IMPLEMENTATION AGREEMENT FOR THE KOSOVO FEASIBILITY STUDY FOR THE PROTECTION OF THE IBER CANAL PROJECT FINANCED OUT OF THE “WESTERN BALKANS: WBIF PROGRAM TRUST FUND- KOSOVO”

Trust Fund Number: TF072016

Whereas, the International Bank for Reconstruction and Development (hereinafter referred to as the “World Bank”) and the European Bank for Reconstruction and Development acting as co-manager of the European Western Balkans Joint Fund (hereinafter referred to as the “EBRD”) entered into a Trust Fund Administration Agreement Regarding Implementation by The World Bank of Projects Approved by the Steering Committee of the Joint Grant Facility of the Western Balkans Investment Framework, in Kosovo, dated March 20, 2013 (the “Administration Agreement”).

Whereas, the Ministry of Environment and Spatial Planning (the “Project Beneficiary”) has requested the World Bank to provide to the Project Beneficiary technical assistance for implementation of the Project, as described in Schedule 1 of this Implementation Agreement.

Whereas, on June 14, 2012, the Steering Committee of the JGF has approved the Project to be financed out of the EWBJF Resources and has assigned the World Bank to act as a Lead Financial Institution, as such term is defined in the Administration Agreement.

Whereas, the World Bank agrees to implement the Project in accordance with the terms and conditions set forth in the Administration Agreement and in this Implementation Agreement.

Now therefore, the World Bank and the EBRD, agree as follows:

1. **Implementation Period of the Project**

   The implementation period of the Project shall commence on the day following the date of entry into force of this Implementation Agreement (the “Commencement Date”) and shall be completed by December 31, 2014, which shall in no case be less than four (4) months prior to the End Disbursement Date (the “Closing Date”). The period of time between the Commencement Date and the Closing Date, both inclusive, shall constitute the “Implementation Period” of the Project.

2. **Amount and Disbursement of the Contribution**

   In accordance with the provisions of the Administration Agreement and the approval of the Steering Committee of the JGF of the WBIF dated June 14, 2012, the EBRD shall transfer the EWBJF Grant to the World Bank in the amount of EUR 500,000 (five hundred thousand Euros) to the Trust Fund.

   EBRD shall inform the World Bank when such payment has been initiated. When making each such transfer, EBRD shall instruct its bank to include in its payment details information (remittance advice) field of its SWIFT payment message, information indicating: the amount paid, that the payment is made by the EBRD for TF072016 the “Western Balkans: WBIF Program-Kosovo” (the “Trust Fund”) for the Kosovo: Feasibility Study for Protection of Iber Canal (P143130) and the date of the deposit (the “Deposit Instruction”). In addition, the EBRD
shall provide a copy of the EBRD’s Deposit Instruction to the World Bank’s Accounting Trust Funds Division by e-mail: remitadvice@worldbank.org or by fax sent to (202) 614-1315.

The World Bank shall promptly confirm receipt of the full amount of the EWBJF Grant so transferred.

3. Payment Terms

3.1 Following the entry into force of this Implementation Agreement, the EWBJF Grant shall be paid in full by the EBRD in EUR to the Trust Fund, within 15 (fifteen) days of the receipt of a Call of Funds from the World Bank.

3.2 It is expressly acknowledged and agreed that the EBRD shall not be obliged to make any payment under and/or pursuant to this Implementation Agreement, except to the extent that an amount in respect of, and equal to, such payment is available to the EBRD in the Fund Account for such purpose.

4. Use of the EWBJF Grant

The EWBJF Grant shall be used by the World Bank solely for the purpose of implementing the Project in accordance with this Implementation Agreement, and the provisions of the Administration Agreement.

Upon transfer of the EWBJF Grant by the EBRD to the World Bank, the World Bank shall be solely responsible for the management and administration of the EWBJF Grant in accordance with the terms of the Administration Agreement and this Implementation Agreement.

5. Communication

Except as provided for in Section 4.3 of the Administration Agreement, any notice, request or other communication to be given or made under this Implementation Agreement shall be in writing and delivered by mail, facsimile or e-mail to the respective party’s address specified below or at such other address as such party notifies in writing to the other party from time to time:

For the World Bank:

Ahmed Shawky M. Abdel Ghany
Senior Water Resources Specialist
Sustainable Development Sector Unit
The World Bank
1818 H Street, NW
Washington, DC 20433
U.S.A.
Tel: (202) 473-1712
Fax: (202) 522 0895
E-mail: ashawky@worldbank.org
For the EBRD:

EBRD
One Exchange Square
London EC2A 2JN
United Kingdom
Attention: Director Donor Co-financing
Telefax: +44 207 338 6942
E-mail: Jonesr@ebrd.com

6. Amendment

This Implementation Agreement may be amended only in writing between the World Bank and the EBRD, in accord with the EIB, except for changes in communication addresses, which may be agreed by exchange of letters among the Parties.

7. Disclosure

The World Bank will disclose this Implementation Agreement and applicable related information on this Implementation Agreement in accordance with the World Bank Policy on Access to Information. By entering into this Implementation Agreement, the EBRD consents to disclosure of this Implementation Agreement and related information on the Implementation Agreement.

8. Settlement of Disputes

Any disputes arising out of or in connection with this Agreement, including its existence, validity, interpretation or termination shall be settled amicably between the World Bank and the EBRD. In default of amicable settlement, the World Bank or the EBRD may refer the matter for resolution through arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force. There shall be one arbitrator and the appointing authority shall be Permanent Court of Arbitration at The Hague. The place of arbitration shall be The Hague and the English language shall be used throughout the arbitral proceedings. The arbitral tribunal shall not be authorized to grant, and the Parties agree that neither Party shall seek from any judicial authority, any interim measures or pre-award relief against the other Party, any provisions of UNCITRAL Arbitration Rules notwithstanding.

9. Privileges and Immunities

Nothing in this Agreement shall be construed as a waiver, renunciation or modification of any of the immunities, privileges or exemptions enjoyed by the World Bank, the EBRD and the EIB, their Governors, Directors, associates, officers and employees pursuant to their respective constituent documents, international convention or any applicable law, all of which are expressly reserved.

10. Accord with the European Investment Bank

For purposes of the EIBF General Conditions, the EBRD hereby represents to the World Bank that it is entering into this Agreement in full accord with the EIB.
IN WITNESS WHEREOF, each Party, acting through its duly authorized representative(s), has signed two originals of this Agreement in the English language, all originals having equal force for all legal purposes. This Agreement shall become effective as the date of the last countersignature.

FOR THE WORLD BANK:

By: ____________________________
Authorized Representative

Name: Anthony Gaeta
Title: Acting Cofinancing Director
Date: 8/15/2013

FOR THE EBRD:

By: ____________________________
Authorized Representative

Name: Richard Sorensen
Title: Director
Date: 1/8/2013
SCHEDULE I TO THE IMPLEMENTATION AGREEMENT
FOR THE KOSOVO FEASIBILITY STUDY FOR THE PROTECTION OF THE IBER CANAL

This Schedule I shall be applicable to and form an integral part of the Implementation Agreement entered into between the World Bank and the EBRD.

A. DESCRIPTION OF THE PROJECT

(1) The objective of the Project is to help lay the foundations for improving the reliability and quality of water supply to Central Kosovo, home to the commercial and administrative centre of the country, by defining, through a feasibility study, the investment measures needed to secure uninterrupted and good quality water supply from the Iber-Lepenc Canal. The results of the feasibility study will help to identify and subsequently develop an investment project to be financed by national and international donors.

(2) The Project consists of the following Parts:

World Bank Executed Activities:

Part 1: Carry out a feasibility study (including related environmental and social assessments and management plans) which will analyse the investment measures needed to secure uninterrupted and good quality water supply from the Iber-Lepenc canal, such investment measures to include:

(a) canal repair (lining, abutments, foundations, cuttings, culverts, etc.) and protection against renewed physical damage from landslides, unstable soils, and man-made disruptions;

(b) provision of equipment for better management of gates and regulation of water flows, including provisions for remote monitoring and controlling of other structures;

(c) short-term storage along the canal to bridge peak water demand and temporary outages for repair purposes;

(d) protection of the canal against pollution, accidental pollution and other threats and disruptions such as fencing and covers;

(e) analysis of the safety and the optimized operational schedule of the Gazivoda reservoir and dam which will include a dam safety analysis and 'Most Probable Flood' analysis, spillway review, water balance and short-term and long-term hydrological analysis, a review of the utilization of the main reservoir and the balancing reservoir for optimum power generation and a proposal for structural and operational improvements; and

(f) better integrated management of the river basin, with capacity building, institutional strengthening, and preparation of an EU-compliant river basin management plan.

B. CATEGORIES OF EXPENDITURE:

The EWBJF Grant for the Project may be used to finance the following categories of expenditure, as applied by the World Bank:

- Associated Overheads;
- Consultants Fees;
- Contractual Services;
- Extended Term Consultants;
- Media and Workshop Costs;
- Staff Costs (with indirec ts, as applicable);
- Travel Expenses; and
- Temporary Support Staff Costs.