Project Agreement

(Innovation, Inclusion and Quality Project – GEORGIA I2Q)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

MUNICIPAL DEVELOPMENT FUND
PROJECT AGREEMENT

AGREEMENT between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and MUNICIPAL DEVELOPMENT FUND ("Project Implementing Entity") ("Project Agreement") in connection with the Loan Agreement ("Loan Agreement") of the Signature Date between GEORGIA ("Borrower") and the Bank, concerning Loan No. 8955-GE. 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 Respective Parts of the Project in accordance with the provisions of Article V of the General Conditions, the Loan Agreement, and the Schedule to this Agreement, and shall provide, promptly as needed, the funds, facilities, services and other resources required for its Respective Parts of the Project.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity’s Representative is its Executive 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 64145(MCI)
Facsimile: 1-202-477-6391
E-mail: mtembon@worldbank.org
3.03. For purposes of Section 10.01 of the General Conditions: (a) the Project Implementing Entity’s address is:

Municipal Development Fund
150 D. Agmashenebeli Avenue
Tbilisi 0112;
Georgia; and

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

Facsimile: E-mail:
995-32-2437077 mdf@mdf.org.ge

AGREED as of the later of the two dates written below.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: Mercy Miyang Tembon
Title: Regional Director of the South Caucasus
Date: June 18, 2019

MUNICIPAL DEVELOPMENT FUND

By

Authorized Representative

Name: Giorgi Shengelia
Title: Executive Director of
Date: June 18, 2019
SCHEDULE

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

Section I. Implementation Arrangements

A. Institutional Arrangements

The Project Implementing Entity shall establish a Project Management Team (PMT) within thirty (30) days from Effective Date and delegate the responsibility for managing the day-to-day implementation of the Project to the PMT and ensure that the PMT operates and is maintained throughout Project implementation with qualified staff in sufficient numbers, as well as adequate funds, facilities, services and other resources for Project implementation (including, procurement, financial management, environmental and social aspects and monitoring and evaluation), all acceptable to the Bank.

B. Project Operations Manual

Without limitation to the provisions of Article V of the General Conditions, the Project Implementing Entity shall ensure that the Project is carried out in accordance with the MDF Project Operational Manual (MDF/POM), or any part thereof is not amended, waived, suspended or abrogated without the Bank’s prior written concurrence, and in case of any inconsistency between the provisions of the MDF/POM and those of this Agreement and the provisions of the Loan Agreement shall prevail.

C. Safeguards

1. The Project Implementing Entity (PIE) shall (i) carry out, the Project in accordance with the provisions of the Safeguards Instruments; and (ii) ensure that any contracts for civil works under the Project incorporate the pertinent requirements of Safeguard Instruments and include codes of conduct in form and substance acceptable to the Bank, detailing, inter alia, measures that need to be undertaken by contractor and sub-contractors on environmental, health and safety including gender-based violence.

2. Except as the Bank shall otherwise agree, the PIE shall ensure that none of the provisions of the Safeguard Instruments is abrogated, amended, repealed, suspended or waived. In case of any inconsistencies between the provisions of any of the Safeguard Instruments and the provisions of the Loan Agreement and this Agreement, the provisions of this Agreement and the Loan Agreement shall prevail.
3. The PIE shall maintain, throughout Project implementation, and publicize the availability of a grievance redress 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.

4. The PIE shall:

(a) take all measures necessary on its part to collect, compile, and furnish to the Bank through Project Reports, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the Safeguard Instruments, all such reports in form and substance acceptable to the Bank, setting out, among other things: (i) the status of implementation of the Safeguard Instruments; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the Safeguard Instruments; 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.

5. The PIE shall ensure that technical assistance under the Project, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Bank such terms of reference to ensure that the technical assistance takes into account, and calls for application of the Bank’s Safeguard Policies.

Section II. Project Monitoring, Reporting and Evaluation

1. 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 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 (1) calendar semester, and shall be furnished to the Borrower not later than two (2) weeks after the end of the period covered by such report for incorporation and forwarding by the Borrower to the Bank of the overall Project Report.

2. The Project Implementing Entity shall provide to the Borrower not later than three (3) months, for incorporation in the report referred to in Section 5.08 (c) of the General Conditions all such information as the Borrower or the Bank shall reasonably request for the purposes of that Section.