

CONFORMED COPY

LOAN NUMBER 8007-JM

DBJ Project Agreement

(Energy Security and Efficiency Enhancement Project)

between

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

and

DEVELOPMENT BANK OF JAMAICA LIMITED

Dated May 19, 2011

PROJECT AGREEMENT

Agreement dated May 19, 2011, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) and DEVELOPMENT BANK OF JAMAICA LIMITED (“Project Implementing Entity”) (“Project Agreement”) in connection with the Loan Agreement (“Loan Agreement”) of same date between JAMAICA (“Borrower”) and the Bank. 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) 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 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 Part B.4 of the Project in accordance with the provisions of Article V 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 Bank 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 Managing Director.
- 3.02. The Bank’s Address is:

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

Cable:

Telex:

Facsimile:

INTBAFRAD
Washington, D.C.

248423(MCI) or
64145(MCI)

1-202-477-6391

3.03. The Project Implementing Entity's Address is:

Development Bank of Jamaica LIMITED
11A-15 Oxford Road
Kingston 5
Jamaica

Facsimile:

876 9296055

AGREED at the District of Columbia, United States of America, as of the day and year first above written.

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By /s/ Françoise Clottes

Authorized Representative

DEVELOPMENT BANK OF JAMAICA LIMITED

By /s/ Audrey Marks

Authorized Representative

SCHEDULE

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

Section I. Implementation Arrangements

- A.**
1. The Project Implementing Entity shall carry out Part B.4 of the Project in accordance with the DBJ Subsidiary Agreement and the Project Operational Manual, and except as the Bank shall otherwise agree, shall not assign, amend, terminate, abrogate waive or fail to enforce the DBJ Subsidiary Agreement, or any provision thereof.
 2. The Project Implementing Entity shall exercise its rights under each Sub-loan Agreement in such manner as to protect the interests of the Borrower, the Bank and the Project Implementing Entity and to accomplish the purposes of the Loan. Except as the Borrower and the Bank shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate or waive any Sub-loan Agreement or any of its provisions.

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. Environmental and Social Safeguards

1. The Project Implementing Entity shall ensure that the Subprojects financed through the Line of Credit under Part B.4 of the Project are carried out in accordance with the Environmental Management Framework (EMF), and the Resettlement Policy Framework (RPF), respectively, including the guidelines, rules and procedures defined in said EMF and RPF. To this end, the Project Implementing Entity shall ensure that the respective AFIs, have pursuant to the lending agreement with the respective private sector firms, specifically required the following actions be taken in a manner acceptable to the Bank:
 - (a) if an environmental management plan or similar safeguard instrument would be required for a Subproject on the basis of the EMF: (i) such environmental management plan or similar safeguard instrument shall be prepared in accordance with the requirements of the EMF, disclosed locally and furnished to the Bank for approval; and (ii) the Subproject shall be carried out in

accordance with such environmental management plan or similar safeguard instrument as approved by the Bank;

- (b) if a resettlement action plan would be required for a Subproject on the basis of the Resettlement Policy Framework: (i) said resettlement action plan shall be prepared in accordance with the requirements of the Resettlement Policy Framework, disclosed locally and furnished to the Bank for approval; and (ii) no works under a Subproject shall commence until (A) all measures required to be taken under said resettlement action plan prior to the initiation of said works have been taken; (B) the Project Implementing Entity has received from the respective AFI and furnished to the Bank a report in form and substance satisfactory to the Bank, on the status of compliance with the requirements of said resettlement action plan; and (C) the Bank has confirmed that said works may commence.

2. The Project Implementing Entity shall ensure that all measures required for carrying out any environmental management plan or similar safeguard instrument and any resettlement action plan, are taken in a timely manner.

3. Without limitation to its other reporting obligations under this agreement and under Section 5.08 of the General Conditions, the Project Implementing Entity shall include in the Project Reports referred to in Section II.A of Schedule 2 to the Loan Agreement adequate information on the implementation of the EMF, the RPF, any environmental management plan or similar safeguard instrument, and any resettlement action plan, giving details of:

- (a) measures taken in furtherance of EMF, the RPF, any environmental management plan or similar safeguard instrument, and any resettlement action plan;
- (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the EMF, the RPF, any environmental management plan or similar safeguard instrument, and any resettlement action plan; and
- (c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of the EMF, the RPF, any environmental management plan or similar safeguard instrument, and any resettlement action plan.

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 Bank. Each such Project Report shall cover six months period, and shall be furnished to the Borrower not later than two 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 participate in the mid-term review referred to in Section II.A.2 of Schedule 2 to the Loan Agreement.

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 Bank, 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 Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Borrower and the Bank not later than six months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Bank.

Section III. Procurement

All goods, works, Non-consultant Services and consultants' services required for the Project Implementing Entity's Respective Part of the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement.