

CONFORMED COPY

CREDIT NUMBER 4462-BF

Project Agreement

(International Institute for Water and Environmental Engineering Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

FONDATION 2IE

Dated October 24, 2008

PROJECT AGREEMENT

AGREEMENT dated October 24, 2008, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and FONDATION 2IE (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) signed between Burkina Faso (“Recipient”) and the Association on or about the same date herewith. 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 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 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 General Manager (*Directeur Général*).

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:

Fondation 2IE
Rue des Sciences
01 BP 594
Ouagadougou
Burkina Faso

Facsimile:

(226) 50 31 27 24

AGREED at Ouagadougou, Burkina Faso, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Ishac Diwan

Authorized Representative

FONDATION 2IE

By /s/ Paul Giniès

Authorized Representative

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Anti-Corruption

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

B. Staff and Manual

(a) The Project Implementing Entity shall, throughout the implementation of the Project, maintain appropriate staff with terms of reference, qualification and experience satisfactory to the Association.

(b) The Project Implementing Entity shall carry out the Project in accordance with the provisions of the Project Manual of Administrative, Financial and Accounting Procedures, and, unless the Recipient and the Association shall otherwise agree in writing, shall not amend or waive any provision of the Project Manual of Administrative, Financial and Accounting Procedures in a manner which, in the opinion of the Association, could have a material adverse impact on the implementation of the Project.

C. Safeguards

(a) The Project Implementing Entity shall implement the Project in accordance with the guidelines, procedures, timetables and other specifications set forth in the Environment and Social Management Plan.

(d) Except as the Association shall agree in writing, the Project Implementing Entity shall refrain from abrogating, amending, repealing, suspending, waiving or otherwise failing to enforce the provisions of the Environment and Social Management Plan.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports for the Project 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 than thirty days 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 Project, the number of students of the 2IE has increased from 520 to 1000.

(ii) At completion of the Project, the percentage of 2IE graduates employed in the field in which they are qualified six months after graduation has remained stable at 90%.

(iii) At completion of the Project, the number of 2IE doctoral students has increased from 8 to 25.

(iv) At completion of the Project, the percentage of 2IE non francophone regular students has increased from zero to 10%.

(v) At completion of the Project, the percentage of non targeted subsidies has reduced from 15% of the Project Implementing Entity's annual resources to zero.

(vi) At completion of the Project, the percentage of fees has increased from 30% to 42% of the Project Implementing Entity's annual income.

(vii) At completion of the Project, the percentage of income resulting from contracted services (such as vocational education training and provision of capacity strengthening plans, and engineering services) and distance education has increased from 10% to 29% of the Project Implementing Entity's annual income.

(viii) At completion of the Project, the percentage of contracts for activities financed by donors has decreased from 45% to 29% of the Project Implementing Entity's annual resources.

(ix) At completion of the Project, the 2IE offers education for the preparation of nine masters degrees internationally certified.

(x) At completion of the Project, the number of square meters built in the Project Implementing Entities assets has increased from 12,000 to 22,000 square meters.

(xi) At completion of the Project, the percentage of 2IE's permanent teaching staff having a PhD degree has increased from 30% to 60%.

(xi) At completion of the Project, the number of 2IE's permanent teaching staff has increased from 38 to 45.

(xii) At completion of the Project, the number of 2IE's students in distance education has increased from 40 to 450.

2. The Project Implementing Entity shall provide to the Recipient not later than October 30, 2012, 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 Project.
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 Project after the date of this Agreement shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.

Section IV. Other Undertakings

- A. No later than one (1) month after the Effective Date, or such later date as may be agreed in writing by the Association, the Project Implementing Entity shall have: (A) caused all assets needed to enable the Project Implementing Entity to carry out the Project and achieve the objective of the Project in accordance with the terms of the Project Agreement to have been transferred to the Project Implementing Entity, and such transfers shall have become valid under applicable laws and regulations, binding on the Project Implementing Entity and third parties, and enforceable on the Recipient's

territory; and (B) furnished to the Association an opinion or opinions, in form and substance satisfactory to the Association, of counsel acceptable to the Association, or if the Association so requests, a certificate satisfactory to the Association of a competent official of the Recipient, showing that: (i) each asset needed to enable the Project Implementing Entity to carry out the Project and achieve the objective of the Project in accordance with the terms of the Project Agreement has been transferred to the Project Implementing Entity, (ii) each agreement entered into for the transfer of such assets has been duly authorized or ratified by, and executed and delivered on behalf of each of the parties thereto, and is legally binding in accordance with its terms; (iii) each formality required for the transfer of such assets (notification, publication, registration, payment of fees or taxes, or other) has been duly completed; and (iv) each such transfer has become valid under applicable laws and regulations, binding on the Recipient, the Project Implementing Entity and third parties, and enforceable on the Recipient's territory. A copy of supporting documents on the basis of which such opinion or opinions shall be provided shall be appended to such opinion or opinions.