
LOAN NUMBER 91390-JO

Project Agreement

(Emergency Cash Transfer COVID-19 Response Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

and

NATIONAL AID FUND

Dated October 26, 2020

LOAN NUMBER 91390-JO

PROJECT AGREEMENT

AGREEMENT dated October 26, 2020, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) and the NATIONAL AID FUND (“Project Implementing Entity”, or “NAF”) (“Project Agreement”) in connection with the Loan Agreement (“Loan Agreement”) of same date between the HASHEMITE KINGDOM OF JORDAN (“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 objective of the Project. 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. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433
United States of America

Telex:	Facsimile:
248423(MCI) or 64145(MCI)	1-202-477-6391

3.03. The Project Implementing Entity's Address is:

National Aid Fund
Msallam Bin Al Walid St 11
Amman, Jordan

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

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By

Saroj Kumar Jha

Authorized Representative

Name: Saroj Kumar Jha

Title: Country Director

NATIONAL AID FUND

By

Omar Mashabqah

Authorized Representative

Name: Omar Mashabqah

Title: General Manager

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. NAF shall establish and maintain, throughout Project implementation, a Project Management Unit (“PMU”) in charge of overall coordination of the Project. The PMU shall be headed by a Project Manager responsible for: (i) coordinating implementation and ensuring the overall technical coherence of the Project activities; and (ii) coordinating all technical, operational, M&E, financial management, procurement and environmental and social safeguards aspects within the respective units and departments at NAF, all in form and with terms of references, functions, composition, staffing, including financial officer, to be hired not later than thirty (30) days after the Effective Date, and communications officer and GRM officer, to be assigned not later than sixty (60) days after the Effective Date, as well as adequate resources acceptable to the Bank, and as further described in the project operation manual (“Project Operation Manual” or “POM”).

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to NAF, on a grant basis, under a subsidiary agreement between the Borrower and NAF, under terms and conditions approved by the Bank (“Subsidiary Agreement”).
2. NAF shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, NAF shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Project Operations Manual

1. Not later than thirty (30) days after the Effective Date, NAF shall adopt the POM, satisfactory to the Bank, which shall include the rules, methods, guidelines, standard documents and procedures for the carrying out of the Project, including the following: (a) administration and coordination, monitoring and evaluation, financial management, procurement and accounting procedures, environmental and social safeguards, corruption and fraud mitigation measures; (b) a grievance redress mechanism; (c) personal data collection and processing in accordance with the applicable national guidelines; (d) eligibility criteria and procedures in selecting Beneficiaries for receiving Cash Transfers and Top-Up Cash Transfers, including schedules and modalities for delivering Cash Transfers and Top-Up Cash Transfer; (e) detailed arrangements for verification of achievement of the PBCs (including the Verification Protocol); (f) roles and responsibilities for Project implementation; and (g) such other arrangements and procedures as shall be required for the effective implementation of the Project, in form and substance satisfactory to the Bank.

2. In the event that any provision of the POM shall conflict with this Agreement, the terms of this Agreement shall prevail.
3. NAF shall ensure that the POM is not amended without the prior written agreement of the Bank.

D. Cash Transfers

1. NAF shall select Beneficiaries and Takaful Beneficiaries, and make Safety Net Transfers to eligible Beneficiaries and Takaful Beneficiaries, in accordance with the eligibility criteria, requirements and procedures acceptable to the Bank, as described in the POM.
2. NAF shall ensure that the amount of each Safety Net Transfer is used by the Beneficiary and Takaful Beneficiary for its intended purpose.
3. Any revision to the eligibility criteria or a decision to conduct a recertification of Beneficiaries under Part 1.1 of the Project shall be conducted based on the methodology and procedures satisfactory to the Bank.

E. Verification of Safety Net Transfers and Performance Based Conditions

1. Not later than 30 days after the Effective Date, NAF shall appoint a Verification Agent to carry out, under the terms satisfactory to the Bank, a verification review of Project implementation, including, *inter alia*, accuracy of Safety Net Transfer payments, eligibility of Beneficiaries and Takaful Beneficiaries, and confirmation of receipt of funds by Beneficiaries and Takaful Beneficiaries;
2. NAF shall, and shall cause the Audit Bureau, to verify compliance with PBCs as set forth in the table of Schedule 4 to this Agreement and in accordance with the Verification Protocol.
3. NAF shall, not later than thirty (30) days after the verification of compliance with the PBCs has been completed, prepare and furnish to the Borrower and the Bank, a report on the results of said verification process of such scope and in such detail as the Bank shall reasonably request, and recommend corresponding payments to be made, as applicable, under Category (2);
4. NAF shall, not later than six (6) months after the Effective Date, submit to the Bank a verification review report satisfactory to the Bank related to the use of the proceeds of the first set of Safety Net Transfers, and thereafter, shall submit the verification review report every six months. The final independent verification report shall be furnished to the Bank not later than four (4) months after the end of last withdrawal of the proceeds of the Loan allocated to Safety Net Transfers under Category (2) of the table set forth in Section IV.A.1 of Schedule 2 to this Agreement.

F. Financing under Part 1.2 of the Project based on PBCs

1. NAF shall:
 - (a) implement Part 1.2 of the Project in accordance with the institutional, financial management and procurement arrangements set out in this Schedule 2 to this Agreement;
 - (b) throughout the period of implementation of the Project, carry out verification to determine whether the PBCs have been met as detailed in the Verification Protocol and the POM; and
 - (c) furnish sufficient documentation to the Bank to enable the Bank to verify the data and other evidence supporting the achievement of one or more PBCs as set forth in the table in Schedule 4 to this Agreement.
2.
 - (a) The amount of payments which the Borrower may request for Eligible Expenditures under Part 1.2 of the Project shall be determined on the basis of the maximum amount allocated by the Bank to each PBC, subject to the provisions of Schedule 2 Section III, provided that such amount shall not exceed the total amount of payment for Eligible Expenditures incurred during the year covered by the PBC-based financing payment requested, excluding any amount of eligible expenditures financed from other sources of financing.
 - (b) Notwithstanding the provision of sub-paragraph (a) of this sub-section 2, all payments under the PBC-based financing shall be subject to the Bank's prior written approval and shall only be eligible for financing out of the proceeds of the Loan if and to the extent approved by the Bank in accordance with the provisions of Schedule 2 Section III.

G. Annual Work Plan and Budget

1. NAF, through the PMU, shall prepare and furnish to the Bank, not later than January 31 of each year, starting January 1, 2021, an Annual Work Plan and Budget containing all activities proposed to be included in the Project and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts, sources of financing and eligible costs.
2. NAF, through the PMU, shall afford the Bank a reasonable opportunity to exchange views with the PMU on such proposed Annual Work Plan and Budget and thereafter ensure that the Project is implemented in accordance with such Annual Work Plan and Budget as shall have been approved by the Bank.
3. NAF may revise Annual Work Plans and Budgets as needed during Project implementation subject to the Bank's prior written approval.

H. Environmental and Social Standards

1. NAF 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, NAF 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, NAF shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and
 - (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Bank shall otherwise agree in writing and NAF has, thereafter, disclosed the revised ESCP.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. NAF shall:
 - (a) take all measures necessary on its part 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, 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) 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, in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.
5. NAF shall maintain and publicize the availability of a grievance 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.

Section II. Project Monitoring, Reporting and Evaluation.

1. NAF shall furnish to the Bank each Project Report not later than 45 days after the end of a calendar quarter, covering the calendar quarter.