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GEF GRANT NUMBER TF097347- NG

**LAGOS State Global Environment  
Facility  
Project Agreement**

**(Lagos Urban Transport Project 2)**

**between**

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
acting as an Implementing Agency of the Global Environment Facility**

**and**

**LAGOS STATE**

**Dated November 25 , 2010**

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**GEF GRANT NUMBER TF097347- NG**

**GLOBAL ENVIRONMENT FACILITY  
PROJECT AGREEMENT**

AGREEMENT dated November 25, 2010, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as an Implementing Agency of the Global Environment Facility (“GEF”) and LAGOS STATE (“Lagos State”) (“Lagos State GEF Project Agreement”) in connection with the GEF Grant Agreement (“GEF Grant Agreement”) of same date between the FEDERAL REPUBLIC OF NIGERIA (“Recipient) and the World Bank, acting as an Implementing Agency of the GEF. The World Bank and Lagos State hereby agree as follows:

**ARTICLE I — STANDARD CONDITIONS; DEFINITIONS**

- 1.01. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in this Agreement, the GEF Grant Agreement, the IDA Financing Agreement or the Standard Conditions.

**ARTICLE II — PROJECT**

- 2.01. Lagos State declares its commitment to the objective of the Project. To this end, Lagos State shall cause LAMATA to carry out the Project in accordance with the provisions of Article II of the Standard Conditions and shall provide 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 World Bank and Lagos State shall otherwise agree, Lagos State shall carry out the Project in accordance with the provisions of the Schedule to this Agreement and the LAMATA GEF Project Agreement.

**ARTICLE III — REPRESENTATIVE; ADDRESSES**

- 3.01. The Representative of Lagos State is its Commissioner for finance.
- 3.02. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development  
1818 H Street, NW  
Washington, DC 20433  
United States of America

Cable:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) 64145 (MCI)	1-202-477-6391

- 3.03. The Address for Lagos State is:

Honorable 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 BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
acting as an Implementing Agency of the  
Global Environment Facility**

**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 World Bank 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 GEF Grant Agreement or this Agreement, the provisions of the GEF Grant 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 GEF 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 World Bank for the latter's approval in accordance with the provisions of Section I.A.2 of Schedule 2 to the GEF Grant 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 Grant 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 World Bank.
  - (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 World Bank and to accomplish the purposes of the Grant. Except as the World Bank 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 World Bank, 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 World Bank for review and approval; and (ii) is approved by the World Bank; 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 World Bank: (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 GEF Project Agreement), and furnish the same to the Recipient, for incorporation in the reports to be furnished by the Recipient to the World Bank pursuant to Section I.D.2 of the GEF Grant 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 World Bank thereon.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports; Completion Report**

1. Lagos State shall monitor and evaluate the progress of the Project in the same manner as required of the Recipient in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth in Section II.A.1(b) of Schedule 2 to the GEF Grant Agreement, and shall prepare project reports (in part based on the reports prepared by LAMATA pursuant to Section II.A.1. of the LAMATA GEF Project Agreement) on such monitoring and evaluation activities in accordance with terms of reference and in form and substance acceptable to the World Bank. 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 World Bank pursuant to the provisions of Section II.A.1 of Schedule 2 to the GEF Grant Agreement.
2. Lagos State shall prepare a completion report under terms of reference and in form and substance acceptable to the World Bank, for incorporation in the Recipient's Completion Report required of the Recipient in accordance with the provisions of Section 2.06 of the Standard Conditions. Such completion report shall be furnished to the Recipient not later than five months after Closing Date.

**B. Financial Management; Financial Reports; Audits**

1. Lagos State shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, 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 World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank. 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 World Bank not later than six months after the end of the period.

**Section III. Procurement**

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