
LOAN NUMBER 9673-GE

Project Agreement

(Enhancing Energy Security through Power Interconnection and Renewable Energy
Program - Phase I of a
Multi-Phase Programmatic Approach)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

GEORGIAN STATE ELECTROSYSTEM

PROJECT AGREEMENT

AGREEMENT between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) and GEORGIAN STATE ELECTROSYSTEM (“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. 9673-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 and the MPA Program. To this end, the Project Implementing Entity shall carry out 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 the Project.

ARTICLE III — REPRESENTATIVE; ADDRESSES

- 3.01. The Project Implementing Entity’s Representative is its Director General.
- 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:

Facsimile:	E-mail:
1-202-477-6391	rpryce@worldbank.org

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

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

Georgian State Electrosystem
2 Baratashvili Street
0105 Tbilisi
Georgia; and

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

E-mail:

info@gse.com.ge

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

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By

Rolande Pryce

Authorized Representative

Name: Rolande Pryce

Title: Regional Director

Date: 05-Jun-2024

GEORGIAN STATE ELECTROSYSTEM

By

George Gigineishvili

Authorized Representative

Name: George Gigineishvili

Title: General Director

Date: 07-Jun-2024

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Project Implementing Entity (PIE) shall carry out the Project in accordance with the Loan Agreement, this Agreement, the Subsidiary Agreement, and the Operational Manual and shall not assign, amend, abrogate or waive any provision of said Manual without the prior written approval of the Bank. In case of a conflict between the terms of the Operational Manual and those in this Agreement and in the Loan Agreement, the terms of these agreements shall prevail. If any provision of this Agreement is inconsistent with a provision of the Loan Agreement, the provision of the Loan Agreement shall prevail.
2. The PIE shall maintain its International Projects and Reporting Department (IPRD), throughout the duration of the Project, with adequate resources and facilities, and professional staff in adequate numbers whose qualifications, experience and terms of reference shall be acceptable to the Bank.
3. The PIE's Board of Directors shall oversee the implementation of the Project, such Board of Directors to be comprised of its Director General and the members responsible for the PIE's main functional areas.

For the purposes of this Section A.3 of the Schedule, the PIE's Board of Directors is defined as follows:

“Board of Directors” means the board of the PIE established pursuant to the Chapter 10 of the Charter of PIE, approved by the Order No.1-1/180 of the Minister of Economy and Sustainable Development, dated May 13, 2021.

B. 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 provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Project Implementing Entity shall ensure that:
- (a) all measures necessary are taken 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 environmental and social 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) the Bank is promptly notified 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 in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Project Implementing Entity shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

Section II. Project Monitoring, Reporting and Evaluation

1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports 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 semester and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.