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CREDIT NUMBER 4579-SN

Project Agreement

(Dakar Diamniadio Toll Highway Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

APIX, S.A.

Dated October 13, 2009

PROJECT AGREEMENT

Agreement dated October 13, 2009, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and APIX, S.A. (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between the REPUBLIC OF SENEGAL (“Recipient”) and the Association. 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) 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. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall 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 its Respective Part of the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its Respective Part of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

- 3.01. For purposes of Section 8.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity's Representative is its Director General.

4.02. 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

4.03. The Project Implementing Entity's Address is:

APIX S.A.
52 - 54, rue Mohamed V
BP 430 - Dakar
Tel : (+221) 33 849 05 59
Fax : (+221) 33 823 94 89
Mail : aniane@apix.sn

AGREED at Dakar, Republic of Senegal, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

**/s/ Habib M. Fetini
Authorized Representative**

APIX, S.A.

By:

**/s/ Aminata Niane
Authorized Representative**

SCHEDULE

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

Section I. Implementation Arrangements

A. Institutional Arrangements

1. APIX shall be responsible for: (i) coordination, supervision, monitoring and evaluation of Project implementation; (ii) day-to-day Project implementation of Parts A and D of the Project; and (iii) financial management, disbursements and procurement activities for the Project. To this end, APIX shall be maintained in form and substance and with resources and functions satisfactory to the Association, including staff from APIX, all with qualifications, experience and terms of reference satisfactory to the Association.
2. APIX shall maintain, at all times during Project implementation the DDTH Program Unit, the Works Unit, the Environmental and Social Unit and the DDTH Resettlement Unit, all in form and substance and with resources and functions satisfactory to the Association, including with staff with qualifications, experience and terms of reference satisfactory to the Association.
3. APIX shall ensure that at all times during Project implementation, the DDTH Resettlement Unit and the Environmental and Social Unit shall work in close coordination and under a common management unit and shall closely coordinate with the APIX Field Office, the local liaison committees, resettlement urban committees, and implementing and monitoring partners.
3. APIX shall sign the necessary Implementation Agreements with AGETIP for the implementation AGETIP's part of the Project and APIX shall carry out the Project in accordance with such Implementation Agreements. Except as the Association shall otherwise agree, APIX shall not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof.

B. Anti-Corruption

The Project Implementing Entity shall ensure that its Respective Part of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Safeguards

1. APIX shall ensure that the Project is implemented in accordance with the guidelines, procedures, recommendations, and other specifications set forth in the Basic Social and Environmental Safeguard Instruments, and, except as the Association shall otherwise

agree in writing, shall not amend or waive any provision of the aforementioned documents.

2. APIX shall, for purposes of each Subproject and including wherever required under the terms of any of the Basic Social and Environmental Documents Safeguard Instruments, proceed, and have the Concessionaire, and AGETIP proceed, where applicable, to have any one or more Supplemental Social and Environmental Safeguard Instruments: a) developed; b) submitted to the Association for review and approval; and c) thereafter adopted, prior to implementation of the Subproject.
3. APIX shall ensure that the Project is implemented in accordance with the guidelines, procedures, recommendations, and other specifications set forth in each of the Supplemental Social and Environmental Safeguard Instruments, and, except as the Association shall otherwise agree, shall not amend or waive any provision of the aforementioned documents.
4. APIX shall take the necessary measures to ensure the overall quality control of the environmental and social aspects of the Project through the review and clearance of the instruments described in paragraph 2 of this Section I.D of the Financing Agreement and validation of the environmental and social audits to be submitted at the end of the execution of the works.
5. Without limitation upon its other reporting obligations under this Agreement, APIX shall prepare, so that the Recipient may regularly collect, compile and submit to the Association on a quarterly basis, on the status of compliance with the Social and Environmental Safeguard Instruments; and, giving details of:
 - (a) measures taken in furtherance of such Social and Environmental Safeguard Instruments;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Social and Environmental Safeguard Instruments; and
 - (c) remedial measures taken or required to be taken to address such conditions.

D. Manual

Except as the Association shall otherwise agree, APIX shall: (i) carry out the Project in accordance with the Project Implementation Manual and the Administrative, Financial, and Accounting Procedures Manual, referred to in Section 5.01 (f) of the Financing Agreement; and (ii) except as the Association shall otherwise agree in writing, not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof. To the extent that there is any contradiction

between the terms of such manuals and the Financing Agreement or this Project Agreement, the terms of the Financing Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Project Implementing Entity shall monitor and evaluate the progress of Respective Part of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in subparagraph (b) of this paragraph. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later two 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.
- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
 - (i) The percentage of private investors seeing transport as a severe constraint;
 - (ii) The average travel time between Dakar and Diamniadio;
 - (iii) Number of people within 150 meters of an appropriate (asphalted) all year round road in PIS;
 - (iv) The percentage of surface area liable to flooding in PIS.
 - (iv) The percentage of displaced children in PIS and the Resettlement Site sent to school;
 - (vi) The percentage of unresolved lodging complaints by Displaced Persons after one year.
2. The Project Implementing Entity shall provide to the Recipient not later than October 31, 2015, 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. The Project Implementing Entity 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 and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to its Respective Part of the Project.
2. Without limitation on the provisions of Part A of this Section, the Project Implementing Entity shall prepare and furnish to the Association not later than 45 days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Project Implementing Entity 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 the Project Implementing Entity. 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 Implementing Entity's Respective Part of 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.

Section IV. Other Undertakings

1. APIX shall submit to the Association by November 30 of each year, annual budgeted work plans for the activities of the Project in form and substance satisfactory to the Association.
2. After prior submission of relevant documentation to the Association for review, APIX shall have put in place by no later than three months after the Effective Date, and shall implement throughout the duration of the Project, the following measures to reinforce its capacity to manage the process involving Displaced Persons, all in form and substance satisfactory to the Association:
 - (i) elaboration of a social communication strategy giving more voice to the Displaced Persons and setting up a more rapid and time-bound response mechanism to their queries;

- (ii) development and dissemination in a manner accessible to Displaced Persons of a detailed description of the mechanism for negotiation of compensations and the general grievance resolution mechanism (including, without limitation, clear identification of the various empowered entities involved in these processes); and
 - (iii) strengthening of the monitoring and evaluation system for resettlement issues with a special emphasis on monitoring compensation payments, livelihood restoration and grievance resolution.
- 11. By no later than two months after the Effective Date, APIX shall have recruited two (2) non-governmental organizations in accordance with Section III of the Schedule of this Agreement and pursuant to terms of reference satisfactory to the Association to facilitate the social mobilization process related to Phase 1 Highway Work and the Project.
- 12. APIX shall have put in place by no later than six months after the Effective Date, and shall maintain at all times during Project implementation, the following measures to reinforce its capacity to manage the process involving Displaced Persons:
 - (i) A field office shall be established by APIX in the Project zone, in form and substance and with resources and functions satisfactory to the Association, including a sociologist, an urbanist, a monitoring and evaluation specialist, a communication specialist, a database manager, and a team assistant all recruited in accordance with Section III of the Schedule of this Agreement and pursuant to terms of reference satisfactory to the Association.
 - (ii) Five Local Liaison Committees comprising three to five persons each will be established at the commune level in form and substance and with resources and functions satisfactory to the Association, to liaise with the Displaced Persons and ensure that their rights (complaints and/or dissatisfaction) are understood, taken into account and handled in a time-bound manner.
 - (iii) Ten Urban Reinstallation Committees representing affected local residents will be established at the quarter's level in form and substance and with resources and functions satisfactory to the Association.
 - (iv) The DDTH Resettlement Unit shall have been established in form and substance and with resources and functions satisfactory to the Association.