and a Finance and Internal Audit Division, both with a mandate, composition, terms of reference, and resources satisfactory to the Association, and which shall: (i) be responsible for, *inter alia*, supporting the Project Implementing Entity on procurement, financial management, environmental and social risks management, reporting, and monitoring and evaluation activities under the Project Implementing Entity's Respective Part of the Project; and (ii) comprised of staff and personnel, all with terms of reference, qualifications and experience satisfactory to the Association.
2. The Project Implementing Entity shall: (a) no later than one (1) month after the date of the Subsidiary Agreement (or such other date which the Association has confirmed in writing is acceptable to the Association in its sole discretion) adopt the POM in accordance with the provisions of Section I.B of Schedule 2 to the Financing Agreement; and (b) carry out its Respective Part of the Project in accordance with the POM.
3. The Project Implementing Entity shall obtain from the Association written agreement prior to assigning, amending, abrogating, or waiving the POM, or any provision thereof.
4. In the event of any inconsistency between the provisions of the POM and those of this Agreement and the Financing Agreement, the provisions of the Financing Agreement and this Agreement shall prevail, in that order of priority.

B. Annual Work Plan and Budget; Mid-Term Review

1. The Project Implementing Entity shall by no later than:
 - (a) one (1) month after the date of the Subsidiary Agreement (or such other date which the Association has confirmed in writing is acceptable to the Association in its sole discretion); and
 - (b) annually thereafter during the implementation period of the Project (on a date which the Association has confirmed in writing is acceptable to the Association in its sole discretion), prepare and furnish to the Association, for the Association's review and no-objection, an Annual Work Plan with respect to its Respective Part of the Project, which shall, *inter alia*: include (i) a list of all activities (including Operating Costs and Training) proposed to be included in the Project in the Project Implementing Entity's following fiscal year; (ii) provide a budget for their financing; and (iii) describe the environmental and social risks management

measures taken or planned to be taken in accordance with the provisions of Section I.C. of this Schedule.

2. The Project Implementing Entity shall ensure that the Project is implemented in accordance with the Annual Work Plans and Budgets accepted by the Association for the Project Implementing Entity's fiscal year; provided, however, that in the event of any conflict between the Annual Work Plans and Budgets and the provisions of this Agreement and the Project Agreement, the provisions of this Agreement and the Project Agreement shall prevail, in that order of priority.
3. The Project Implementing Entity shall not make or allow to be made any change to the Annual Work Plans and Budgets unless the Association has provided its prior no-objection thereof in writing.
4. The Project Implementing Entity shall carry out jointly with the Recipient and the Association (as relevant for the Project Implementing Entity's Respective Part of the Project), no later than three (3) years after the Effective Date, or such other period as maybe agreed with the Association, a mid-term review of the Project ("Mid-Term Review") to assess the status of Project implementation, as measured against the indicators, acceptable to the Association, and in compliance with the legal covenants included or referred to in this Agreement and/or the Financing Agreement. Such review shall include an assessment of the following: (i) overall progress in implementation; (ii) results of the monitoring and evaluation activities; (iii) progress on procurement and disbursement; (iv) progress on implementation of environmental and social measures; and (vi) the need to make any adjustments to the Project to improve performance. To this end, the Project Implementing Entity shall:
 - (a) prepare, and furnish to the Recipient, at least one (1) month prior to the date of the Mid-Term Review, for incorporation and forwarding by the Recipient to the Association of the overall report, in scope and detail satisfactory to the Association and integrating the results of the monitoring and evaluation activities performed pursuant to Section II of this Schedule, on the progress achieved in the carrying out of its Respective Part of the Project during the period preceding the date of such report, and setting up the measures recommended to ensure the efficient carrying out of its Respective Part of the Project and the achievement of the objectives thereof during the period following such date; and
 - (b) review jointly with the Recipient and the Association the report referred to in the preceding paragraph 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 for such report and the Association's views on the matter.

C. Environmental and Social Standards.

1. The Project Implementing Entity shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Project Implementing Entity shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Project Implementing Entity shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended, or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Project Implementing Entity shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Project Implementing Entity shall establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to

resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

6. The Project Implementing Entity shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports.

1. The Project Implementing Entity shall monitor and evaluate the progress of its Respective Part of the Project and prepare Project Reports for its Respective Part of the Project in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of the indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar quarter and shall be furnished to the Recipient not later than four (4) 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.
2. The Project Implementing Entity shall provide to the Recipient not later than three (3) 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 Recipient or the Association shall reasonably request for the purposes of such Section.