

CREDIT NUMBER 5747-MD

# Project Agreement

(Local Roads Improvement Project)

between

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

and

**STATE ROADS ADMINISTRATION**

Dated *April 28*, 2016



**CREDIT NUMBER 5747-MD**

**PROJECT AGREEMENT**

Agreement dated April 28, 2016, 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 the 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 Financing 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 this Agreement, the Financing 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 IV of the General 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 Association 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. For purposes of Section 8.05 (c) of the General Conditions, this Agreement shall terminate fifteen years after the date of this Agreement.

**ARTICLE IV — REPRESENTATIVE; ADDRESSES**

- 4.01. The Project Implementing Entity’s Representative is its Chief Manager.

4.02. The Association's Address is:

International Development Association  
1818 H Street, NW  
Washington, DC 20433  
United States of America

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

3.03. The Project Implementing Entity's Address is:

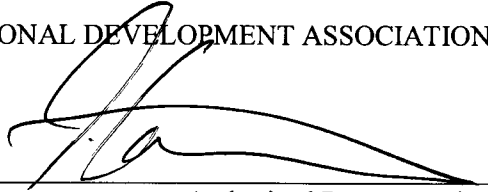
State Roads Administration  
12 A Bucuriei St.  
2004 Chisinau  
Republic of Moldova

Facsimile: (37322) 222280

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

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Alex Kremer

Title: Country Manager

STATE ROADS ADMINISTRATION

By



Authorized Representative

Name: Selemou

Title: manager - set intercom

## SCHEDULE

### Execution of the Project

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Project Implementing Entity shall carry out the Project with due diligence and efficiency and in conformity with the Financing Agreement and the Project Operations Manual.
2. The Project Implementing Entity shall:
  - (a) assign responsibility internally for the management, implementation, monitoring and reporting of the Project, all in accordance with the Project Operations Manual;
  - (b) operate and maintain, throughout Project implementation, its technical and administrative units, with qualified staff in sufficient numbers (including as may be needed, specialists in, *inter alia*, financial management and procurement selected and appointed under the Project in accordance with the relevant provisions of Section III of this Schedule), adequate funds, facilities, services and other resources for Project implementation, all acceptable to the Association;
  - (c) by no later than forty five (45) days from the Effective Date, establish and maintain, throughout Project implementation, a steering committee which shall include representatives from within its relevant departments, to ensure that Project activities are coordinated and implemented effectively, all under terms of reference and a composition acceptable to the Association (“Steering Committee”); and
  - (d) no later than forty five (45) days after the Effective Date, establish and implement, throughout Project implementation, an accessible grievance redress mechanism (Community Monitoring System), acceptable to the Association, to address grievances relating to the carrying out of the civil works under Part A of the Project.

##### B. Project Operations Manual

The Project Implementing Entity shall: (a) adopt and immediately thereafter, carry out the Project in accordance with the requirements set forth in the Project Operations Manual; and (b) shall not assign, amend, abrogate or waive any provision of the Project Operations Manual without prior approval of the

Association. In case of any conflict between the terms of the Project Operations Manual and those of this Agreement, the terms of this Agreement shall prevail.

**C. Implementation Agreement**

1. To facilitate the carrying out of the Project, the Project Implementing Entity shall enter into an implementation agreement with the Recipient, under terms and conditions approved by the Association, which shall include the obligations of the Project Implementing Entity to carry out the Project in accordance with: (a) the relevant sections of the Financing Agreement; (b) this Agreement; and (c) the Project Operations Manual.
2. The Project Implementing Entity shall exercise its rights and carry out its obligations under the Implementation Agreement in such manner as to protect the interests of the Project Implementing Entity, 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 the Implementation Agreement or any of its provisions.

**D. Anti-Corruption**

The Project Implementing Entity shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

**E. Safeguards**

1. The Project Implementing Entity shall implement the Project in accordance with:
  - (a) the ESMF, and thereafter implement the pertinent EMPs, in accordance with their terms and in a manner acceptable to the Association, ensuring that civil works will not commence in any road section unless the EMP for the respective section of the road has been prepared by the Recipient, disclosed, consulted and approved by the Association; and
  - (b) the RPF, and if Resettlement is foreseen for specific road sections, thereafter implement the pertinent resettlement action plan or abbreviated plan, as the case may be, all in accordance with their terms and in a manner acceptable to the Association, ensuring that civil works will not commence in a specific road section unless the pertinent resettlement action plan or abbreviated plan for the respective section of the road has been prepared, disclosed, consulted and approved by the Association, and implemented by the Recipient.
2. The Project Implementing Entity shall ensure that: (i) the terms of reference for any consultancy required under the Project shall be satisfactory to the Association

following its review thereof; and (ii) to that end, such terms of reference shall duly incorporate the requirements of the World Bank Safeguards Policies then in force, as applied to the advice conveyed through such technical assistance, including the public disclosure and consultation of the resulting environmental and social impact assessments in accordance with the World Bank Safeguards Policies.

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

**A. Project Reports**

1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports the Project in accordance with the provisions of Section 4.08 (b) of the General Conditions, and on the basis of indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Association and the Recipient no later than one month after the end of the period covered by such report.
2. By September 30, 2018, or such other date as agreed by the Association, the Project Implementing Entity shall carry out jointly with the Recipient and the Association, a mid-term review of the implementation of the activities under the Project ("Mid-term Review"). The Mid-term Review shall cover the progress achieved in the implementation of the Project. Following such Mid-term Review, the Project Implementing Entity shall act promptly and diligently to take any corrective action as shall have been agreed with the Association.

**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. 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. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association not later than six (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

**Section III. Procurement**

All goods, works and services required for 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.