CRA Project Agreement

(Greater Maputo Water Supply Expansion Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

CONSELHO DE REGULAÇÃO DE AGUAS (CRA)

Dated January 31, 2014
CREDIT NUMBER 5290-MZ

CRA PROJECT AGREEMENT

AGREEMENT dated January 31, 2014, entered into between the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and CONSELHO DE REGULAÇÃO DE AGUAS ("CRA" or "Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between the REPUBLIC OF MOZAMBIQUE ("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 Part D 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 Part 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 Part D 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 Executive Secretary.

4.02. The Association’s Address is:

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

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

4.03. The Project Implementing Entity’s Address is:

Conselho de Regulação de Aguas (CRA)
Avenida Amilcar Cabral, No. 757,
PO Box 235
Maputo, Mozambique

Facsimile
258 21 312 826
AGREED at Maputo, Republic of Mozambique, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: Thomas Buckley
Title: Acting Country Director

CONSELHO DE REGULAÇÃO DE AGUAS

By

[Signature]

Authorized Representative

Name: Macalhaes Miguel
Title: Executive Secretary
SCHEDULE

Execution of Part D of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall, at all times during Project implementation, maintain its departments in charge of the implementation, coordination and oversight of Part D of the Project, with competent staff in adequate numbers, qualifications and experience satisfactory to the Association (including monitoring and evaluation, procurement, and financial management specialists), with responsibility for implementing its Respective Part of the Project.

2. The Project Implementing Entity shall carry out the Project in accordance with the arrangements and procedures set out in its Project Implementation Manual (provided, however, that in case of any conflict between the arrangements and procedures set out in the Project Implementation and the provisions of this Agreement, the provisions of this Agreement shall prevail).

B. Anti-Corruption

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

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of its Respective Part the Project and prepare Project Reports for its Respective Part of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the Monitoring and Evaluation Indicators. Each such Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the Recipient not later than forty-five (45) days after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall consolidated 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 4.08(c) of the General Conditions all such information related to its
Respective Part of the Project as the Recipient or the Association shall reasonably request for the purposes of such Section.

B. **Mid-Term Review**

The Project Implementing Entity shall, under terms of reference satisfactory to the Association:

(a) not later than thirty six (36) months after Effective Date, carry out jointly with the Association and the Recipient, a comprehensive mid-term review ("Mid-Term Review") of the progress made in carrying out its Respective Part of the Project and performance by the Project Implementing Entity of its obligations under the Project Agreement, having regard to the Monitoring and Evaluation Indicators; and

(b) not later than forty-five (45) days prior to the review date referred to in paragraph B(a) above, prepare under the terms of reference satisfactory to the Association for incorporation and forwarding by the Recipient to the Association, for comments, as an overall consolidated report, on the progress of the Project, and giving details of the various matters to be discussed at such review; and

(c) following such review, act promptly and diligently in order to take any corrective action deemed necessary to remedy any shortcoming noted in the implementation of the Project and to implement such other measures — and within such timeframe (not exceeding twelve months) — as may have been agreed upon with the Association in furtherance of the objectives of the Project.

C. **Financial Management, Financial Reports and Audits**

1. The Project Implementing Entity shall maintain a financial management system in accordance with the provisions of Section 4.09 of the General Conditions and shall prepare and furnish to the Association as part of the Project Report 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.

2. The Project Implementing Entity shall prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect its operations and financial condition and to register separately the operations, resources and expenditures of the entity, related to the Project.
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.

Section III. Procurement

1. All goods and consultants' services required for Part D 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.

2. The Project Implementing Entity shall, not later than September 30 of each Fiscal Year during the implementation of the Project or such later date as the Association may agree, prepare and furnish to the Association for its approval an annual procurement plan.

Section IV. Other Undertakings

The CRA shall - no later than September 30 of each calendar year (beginning in calendar year 2015) - collect, collate and analyze performance data of each regional water utility company in Mozambique and thereafter disseminate to the public such performance data and performance indicators through IBNET database.