Project Agreement

(Financial Sector Development Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

CENTRAL BANK OF MYANMAR

Dated April 11, 2017
PROJECT AGREEMENT

AGREEMENT dated April 11, 2017, entered into between the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and the CENTRAL BANK OF MYANMAR ("Project Implementing Entity") in connection with the Financing Agreement of same date between the Union of the Republic of Myanmar ("Recipient") and the Association. The Association 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 Amended and Restated Financing 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 Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

2.01. The Project Implementing Entity declares its commitment to the objective of the Project described in Schedule 1 to the Financing Agreement ("Project"). To this end, the Project Implementing Entity shall carry out Parts 2.1, 3 and 4.2 of the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its Respective Parts of the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its Respective Parts of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

3.01. For purposes of Section 8.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is its Governor.
4.02. The Association's Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America

Facsimile:
1-202-477-6391

4.03. The Project Implementing Entity's Address is:

Central Bank of Myanmar
Office No. 55, Yaza Thingaha Rd
Nay Pyi Taw
Myanmar

Facsimile:
95-67-418290
AGREED at Nay Pyi Taw Republic of the Union of Myanmar, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative
Name: Ulrich Zachau
Title: Country Director

CENTRAL BANK OF MYANMAR

By

[Signature]

Authorized Representative
Name: Dr. Thura Thae Suu
Title: Director General
Central Bank of Myanmar
SCHEDULE

Execution of the Project Implementing Entity’s Respective Part of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

The Project Implementing Entity shall maintain, throughout the implementation of the Project, a Project coordination unit with functions and resources satisfactory to the Association and with staff in numbers and with terms of reference, qualifications and resources satisfactory to the Association, which shall be responsible for, inter alia the administration, financial management, procurement, monitoring, evaluation and reporting of the Project Implementing Entity’s Respective Parts of the Project.

B. Project Operations Manual

The Project Implementing Entity shall carry out its Respective Parts of the Project in accordance with the arrangements and procedures set out in the Project Operations Manual (“POM”) (provided, however, that in the event of any conflict between the arrangements and procedures set out in the POM and the provisions of this Agreement, the provisions of this Agreement shall prevail) and shall not amend, abrogate or waive any provision of the POM unless the Association has provided its prior no-objection thereof in writing.

C. Annual Work Plans and Budgets

1. The Project Implementing Entity shall prepare and furnish to the Recipient for its incorporation into the consolidated Annual Work Plan and Budget, not later forty-five (45) days before the beginning of each Fiscal Year during the implementation of the Project (or such later date as the Association may agree), an annual work plan and budget containing all eligible Project activities and expenditures proposed to be included in the Project Implementing Entity’s Respective Parts of the Project for the Fiscal Year.

2. The Project Implementing Entity shall ensure that its Respective Parts of the Project are implemented in accordance with the Annual Work Plans and Budgets approved by the Association for the respective Fiscal Year; provided, however, that in case of any conflict between the Annual Work Plans and Budgets and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Project Implementing Entity shall not make or allow to be made any change to the Annual Work Plans and Budgets without prior approval in writing by the Association.
D. Anti-Corruption

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

E. DLI Monitoring and Reporting

Without limitation on its other reporting obligations under this Agreement, the Project Implementing Entity shall, not later than December 15 of each year during the implementation of the Project, furnish to the Recipient for incorporation into the overall DLI report, a report on the status of achievement of the relevant DLI Targets in accordance with the verification protocol set out in the Project Operations Manual.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of its Respective Parts of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association and set forth in the Project Operational Manual. Each such Project Report shall cover the period of one semester of the Fiscal Year, and shall be furnished to the Recipient not later one (1) month after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

2. The Project Implementing Entity shall: (a) on or about the date twenty three (23) months after the Effective Date, prepare and furnish to the Recipient for incorporation into the overall mid-term report, a mid-term report in such detail as the Association shall reasonably request, documenting progress achieved in the carrying out of its Respective Parts of the Project during the period preceding the date of such report, taking into account the monitoring and evaluation activities performed pursuant to paragraph 1 of this Part A, and setting out the measures recommended to ensure the continued efficient carrying out of its Respective Parts of the Project and the achievement of the Project’s objective during the period following such date; and (b) review with the Recipient and the Association such mid-term report, on or about the date two (2) months after its submission, and thereafter take all measures required to ensure the continued efficient implementation of the Project and the achievement of its objectives, based on the conclusions and recommendations of the mid-term report and the Association’s views on the matter.
3. The Project Implementing Entity shall provide to the Recipient not later than five (5) months after the Closing Date, for incorporation in the report referred to in Section 4.08 (c) of the General Conditions, all such information as the Recipient or the Association shall reasonably request for the purposes of such 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 Association, both in a manner adequate to reflect the resources and expenditures related to its Respective Parts of the Project.

2. Without limitation on the provisions of Part A of this Section, the Project implementing Entity shall prepare and furnish to the Recipient for incorporation into the overall Project interim unaudited financial report, not later than thirty (30) days after the end of each semester of the Fiscal Year, interim unaudited financial reports for its Respective Parts of the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one (1) fiscal year of the Recipient. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association 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 Association.

Section III. Procurement

All goods, works, non-consulting services and consultants’ services required for the Project Implementing Entity’s Respective Parts of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.