Project Agreement

(Micro, Small, and Medium Enterprise Development For Inclusive Growth Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

CENTRAL BANK OF JORDAN

Dated March 12, 2013
PROJECT AGREEMENT

AGREEMENT date March 12, 2013, entered into between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and the CENTRAL BANK OF JORDAN ("Project Implementing Entity") ("Project Agreement") in connection with the Loan Agreement ("Loan Agreement") of same date between the Hashemite Kingdom of Jordan ("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 objectives 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.
ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity’s Representative is the Governor of the Project Implementing Entity.

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)  Facsimile: 1-202-477-6391

3.03. The Project Implementing Entity’s Address is:

King Hussain Street
P.O. box 37
Amman 11118
Jordan

Telephone: +962-6-4630301  Telex: 21250 bankazi Jo  Facsimile: +962-6-4638889
AGREED at Amman, Hashemite Kingdom of Jordan as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: [Signature]
Authorized Representative
Name: [Signature]
Title: Director, Middle East Department

CENTRAL BANK OF JORDAN

By: [Signature]
Authorized Representative
Name: [Signature]
Title: Deputy Governor
SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall carry out the Project through its PIU in accordance with the Loan Agreement, Project Operational Manual, the Project Agreement and the ESMF. To this end, the Project Implementing Entity shall maintain, throughout the life of the Project, the PIU in a form and with functions, staffing, resources, terms of reference and qualifications satisfactory to the Bank.

2. The Project Implementing Entity shall not amend, suspend, abrogate, repeal or waive any provision of the Project Operational Manual, Project Agreement and ESMF, without the prior written approval of the Bank.

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

The Project Implementing Entity shall ensure that the Project is carried out in accordance with the ESMF, and that Sub-projects are screened and carried out in accordance with the provisions of the Project Operational Manual and the ESMF. The Project Implementing Entity shall not amend, suspend, abrogate, repeal or waive any provision of the ESMF, without the prior written approval of the Bank. The Project Implementing Entity shall ensure that adequate information on the implementation of the ESMF is included in the Project Reports referred to in Section II.A. of this Schedule.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of indicators acceptable to the Bank. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Borrower not later than forty-five (45) days 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.
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 (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Bank.

3. The Project Implementing Entity shall maintain at all times during Project Implementation, an external auditor whose qualifications, experience and terms of reference shall be acceptable to the Bank.

4. The Project Implementing Entity shall ensure that each PFI maintains a financial management system and prepares 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 PFI, including the operations, resources and expenditures related to the Project.

5. The Project Implementing Entity shall ensure that each PFI has 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 PFI. The PFI shall ensure that the audited financial statements for each period shall be: (a) furnished to the Project Implementing Entity 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 Bank.

6. The Project Implementing Entity shall ensure that each PFI prepares and furnishes to the Project Implementing Entity not later than thirty (30) days after the end of each calendar semester, interim unaudited financial reports for all Sub-loans which are part of its portfolio, covering the semester, in form and substance satisfactory to the Bank, for incorporation in the interim unaudited financial reports for the Project referred to in paragraph 3 above.
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.