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OFFICIAL DOCUMENTS

CREDIT NUMBER 5842-BD

Project Agreement

(Bangladesh Regional Waterway Transport Project 1)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

BANGLADESH INLAND WATER TRANSPORT AUTHORITY

Dated *DECEMBER 21*, 2016

PROJECT AGREEMENT

AGREEMENT dated *DECEMBER 21*, 2016, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and BANGLADESH INLAND WATER TRANSPORT AUTHORITY (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between 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 Chairman.

4.02. The Association's Address is:

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

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

4.03. The Project Implementing Entity's Address is:

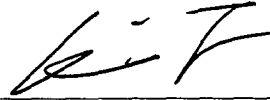
Bangladesh Inland Water Transport Authority Bhaban
141-143, Motijheel Commercial Area
Dhaka-1000

Telex:	Facsimile:
9556151-55	880-2-9551072

AGREED at Dhaka, People's Republic of Bangladesh, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



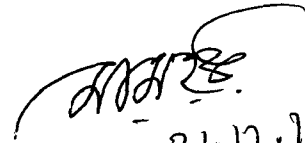
Authorized Representative

Name: QIMIAO FAN

Title: COUNTRY DIRECTOR

BANGLADESH INLAND WATER TRANSPORT AUTHORITY

By



21.12.16

Authorized Representative

Name: MOHAMMED MAFIZUL HAQUE

Title: MEMBER (ENGINEERING)

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. **Project Implementation Committee.** The Project Implementing Entity shall establish by no later than one (1) month after the Effective Date and thereafter maintain through the Project implementation period, a Project Implementation Committee ("PIC") with a mandate, composition and resources satisfactory to the Association, chaired by the Chairman of the Project Implementing Entity and comprising representatives of the Ministry of Shipping and other of the Recipient's agencies involved in the Project, which shall be responsible for monitoring and supporting Project implementation.
2. **Project Implementation Unit.** The Project Implementing Entity shall:
 - (a) establish by no later than one (1) month after the Effective Date and thereafter maintain through the Project implementation period, a Project Implementation Unit ("PIU") with a mandate, composition and resources satisfactory to the Association, headed by a Project director and comprising a procurement and contract management cell, an environmental and social cell, a civil works cell, a finance and administration cell and a planning and monitoring cell; each cell with staff in adequate numbers and with qualifications, experience and terms of reference satisfactory to the Association. The PIU shall be responsible for the overall implementation of the Project, including procurement, financial management, environmental and social safeguards, monitoring, evaluation, communication, and reporting activities; and
 - (b) without limitation on the provisions of the paragraph (a) above: (i) establish, no later than one (1) month after the Effective Date, and thereafter maintain through the Project implementation period, the above-mentioned environmental and social cell, which shall be comprising environmental and social staff in adequate numbers and with qualifications, experience and terms of reference satisfactory to the Association; (ii) hire, by no later than one (1) months after the Effective Date, a financial management specialist with qualifications, experience and terms of reference satisfactory to the Association, who shall be placed within the PIU.
3. **Proposal Evaluation Committee.** Prior to procuring any contract of goods, works and/or services specified in the Procurement Plan (including the procurement of Performance Based Contracts), the Project Implementing Entity shall establish, and therefore maintain throughout the Project implementation period, a proposal

evaluation committee with composition, qualifications, experience and terms of reference satisfactory to the Association, which shall be responsible for conducting the procurement of the above-mentioned contracts.

4. **Management, Monitoring and Evaluation of Performance-Based Contract.** Following the procurement of the Performance-Based Contract for navigation improvement, the Project Implementing Entity shall ensure that adequate staff in numbers and with qualifications, experience and terms of reference satisfactory to the Association, are in place to be responsible for the management, monitoring and evaluation of the Performance-Based Contract.
5. **Supervision and Performance Monitoring Consultant and Construction Supervision Consultant.** Prior to carrying out any activity under Part 1 and 2 of the Project, the Project Implementing Entity shall appoint a supervision and performance monitoring consultant for Part 1 of the Project and/or Construction Supervision Consultant for Part 2 of the Project, with qualifications, experience and terms of reference satisfactory to the Association. Each aforementioned consultant shall be responsible for overall supervision and monitoring of contracts to be procured under the applicable Part of the Project, including compliance with the Safeguard Instruments. The Project Implementing Entity shall retain the services of a supervision and performance monitoring consultant until completion of the Project.

B. Anti-Corruption

1. The Project Implementing Entity shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
2. Without limitation on the provisions of paragraph 1 of this Part B, the Project Implementing Entity shall: (a) carry out the Project in accordance with the Governance and Accountability Action Plan; and (b) without limitation on its other reporting obligations under this Agreement, prepare quarterly reports and furnish the same to the Association, as part of the Project Reports, on the status of implementation of the Governance and Accountability Action Plan.

C. Project Operations Manual

By no later than one (1) month after the Effective Date, the Project Implementing Entity shall adopt and thereafter maintain, throughout the Project implementation period, a Project Operations Manual ("POM"), in form and substance satisfactory to the Association. The Project Implementing Entity shall ensure that the Project is carried out in accordance with the arrangements and procedures set out in the POM provided, however, that in the case of any conflict between the arrangements and procedures set out in POM and the provisions of this Agreement, the provisions of this Agreement shall prevail. Except as the Association shall

otherwise agree, the Project Implementing Entity shall not amend, abrogate or waive any provision of the POM.

D. Safeguards

General Provisions

1. The Project Implementing Entity shall carry out the Project in accordance with the provisions of the Safeguards Instruments.
2. The Project Implementing Entity shall:
 - (a) take all necessary actions to minimize to the extent possible any involuntary loss by persons of shelter, productive assets or access to productive assets or income or means of livelihood, temporarily or permanently, and the displacement of said people, in the carrying out of the Project or any part thereof;
 - (b) prior to the commencement of any works under the Project, obtain necessary environmental clearances and licenses for all such activities in accordance with national regulations; and
 - (c) whenever a RAP, EMP or any other additional or revised Safeguards Instrument is required for any proposed Project activity in accordance with the provisions of the EMF or the RPF:
 - (i) prior to the commencement of such activity, proceed to have such additional or revised Safeguards Instrument: (A) prepared in accordance with the provisions of the EMF or the RPF (as the case may be); (B) furnished to the Association for review and approval; and (C) thereafter adopted and disclosed as approved by the Association, in a manner acceptable to the Association;
 - (ii) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such additional or revised Safeguards Instrument; and
 - (iii) in the case of any activity involving Displaced Persons, ensure that no displacement shall occur before the necessary measures consistent with the RPF and RAP have been executed, including full payment to Displaced Persons of compensation and other assistance required for relocation prior to displacement of persons or commencement of works or other related Project activities in a manner satisfactory to the Association.

3. The Project Implementing Entity shall ensure that each contract for civil works, including the Performance-Based Contract, under the Project includes the obligation of the relevant contractor and any sub-contractor(s) to comply with the relevant provisions of the Safeguards Instruments applicable to such civil works commissioned/awarded pursuant to said contract.
4. The Project Implementing Entity shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, any provision of the Safeguards Instruments, whether in whole or in part, unless the Association has provided its prior approval thereof in writing, and the Project Implementing has complied with the same consultation and disclosure requirements as applicable to the original adoption of the Safeguards Instruments.
5. Without limitation upon its other reporting obligations under this Agreement, the Project Implementing shall, in accordance with terms of reference satisfactory to the Association: (a) monitor the status of compliance with the Safeguards Instruments; and (b) prepare quarterly reports and furnish the same to the Association, as part of the Project Reports, on the results of such monitoring activities, giving details of:
 - (a) measures taken in furtherance of the Safeguards Instruments;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments;
 - (c) remedial measures taken or required to be taken to address such conditions; and
 - (d) grievances received (if any) and measures taken to resolve them.
6. **Use and Disposal of Dredged Materials**
 - (a) The Project Implementing Entity shall undertake the testing, management and disposal of Dredged Materials in accordance with the EMP for Part 1 of the Project and the EMF, each applicable EMP and the Dredged Material Disposal Plan for Part 2 of the Project, as applicable.
 - (b) The Project Implementing Entity shall cause all Dredged Materials to be disposed preferentially in-river in accordance with the provisions set forth in: (i) the EMP in the case of Part 1 of the Project; and (ii) the EMF, each applicable EMP and the Dredged Material Disposal Plan in the case of Part 2 of the Project, except where suitable in-river Dredged Materials disposal locations are not available near dredging locations as per the technical and/or environmental requirements specified in the Dredged Material Disposal Plan, EMP and EMF.

- (c) Under cases where suitable in-river Dredged Materials disposal locations are not available as set out in paragraph (b) above; the Dredged Materials may be disposed on-land provided that, prior to proceeding with the disposal: (i) the Project Implementing Entity has identified, or caused to identify, an appropriate site to be used as a contained disposal facility and a plan for transportation to such site, and also has appraised the foregoing activities in a manner satisfactory to the Association and the Recipient and in accordance with the criteria and requirements set forth in the applicable EMP, RAP and the Dredged Material Disposal Plan; (ii) the Project Implementing Entity has prepared, or caused to be prepared, such additional Safeguards Instruments, including any applicable EMP and RAP, satisfactory to the Association, as required by Section I.D.2(c) of this Schedule; and (iii) the Association has given its no-objection in writing to the selection of the disposal site and the applicable Safeguards Instruments.
 - (d) The Project Implementing Entity shall ensure that: (i) any Contaminated Materials shall be deposited in a designated material disposal site meeting the requirements of the applicable EMP; and (ii) such designated material disposal site is operated in a manner satisfactory to the Association throughout the Project implementation period.
- 7. **Technical Assistance and Studies.** The Project Implementing Entity shall ensure that all studies and technical assistance activities to be supported under the Project, including but not limited to feasibility, survey, design and safeguards studies for future investments and continuous sector improvements under Part 3.C of the Project, are carried out under terms of reference satisfactory to the Association and are consistent with the provisions of the EMF for Parts 2 and 3.
- 8. **Grievance Redress Mechanism.** The Project Implementing Entity shall:
 - (a) establish, prior to the carrying out of any activities under the Project, and thereafter maintain until completion of the Project, an independent Grievance Redress Mechanism, acceptable to the Association, as per the requirements of the RPF, EMP and EMF;
 - (b) provide at all time until completion of the Project on the Project website, information about existing complaints handling systems related to any activity under the Project;
 - (c) provide, promptly as needed, all resources necessary for the Grievance Redress Mechanism to operate as required by this Agreement and the RPF, EMP and EMF;

- (d) publicize the Grievance Redress Mechanism on its Project website and at each Project site; and
- (e) include in each Project Report, a report on Grievance Redress Mechanism cases, resolutions, challenges, staffing and budget and other resources required.

E. Expenditures to be Exclusively Financed with Counterpart Funds

1. The Project Implementing Entity shall at all times remain the entity duly authorized and responsible for land acquisition and resettlement, compensation and rehabilitation or other assistance during Project implementation.
2. The Project Implementing Entity shall: (a) ensure that the following are financed exclusively out of its own resources or other resources of the Recipient and not out of the proceeds of the Financing; and (b) provide, promptly as needed, the resources needed for this purpose: (i) all land required for the purposes of the Project; (ii) all resettlement and rehabilitation compensation and other assistance to Displaced Persons, in each case in accordance with the RPF and each applicable RAP; (iii) Incremental Operating Costs; and (iv) motor vehicles.

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 quarter, and shall be furnished to the Recipient not later 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 Project 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 Part A of this Section, the Project Implementing Entity 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.

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

All goods, 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.