Project Agreement

(Jamaica Integrated Community Development Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

and

JAMAICA SOCIAL INVESTMENT FUND

Dated MAY 6, 2014
PROJECT AGREEMENT

Agreement dated \( \text{April 05, 2014} \), entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and JAMAICA SOCIAL INVESTMENT FUND ("Project Implementing Entity") ("Project Agreement") in connection with the Loan Agreement ("Loan Agreement") for the same Project between JAMAICA ("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 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 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 and the Subsidiary Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity’s Representative is its Managing Director.

3.02. The Bank’s Address is:

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

Cable: INTBAFRAD Telex: 248423(MCI) or 64145(MCI)
3.03. The Project Implementing Entity’s Address is:

Jamaica Social Investment Fund
1C - 1F Pawsey Road
Kingston 5
Jamaica

Facsimile:

876-929-3784

AGREEED at Kingston, Jamaica, as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By [Signature]
Authorized Representative
Name: Sophie Stritaine
Title: Country Director

JAMAICA SOCIAL INVESTMENT FUND

By [Signature]
Authorized Representative
Name: [Signature]
Title: Managing Director

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SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

The Project Implementing Entity shall operate and maintain, throughout the implementation of the Project, a Project implementation unit ("PIU"), with functions, staffing, and responsibilities satisfactory to the Bank as set forth in the Project Operational Manual.

B. NSWMA RB Agreement and RB Agreements

1. To facilitate the carrying out of Part 1(h)(4)(A) of the Project, the Project Implementing Entity shall enter into a results-based agreement with NSWMA (the NSWMA RB Agreement), under terms and conditions satisfactory to the Bank and elaborated in the Project Operational Manual, which shall include, inter alia:

(a) the obligation of the Project Implementing Entity to, upon the achievement of the results set forth in the Project Operational Manual by NSWMA, acquire on behalf of NSWMA the goods that serve as the RB Incentive, and thereafter provide the same to NSWMA in accordance with the pertinent provisions of this Agreement, including the provisions set forth in Sections I.F and III of the Schedule to this Agreement, and in a manner acceptable to the Bank; and

(b) the obligation of NSWMA to carry out its activities under said Part of the Project in accordance with the Anti-Corruption Guidelines, the Project Operational Manual and the pertinent provisions of this Agreement.

2. To further facilitate the carrying out of Part 1(h)(4)(B) of the Project, the Project Implementing Entity shall enter into a separate results-based agreement with each Community-Based Organization and Environmental Warden (a RB Agreement), under terms and conditions satisfactory to the Bank and elaborated in the Project Operational Manual, which shall include, inter alia:

(a) in the case of Community-Based Organizations, the obligation of the Project Implementing Entity to: (i) upon the achievement of the results set forth in the Project Operational Manual by the pertinent Community-Based Organization, select a Subproject with the participation of said Community-Based Organization for the benefit of the same (which Subproject serves as the RB Incentive); and (ii) immediately thereafter carry out said Subproject in accordance with the pertinent provisions of
this Agreement, including the provisions set forth in Sections I.F. and III of the Schedule to this Agreement, and in a manner acceptable to the Bank;

(b) in the case of Environmental Wardens, the obligation of the Project Implementing Entity to, upon the achievement of the results set forth in the Project Operational Manual by the pertinent Environmental Warden, provide said Environmental Warden with a salary supplement (which serves as the basis for the RB Incentive) in accordance with the pertinent provisions of this Agreement, and in a manner acceptable to the Bank. The salary supplement, calculated on a weekly basis, shall not exceed 10% of the Borrower’s minimum wage effective as of the date of the provision of said salary supplement; and

(c) the obligation of each Community-Based Organization and Environmental Warden to carry out their activities under Part 1(h)(4)(B) of the Project in accordance with the Anti-Corruption Guidelines, the Project Operational Manual and the pertinent provisions of this Agreement.

3. Except as the Bank shall otherwise agree, the Project Implementing Entity shall not amend, abrogate, repeal, terminate, waive or fail to enforce the NSWMA RB Agreement or any of its provisions, except as the Bank may otherwise agree.

4. The Project Implementing Entity shall exercise its rights and carry out its obligations under the NSWMA RB Agreement in such a manner as to protect the interests of the Borrower, the Bank, and the Project Implementing Entity and to accomplish the purpose of the Loan.

5. Except as the Bank shall otherwise agree, the Project Implementing Entity shall not amend, abrogate, repeal, terminate, waive or fail to enforce any RB Agreement or any of its provisions.

6. The Project Implementing Entity shall exercise its rights and carry out its obligations under each RB Agreement in such a manner as to protect the interests of the Borrower, the Bank, and the Project Implementing Entity and to accomplish the purpose of the Loan.

C. Independent Verification Agent

For purposes of Part 1(h) (4) of the Project, the Project Implementing Entity shall:

1. retain an Independent Verification Agent with qualifications and experience, and under terms of reference acceptable to the Bank, in accordance with Section III of Schedule 2 to the Loan Agreement; and

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2. cause the Independent Verification Agent to: (a) carry out, at least once each calendar quarter throughout Project implementation, and in accordance with its terms of reference, the Project Operational Manual and the pertinent NSWMA RB Agreement or RB Agreement, a technical verification of compliance concerning the delivery of solid waste management services by NSWMA and of the work performed by the Community-Based Organizations and Environmental Wardens with regard to litter collection and management in their respective communities; and (b) not later than one month after the end of each calendar quarter, prepare and furnish to the Project Implementing Entity an Independent Verification Report of such scope and detail as set forth in the Project Operational Manual.

D. Project Operational Manual

1. The Project Implementing Entity shall carry out the Project in accordance with the provisions of the Project Operational Manual, which shall include, inter alia: (i) a detailed description of Project activities and institutional arrangements for the Project; (ii) the Project administrative, accounting, auditing, reporting, financial (including cash flow aspects in relation thereto), procurement and disbursement procedures; (iii) the monitoring indicators for the Project; (iv) the institutional and administrative mechanisms established to ensure inter-institutional coordination; (v) the procedures to identify and select Project Communities; Selected Communities and RB Community Areas; (vi) the Environmental Management Framework (EMF); (vii) the Resettlement Policy Framework (RPF); (viii) the procedures for implementation of the RB Incentives; and (ix) the criteria for the selection of alternative livelihood programs to be carried out under Part 2(b) of the Project.

2. Except as the Bank shall otherwise agree, in writing, the Project Implementing Entity shall not terminate, abrogate, amend, suspend, waive or otherwise fail to enforce the Project Operational Manual or any provision thereof.

3. In case of any conflict between the terms of the Project Operational Manual and the Loan Agreement, the provisions of the Loan Agreement shall prevail.

E. Anti-Corruption

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

F. Safeguards

1. Without limitation to the provisions of Sections I.D.1 (vi) and (vii) of this Schedule, the Project Implementing Entity shall carry out the Project in accordance with the EMF and RPF.
2. Upon identification of the zone of impact of any Project activity under Part 1 of the Project, and prior to carrying out of any activities, the Project Implementing Entity shall: (a) carry out an environmental assessment of each said activity and thereafter prepare EMPs in accordance with the EMF, all in form and substance satisfactory to the Bank, and (b) immediately thereafter implement the EMP in accordance with its terms.

3. Prior to the carrying out of any activity under Part 1 of the Project that involves Resettlement, the Project Implementing Entity shall prepare the corresponding Resettlement Action Plan (RAP) in accordance with the RPF, in form and substance satisfactory to the Bank, and immediately thereafter carry out the relevant RAP in accordance with its terms.

4. The Project Implementing Entity shall ensure that that the terms of reference for any consultancy in respect to Part 3 of the Project shall be satisfactory to the World Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the Bank Safeguards Policies then in force, as applied to the advice conveyed through such technical assistance.

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 for the Project in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators set forth in the Project Operational Manual. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Borrower not later than three weeks after the end of the period covered by such report for incorporation and forwarding by the Borrower to the Bank of the overall Project Report.

2. The Project Implementing Entity shall provide to the Borrower not later than three (3) months after the Closing Date, for incorporation in the report referred to in Section 5.08 (c) of the General Conditions all such information as the Borrower or the Bank shall reasonably request for the purposes of that 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 acceptable to the 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 have its financial statements referred to above audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. 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 Borrower and the 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 acceptable to the Bank.

Section III. Procurement

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