

CONFORMED COPY

CREDIT NUMBER 4767-NG

Lagos State Project Agreement

(Lagos Urban Transport Project 2)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

LAGOS STATE

Dated November 25, 2010

CREDIT NUMBER 4767-NG

PROJECT AGREEMENT

AGREEMENT dated November 25, 2010, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and LAGOS STATE (“Lagos State”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between the Federal Republic of Nigeria (“Recipient) and the Association. The Association and Lagos State 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 Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

- 2.01. Lagos State declares its commitment to the objectives of the Project. To this end, Lagos State shall cause LAMATA to carry out 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 the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and Lagos State shall otherwise agree, Lagos State shall cause LAMATA to carry out the Project in accordance with the provisions of the Schedule to this Agreement and the LAMATA Project Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The Representative of Lagos State is its Commissioner for finance.

3.02. 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

3.03. The Address for Lagos State is:

Honourable Commissioner for Finance
Block 12A
The Secretariat
Alausa,
Ikeja Lagos

Cable:	Facsimile:
GOVLAG	(234) 1 2702783

AGREED at Abuja, Federal Republic of Nigeria, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Onno Ruhl

Authorized Representative

LAGOS STATE

By: /s/ Rotimi Oyekan

Authorized Representative

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Lagos State shall cause LAMATA to carry out the Project in accordance with the PIM; and, except as the Recipient and the Association shall otherwise agree, shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof; provided, however, that in the event of any conflict between the provisions of the PIM and those of the Financing Agreement or this Agreement, the provisions of the Financing Agreement and this Agreement shall prevail.
2. Work Plans and Budgets
 - (a) Lagos State shall prepare (in part on the basis of the proposed annual work plans and budgets prepared by LAMATA pursuant to Section I.A.2 of the Schedule to the LAMATA Project Agreement) and furnish to the Recipient, not later than November 5 in each year during the implementation of the Project for forwarding to the Association for the latter's approval in accordance with the provisions of Section I.A.2 of Schedule 2 to the Financing Agreement, a proposed annual work plan and related budget containing all activities proposed to be carried out under the Project in the following calendar year.
 - (b) Lagos State shall ensure the implementation, monitoring and evaluation of each Annual Work Plan, in accordance with the provisions set forth in this Agreement and in more detail in the PIM and the Subsidiary Agreements.
3. Second Subsidiary Agreement
 - (a) To facilitate the carrying out of the Project by LAMATA, Lagos State shall make available to LAMATA the proceeds of the Financing made available to it on a grant basis under a subsidiary agreement to be entered into between the Lagos State and LAMATA, under terms and conditions which shall have been approved by the Association.
 - (b) Lagos State shall exercise its rights under the Second Subsidiary Agreement in such manner as to protect the interests of the Recipient, Lagos State and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, Lagos

State shall not assign, amend, abrogate or waive the Second Subsidiary Agreement or any of its provisions.

B. Anti-Corruption

Lagos State shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Safeguards.

1. Except as otherwise agreed in writing by the Association, Lagos State shall ensure that:
 - (a) the Project is carried out in accordance with the provisions of the ESMF and RPF and any EMPs and RAPs;
 - (b) if any Annual Work Plan would, pursuant to the ESMF or RPF, require the adoption of an EMP and/or RAP, then Lagos State shall ensure that no activities included in the Annual Work Plan shall be implemented unless and until an EMP and/or RAP, as the case may be: (i) is prepared, in accordance with the ESMF or RPF and furnished to the Association for review and approval; and (ii) is approved by the Association; and
 - (c) in the case of any resettlement activity involving Displaced Persons, no displacement or restriction of access to legally designated parks and protected areas shall occur before necessary resettlement measures in accordance with the RAP are implemented, including, in the case of displacement, full payment to Displaced Persons of compensation and of other assistance required for relocation, prior to displacement.
2. Lagos State shall provide, promptly as needed, all funds and other resources required for full payment to all Displaced Persons of compensation and other assistance required pursuant to the RPF and each RAP.
3. Without limitation upon its other reporting obligations under this Agreement, Lagos State shall, in accordance with terms of reference satisfactory to the Association: (a) monitor the status of compliance with the ESMF, RPF, and all EMPs and RAPs; and (b) prepare quarterly reports (in part based on the reports furnished to it by LAMATA pursuant to Section I.C.2 of the LAMATA Project Agreement), and furnish the same to the Recipient, for incorporation in the reports to be furnished by the Recipient to the Association pursuant to Section I.D.2 of the Financing Agreement, on the results of such monitoring activities, giving details of:
 - (a) measures taken in furtherance of such ESMF, RPF, EMPs and RAPs;

- (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such ESMF, RPF, EMPs and RAPs; and
- (c) remedial measures taken or required to be taken to address such conditions.

Thereafter, Lagos State shall ensure the implementation of such remedial measures, taking into account the views of the Association thereon.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. Lagos State shall monitor and evaluate the progress the Project and prepare Project Reports (in part based on the reports prepared by LAMATA pursuant to Section II.A.1. of the LAMATA Project Agreement), all in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators set forth in Section II.A.2. of Schedule 2 to the Financing Agreement. Each such Project Report shall cover the period of one calendar quarter, and shall be furnished to the Recipient not later than fifty (50) days after the end of the period covered by such report for incorporation in the Project Report for such period prepared by the Recipient and furnished to the Association pursuant to the provisions of Section II.A.1 of Schedule 2 to the Financing Agreement.
2. Lagos State shall provide to the Recipient not later than five months after the Closing Date, for incorporation in the report referred to in Section 4.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

B. Financial Management, Financial Reports and Audits

1. Lagos State 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, resources and expenditures related to the Project.
2. Lagos State shall have its 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 financial statements shall cover the period of one fiscal year of Lagos State. The audited financial statements for each period shall be furnished to the Association not later than six months after the end of the period.

Section III. Procurement

All goods, works and services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.