Project Agreement

(Additional Financing for Heat Supply Improvement Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as an administrator of Energy Sector Management Assistance Program Multi-Donor Trust Fund – TF072490, Successor of TF071398)

and

COMMUNITY DEVELOPMENT AND INVESTMENT AGENCY
KYRGYZ REPUBLIC
PROJECT AGREEMENT

Agreement between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION ("Bank") and COMMUNITY DEVELOPMENT AND INVESTMENT AGENCY KYRGYZ REPUBLIC ("Project Implementing Entity" or "ARIS") ("Project Agreement") in connection with: (i) the Grant Agreement ("Grant Agreement") between the KYRGYZ REPUBLIC ("Recipient") and the Bank of the Signature Date. The 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 this Agreement) apply to and form 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 Standard Conditions or in the Appendix to the Grant Agreement.

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 Part B of the Project in accordance with the provisions of Article II of the Standard Conditions and the Schedule to this Agreement, and shall provide promptly as needed, the funds, facilities, services and other resources required for Part B of the Project.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity’s Representative is its Executive Director.
3.02. For purposes of Section 7.02 of the Standard Conditions:

(a) Bank’s address is:

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

(b) the Bank’s Electronic Address is:

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

3.03. For purposes of Section 7.01 of the Standard Conditions:

(a) the Project Implementing Entity’s address is:

Community Development and Investment Agency
102, Bokonbaeva Street
Bishkek
Kyrgyz Republic

(b) the Project Implementing Entity’s Electronic Address is:

Facsimile: E-mail:
996-312-624-748 office@aris.kg
AGREED, as of the latest of the two dates written below.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INTERNATIONAL DEVELOPMENT ASSOCIATION (acting as an administrator of funds provided by various donors under the Energy Sector Management Assistance Program Multi-Donor Trust Fund)

By

[Signature]

Authorized Representative

Name: Bolormaa Amgaabazar
Title: Country Manager
Date: June 10, 2020

COMMUNITY DEVELOPMENT AND INVESTMENT AGENCY KYRGYZ REPUBLIC

By

[Signature]

Authorized Representative

Name: Bekzhan Supanabiev
Title: Executive Director
Date: June 10, 2020
SCHEDULE

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall carry out Part B of the Project in accordance with this Agreement, the Grant Agreement, the ARIS Subsidiary Agreement and ARIS Project Operational Manual.

2. The Project Implementing Entity shall:

   (a) update and adopt the ARIS Project Operational Manual pursuant to Section 5.01 (b) of the Grant Agreement, satisfactory to the Bank, and setting out, inter alia, the institutional, disbursement, procurement, financial management (including Part B Project-related internal control, budgeting, external auditing, financial reporting and accounting policies and procedures) and environmental and social institutional safeguard arrangements for the implementation of the Project; and (ii) carry out Part B of the Project in accordance with the ARIS Project Operational Manual; and

   (b) not amend, suspend, repeal or waive any of the provisions of the ARIS Project Operational Manual without the Bank's prior written agreement. In case of any discrepancy between the provisions of the ARIS Project Operational Manual and those of the Grant Agreement, the provisions of the Grant Agreement shall prevail.

3. The Project Implementing Entity shall maintain ARIS Project Implementation Unit, during the entire implementation period of Part B of the Project, with staff, functions, terms of references and resources acceptable to the Bank, and as further described in the ARIS Project Operational Manual.

4. To facilitate the carrying out of Part B of the Project, the Project Implementing Entity shall: (i) select public buildings for the purposes of Part B of the Project in accordance with the eligibility and selection criteria and processes detailed in the ARIS Project Operational Manual; and (ii) conclude a memorandum of understanding with the responsible public administration and the building administration, stipulating the terms and conditions for energy efficiency investments for each selected public building.
B. Annual Work Plans

The Project Implementing Entity shall:

(a) prepare, in accordance with the terms of reference acceptable to the Bank, and furnish to the Bank not later than December 1 of each calendar year during the implementation of Part B of the Project, a work plan containing all activities proposed for inclusion in Part B of the Project for the next calendar year, including: (a) a detailed timetable for the sequencing and implementation of the proposed Part B Project activities; (b) the types of expenditures required for such activities and a proposed financing plan (including the necessary funds and resources to be provided by the Recipient for such expenditures); (c) any training activities that may be required under Part B of the Project; and (d) the reference to each Safeguard Instrument applicable to said activities in accordance with the provisions of Section I.D of Schedule 2 to the Grant Agreement and the proposed approach to ensure preparation and implementation of said Safeguard Instrument during the relevant year.

(b) afford the Bank a reasonable opportunity to provide its views on each such proposed work plan; and, thereafter ensure that Part B of the Project is implemented with due diligence during said following calendar year in accordance with such work plan as shall have been approved by the Bank.

(c) not make any material change to the approved Annual Work Plan without prior approval in writing by the Bank.

C. Safeguards

1. The Project Implementing Entity shall implement Part B of the Project in accordance with the relevant Safeguards Instruments, and, to that end, shall:

(a) if any activity under Part B of the Project would require the adoption of any Supplemental Social and Environmental Safeguard Instrument:

(i) (A) prepare such Supplemental Social and Environmental Safeguard Instrument for Part B of the Project in accordance with ESMF and/or RPF; (B) furnish such Supplemental Social and Environmental Safeguard Instrument to the Bank for review and approval; and (C) thereafter adopt such Supplemental Social and Environmental Safeguard Instrument, acceptable to the Bank, prior to implementation of the activity; and
thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Supplemental Social and Environmental Safeguard Instrument;

(b) if any activity under Part B of the Project would involve Affected Persons, ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before resettlement measures under the respective Supplemental Social and Environmental Safeguard Instrument, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been implemented.

2. The Project Implementing Entity shall ensure that no works on a specific site under Part B of the Project requiring resettlement and/or land acquisition are commenced until the respective Supplemental Social and Environmental Safeguard Instrument for said site is fully implemented.

3. The Project Implementing Entity shall not amend, suspend or waive any provision of Safeguard Instruments without the prior written approval of the Bank.

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 Part B of the Project in accordance with the provisions of Section 2.06 of the Standard 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 Recipient not later than one (1) month after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Bank of the overall Project Report.

2. The Project Implementing Entity shall provide to the Recipient not later than four (4) months after the Closing Date, for incorporation in the report referred to in Section 2.06 (c) of the Standard Conditions all such information as the Recipient or the Bank shall reasonably request for the purposes of such Section.

3. The Project Implementing Entity shall be responsible for: (i) the consolidation of all annual financial statements for Part B of the Project; and (ii) carrying out Part B Project audits.
Section III. **Procurement**

All goods, works and services required for Part B of 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.