

CONFORMED COPY

CREDIT NUMBER 4439-GH

Project Agreement

(West Africa Transport and Transit Facilitation Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

CUSTOMS EXCISE AND PREVENTIVE SERVICE

Dated July 11, 2008

PROJECT AGREEMENT

AGREEMENT dated July 11, 2008, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and CUSTOMS EXCISE AND PREVENTIVE SERVICE (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between the REPUBLIC OF GHANA (“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 and the Program. To this end, the Project Implementing Entity shall carry out the CEPS Project Activities 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 CEPS Project Activities.
- 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 the CEPS Project Activities 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 Commissioner.

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:

CUSTOMS EXCISE AND PREVENTIVE SERVICE
P. O. Box 68
Accra
Ghana

Facsimile:

233-21-660019

AGREED at Accra, Republic of Ghana, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Ishac Diwan

Authorized Representative

CUSTOMS EXCISE AND PREVENTIVE SERVICE

By /s/ E. N. Doku

Authorized Representative

SCHEDULE

Execution of the CEPS Project Activities

Section I. Implementation Arrangements

A. Institutional Arrangements

(a) The Project Implementing Entity shall be responsible for the day to day technical and fiduciary implementation of the CEPS Project Activities, in accordance with annual work programs and budgets prepared on the basis of activities proposed by the Project Implementing Entity, consolidated by MOT and submitted with a technical recommendation from the MOT to the Steering Committee for approval.

(b) The Project Implementing Entity shall maintain an agency implementation team, with resources satisfactory to the Association, including staff with terms of reference, qualifications and experience satisfactory to the Association. Without limitation upon the foregoing provisions, the agency implementation team of the Project Implementing Entity shall include, *inter alia*: (i) a coordinator, (ii) a procurement officer, and (iii) a financial officer.

B. Anti-Corruption

The Project Implementing Entity shall ensure that the CEPS Project Activities are carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Safeguards

1. The Project Implementing Entity shall implement the CEPS Project Activities in accordance with the provisions of the Environmental and Social Management Framework and the Resettlement Policy Framework and, except as the Association shall otherwise agree in writing, the Project Implementing Entity shall not amend, abrogate, repeal, suspend or waive, or permit to be amended, abrogated, repealed, suspended or waived, any provision of the aforementioned.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Project Implementing Entity shall monitor and evaluate the progress of the CEPS Project Activities and prepare Project Reports for the CEPS Project Activities 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 six months, 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) At completion of the Ghana Project Activities, the average transit time for imports moving by container from the exit of the Port of Tema to Ouagadougou (Burkina Faso) has decreased by 20% from about 7 days to about 5.6 days;
 - (ii) At completion of the Ghana Project Activities, the average transit time for imports moving by container from the exit of the Port of Tema to Bamako (Mali) has decreased by 20% from about 15 days to about 12 days;
 - (iii) At completion of the Ghana Project Activities, the variance transit from the exit at the Port of Tema to Ouagadougou (Burkina Faso) has decreased by 20% from about 3 days to about 2.4 days;
 - (iv) At completion of the Ghana Project Activities, the variance transit from the exit at the Port of Tema to Bamako (Mali) has decreased by 20% from about 6 days to about 4.8 days;
 - (v) At completion of the Ghana Project Activities, the number of fixed customs checkpoints on the Recipient's territory (excluding border posts) has decreased from six to two; and
 - (vi) At completion of the Ghana Project Activities, the border crossing time at Paga (Ghana/Burkina Faso) has decreased from 5 hours to 4 hours.
2. The Project Implementing Entity shall provide to the Recipient not later than August 31, 2014, 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 the CEPS Project Activities.
2. 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 CEPS Project Activities 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

- (A) The Project Implementing Entity shall:
- (a) participate in a comprehensive review (Midterm Review) carried out by the Recipient jointly with the Association, no later than thirty (30) months after the Effective Date, or such later date as may be agreed upon by the Recipient and the Association, to assess the status of the CEPS Project Activities implementation. Such review shall be aimed at: (i) documenting progress towards the Project objective, including as measured against the performance indicators set forth in Section II of the Schedule to this Agreement; (ii) identifying and resolving obstacles to the CEPS Project Activities' implementation; and (iii) adjusting, in agreement with the Association, targets and corresponding activities to reflect progress achieved in the CEPS Project Activities implementation as of the date of review;
 - (b) invite and take all actions it considers necessary to ensure the participation of representatives of donors interested in the CEPS Project Activities implementation to participate in such Midterm Review;

(c) not later than three (3) months before such review, or such later date as may be agreed upon by the Recipient and the Association, provide all information needed by the Recipient to prepare, or prepare and furnish to the Association, a report, in scope and detail satisfactory to the Association, needed to undertake the review, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section on the progress achieved in the carrying out of the CEPS Project Activities during the period preceding the date of the said report and setting out the measures recommended to ensure the efficient carrying out of the CEPS Project Activities and the achievement of the objective thereof during the period following such date; and

(d) review, jointly with the Association and the Recipient, the report referred to in paragraph (c) of this Section and promptly thereafter take all measures required to ensure the efficient completion of the CEPS Project Activities and the achievement of the objective of the Project, based on the conclusions and recommendations of the said report and the Association's views on the matter.