

CONFORMED COPY

CREDIT NUMBER 2554 GM

Project Agreement

(Public Works and Capacity Building Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

THE GAMBIAN AGENCY FOR THE MANAGEMENT OF PUBLIC WORKS

Dated May 11, 1994

CREDIT NUMBER 2554 GM

PROJECT AGREEMENT

AGREEMENT, dated May 11, 1994, between INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association) and the GAMBIAN AGENCY FOR THE MANAGEMENT OF PUBLIC WORKS (GAMWORKS), a company limited by guarantee and incorporated under the Companies Act, 1955 of the Republic of the Gambia (the Borrower).

WHEREAS by the Development Credit Agreement of even date herewith between the Borrower and the Association, the Association has agreed to make available to the Borrower an amount in various currencies equivalent to seven million nine hundred thousand Special Drawing Rights (SDR 7,900,000), on the terms and conditions set forth in the Development Credit Agreement, but only on condition that GAMWORKS agrees to undertake such obligations toward the Association as are set forth in this Agreement; and

WHEREAS GAMWORKS, 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, wherever used in this Agreement, the several terms defined in the Development Credit Agreement, the Preamble to this 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. (a) GAMWORKS 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 the Project with due diligence and efficiency and in conformity with appropriate administrative, financial, engineering and public utility practices (including those set out in the Framework Agreement and the Manual of Procedures) and shall provide, or cause to be provided, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) For the purposes of selecting beneficiaries and sub-projects to be included in the Project, GAMWORKS shall apply eligibility and appraisal criteria satisfactory to the Association, including those set out in the Manual of Procedures.

(c) GAMWORKS undertakes that, unless the Association shall otherwise agree, the proceeds of the Credit will be used exclusively to carry out sub-projects for beneficiaries on terms whereby GAMWORKS shall obtain, by written contract with the beneficiary or by other appropriate legal means, rights adequate to protect the interests of the Association and GAMWORKS, including the right of GAMWORKS to: (i) require (A) the sub-project to be carried out and operated with due diligence and efficiency and in accordance with sound technical, financial, managerial and environmental standards, policies and procedures, including those set out in the Manual of Procedures, and (B) the beneficiary to maintain adequate records; (ii) require that the goods and services to be financed out of the proceeds of the Credit shall be used exclusively in the carrying out of the sub-project; (iii) inspect, by itself or jointly with representatives of the Association, if the Association shall so request, all goods and the sites, works, plants and construction included in the sub-project, the operation thereof and any relevant records and documents; (iv) require that the contractor concerned with the sub-project shall take out and maintain with responsible insurers such insurance, against such risks and in such amounts, as shall be consistent with appropriate practice; (v) obtain all such information as the Association or GAMWORKS shall reasonably request relating to the foregoing; and (vi) suspend or terminate the use of the proceeds of the Credit upon failure by the beneficiary to perform its obligations under its contract with GAMWORKS.

(d) GAMWORKS shall exercise its rights in relation to each sub-project in such manner as to: (i) protect the interests of the Association and GAMWORKS; (ii) comply with its obligations under this Agreement, the Framework Agreement and the Manual of Procedures; and (iii) achieve the purposes of the Project.

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

Section 2.03. GAMWORKS 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.

Section 2.04. (a) GAMWORKS 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, the Framework Agreement and the Manual of Procedures and other matters relating to the purposes of the Credit.

(b) GAMWORKS shall promptly inform the Association 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 GAMWORKS of its obligations under this Agreement, the Framework Agreement and the Manual of Procedures.

ARTICLE III

Management and Operations of GAMWORKS

Section 3.01. GAMWORKS shall carry on its operations and conduct its affairs in accordance with sound administrative, financial, engineering and public utility practices, including those set out in the Manual of Procedures and the Staff Service Rules, under the supervision of qualified and experienced management assisted by competent staff in adequate numbers.

Section 3.02. GAMWORKS shall at all times operate and maintain its 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 public utility practices.

Section 3.03. GAMWORKS 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.

Section 3.04. (a) GAMWORKS shall, no later than March 31 in each year of the Project, carry out jointly with the Borrower and the Association an annual review of the progress of the Project.

(b) GAMWORKS shall: (i) no later than August 31, 1995 carry out jointly with the Borrower and the Association a midterm review of the Project to assess (A) the overall progress made in carrying out the Project, including its costs; (B) the performance of agencies and entities participating in the Project; (C) the extent to which the objectives of the Project have been achieved; and (D) the periodicity of the audits required under Sections 3.06 and 4.01 of this Agreement; and (ii) promptly thereafter carry out, or cause to be carried out, the recommendations of the midterm review to the satisfaction of the Association.

Section 3.05. (a) GAMWORKS shall at all times employ, under contracts satisfactory to the Association, a Director General, a Technical Director and a Financial/Administrative Director, all of whom shall have qualifications and experience satisfactory to the Association. The Director General shall be in charge of GAMWORKS' operations and administration and shall at all times be assisted by competent staff in adequate numbers.

(b) GAMWORKS shall: (i) prepare and furnish to the Association an annual plan of action, satisfactory to the Association, setting out in such detail as the Association shall reasonably request (A) the training program for beneficiaries, consultants and contractors employed to carry out the Project, and (B) the community participation program; and (ii) shall during the fourth quarter of each year update the said action plan to reflect any needs identified during the supervision of the Project.

(c) GAMWORKS shall, no later than September 30 of each year, prepare and furnish to the Association, for its review and comments, the annual work programs for sub-projects to be carried out during the next following calendar year estimated to cost not less than:

- (i) \$2.3 million equivalent for the work program to be furnished by September 30, 1994; and

- (ii) \$3 million equivalent for the work program to be furnished by September 30, 1995.

(d) GAMWORKS shall furnish to the Association at such times as the Association shall request, for the Association's review and comments, the updated roster of consultants and contractors to be employed in carrying out the sub-projects.

Section 3.06. GAMWORKS shall: (i) employ independent auditors acceptable to the Association to carry out each quarter technical and management audits of GAMWORKS; and (ii) furnish, or cause to be furnished, to the Association as soon as available, but in any case not later than one month after the end of each such quarter the report of such audits by said auditors, of such scope and in such detail as the Association shall reasonably request.

Section 3.07. GAMWORKS shall furnish to the Association, no later than three months after its fiscal year, a consolidated report of the technical and management audits referred to in Section 3.06 above.

ARTICLE IV

Financial and other Covenants

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

(b) GAMWORKS shall:

- (i) have the records and accounts referred to in paragraph (a) of this Section including those for the Special Account and the statements of expenditures for each quarter 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 one month after the end of each such quarter (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 reasonably request;
- (iii) consolidate the quarterly audit reports for the fiscal year and furnish to the Association as soon as available, but in any case not later than three months after the end of its fiscal year, the said consolidated audit reports; and
- (iv) 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.

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 GAMWORKS 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 20 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 GAMWORKS 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:

Telex:

INDEVAS	197688 (TRT),
Washington, D.C.	248423 (RCA),
	64145 (WUI) or
	82987 (FTCC)

For GAMWORKS

The Gambian Agency for the Management
of Public Works
Banjul
The Gambia

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 GAMWORKS or by GAMWORKS on behalf of the Borrower under the Development Credit Agreement, may be taken or executed by the Director General or such other person or persons as GAMWORKS shall designate in writing, and GAMWORKS 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

THE GAMBIAN AGENCY FOR THE MANAGEMENT OF PUBLIC
WORKS

By /s/ Ousman A. Sallah
Authorized Representative

SCHEDULE

Procurement and Consultants' Services

Section I. Procurement of Works

Part A: International Competitive Bidding

1. Except as provided in Part C hereof, 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. For fixed price contracts, the invitation to bid referred to in paragraph 2.13 of the Guidelines shall provide that, when contract award is delayed beyond the original bid validity period, the successful bidder's bid price will be increased for each week of delay by two predisclosed correction factors acceptable to the Association, one to be applied to all foreign currency components and the other to the local currency component of the bid price. Such an increase shall not be taken into account in the bid evaluation.

3. In the procurement of works in accordance with this Part A, GAMWORKS shall use the relevant standard bidding documents issued by the Bank, with such modifications thereto as the Association shall have agreed to be necessary for purposes of the Project. Where no relevant standard bidding documents have been issued by the Bank, GAMWORKS shall use bidding documents based on other internationally recognized standard forms agreed with the Association.

Part B: Preference for Domestic Contractors

In the procurement of works in accordance with the procedures described in Part A.1 hereof, the Borrower may grant a margin of preference to domestic contractors in accordance with, and subject to, the provisions of paragraphs 2.55 and 2.56 of the Guidelines and paragraph 5 of Appendix 2 thereto.

Part C: Other Procurement Procedures

1. Works estimated to cost less than \$220,000 equivalent per contract (up to an aggregate amount not to exceed \$6,425,000 equivalent) may be procured under contracts awarded on the basis of competitive bidding, advertised locally, in accordance with procedures satisfactory to the Association.

2. Goods may be procured under contracts awarded on the basis of comparison of price quotations obtained from at least three suppliers from two different countries eligible under the Guidelines, in accordance with procedures satisfactory to the Association.

3. Bidders for works to be procured in accordance with this Part C shall be prequalified as described in paragraph 2.10 of the Guidelines.

Part D: Review by the Association of Procurement Decisions

1. Review of prequalification:

With respect to the prequalification of bidders as provided in Part C.3 hereof, the procedures set forth in paragraph 1 of Appendix 1 to the Guidelines shall apply.

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

(a) With respect to: (i) each contract for works estimated to cost \$192,000 equivalent or more or each contract for which there are less than five bidders; and (ii) each contract for goods estimated to cost \$100,000 equivalent 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 paragraph 2 (d) of said Appendix 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 3 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.

3. The figure of 10% is hereby specified for purposes of paragraph 4 of Appendix 1 to the Guidelines.

Section II. Employment of Consultants

In order to assist GAMWORKS in carrying out the Project, GAMWORKS 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 (the Consultants' Guidelines)

2. For complex, time-based assignments, GAMWORKS shall employ such consultants under contracts using the standard form of contract for consultants' services issued by the Bank, with such modifications as shall have been agreed by the Association. Where no relevant standard contract documents have been issued by the Bank, GAMWORKS shall use other standard forms agreed with the Association.

3. Notwithstanding the provisions of paragraph 1 of this Section, the provision of the Consultants' Guidelines requiring prior review or approval by the Association of budgets, shortlists, selection procedures, letters of invitation, proposals, evaluation reports and contracts shall not apply to contracts estimated to cost less than \$100,000 equivalent each. However, this exception to such prior review or approval requirements shall not apply to the terms of reference for such contracts nor to the employment of individuals,

to single-source hiring of firms, to assignments of a critical nature as reasonably determined by the Association or to amendments of contracts raising the contract value to \$100,000 equivalent or above.

