

**CONFORMED COPY**

**GRANT NUMBER H191 - SL**

# **Project Agreement**

**(Infrastructure Development Project)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**SIERRA LEONE PORTS AUTHORITY**

**Dated December 22, 2005**

**IDA GRANT NUMBER H191 - SL**

**PROJECT AGREEMENT**

AGREEMENT dated December 22, 2005, between the INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association) and the SIERRA LEONE PORTS AUTHORITY (SLPA).

WHEREAS (A) by the Development Grant Agreement of even date herewith between the Republic of Sierra Leone (the Recipient) and the Association, the Association has agreed to make available to the Recipient an amount in various currencies equivalent to thirty million and four hundred thousand Special Drawing Rights (SDR 30,400,000), on the terms and conditions set forth in the Development Grant Agreement, but only on conditions that SLPA agrees to undertake such obligations toward the Association as are set forth in this Agreement;

(B) by a Subsidiary Grant Agreement to be entered into between the Recipient and SLPA, part of the proceeds of the Grant provided for under the Development Grant Agreement will be made available to SLPA on the terms and conditions set forth in said Subsidiary Grant Agreement; and

WHEREAS SLPA, in consideration of the Association's entering into the Development Grant Agreement with the Recipient, 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 Grant 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) SLPA declares its commitment to the objectives of the Project as set forth in Schedule 2 to the Development Grant Agreement, and, to this end, shall carry out Part B of the Project with due diligence and efficiency and in conformity with appropriate administrative, financial, engineering, transport sector, environmental and social practices, and shall provide, or cause to be provided, promptly as needed, the funds, facilities, services and other resources required for Part B of the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Association and SLPA shall otherwise agree, SLPA shall carry out Part B of the Project in accordance with the Implementation Program set forth in the Schedule to this Agreement.

Section 2.02. Except as the Association shall otherwise agree, procurement of the goods, works and services required for Part B of the Project and to be financed out of the proceeds of the Grant shall be governed by the provisions of Schedule 3 to the Development Grant Agreement, as said provisions may be further elaborated in the Procurement Plan.

Section 2.03. (a) SLPA 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 this Agreement and Part B of the Project.

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

Section 2.05. (a) SLPA shall, at the request of the Association, exchange views with the Association with regard to the progress of Part B of the Project, the performance of its obligations under this Agreement and under the Subsidiary Grant Agreement, and other matters relating to the purposes of the Grant.

(b) SLPA shall promptly inform the Association of any condition which interferes or threatens to interfere with the progress of Part B of the Project, the

accomplishment of the purposes of the Grant, or the performance by SLPA of its obligations under this Agreement and under the Subsidiary Grant Agreement.

### **ARTICLE III**

#### **Management and Operations of SLPA**

Section 3.01. SLPA shall carry on its operations and conduct its affairs in accordance with sound administrative, financial and transport sector and environmental practices under the supervision of qualified and experienced management assisted by competent staff in adequate numbers.

Section 3.02. SLPA 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 public utility practices.

Section 3.03. SLPA 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. Without limitation upon the provisions of Article IX of the General Conditions, SLPA shall: (a) prepare and furnish to the Association no later than six months after the Closing Date or such later date as may be agreed for this purpose between the Recipient and the Association, a plan, of such scope and in such detail as the Association, shall reasonably request, for the future operation of Part B of the Project; and (b) afford the Association a reasonable opportunity to exchange views with SLPA on said plan.

### **ARTICLE IV**

#### **Financial Covenants**

Section 4.01. (a) SLPA shall maintain a financial management system, including records and accounts, adequate to reflect its operations and financial condition.

(b) SLPA shall:

- (i) have its records and accounts referred to in paragraph (a) of this section for each fiscal year audited, in accordance with consistently applied auditing standards acceptable to the Association, 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 the financial statements referred to in paragraph (a) of this Section, for such year, as so audited, and (B) an opinion on such statements by said auditors, in scope and detail satisfactory to the Association; and
- (iii) furnish to the Association such other information concerning such records and accounts and the audit of such financial statements, and concerning said auditors, as the Association may 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 Grant Agreement becomes effective.

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

- (i) the date on which the Development Grant Agreement shall terminate in accordance with its terms; or
- (ii) the date 20 years after the date of this Agreement.

(b) If the Development Grant Agreement terminates in accordance with its terms before the date specified in paragraph (a) (ii) of this Section, the Association shall promptly notify SLPA 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, telex or facsimile 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. Deliveries made by facsimile transmission shall also be confirmed by mail. 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:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI) or 64145 (MCI)	(202) 477-6391

For SLPA:

Sierra Leone Ports Authority  
P. M. B. 386  
Cline Town  
Freetown, Sierra Leone

Telex:

3210 Booth SL

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 SLPA, or by SLPA on behalf of the Recipient under the Development Grant Agreement, may be taken or executed by the General Manager or such other person or persons as SLPA shall designate in writing, and SLPA 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/ Mahmood Ayub

Authorized Representative

SIERRA LEONE PORTS AUTHORITY

By /s/ Ibrahim Kamara

Authorized Representative

## **SCHEDULE**

### **Implementation Program**

1. SLPA shall:

(a) carry out Part B of the Project in accordance with the procedures set out in the Project Implementation Manual and the SLPA EMP;

(b) not amend, abrogate or waive any provision of the PIM and SLPA EMP if such amendment, abrogation or waiver may materially and adversely affect the carrying out of the Project; and SLPA shall afford the Association a reasonable opportunity to comment on a proposed amendment, abrogation or waiver to the said documents before it is made;

(c) participate and join with the Recipient, SLRA and SLAA in the carrying out of the routine supervision missions, the annual implementation progress meetings, and the holding of the mid-term review, specified in Section III of Schedule 4 to the Development Grant Agreement, 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 of the said report and the Association's views on the matter;

(d) carry out an environmental audit by an independent auditor of the environment and working practices within the designated areas of operations, to establish the environmental liabilities for SLPA the Government of Sierra Leone and the private contractor; and

(e) carry out Part B of the Project in accordance with the environmental, social guidelines, rules and procedures defined in the SLPA EMP.