

Public Disclosure Authorized

CONFORMED COPY

GRANT NUMBER TF057872-GZ

Trust Fund Project Agreement

(Palestinian NGO-III Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION
(as Administrator of the Trust Fund for Gaza and West Bank)

and

NGO DEVELOPMENT CENTER

Dated February 2, 2007

GRANT NUMBER TF057872-GZ

TRUST FUND PROJECT AGREEMENT

AGREEMENT, dated February 2, 2007, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (the “World Bank”), (as Administrator of the Trust Fund for Gaza and West Bank) and NGO DEVELOPMENT CENTER (the “Project Implementing Entity”) (the “Project Agreement”) in connection with the Trust Fund Grant Agreement of same date between the Welfare Association (the “Recipient”) and the Association (the “Grant Agreement”). The World Bank and the Project Implementing Entity hereby agree as follows:

ARTICLE I – STANDARD CONDITIONS; DEFINITIONS

- 1.01. The Standard Conditions (as defined in the Appendix to the Grant Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in the Project Agreement have the meanings ascribed to them in the Grant Agreement or the Standard 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 the Project in accordance with the provisions of Article II of the Standard Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the World Bank and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III – TERMINATION

- 3.01. The Project Agreement and all obligations of the parties under it shall terminate on the date on which the Grant Agreement terminates in accordance with the provisions of its terms and the Standard Conditions.

ARTICLE IV – REPRESENTATIVE; ADDRESSES

- 4.01. The Project Implementing Entity’s Representative is Zahi Khouri.

4.02. The World Bank's Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

4.03. The Project Implementing Entity's Address is:

NGO Development Center
P.O. Box 2173
Ramallah, West Bank

AGREED at West Bank, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION
(as Administrator of the Trust Fund for Gaza and West Bank)

By

/s/ A. David Craig,
Authorized Representative

NGO DEVELOPMENT CENTER

By

/s/ Ghassan Kasabreh
Authorized Representative

SCHEDULE

Execution of the Project

Section I. Institutional and Other Arrangements

A. Project Manuals and Plans

1. The Project Implementing Entity shall ensure that the Project will be carried out in accordance with the Project Operational Manual, the Financial and Administrative Manual of Procedures, the Procurement Manual, and the Environmental Management Plan.
2. Except as the World Bank shall otherwise agree, the Project Implementing Entity shall ensure that no provision of the Project Operational Manual, the Financial and Administrative Manual of Procedures, the Procurement Manual and the Environmental Management Plan is amended or waived if, in the opinion of the World Bank, such amendment or waiver may materially and adversely affect the carrying out of the Project or the achievement of the objectives thereof.
3. The Project Implementing Entity shall ensure that selection of NGOs and other beneficiaries under this Project and the implementation of Part 1 of the Project (as described in Schedule 1 of the Grant Agreement) are carried out in accordance with the provisions of the Project Operational Manual and the implementation of Part 1 of the Project (as described in Schedule 1 of the Grant Agreement) and other terms and conditions agreed with the World Bank.

B. Environmental and Social Safeguards

1. The Project Implementing Entity shall ensure that the Project is carried out and implemented in accordance with the applicable provisions of the Environmental Management Plan.
2. The Project Implementing Entity shall ensure that no action is taken which shall prevent or interfere with the carrying out of any activities required under the Environmental Management Plan.

Section II. Financial Management, Project Monitoring, Reporting, and Evaluation

A. Financial Management and Audits

1. The Project Implementing Entity shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Project Implementing Entity shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Project Implementing Entity shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Project Implementing Entity. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

B. 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 2.06 of the Standard Conditions and on the basis of the indicators agreed with the World Bank. Each Project Report shall cover the period of six months each calendar year, and shall be furnished to the World Bank not later than forty five (45) days after the end of the period covered by such report.
2. The Project Implementing Entity shall prepare the Completion Report in accordance with the provisions of the Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

Section III. Procurement

All goods, works and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the provisions of Schedule 2 to the Grant Agreement.

Section IV. Procedures and Eligibility Criteria for the Selection of Sub-Projects

1. The Project Implementing Entity shall require an NGO applying for a Sub-grant to submit its proposal for a Sub-project in accordance with the procedures set forth in the Project Operational Manual.
2. The Project Implementing Entity shall cause each NGO to: (a) ensure that proposals for Sub-projects meet the requisite terms and conditions set out in the Project Operational Manual; (b) ensure that NGOs meet the eligibility criteria set out in the Project Operational Manual and have the capacity to carry out, manage and maintain Sub-projects in conformity with appropriate administrative, financial, technical and managerial standards; (c) approve each Sub-grant and, to that end, enter into a Sub-project Agreement under which proceeds of the Grant

will be made available to the NGO for the purposes of the Sub-project; and
(d) monitor and evaluate the Sub-project in accordance with the guidelines set out in the Project Operational Manual.

3. The Sub-project Agreement shall provide for rights adequate to protect the interests of the World Bank, the Welfare Association, and the Project Implementing Entity, including, to the extent that it shall be appropriate, the right to:
 - (a) require the NGO to: (i) carry out the Sub-project with due diligence and efficiency and in accordance with sound administrative, financial, technical and managerial standards; and (ii) maintain adequate records for the Sub-project;
 - (b) require that all goods, works and services required for the Sub-project shall be procured in accordance with the applicable provisions of the Grant Agreement;
 - (c) require that such goods, works and services shall be used exclusively in the carrying out of the Sub-project;
 - (d) require the NGO to allow the Project Implementing Entity to inspect, by itself or jointly with representatives of the World Bank, if the World Bank shall so request: (i) the operations of the Sub-project; and (ii) any relevant records and documents;
 - (e) require the NGO to make an in-kind or in-cash contribution to the Sub-project, and to ensure adequate operation and maintenance of said Sub-project; and
 - (f) suspend or terminate the right of the NGO to use the proceeds of the Sub-grant upon failure by the NGO to perform any of its obligations under the Sub-project Agreement.