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**CREDIT NUMBER 4591 - NG**

# **Project Agreement**

**(Lagos Eko Secondary Education Project)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**LAGOS STATE**

**Dated July 20, 2009**

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## **PROJECT AGREEMENT**

AGREEMENT dated July 20, 2009, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and LAGOS STATE (“Project Implementing Entity”) (“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 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 Parts A, B and C of 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 Parts 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 Parts 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 Commissioner for Finance.

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:

Ministry of Finance  
Block 12  
The Secretariat Alausa  
P.M.B. 21297, Ikeja  
Lagos, Nigeria

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

<b>ASSOCIATION</b>	<b>INTERNATIONAL DEVELOPMENT</b>
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**By /s/ Rotimi Oyekan**

**Authorized Representative**

**LAGOS STATE**

**By /s/ Mansur Muhtar**

**Authorized Representative**

## SCHEDULE

### Execution of the Project Implementing Entity's Respective Parts of the Project

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Project Implementing Entity shall carry out Parts A, B and C of the Project through the SPAC in accordance with the provisions of the PIM, the ESMF and the EMP; and except as the Association shall otherwise agree, the Project Implementing Entity or the Recipient shall not amend or waive any provision of any of these documents.
2. The Project Implementing Entity shall establish and thereafter maintain the SPAC throughout the implementation of the Project with membership, functions and responsibilities satisfactory to the Association and with staff in adequate numbers with qualifications and experience satisfactory to the Association. The SPAC shall be assisted by PSU; and it shall, inter alia, review and approve the following documents and reports prior to their submission to the Recipient and to the Association for its approval: (i) annual work programs and the budgets related thereto prepared for Parts A, B and C of the Project; and (ii) all periodic reports documenting the progress achieved during implementation of the Project.
3. The Project Implementing Entity shall maintain at all times during the implementation of the Project, its PFMU, in form and with mandates, resources, and qualified and experienced staff in adequate numbers, all satisfactory to the Association, so as to ensure prompt and efficient implementation of the Project.
4. Work Plans and Budgets
  - (a) The Project Implementing Entity shall prepare and furnish to the Recipient and the Association for its approval, not later than June 30 in each year during the implementation of the Project or such later date as the Association may agree, annual work plans and budgets containing all activities to be carried out in the following calendar year.
  - (b) The Project Implementing Entity shall implement, monitor and evaluate its annual work plan and budget in accordance with the provisions set forth in this Agreement and in more detail in the PIM and the Subsidiary Agreement as they shall have been approved by the Recipient and the Association pursuant to the provisions of paragraph (a) above.

**B. Anti-Corruption**

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

**C. Subprojects and Grants**

1. Subprojects shall be selected in accordance with the procedures, guidelines, eligibility criteria and other provisions set forth in detail in the PIM and outlined hereunder. The SPAC shall submit summaries of all subprojects to the Association. Subprojects shall be implemented with due diligence and efficiency and in accordance with sound administrative, educational, financial, technical, environmental and social practices.
2. The Project Implementing Entity shall cause the SPAC to provide Grants to Beneficiaries in accordance with the eligibility criteria and the terms and conditions set forth in the PIM which shall include the following:
  - (a) the SPAC shall obtain rights adequate to protect its interests and the interests of the Project Implementing Entity and those of the Recipient and the Association, including the right to suspend or terminate the right of the Beneficiary to use the proceeds of the Grant and obtain a refund of all or any part of the amount of the Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Grant Agreement;
  - (b) the SPAC shall require each Beneficiary to: (i) carry out Subproject activities with due diligence and efficiency and in accordance with sound administrative, economic, financial, educational, technical, environmental and social standards and practices, satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of the proceeds of the Credit other than the Recipient; (ii) provide, promptly as needed, the resources required for the purpose; (iii) procure the goods, works and services to be financed out of the Grant in accordance with the provisions of this Agreement; and (iv) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Subproject activities and the achievement of its objectives; and

- (c) the SPAC shall require each Beneficiary to: (i) 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 Subproject activities; (ii) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (iii) enable the Recipient and the Association to inspect the Subproject activities, its operation and any relevant records and documents; and (iv) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

**E. Safeguards**

1. The Project Implementing Entity shall carry out its Respective Parts of the Project within its jurisdiction in accordance with the provisions of the ESMF and EMP.
2. Except as the Recipient and the Association shall otherwise agree, the Project Implementing Entity shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the ESMF or EMP or any provision thereof.

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

**A. Project Reports**

1. (a) The Project Implementing Entity shall monitor and evaluate the progress of its Respective Parts of the Project and prepare Project Reports for its Respective Parts of 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 three 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) Increase in the percentage of public junior secondary students obtaining results “at and above credit” in the junior secondary certificate examination disaggregated by individual subjects i.e. English, mathematics, and integrated science by one percentage point per year.
  - (ii) Increase in the percentage of public senior secondary students obtaining “pass grade” results in the West African senior secondary certificate examination disaggregated by individual subjects i.e. English, mathematics, and biology by one percentage point per year.
2. The Project Implementing Entity shall provide to the Recipient not later than four 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. 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 Parts 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 60 days after the end of each calendar semester interim unaudited financial reports for Parts A, B and C of the Project covering the semester, 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 Parts 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.