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**CREDIT NUMBER 4283-MD**

# **Project Agreement**

**(Roads Sector Program Support Project)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**STATE ROADS ADMINISTRATION**

**Dated May 3, 2007**

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## **PROJECT AGREEMENT**

Agreement dated May 3, 2007, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and STATE ROADS ADMINISTRATION (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between REPUBLIC OF MOLDOVA (“Recipient”) and the Association. 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 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 Parts A and B.2 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 Parts of the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its respective Parts 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 the Chief Manager of the State Road Administration.

3.02. The Association's Address is:

International Development Association  
1818 H Street, NW  
Washington, DC 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:

12 A Bucurei St  
2004 Chisinau  
Republic of Moldova

Facsimile:  
(37322) 74 1219

AGREED at Chisinau, Republic of Moldova, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Edward Brown  
Authorized Representative

STATE ROADS ADMINISTRATION

By /s/ Vitalie Panurco  
Authorized Representative

## SCHEDULE

### Execution of the Project Implementing Entity's Respective Parts of the Project

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements.

The Project Implementing Entity will carry out the fiduciary activities for the Project with due diligence and efficiency and in conformity with administrative and financial practices required by the Project.

##### B. Implementation Agreement

1. To facilitate the carrying out of the Project, the Project Implementing Entity shall enter into under an implementation agreement with the Recipient, under terms and conditions approved by the Association, which shall include provisions setting forth that the Project Implementing Entity shall be responsible for the overall day-to-day management of the Project, including consolidated financial and procurement management and other Project-related tasks, all in accordance with the Operations Manual. ("Implementation Agreement").
2. The Project Implementing Entity shall exercise its rights under the Implementation Agreement in such manner as to protect the interests of the Project Implementing Entity 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 Implementation Agreement or any of its provisions.

##### C. Anti-Corruption

The Project Implementing Entity shall ensure that its respective Parts of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines and the Anti-Corruption Action Plan.

##### D. Safeguards.

###### 1. Environmental Safeguard

(a) The Project Implementing Entity shall ensure that all measures necessary for the carrying out of the Environmental Management Plan shall be taken in a timely manner and that all legal and administrative planning and environmental permits and authorizations necessary to carry out Part A of the Project are secured in a timely manner and with due diligence.

(b) The Project Implementing Entity shall take all measures necessary and identified under the Environmental Management Plan at all times in a timely manner, ensuring that adequate information on the implementation of said measures is suitably included in the Project progress reports to be prepared pursuant to the provisions of Section II.A of this Schedule.

2. Operations Manual

The Project Implementing Entity shall take all actions required to ensure that the Operations Manual is applied and followed at all times in the implementation, monitoring and evaluation of the Project.

**Section II. Project Monitoring, Reporting and Evaluation.**

**A. Reports**

1. (a) The Project Implementing Entity shall monitor and evaluate the progress of the Road Sector Program and prepare reports satisfactory to the Association (“Program Report”)

(b) The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Reports in accordance with the provisions of Section 4.08 (b) of the General Conditions and on the basis of the indicators agreed with the Association (“Project Report”).

(c) Each report under paragraphs (a) and (b) above shall be presented in the form of a consolidated report which shall cover the period of one calendar quarter, and shall be furnished to the Association not later than 45 days after the end of the period covered by such report.

**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 Association, 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 the Project.

2. Without limitation on the provisions of Part A of this Section, the Project Implementing Entity, shall prepare and furnish to the Association as part of the Project Reports to be prepared under paragraph (b) of Part A.1 of this Section, not later than 45 days after the end of each calendar quarter interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

2. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity , commencing with the fiscal year in which the first withdrawal under the Project Preparation Advance was made . The audited financial statements for each period shall be furnished to the Recipient and the Association not later than six months after the end of the period.

**Section III. Procurement**

All goods, works and services required for the Project Implementing Entity's respective Parts of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.