Project Agreement

(Additional Financing for the Chittagong Water Supply Improvement and Sanitation Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

CHITTAGONG WATER SUPPLY AND SEWERAGE AUTHORITY

Dated AUGUST 6, 2017
PROJECT AGREEMENT

AGREEMENT dated AUGUST 6, 2017, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and CHITTAGONG WATER SUPPLY AND SEWAGE AUTHORITY ("Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between the PEOPLE'S REPUBLIC OF BANGLADESH ("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 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 objectives of the Project. To this end, the Project Implementing Entity shall carry out 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 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 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 Managing Director or any authorized representative.
4.02. The Association’s Address is:

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

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

4.03. The Project Implementing Entity’s Address is:

    Chittagong Water Supply and Sewerage Authority
    WASA Bhaban,
    Dampara, Chittagong, Bangladesh

    Telex: 880-31-2851806  Fax: 880-31-610465
AGREED at Dhaka, People's Republic of Bangladesh, as of the day and year first
above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Rajeshree S. Patalkar
Title: Acting Country Director for Bangladesh

CHITTAGONG WATER SUPPLY AND SEWERAGE
AUTHORITY

By

Authorized Representative

Name: A. K. M. Fazlullah
Title: Managing Director
SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall maintain, during the period of implementation of the Project, the Project Management Unit and the Project Audit Committee referred to in Sections I.A.1 and 2 of the Schedule to the Original Project Agreement.

2. Unless the Association shall otherwise agree, the Project Implementing Entity shall ensure that the internal audit for the Project is conducted annually by independent auditors acceptable to the Association.

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 implement the EMF, EMPs, RPF and RAPs in accordance with the objectives, policies, procedures, time schedules and other provisions set forth therein.

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 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each such Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such 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 Association, 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. Without limitation on the provisions of paragraph 1 above, the Project Implementing Entity to prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for 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 Project Implementing Entity. 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.

C. Audit of the Performance Contract

The Project Implementing Entity shall: (a) carry out an audit of the parties’ performance under the Performance Contract, and furnish the results of such audits to the Association, for its review, not later than six (6) months after the closing of the Project Implementing Entity’s fiscal year; and promptly thereafter (b) disclose such results to the public in accordance with guidelines agreed upon with the Association.

Section III. Procurement

All works and services required for 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.

Section IV. Other Undertakings

1. The Project Implementing Entity shall report to the Association, not later than six (6) months after end of the Project Implementing Entity’s each fiscal year until completion of the Project, on the progress toward achieving the targets stipulated in the Performance Contract.

2. The Project Implementing Entity shall prepare and submit to the Association, on a quarterly basis, commencing six (6) months after the Effective Date, a report in form and substance satisfactory to the Association, on the procurement activities undertaken in the previous quarter, including procurement processes followed and
the quality works and services procured for the Project in said quarter covered by the report.