Project Agreement

(Least-Cost Electricity Access Development Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

JIRAMA
CREDIT NUMBER 6373-MG

PROJECT AGREEMENT

AGREEMENT dated as of the Signature Date between the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and JIRAMA ("Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") between the Republic of Madagascar ("Recipient") and the Association, concerning Credit No. 6373-MG. 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) apply to and form 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 V of the General Conditions and the Schedule to this Agreement, and shall provide promptly as needed, the funds, facilities, services and other resources required for its Respective Part of the Project.

ARTICLE III — TERMINATION

3.01. For purposes of Section 10.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty years after the Signature Date.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is its Managing Director.

4.02. For purposes of Section 11.01 of the General Conditions:
(a) the Association’s address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America; and

(b) the Association’s Electronic Address is:

Telex: Facsimile:
248423(MCI) or 1-202-477-6391

4.03. For purposes of Section 11.01 of the General Conditions:

(a) the Project Implementing Entity’s address is:

Jiro sy Rano Malagasy
149 rue Rainandriamanpandry
BP 200
Antananarivo 101
Republic of Madagascar, and

(b) the Project Implementing Entity’s Electronic Address is:

E-mail:
Olivier.jaomiary@jirama-mg.com
AGREED as of the later of the two dates written below.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: 

Authorized Representative

Name: Coralie Gevers

Title: Country Manager

Date: March 26, 2019

JIRAMA

By: 

Authorized Representative

Name: Jaouary Oliver

Title: Almé Jaomlary

Directeur Général

de la JIRO SY RANO MALAGASY

Date: 26 Mars 2019
SCHEDULE

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

Section I. Implementation Arrangements

A. Institutional Arrangements

JIRAMA-PIU

1. JIRAMA shall maintain, throughout Project implementation, the JIRAMA-PIU within JIRAMA, composed of key staff, with qualifications and under terms of reference acceptable to the Association, including one project director, one technical coordinator, one procurement officer, one financial management specialist, one environmental specialist and one social specialist and any other technical, fiduciary, and safeguards specialists as may have been agreed with the Association, as further detailed in the POM. The JIRAMA-PIU shall be responsible for implementation of Part 1 of the Project, including, *inter alia*, ensuring coordination with key stakeholders, managing the Project’s fiduciary and safeguards aspects, and monitoring and evaluation of Project implementation, as further detailed in the POM.

B. Subsidiary Agreement

1. To facilitate the carrying out of Part 1 of the Project by JIRAMA, JIRAMA shall enter into a subsidiary agreement (“Subsidiary Agreement”) with the Recipient through its Ministry of Finance, under terms and conditions approved by the Association, which shall include the following:

   (a) JIRAMA shall not be required to repay the proceeds of the Financing received from the Recipient;

   (b) the obligation of JIRAMA to carry out Part 1 of the Project with due diligence and efficiency, in conformity with appropriate administrative, economic, managerial, financial, environmental, social, labor and technical standards and practices, and provide promptly as needed, the facilities, services and other resources required for Part 1 of the Project;

   (c) the obligation of JIRAMA to: (i) exchange views with the Recipient, and the Association with regard to the progress of Part 1 of the Project, and the performance of its obligations under the Subsidiary Agreement; and (ii) assist the Recipient in complying with its obligations referred to in Section II of this Schedule, as applicable to Part 1 of the Project;

   (d) the obligation of JIRAMA to promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere
with the progress of Part 1 of the Project, including but not limited any Project-related accident or incident;

(e) the obligation of JIRAMA to carry out Part 1 of the Project in accordance with the POM;

(f) the obligation of JIRAMA to carry out Part 1 of the Project in compliance with the Anti-Corruption Guidelines;

(g) the obligation of JIRAMA 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 Part 1 of the Project; and (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; and

(h) the right of the Recipient to take remedial actions against JIRAMA, in case JIRAMA shall have failed to comply with any of its obligations under the Subsidiary Agreement, which actions may include, inter alia, the partial or total suspension and/or cancellation or refund of all or any part of the proceeds of the Subsidiary Financing transferred to JIRAMA pursuant to the Subsidiary Agreement (as the case may be).

2. JIRAMA shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, JIRAMA shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Project Operations Manual (POM)

1. JIRAMA shall adopt the POM and, thereafter, carry out the Project in accordance with the requirements set forth in the POM. The POM shall set out detailed guidelines, methods and procedures for the implementation of the Project, including: (a) the different roles and responsibilities in the implementation of the Project, including the various mechanisms for ensuring close coordination and collaboration between various Project stakeholders; (b) budget and budgetary control; (c) flow of funds, disbursement procedures and banking arrangements; (d) financial, procurement and accounting procedures; (e) internal control procedures; (f) accounting system and transaction records; (g) reporting requirements; (h) external audit and independent verification arrangements;
(i) corruption and fraud mitigation measures; (j) safeguards aspects, including a detailed description of the GRM process as well as any process for recording and reporting Project-related accidents and incidents; (k) detailed procedures, eligibility, selection/eligibility criteria and flow of funds for Part 2.A. of the Project; (l) financial terms and conditions of the sub-financing to be provided under Windows 1 and 2 of the OMDF; (m) monitoring and evaluation arrangements; (n) contractual arrangements, including, inter alia, template performance-based contracts, for Part 2.A. of the Project; and (o) and such other arrangements and procedures as shall be required for the effective implementation of the Project.

2. JIRAMA not to assign, amend, abrogate or waive any provision of the POM without prior written approval of the Association.

3. In case of any conflict between the terms of the POM and those of this Agreement or the Financing Agreement, the terms of the Financing Agreement or this Agreement shall prevail.

D. Safeguards

1. JIRAMA shall carry out the Project in accordance with the provisions of the ESMF and the RPF, and shall ensure that no provision of the ESMF and/or RPF is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.

2. Without limitation to the excluded expenditures provision set forth in the ESMF and/or RPF, the following activities shall not be eligible to be included in or funded under the Project ("Negative List"):

   (a) activities involving the use of pesticides;

   (b) any activities that would lead to conversion or degradation of critical natural habitats or their supporting areas;

   (c) any activities that would lead to conversion or degradation of critical forest areas, related critical natural habitats, clearing of forests or forest ecosystems;

   (d) activities involving financing the rehabilitation or construction of dams;

   (e) activities whose implementation or operation depend on an existing dam;

   (f) activities involving nuclear reactors and parts thereof and fuel elements (cartridges), non-irradiated, for nuclear reactors; and

   (g) goods intended for a military or paramilitary purpose.
3. JIRAMA shall maintain, throughout Project implementation, and publicize the availability of a grievance and feedback mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.

4. JIRAMA shall, at all times throughout the period of Project implementation:

(a) take all measures necessary on its part to collect, compile, and furnish to the Association through Project Reports, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESMF and RPF and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, among other things: (i) the status of implementation of the ESMF/RPF; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESMF/RPF; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

(b) promptly notify the Association of any incident or accident related to or having an impact on the Project, including but not limited to any Project-related allegation of gender-based violence or alleged violation of Project-related labor and working conditions, which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, in accordance with the ESMF/RPF, and the instruments referenced therein.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. 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 5.08(b) of the General Conditions and on the basis of the indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later than 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.

2. The Project Implementing Entity shall provide to the Recipient not later than four (4) months after the Closing Date, for incorporation in the report referred to in Section 5.08(c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.
Section III.  **Other Undertakings**

JIRAMA shall prepare, and thereafter approve a new national connection policy, in form and substance satisfactory to the Association.