GRANT NUMBER E2470-TJ

Project Agreement

(Additional Financing for CASA1000 Community Support Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

NATIONAL SOCIAL INVESTMENT FUND FOR TAJIKISTAN

PROJECT AGREEMENT

AGREEMENT between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and NATIONAL SOCIAL INVESTMENT FUND FOR TAJIKISTAN ("Project Implementing Entity" or "NSIFT") ("Project Agreement") in connection with the Financing Agreement for the additional financing ("Financing Agreement") of the Signature Date between the Republic of Tajikistan ("Recipient) and the Association, concerning Grant No. E2470-TJ. 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 Parts 2, 3 and 4 of the Project in accordance with the provisions of Article V of the General Conditions and the Schedule 1 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 — 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 executive 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:

25 Bekhzod Street Dushanbe Tajikistan; and

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

Telex:	Facsimile:	Email:
221-87-53	251-00-67	info@nsfit.tj

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

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Ozan Sevinli

Authorized Representative

Name:_____

Title:_____Country Manager

Date:______

NATIONAL SOCIAL INVESTMENT FUND FOR TAJIKISTAN

By

Siddikzoda Sherali Murodali

Authorized Representative

Title:___Executive director of NSIFT

Date:_____

SCHEDULE 1

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

Section I. <u>Implementation Arrangements</u>

A. Institutional Arrangements

The Project Implementing Entity shall maintain, throughout the implementation of its Respective Parts of the Project, staff and management with experience, qualifications, responsibilities and resources acceptable to the Association.

B. Project Manuals

- 1. The Project Implementing Entity shall implement its Respective Parts of the Project in accordance with the Project Manuals.
- 2. Except as the Association shall otherwise agree in writing, the Project Implementing Entity shall not amend, waive, suspend, or abrogate any provision of the Project Manuals. In case of any inconsistency between any of the provisions of the Project Manuals and those of this Agreement, the provisions of this Agreement shall prevail.

C. Subsidiary Agreement

The Project Implementing Entity shall exercise its rights and carry out its obligations 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, the Project Implementing Entity shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of their provisions.

D. Subprojects

- 1. For the implementation of Part 2 of the Project, the Project Implementing Entity shall make a Subgrant under an agreement ("Subgrant Agreement") to be entered into with each eligible Beneficiary on terms and conditions approved by the Association, which shall include the following:
 - (a) The Project Implementing Entity shall obtain rights adequate to protect its interests and those of the Association, including the right to:
 - (i) suspend or terminate the right of the corresponding Beneficiary to use the proceeds of the Subgrant, or obtain a refund of all or any part of the amount of the Subgrant then withdrawn, upon the

Beneficiary's failure to perform any of its obligations under the respective Subgrant Agreement;

- (ii) require each eligible Beneficiary to: (A) carry out its Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of Safeguard Instruments and the Anti-Corruption Guidelines; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works and services, to be financed by the Subgrant in accordance with the Project Manuals and the provisions of this Agreement;
- (iii) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Subproject and the achievement of their objectives;
- (iv) 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 the Subproject;
- (v) 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;
- (vi) enable the Recipient and the Association to inspect the Subproject, its operation and any relevant records and documents; and
- (vii) prepare and furnish to the Recipient and the Association, all such information as the Recipient or the Association shall reasonably request relating to the foregoing.
- 2. The Project Implementing Entity shall exercise its rights and carry out its obligations under each Subgrant 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, the Project Implementing Entity shall not assign, amend, abrogate, terminate, waive or fail to enforce any Subgrant Agreement or any of its provisions.

E. Safeguards

- 1. The Project Implementing Entity shall ensure that its Respective Parts of the Project are carried out with due regard to appropriate health, safety, social, and environmental standards and practices, and in accordance with the Safeguard Instruments.
- 2. The Project Implementing Entity shall take all measures to implement the Resettlement Action Plan in a manner and timeframe satisfactory to the Association. To this end, the Recipient shall ensure that:
 - (a) sufficient funds are made available to cover all the costs of implementing the Resettlement Action Plan;
 - (b) prior to carrying out activities which involve displacement, Affected Persons shall be compensated at full replacement cost, resettled and provided with assistance in accordance with the Resettlement Action Plan, as applicable; and
 - (c) the implementation, monitoring and evaluation of such Resettlement Action Plan is completed and reported in a manner satisfactory to the Association.
- 3. The Project Implementing Entity shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of Safeguard Instruments; (b) adopt and implement measures to assess and manage the risks and impacts of labor influx; (c) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures on environmental, social, health and safety, gender-based violence and violence against children; all as applicable to such civil works commissioned or carried out pursuant to said contracts.
- 4. The Project Implementing Entity shall ensure that the Project does not include any activities and expenditures on the negative list set forth in the ESMF.
- 5. The Project Implementing Entity 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 this Agreement, the provisions of this Agreement shall prevail.
- 6. Without limitation upon its other reporting obligations under this Agreement, the Project Implementing Entity shall:

- (a) take all measures necessary on its part to regularly collect, compile, and submit to the Association on a quarterly basis and promptly in a separate report whenever the Association may require, information on the status of compliance with the Safeguards Instruments, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the Safeguards Instruments; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the Safeguards Instruments; and (iii) corrective and preventive measures taken or required to be taken to address such conditions;
- (b) promptly furnish to the Association a copy of each progress report prepared and submitted by any entity (including any engineer) supervising the Project's civil works, the Project's contractors and/or subcontractors; and
- (c) promptly notify the Association 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.
- 7. The Project Implementing Entity shall maintain, throughout Project implementation, and publicize the availability of a grievance 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.

Section II. <u>Project Monitoring, Reporting and Evaluation</u>

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 forty five (45) days 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.

Section III. <u>Other Undertakings</u>

1. The Project Implementing Entity and the Association hereby agree to amend the Section I.E of the Schedule to the original Project Agreement as reflected in Schedule 2 to this Agreement.

SCHEDULE 2

Amendments to the original Project Agreement

Section I.E of the Schedule to the original Project Agreement shall be replaced in its entirety by the following:

"E. Safeguards

- 1. The Project Implementing Entity shall ensure that its Respective Parts of the Project are carried out with due regard to appropriate health, safety, social, and environmental standards and practices, and in accordance with the Safeguard Instruments.
- 2. The Project Implementing Entity shall take all measures to implement the Resettlement Action Plan in a manner and timeframe satisfactory to the Association. To this end, the Recipient shall ensure that:
 - (a) sufficient funds are made available to cover all the costs of implementing the Resettlement Action Plan;
 - (b) prior to carrying out activities which involve displacement, Affected Persons shall be compensated at full replacement cost, resettled and provided with assistance in accordance with the Resettlement Action Plan, as applicable; and
 - (c) the implementation, monitoring and evaluation of such Resettlement Action Plan is completed and reported in a manner satisfactory to the Association.
- 3. The Project Implementing Entity shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of Safeguard Instruments; (b) adopt and implement measures to assess and manage the risks and impacts of labor influx; (c) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures on environmental, social, health and safety, gender-based violence and violence against children; all as applicable to such civil works commissioned or carried out pursuant to said contracts.
- 4. The Project Implementing Entity shall ensure that the Project does not include any activities and expenditures on the negative list set forth in the ESMF.
- 5. The Project Implementing Entity 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 this Agreement, the provisions of this Agreement shall prevail.

- 6. Without limitation upon its other reporting obligations under this Agreement, the *Project Implementing Entity shall:*
 - (a) take all measures necessary on its part to regularly collect, compile, and submit to the Association on a quarterly basis and promptly in a separate report whenever the Association may require, information on the status of compliance with the Safeguards Instruments, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the Safeguards Instruments; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the Safeguards Instruments; and (iii) corrective and preventive measures taken or required to be taken to address such conditions;
 - (b) promptly furnish to the Association a copy of each progress report prepared and submitted by any entity (including any engineer) supervising the Project's civil works, the Project's contractors and/or subcontractors; and
 - (c) promptly notify the Association 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.
- 7. The Project Implementing Entity shall maintain, throughout Project implementation, and publicize the availability of a grievance 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. "