Single Donor Trust Fund for the Energy Efficiency and Youth Corps Program

Project Agreement

(Energy Efficiency Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
(acting as administrator of the Single Donor Trust Fund for the Energy Efficiency and Youth Corps Program)

and

JOINT STOCK COMPANY "ELECTRIC POWER AND ENERGY SAVING DEVELOPMENT INSTITUTE (KAZAKHENERGOEXPERTISE)"

Dated June 18, 2014
SDTF GRANT NUMBER TF014185

SINGLE DONOR TRUST FUND FOR THE ENERGY EFFICIENCY AND YOUTH CORPS PROGRAM

PROJECT AGREEMENT

AGREEMENT dated June 18, 2014, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as administrator of the Single Donor Trust Fund for the Energy Efficiency and Youth Corps Program and Joint Stock Company “Electric Power and Energy Saving Development Institute (Kazakhenergoexpertise)” (“Project Implementing Entity”) (“Project Agreement”) in connection with the Grant Agreement (“Grant Agreement”) of same date between the REPUBLIC OF KAZAKHSTAN (“Recipient”) and the World Bank. The World Bank and the Project Implementing Entity hereby agree as follows:

ARTICLE I — STANDARD CONDITIONS; DEFINITIONS


1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions, the Grant Agreement or in this Agreement.

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 — REPRESENTATIVE; ADDRESSES

3.01 The Project’s Implementing Entity’s Representative for the purpose of this Agreement is its Chairman of the Board.
3.02. The World Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

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

3.02. The Project Implementing Entity’s address is:

Joint Stock Company “Electric Power and Energy Saving Development Institute (Kazakhenergoexpertise)”
8/2 Tashenova Street
Astana 010000 Republic of Kazakhstan

Facsimile: +7-7172-96-86-12
AGREED at June 18, 2014, Astana as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
(acting as administrator of the Single Donor Trust Fund for the Energy Efficiency and Youth Corps Program)

By

Authorized Representative
Name: Sebnem Akkaya
Title: Country Manager

JOINT STOCK COMPANY “ELECTRIC POWER AND ENERGY SAVING DEVELOPMENT INSTITUTE (KAZAKHENERGOEXPERTISE)”

By

Authorized Representative
Name: Zhamy Bokenbayer
Title: Chairman of the Board
SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall be responsible for overall implementation of the Project, including responsibility for procurement, financial management, monitoring, reporting, and evaluation.

2. The Project Implementing Entity shall carry out the Project in accordance with the Project Operational Manual, and shall not amend or waive any provision thereto without the World Bank's prior written approval. In case of any conflict between the terms of the Project Operational Manual and this Agreement, this Agreement shall prevail.

3. The Project Implementing Entity shall not take or concur in any action which would have the effect of amending, assigning, abrogating or waiving the Project Operational Manual without obtaining the prior approval of the World Bank.

4. The Project Implementing Entity shall maintain, throughout Project implementation, a Project Implementation Unit (“PIU”), with terms of reference, staffing (including, but not limited, to a Project manager, a financial management specialist and a procurement specialist), and resources, all satisfactory to the World Bank, and which shall be responsible for day-to-day execution, financial management, procurement, monitoring and evaluation of the Project.

5. Throughout the duration of Project implementation, the Project Implementing Entity shall be authorized and able to directly withdraw funds necessary for carrying out the Project in accordance with the provisions of the Subsidiary Agreement.

6. The Project Implementing Entity shall promptly inform the World Bank of any condition which interferes or threatens to interfere with the progress of the Project, the accomplishment of the purposes of the Grant, or the performance by the Project Implementing Entity of its obligations under this Agreement.

B. Anti-Corruption

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

1. The Project Implementing Entity shall carry out the Project in accordance with the Environmental Management Framework and it shall not assign, amend, repeal or waive the Environmental Management Framework or any provision thereof, without the prior written approval of the World Bank.

2. The Project Implementing Entity shall take, in a timely manner, all measures necessary for monitoring compliance with the Environmental Management Framework and any required Environmental Management Plans.

3. Prior to the carrying out of any works under a Subproject, the Project Implementing Entity shall ensure that, when necessary, pursuant to the Environmental Management Framework, an appropriate Environmental Management Plan, satisfactory to the World Bank and consistent with the provisions of the Environmental Management Framework, has been duly prepared and disclosed.

D. Subprojects

1. For the purposes of carrying out Part 1 of the Project, the Project Implementing Entity shall:

   (a) select, evaluate, and approve the Subprojects in accordance with criteria and procedures satisfactory to the World Bank, and detailed in the Project Operational Manual;

   (b) procure the goods, works, consultant’s services and non-consulting services needed for the carrying out the respective Subproject.

   (c) carry out the respective Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank.

   (d) carry out the respective Subproject in accordance with the applicable provisions of the Subproject Agreement, the Project Operational Manual, the Environmental Management Framework and the Anti-Corruption Guidelines.

   (e) enter into the Subproject Agreement, with the respective Eligible Beneficiary and the corresponding Selected Administrative Unit on terms and conditions satisfactory to the World Bank.

   (f) obtain rights adequate to protect its interests and those of the Recipient and the World Bank, including, inter alia; requiring each Eligible Beneficiary to: (A) enable the Recipient, the Project Implementing Entity and the World Bank to
inspect the respective Subproject, its operation and any relevant records and documents; and (B) prepare and furnish to the Recipient, the Project Implementing Entity and the World Bank all such information as the Recipient, the Project Implementing Entity or the World Bank shall reasonably request relating to the foregoing.

2. In case of any conflict among the terms of any of the Subproject Agreements, the Grant Agreement and this Agreement, the terms of the Grant Agreement shall prevail.

E. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Project Implementing Entity shall enter into the Subsidiary Agreement with the Recipient, under terms and conditions satisfactory to the World Bank.

2. The Project Implementing Entity shall take or permit to be taken all actions to enable the Recipient to comply with its respective obligations under the Grant Agreement and the Subsidiary Agreement.

3. The Project Implementing Entity shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Project Implementing Entity shall not assign, amend abrogate or waive the Subsidiary Agreement or any of its provisions.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

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 performance indicators satisfactory to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later than forty five days after the end of the period covered by such report for incorporation and forwarding by the Recipient to the World Bank of the overall Project Report.

2. The Project Implementing Entity shall provide the Recipient not later than four months after the Closing Date, for incorporation to the Completion Report referred to in Section 2.06 of the Standard Conditions all such information as the Recipient or the World Bank shall reasonably request for the purposes of said Section.
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 satisfactory to the World Bank, 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 prepare and furnish to the World Bank, in form and substance satisfactory to the World Bank, interim unaudited financial reports for the Project not later than forty five days after the end of each calendar quarter, covering the quarter.

3. The Project Implementing Entity shall have its financial statements for the Project referred to above audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. 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 World Bank not later than six months after the end of the period; and (b) made publicly available in a timely fashion and in a manner satisfactory to the World Bank.

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 Section III of Schedule 2 to the Grant Agreement (including the Annex to said Schedule 2 to the Grant Agreement).