
GRANT NUMBER E1500-3W

Financing Agreement

(Regional Emergency Solar Power Intervention Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

WEST AFRICAN POWER POOL

GRANT NUMBER E1500-3W

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and WEST AFRICAN POWER POOL (“Recipient”). The Association and the Recipient hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to fifteen million six hundred thousand Special Drawing Rights (SDR 15,600,000) (“Grant”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Grant Balance.
- 2.04. The Payment Dates are March 15 and September 15 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out Part IV.A of the Project through its General Secretariat in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

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

(a) the Recipient's address is:

West African Power Pool
06 BP 2907
Cotonou
Republic of Benin; and

(b) the Recipient's Electronic Address is:

Phone: E-mail:
(+229) 912 152 52 info@ecowapp.org

AGREED as of the Signature Date.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Boutheina Guermazi

Title: Director, Regional Integration

Date: 31-Jan-2023

WEST AFRICAN POWER POOL

By



Authorized Representative

Name: Siengui A. Ki

Title: secretary General

Date: 02-Feb-2023

SCHEDULE 1

Project Description

The objective of the Project is to rapidly increase grid-connected renewable energy capacity and strengthen regional interconnection in participating countries.

The Project consists of the following parts:

Part I - Construction of Solar PV, BESS and Grid Connection

- A. **Liberia:** support to the construction of a 20MWp solar PV power plant and associated works, (including construction of transmission lines) for connection to the grid at Mount Coffee Island, including through contracts for the design, supply and installation (“DSI”) and operation and maintenance (“O&M”) for one (1) to three (3) years of operation.
- B. **Sierra Leone:** support to: (i) the expansion of a solar PV plant at Newton, through additional generation capacity of 39MWp, with 15MWh of battery storage and addition of 7MWh battery storage to the existing 6MWp solar PV plant, including contracts for the DSI and O&M for the first three (3) years of operation; and (ii) construction of 13 MWp solar PV plant in the Lungi airport area with 6MWh storage, as well of a 11kV connection to the existing 11kV substation, including contracts for the DSI and O&M for the first three (3) years of operation.
- C. **Chad:** support to the construction of a solar PV plant at Gassi, with generation capacity of 35MWp/30MWac; approximately 60MWh of storage capacity near the existing Gassi substation; and connection to the N’Djamena grid, including contracts for DSI and O&M for one (1) to three (3) years of operation.
- D. **Togo:** support to the construction of a solar PV plant at Dapaong, with generation capacity of 25MWp and storage capacity of approximately 40MWh; with construction of approximately 10 kilometers electrical lines, and possible upgrades at the nearest substations, including contracts for DSI and O&M for the first three (3) to four years (4) of operation.

Part II - Expansion of Mt. Coffee Hydro Power Plant in Liberia

- A. Support to the expansion of the Mount Coffee Hydro Power Plant by adding an additional capacity of 41 MW, including supply and installation of two turbines, each having a maximum capacity of 20.5 MW, and associated civil works, including expansion of the power house, construction of two penstocks, erection bay and extension of tailrace channel, as well as technical solutions to increase the generation efficiency of the power plant.

- B. Support to the update and implementation of the dam safety management program comprising of three plans: (i) instrumentation (monitoring) plan with repair of damaged instruments and installation of new instruments to monitor the dam behavior and performance in a satisfactory manner; (ii) operation and maintenance plan with extraordinary maintenance of the hydromechanical equipment of the spillway, and capacity building; and (iii) preparation and implementation of a full-fledged emergency preparedness plan, as well as to the development of a mechanism to mobilize required financing for the long term implementation of the dam safety management program, including regular inspection and maintenance activities, and periodic detailed dam safety inspections and reviews by an independent dam safety specialist.

Part III - Distribution Expansion and Transmission Optimization

- A. **Sierra Leone:** support to the supply and installation of voltage regulation equipment at the 161/11kV substation of Freetown so as to increase the evacuation capacity of the 161 kV transmission line, and support to the supply and installation of 33 kV and 11 kV distribution lines to optimize the integration of the Newton and Lungi solar parks.
- B. **Togo:** support to the extension and densification of the distribution grid with climate resilient grid infrastructure, including construction of medium and low voltage lines, transformer stations, public lighting and household connections.

Part IV - Regional Coordination, Institutional Strengthening, and Implementation Support

- A. Support to technical assistance, as well as Training and Operating Costs for regional integration, through (i) finalization and operationalization of the legal, regulatory and technical frameworks to enable efficient regional trade between WAPP countries including for the CLSG Interconnection and the North Core Interconnection; (ii) technical integration of the WAPP network by improving the synchronous operation and reliability of interconnectors; (iii) preparation of priority regional projects as per the WAPP Master Plan 2018, including preparatory studies for the solar PV project on Mount Coffee Island and the Mount Coffee hydropower plant, the Saint Paul 2 hydro power plant, the WAPP Ghana-Burkina-Mali interconnection and the WAPP Median interconnection; and (iv) strengthening of the institutional and technical capacity of the WAPP Secretariat to undertake its regional mandate.
- B. Support to project coordination and implementation, including through the establishment and operation of the RTC and RCU and conclusion of the Service Agreement, as well as technical assistance, Training and Operating Costs.

- C. Support to technical assistance and institutional strengthening, Operating Costs and Training to national PIUs for the purpose of Project implementation, procurement of supervisory engineer and preparation of any environmental and social instruments that might be required as well as provision of adequate staff.
- D. Support to technical assistance for the establishment, capacity building and operations of a river basin management agency in Liberia, which will be responsible for managing entire cascade of hydro projects including watershed and biodiversity management, and preparation of two new hydropower projects in Liberia, including through Operating Costs and Training.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. **Part IV.A of the Project.** Part IV.A of the Project will be implemented through the WAPP General Secretariat. WAPP shall maintain the General Secretariat adequately provided with financial resources and staffed throughout Project implementation with professionals hired under terms of reference and with qualifications and experience satisfactory to the Association. In addition, WAPP shall implement Part IV.A of the Project in accordance with the provisions of the WAPP Project Implementation Manual, and shall at all time maintain such manual in form and substance satisfactory to the Association.

B. Annual Work Plans & Budgets

The Recipient shall:

- (a) prepare on an annual basis, by no later than November 30 of each year, commencing on January 1, 2023, an annual plan of activities under Part VI.A of the Project and ancillary budget and source of funding proposed for the next following Fiscal Year of Project implementation (the “Annual Work Plan & Budget”), which plan and budget shall be of such scope and detail as set forth in the WAPP Project Implementation Manual and/or as the Association shall reasonably request;
- (b) submit each such Annual Work Plan & Budget to the Association for its review and comments; and
- (c) thereafter, ensure that Part IV.A of the Project is carried out in accordance with the Annual Work Plans & Budgets as agreed with the Association

C. Environmental and Social Standards.

1. The Recipient 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 Recipient 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 Recipient shall ensure that:

- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as 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 Recipient 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 Recipient 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.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty five (45) days after the end of each calendar quarter, covering the calendar quarter.

Section III. Withdrawal of the Proceeds of the Grant

A. General

1. Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Grant to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, consulting services, Operating Costs and Training for Part IV.A of the Project	15,600,000	100%
TOTAL AMOUNT	15,600,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date.
2. The Closing Date is June 30, 2027.

Section IV. Other Undertakings

- A. No later than sixty (60) days from the Effective Date, the Recipient shall prepare and adopt the WAPP Project Implementation Manual, in form and substance satisfactory to the Association.

- B. No later than thirty (30) days from the Effective Date, the Recipient shall submit the Project Procurement Strategy for Development (“PPSD”) to the Association for its review and approval.
- C. No later than six months from the Effective Date, the Recipient shall recruit external auditors for Part IV.A of the Project, with qualifications and terms of reference satisfactory to the Association.

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
2. “BESS” means Battery Energy Storage System an electrochemical device that charges (or collects energy) from the grid or a power plant and then discharges that energy at a later time to provide electricity or other grid services when needed.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “CLSG Interconnection” means 1,303 km 225 kV double circuit (single circuit installed) overhead transmission line and associated substations connecting the electricity grids of Côte d’Ivoire, Liberia, Sierra Leone, and Guinea.
5. “DSI” means design, supply and install.
6. “ECOWAS” means the Economic Community of West African States, whose member states are Benin, Burkina Faso, Cabo Verde, Côte d’Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo.
7. “ECOWAS Energy Protocol” and “EEP” means the protocol number A/P4/1/03 adopted and signed by the ECOWAS Heads of State on January 31, 2003, as an Annex to the treaty creating the ECOWAS and which establishes the legal framework intended to promote long-term cooperation between ECOWAS member states in the field of energy on the basis of complementarity and mutual benefit with a view to augment investment in the energy sector and develop trade of energy within the West African region.
8. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated November 22, 2022, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.

9. “Environmental and Social Standards” or “ESSs” means, collectively:
(i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
10. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022), with the modifications set forth in Section II of this Appendix.
11. “MWh” means megawatt hour.
12. “MWp” means megawatt peak.
13. “MW” means megawatt.
14. “North Core Interconnection” means the 875 km of 330 kV overhead lines and associated sub-stations connecting the electricity grids of Nigeria, Niger, Burkina Faso and Benin.
15. “O&M” means operation and maintenance.
16. “Operating Costs” means recurrent costs of the Project, based on Annual Work Plans approved by the Association, such term includes: (i) operation and maintenance of vehicles, repairs, rental, fuel and spare parts; (ii) computer maintenance, including hardware and software, printers and photocopiers; (iii) communication costs and shipment costs (whenever these costs are not included in the cost of goods); (iv) small office supplies; (v) maintenance for office facilities; (vi) utilities and insurances; (vii) bank charges; (viii) travel, accommodation and per diem costs for technical staff carrying out training, preparatory, supervisory and quality control activities; and (ix) salaries of contractual and temporary full time Project staff, but excluding salaries of the Recipient’s civil servants.

17. “PPSD” means the Project Procurement Strategy for Development, the strategy to be prepared by the Recipient, as set forth in Section IV.B of Schedule 2 to this Agreement.
18. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
19. “PV” means photovoltaic.
20. “Respite” means the Regional Emergency Solar Power Intervention Project.
21. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
22. “Training” means the reasonable costs of training, workshops and conferences conducted in the territory of the Recipient, or, subject to prior approval by the Association, attended abroad by the Recipient’s officials and staff in connection with the Project, including the purchase and publication of materials, rental of facilities, course fees and travel and subsistence of trainees.
23. “WAPP” means the international organization that associates all public and private power entities in the ECOWAS member states established by the Authority of Heads of State and Government of the ECOWAS pursuant to the Decision A/Dec.5/12/99 dated December 10, 1999, relating to the “Establishment of the WAPP”, the Decision A/Dec.18/01/06 dated January 12, 2006 adopting the “Articles of Agreement Relating to the Establishment and Functioning of the WAPP”, and granted the character of a specialized institution by the Decision A/Dec.20/01/06 dated January 12, 2006, and whose mission is: (i) the full and effective implementation of the WAPP priority projects; (ii) the development and approval of clear, measurable standards to harmonize electricity planning and operation of pooled electric systems in ECOWAS member states; (iii) the effective programming for enforcing compliance with mandatory standards; (iv) the improvement in cross-border and reliable flows of electricity in ECOWAS member states among electric system operating organizations; and (v) the effective communication and information sharing.
24. “WAPP Articles of Agreement” means the document dated July 6, 2006, setting forth the Recipient’s management structure, its organization and functions with a view to establish a good framework of cooperation between its members to ensure improved efficiency of power supply in ECOWAS member states and increased access to energy for its citizens, as amended to the date of this Agreement.

25. “WAPP Project Implementation Manual” means the set of guidelines and procedures to be adopted by the Recipient within 60 days from the Effective Date, for the purpose of implementing the Project, including in the areas of monitoring and evaluation, coordination, financial management (including financial, administrative and accounting procedures, procurement, internal controls and audits), environment and social safeguards, and other provisions related to the institutional organization of the Project, as such guidelines and procedures may be amended from time to time with the prior written agreement of the Association.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 2.06 is modified to read as follows:

“Section 2.06 *Financing Taxes*

The use of any proceeds of the Grant to pay for Taxes levied by, or in the territory of, the Member Country on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply, if permitted by the Legal Agreements, is subject to the Association’s policy of requiring economy and efficiency in the use of the proceeds of its credits and grants. To that end, if the Association at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Association may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Grant.”

2. Paragraphs (b) and (c) of Section 3.18 are modified to read as follows:

“(b) All Financing Payments shall be paid without restrictions of any kind imposed by, or in the territory of, the Member Country, and without deduction for, and free from, any Taxes levied by, or in the territory of, the Member Country.

(c) The Legal Agreements shall be free from any Taxes levied by, or in the territory of the Member Country, or in connection with their execution, delivery or registration.”

3. In Section 5.11, paragraph (a) is modified to read as follows:

“Section 5.11 *Visits*

(a) The Recipient shall take all action necessary or useful to ensure that the Member Country affords all reasonable opportunity for representatives of the Association to visit any part of their territories for purposes related to the Grant or the Project.”

4. Section 6.01 is deleted in its entirety and the remaining section in Article VI is renumbered accordingly.
5. Section 8.02 is modified as follows:
 - (a) Paragraph (j) on *Membership* is modified to read as follows:

“(j) *Membership*. The Member Country or any member of the Recipient: (i) has been suspended from membership in or ceased to be a member of the Association; or (ii) has ceased to be a member of the International Monetary Fund.”
 - (b) Paragraph (m) is renumbered as paragraph (n), and a new paragraph (m) is added to read as follows:

“(m) *Interference*. The Member Country: (i) has taken or permitted to be taken any action which would prevent or interfere with the execution of the Project or the performance by the Recipient of its obligations under the Financing Agreement; or (ii) has failed to afford a reasonable opportunity for representatives of the Association to visit any part of its territory for purposes relating to Grant or the Project.”
6. The Appendix (**Definitions**) is modified as follows:
 - (a) Paragraph 77 (Member Country) is modified to read as follows:

“77. “Member Country” means the member of the Association in whose territory the Project is carried out or any such member’s political or administrative subdivisions. If such activity is carried out in the territory of more than one such member, “Member Country” refers separately to each such member.”
 - (b) Paragraph 92 (Recipient) is modified to read as follows:

“92. “Recipient” means the party to the Financing Agreement to which the Grant is extended.”