Project Agreement

(Integrated Cities and Urban Development Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION
(as Administrator of the Trust Fund for Gaza and West Bank)

and

MUNICIPAL DEVELOPMENT AND LENDING FUND

Dated October 13th, 2016
AGREEMENT, dated October 13th, 2016, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (the “World Bank”), (as Administrator of the Trust Fund for Gaza and West Bank) and the MUNICIPAL DEVELOPMENT AND LENDING FUND (the “Project Implementing Entity”) (the “Project Agreement”) in connection with the Trust Fund Grant Agreement of same date between the Palestine Liberation Organization (for the benefit of the Palestinian Authority) (the “Recipient”) and the Association (the “Grant Agreement”).

The World Bank and the Project Implementing Entity hereby agree as follows:

ARTICLE I – STANDARD CONDITIONS; DEFINITIONS

1.01. The Standard Conditions (as defined in the Appendix to the Grant 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 Grant Agreement or the Standard 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 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 - TERMINATION

3.01. This Agreement and all obligations of the parties under it shall terminate on the date on which the Grant Agreement terminates in accordance with the provisions of its terms and the Standard Conditions.

ARTICLE IV - REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is its Director General.

4.02. The Project Implementing Entity’s Address is:

Municipal Development and Lending Fund (MDLF)
Rashmawi Building, Al-Yasmin St.
Al-Bireh, West Bank

Telephone: 972-2-296-6610
Facsimile: 972-2-295-0685

4.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INTBAFRAD
Telex: 248423 (MCI) or 1-202-477-6391
Facsimile: 64145 (MCI)
AGREED at the West Bank as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION
(as Administrator of the Trust Fund for Gaza and West Bank)

By

__________________________________
Authorized Representative

Name: Mark Ahern

Title: Acting Country Director

MUNICIPAL DEVELOPMENT AND LENDING FUND

By

__________________________________
Authorized Representative

Name: Taufiq Bakhit

Title: D.G. MCLF
SCHEDULE

Execution of the Project

Section I. Institutional and other Arrangements

A. Project Implementing Entity

1. The Project Implementing Entity shall maintain overall responsibility for the Project including preparation of annual plans and budgets, ensuring compliance with the requirements for the Project set out in this Agreement, and maintaining for the duration of the Project adequate capability, functions, staffing and resources satisfactory to the World Bank.

2. The Project Implementing Entity shall: (a) carry out the Project in accordance with this Agreement, the On-Granting Agreement and the Environmental and Social Management Framework; (b) take all actions, including the provision of funds, facilities, services and other resources, necessary or appropriate for the carrying out of the Project; (c) not take or permit to be taken any action which would prevent or interfere with the carrying out of the Project; and (d) not amend, suspend, abrogate, repeal, waive or assign any provision of this Agreement, the Environmental and Social Management Framework, without prior approval of the World Bank.

3. The Project Implementing Entity shall:

   (a) exercise its rights under the On-Granting Agreement in such manner as to protect the interests of the Recipient, the World Bank and the Project Implementing Entity and to accomplish the purposes of the Grant; and

   (b) not assign, amend, abrogate or waive the On-Granting Agreement or any of its respective provisions, except as the Recipient and the World Bank shall otherwise agree.

B. Project Operational Manual

1. The Project Implementation Entity shall, during the implementation of the Project take all measures necessary to ensure that the Project is carried out in conformity with the POM

2. In case of any conflict between the arrangements and procedures set out in the Project Operational Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.
C. Safeguards

The Project Implementing Entity shall carry out the Project in accordance with the Environmental and Social Management Framework in a manner satisfactory to the World Bank.

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.

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 indicators agreed with the World Bank. Each Project Report shall cover the period of one (1) calendar semester and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

2. The Project Implementing Entity shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Project Implementing Entity shall maintain a financial management system in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Project Implementing Entity shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank. Prior to submission of such unaudited financial reports, the unaudited financial reports shall have been reviewed by an independent auditor acceptable to the World Bank.

3. The Project Implementing Entity shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Project Implementing Entity. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.
Section III. Procurement

All goods 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 Schedule 2 to the Grant Agreement.