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CREDIT NUMBER 4790-SL
GRANT NUMBER H605-SL

Project Agreement

(Youth Employment Support Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

NATIONAL COMMISSION FOR SOCIAL ACTION

Dated July 20, 2010

CREDIT NUMBER 4790-SL
GRANT NUMBER H605-SL

PROJECT AGREEMENT

Agreement dated July 20, 2010, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and NATIONAL COMMISSION FOR SOCIAL ACTION (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between the Republic of Sierra Leone (“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 Part 1 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 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 — REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity's Representative is its Commissioner.

3.02. 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

3.03. The Project Implementing Entity's Address is:

National Commission for Social Action
14-16 Charlotte Street
Freetown
Sierra Leone

Facsimile:

5-1-6151-793

AGREED at Freetown, Republic of Sierra Leone, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Vijay Pillai

Authorized Representative

NATIONAL COMMISSION FOR SOCIAL ACTION

By /s/ Conton Saidu Sesay

Authorized Representative

SCHEDULE

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

Section I. Implementation Arrangements

A. Project Implementation Manual

The Project Implementing Entity shall carry out its Respective Part of the Project in accordance with the Project Implementation Manual; and, except as the Recipient and the Association 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 Project Implementation Manual and those of the Financing Agreement or this Agreement, the provisions of the Financing Agreement and this Agreement shall prevail.

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. Annual Work Plans

1. The Project Implementing Entity shall prepare and furnish to the Recipient not later than October 31 in each year during the implementation of the Project, for forwarding to the Association for the latter's approval in accordance with the provisions of Section I.D of Schedule 2 to the Financing Agreement, a proposed annual work plan and related budget containing all activities proposed to be carried out under its Respective Part of the Project in the following calendar year.
2. The Project Implementing Entity shall implement, monitor and evaluate the Annual Work Plan in accordance with the provisions set forth in this Agreement and in more detail in the Project Implementation Manual.

D. Safeguards

1. The Project Implementing Entity shall:
 - (a) implement its Respective Part of the Project in accordance with the provisions of the ESMF, RPF, PMP and where applicable, the EMPs and RAPs;
 - (b) ensure that, if any activities proposed for inclusion under its Respective Part of the Project in an Annual Work Plan would, pursuant to the

ESMF, require the adoption of an EMP, then no such activities shall be implemented unless and until an EMP for such activities: (i) is prepared, in accordance with the ESMF and furnished to the Association for review and approval; and (ii) is disclosed as required by the ESMF and approved by the Association; and

- (c) if a RAP would be required for any activities proposed for inclusion in any Annual Work Plan on the basis of the RPF: (i) prepare said RAP in accordance with the requirements of the RPF, disclose it locally and furnish it to the Association as part of the proposed Annual Work Plan; and (ii) ensure that no works under the Annual Work Plan for said activities shall be commenced until: (A) all measures required to be taken under said RAP prior to the initiation of said activities have been taken; (B) the Project Implementing Entity, through the Recipient, has prepared and furnished to the Association a report in form and substance satisfactory to the Association, on the status of compliance with the requirements of said RAP; and (C) the Association has confirmed that said activities may be commenced.

- 2. Without limitation upon its other reporting obligations under this Agreement, the Project Implementing Entity shall, in accordance with terms of reference satisfactory to the Association: (a) monitor the status of compliance with the ESMF, RPF, PMP and any EMPs or RAPs; and (b) prepare quarterly reports, and furnish the same to the Recipient, for incorporation in the reports to be furnished by the Recipient to the Association pursuant to Section I.F.2 of Schedule 2 to the Financing Agreement reports, as part of the Project Reports, on the results of such monitoring activities, giving details of:

- (i) measures taken in furtherance of such ESMF, RPF, PMP, EMPs and RAPs;
- (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such ESMF, RPF, PMP, EMPs and RAPs; and
- (iii) remedial measures taken or required to be taken to address such conditions.

- 3. The Project Implementing Entity shall afford the Association a reasonable opportunity to review the reports prepared under paragraph 2 of this Part D, and thereafter shall carry out with due diligence all remedial measures agreed with the Association so as to ensure the proper implementation of its Respective Part of the Project in accordance with the ESMF, RPF, PMP and any EMPs and RAPs.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Project Implementing Entity shall monitor and evaluate the progress of its Respective Part of the Project and prepare Project Reports for its Respective Part of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar quarter, and shall be furnished to the Recipient not later one month 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. 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. 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. 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.