Project Agreement

(Network Reinforcement and Access Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

ESWATINI ELECTRICITY COMPANY
PROJECT AGREEMENT

AGREEMENT between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) and ESWATINI ELECTRICITY COMPANY (“Project Implementing Entity”) (“Project Agreement”) in connection with the Loan Agreement (“Loan Agreement”) between the Kingdom of Eswatini (“Borrower”) and the Bank, concerning Loan No. 8981-SZ. The Bank 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 Loan 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 Loan 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 1, 2 and 3 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 Parts 1, 2 and 3 of the Project.

ARTICLE III — REPRESENTATIVE; ADDRESSES

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

3.02. For purposes of Section 10.01 of the General Conditions:

   (a) the Bank’s address is:

   International Bank for Reconstruction and Development
   1818 H Street, N.W.
   Washington, D.C. 20433
   United States of America; and

   (b) the Bank’s Electronic Address is:

   Telex: 248423(MCI) or 248423(MCI)
   Facsimile: 64145(MCI) or 1-202-477-6391

3.03. For purposes of Section 10.01 of the General Conditions: (a) the Project Implementing Entity’s address is:

   Eswatini Electricity Company
   P.O. Box 258
Mbabane
Kingdom of Eswatini; and

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

Telex: Facsimile: E-mail:
+268 2409 4000 +268 2404 2335 meshack.kunene@eec.co.sz
AGREED as of the later of the two dates written below:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

[Signature]

Marie Francoise Marie-Nelly
Authorized Representative

Name: Marie Francoise Marie-Nelly
Title: Country Director
Date: 27-Apr-2020

ESWATINI ELECTRICITY COMPANY

By

[Signature]

Meshack Kunene
Authorized Representative

Name: Meshack Kunene
Title: Managing Director
Date: 12-May-2020
SCHEDULE

Execution of Parts 1, 2 and 3 of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements.

The Project Implementing Entity shall establish and thereafter maintain, throughout the period of implementation of the Project, a Project implementation unit, under terms of reference, functions and resources satisfactory to the Bank (“Project Implementation Unit”), which shall be: (i) supported by qualified and experienced staff in adequate numbers satisfactory to the Bank, including a project manager, a procurement officer, transmission and substation engineer, an Electrification Specialist, a social officer and an environmental officer; and (ii) responsible for day-to-day management and implementation of the Project, in accordance with the provisions of the Project Implementation Manual, including the responsibility for financial management, procurement, disbursement, monitoring of environmental and social standards, reporting, monitoring and evaluation of Parts 1, 2 and 3 of the Project.

B. Project Implementation Manual and Annual Work Plan

1. By no later than one (1) month after the Effective Date, the Project Implementing Entity shall adopt and thereafter maintain throughout the implementation of the Project, a Project implementation Manual in a manner satisfactory to the Bank (“Project Implementation Manual”).

2. The Project Implementing Entity shall:

   (a) carry out the Project in accordance with a Project implementation Manual, which contains detailed guidelines and procedures for the implementation of the Project, including: administration and coordination; monitoring and evaluation; financial, procurement and accounting procedures; social and environmental standards; corruption and fraud mitigation measures; roles and responsibilities of various ministries, departments, agencies and the Project Implementation Entity in the implementation of the Project; and such other arrangements and procedures as shall be required for the effective implementation of the Project; and

   (b) except as the Bank shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the Project Implementation Manual.

3. In case of conflict between the provisions of the Project Implementation Manual and this Agreement, the provisions of this Agreement shall prevail.
Annual Work Plan

4. By no later than November 30th of each calendar year, the Project Implementing Entity shall prepare and furnish to the Bank, an annual program of activities proposed for implementation under the Project during the following Fiscal Year, together with a proposed budget (“Annual Work Plan”).

5. The Project Implementing Entity shall exchange views with the Bank on each such proposed Annual Work Plan, and shall thereafter adopt, and carry out such program of activities for such following Fiscal Year as shall have been agreed with the Bank, as such plan may be subsequently revised during such following Fiscal Year with the prior written agreement of the Bank.

C. Environmental and Social Standards

1. The Project Implementing Entity shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.

2. Without limitation upon paragraph 1 above, the Project Implementing Entity shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Project Implementing Entity shall ensure that:

(a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;

(b) sufficient funds are available to cover the costs of implementing the ESCP;

(c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and

(d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Bank shall otherwise agree in writing and the Project Implementing Entity has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Project Implementing Entity shall:

(a) take all measures necessary on its part to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the
ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

(b) promptly notify the Bank of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, workplace accidents that result in death, serious or multiple injuries, any violent labor unrest or dispute between the Project Implementing Entity and local communities, any case of gender based violence, in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.

4. The Project Implementing Entity shall maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Bank, 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 Bank.

Section II. Project Monitoring, Reporting and Evaluation

The Project Implementing Entity shall monitor and evaluate the progress of Parts 1, 2 and 3 of the Project and prepare Project Reports for such Parts in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of indicators acceptable to the Bank. Each such Project Report shall cover the period of one calendar quarter and shall be furnished to the Bank no later than one (1) month after the end of the period covered by such report.