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LOAN NUMBER \_\_\_\_-BAN(SF)

LOAN AGREEMENT  
(Special Operations)

(Southwest Area Integrated Water Resources Planning and Management Project)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

ASIAN DEVELOPMENT BANK

DATED \_\_\_\_\_

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LAS:BAN 34418

**LOAN AGREEMENT  
(Special Operations)**

LOAN AGREEMENT dated \_\_\_\_\_ between PEOPLE'S  
REPUBLIC OF BANGLADESH ("the Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) the Borrower has applied to ADB for a loan for the purposes of the Project described in Schedule 1 to this Loan Agreement;

(B) the Project will be carried out by the Bangladesh Water Development Board (hereinafter called BWDB), and for this purpose the Borrower will make available to BWDB the proceeds of the Loan provided for herein upon terms and conditions satisfactory to ADB;

(C) the Borrower has also applied to the Government of the Netherlands, for a grant (hereinafter called the Netherlands Grant) in an amount equivalent to twelve million five hundred thousand dollars (\$12,500,000) to assist in financing a part of the Project, on a joint basis to be administered by ADB; and

(D) ADB has agreed to make a loan to the Borrower from ADB's Special Funds resources upon the terms and conditions set forth herein and in the Project Agreement of even date herewith between ADB and BWDB;

NOW THEREFORE the parties agree as follows:

**ARTICLE I**

**Loan Regulations; Definitions**

Section 1.01. All the provisions of the Special Operations Loan Regulations of ADB, dated 1 May 2004 (the "Loan Regulations"), are hereby made applicable to this Loan Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02. The definitions set forth in the Loan Regulations are applicable to this Loan Agreement, unless the context requires otherwise. In addition, the following terms have the following meanings:

(a) "BWDB" means the Borrower's Bangladesh Water Development Board or any successor thereto;

(b) “Development project proposal” means the proposal as set forth in the Borrower’s Public Sector Development Project Preparation, Processing, Approval and Revision Procedures dated in November 2004;

(c) “FCD/I” means, for the purpose of the Project, flood control and drainage/irrigation conducted by the Borrower;

(d) “JMC” means a Joint Management Committee to be established under the Project, as more fully described in paragraph 6 of Schedule 6 to this Loan Agreement;

(e) “LGED” means the Borrower’s Local Government Engineering Department, or any successor thereto;

(f) “LGI” means a local government institution within the territory of the Borrower;

(g) “IWMP” means, for the purpose of the Project, an integrated water management plan to be developed under the Project;

(h) “MOWR” means the Borrower’s Ministry of Water Resources, or any successor thereto;

(i) “NGO” means a non-government organization;

(j) “O&M” means operation and maintenance;

(k) “PCO” means the Project coordination office to be established in the Borrower’s Planning Directorate – II, as more fully described in paragraph 2 of Schedule 6 to this Loan Agreement;

(l) “PMO” means the Project management office to be established under the Project, as more fully described in paragraph 4 of Schedule 6 to this Loan Agreement;

(m) “Project area” means the southwest area comprising the districts of Rajbari, Magura, Faridpur, Jessore, Narail, and Gopalganj within the territory of the Borrower, where the Project will be implemented;

(n) “PSC” means the Project Steering Committee, as more fully described in paragraph 3 of Schedule 6 to this Loan Agreement;

(o) “RF” means the resettlement framework developed for the Project;

(p) “RP” means the resettlement plan developed for the Project;

(q) “SIP” means a subunit implementation plan to be prepared under the Project;

(r) “SMO” means a subproject management office to be established under the Project, as more fully described in paragraph 5 of Schedule 6 to this Loan Agreement;

(s) "Subproject" means a subproject to be selected and implemented under the Project in accordance with paragraphs 9 and 10 of Schedule 6 to this Loan Agreement;

(t) "WARPO" means the Borrower's Water Resources Planning Organization, or any successor thereto; and

(u) "WMA" means a water management association established within the territory of the Borrower.

## **ARTICLE II**

### **The Loan**

Section 2.01. ADB agrees to lend to the Borrower from ADB's Special Funds resources an amount in various currencies equivalent to Thirteen Million Eight Hundred Sixty Three Thousand Special Drawing Rights (SDR13,863,000).

Section 2.02. (a) The Borrower shall pay to ADB an interest charge at the rate of one percent (1%) per annum during the grace period, and one and one-half percent (1.5%) per annum thereafter, on the amount of the Loan withdrawn from the Loan Account and outstanding from time to time.

(b) The term "grace period" as used in paragraph (a) of this Section means the period prior to payment of the first principal amount of the Loan on the payment date in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

Section 2.03. The interest charge and any other charge on the Loan shall be payable semiannually on 15 December and 15 June in each year.

Section 2.04. The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

## **ARTICLE III**

### **Use of Proceeds of the Loan**

Section 3.01. The Borrower shall make the proceeds of the Loan available to BWDB upon terms and conditions satisfactory to ADB and shall cause BWDB to apply such proceeds to the financing of expenditures on the Project in accordance with the provisions of this Loan Agreement and the Project Agreement.

Section 3.02. The goods and services and other items of expenditure to be financed out of the proceeds of the Loan and the allocation of amounts of the Loan among different categories of such goods and services and other items of expenditure shall

be in accordance with the provisions of Schedule 3 to this Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB.

Section 3.03. Withdrawals from the Loan Account in respect of goods and services shall be made only on account of expenditures relating to

- (a) goods which are produced in and supplied from and services which are supplied from such member countries of ADB as shall have been specified by ADB from time to time as eligible sources for procurement, and
- (b) goods and services which meet such other eligibility requirements as shall have been specified by ADB from time to time.

Section 3.04. Except as ADB may otherwise agree, all goods and services to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Schedule 4 and Schedule 5 to this Loan Agreement.

Section 3.05. The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 31 December 2013 or such other date as may from time to time be agreed between the Borrower and ADB.

## **ARTICLE IV**

### **Particular Covenants**

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 6 to this Loan Agreement.

Section 4.02. The Borrower shall enable ADB's representatives to inspect the Project, the goods financed out of the proceeds of the Loan, and any relevant records and documents.

Section 4.03. The Borrower shall take all action which shall be necessary on its part to enable BWDB to perform its obligations under the Project Agreement, and shall not take or permit any action which would interfere with the performance of such obligations.

## **ARTICLE V**

### **Suspension; Cancellation; Acceleration of Maturity**

Section 5.01. The following is specified as an additional event for suspension of the right of the Borrower to make withdrawals from the Loan Account for the purposes of Section 8.01(m) of the Loan Regulations: the Netherlands Grant shall have become liable for suspension or cancellation.

Section 5.02. The following is specified as an additional event for acceleration of maturity for the purposes of Section 8.07(d) of the Loan Regulations: the event specified in Section 5.01 of this Loan Agreement shall have occurred.

## **ARTICLE VI**

### **Effectiveness**

Section 6.01. The following are specified as additional conditions to the effectiveness of this Loan Agreement for the purposes of Section 9.01(f) of the Loan Regulations:

(a) the Borrower shall have approved the development project proposal satisfactory to ADB, through the Executive Committee to the National Economic Council;

(b) the PCO and PMO shall have been established and a project coordinator and project director, along with other key executive staff, shall have been appointed;

(c) the Borrower shall have obtained confirmation from the Government of the Netherlands that the Netherlands Grant has been approved.

Section 6.02. A date ninety (90) days after the date of this Loan Agreement is specified for the effectiveness of the Loan Agreement for the purposes of Section 9.04 of the Loan Regulations.

## **ARTICLE VII**

### **Delegation of Authority**

Section 7.01. The Borrower hereby designates BWDB its agent for the purposes of taking any action or entering into any agreement required or permitted under Sections 3.02 and 3.05 of this Loan Agreement and under Sections 5.01, 5.02, 5.03 and 5.04 of the Loan Regulations.

Section 7.02. Any action taken or any agreement entered into by BWDB pursuant to the authority conferred under Section 7.01 of this Loan Agreement shall be fully binding on the Borrower and shall have the same force and effect as if taken by the Borrower.

Section 7.03. The authority conferred on BWDB under Section 7.01 of this Loan Agreement may be revoked or modified by agreement between the Borrower and ADB.

**ARTICLE VIII****Miscellaneous**

Section 8.01. The Secretary, or any Additional Secretary, Joint Secretary, Deputy Secretary, Deputy Chief, Senior Assistant Secretary, Senior Assistant Chief, Assistant Secretary or Assistant Chief of Economic Relations Division, Ministry of Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 11.02 of the Loan Regulations.

Section 8.02. The following addresses are specified for the purposes of Section 11.01 of the Loan Regulations:

**For the Borrower**

Economic Relations Division  
Ministry of Finance  
Government of the People's Republic of Bangladesh  
Sher-e-Bangla Nagar  
Dhaka 1207, Bangladesh

Cable Address:

BAHISAMPAD  
DHAKA

Telex Number:

642226 SETU BJ

Facsimile Number:

(880-2) 811-3088

**For ADB**

Asian Development Bank  
P.O. Box 789  
0980 Manila, Philippines

Cable Address:

ASIANBANK  
MANILA

Telex Numbers:

29066 ADB PH (RCA)  
42205 ADB PM (ITT)  
63587 ADB PN (ETPI)

Facsimile Numbers:

(632) 636-2444  
(632) 636-2391.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names and to be delivered at the principal office of ADB, as of the day and year first above written.

PEOPLE'S            REPUBLIC            OF  
BANGLADESH

By \_\_\_\_\_  
Authorized Representative

ASIAN DEVELOPMENT BANK

By \_\_\_\_\_

## SCHEDULE 1

### Description of the Project

1. The goal of the Project is to reduce poverty incidence measured in terms of incomes and nutritional status of the population. The purpose of the Project is to institutionalize effective mechanisms for enhancing and sustaining the performance of FCD/I systems.

2. The Project consists of the following parts:

#### **Part A: Participatory IWMPs**

Preparing IWMPs for additional FCD/I schemes covering about 43,000 ha of land in the Project area, to be selected by the selection criteria as stipulated in paragraph 9, Schedule 6 to this Loan Agreement.

#### **Part B: Productive and Sustainable Water Management Systems**

##### Part B.a. SIP Preparation and WMA Formation with Beneficiary Mobilization:

(i) Supporting the preparation of SIPs and beneficiary mobilization of the concerned WMAs by forming ad-hoc WMA and subordinate water management groups within the subunit and preparing an SIP by setting out specific impact targets and associated programs; (ii) establishing empowered WMAs through (a) enrolling members and mobilizing functional subgroups; (b) registering them together with executive committees and operational rules; (c) collecting cash contribution equivalent to annual O&M requirement for the concerned facilities to be transferred to them; and (d) recruiting and fielding facilitators; and (iii) undertaking participatory detailed design of water management structures.

Part B.b. Water Management and Associated Structure: (i) Providing water management infrastructure specified in the SIP including flood embankment, regulators, sluice gates and pipes, and water retention structures, re-excavated drainage/irrigation canals and local riverbank protection, and (ii) training the WMAs in monitoring civil works, and strengthening internal technical audit.

Part B.c. Enhanced Production and Livelihoods through Support Services: Developing beneficiary skills for enhancing productivity and incomes, and the WMAs' capacities, through (a) providing extension services including campaign for improved soil nutrient management, field demonstration and training, and workshops and farmer tour, and (ii) supporting productive income generating activities by the poorest subgroups including (a) promoting social forestry, nurseries, crop cultivation and livestock, and (b) training the subgroups in such activities through the concerned line departments and private providers mobilized under the Project.

Part B.d. Sustainable O&M System: (i) For the Project facilities to be managed by WMAs, supporting in formulating WMA O&M committees, preparing O&M plans, and training for (a) monitoring construction; (b) annual inspection; (c) preparing annual O&M plans; and (d) implementing the O&M plans; and (ii) for the Project facilities to be jointly managed by BWDB, LGIs and WMAs, establishing a joint management system between

BWDB, LGIs and the WMAs, including institutionalizing (a) preparation of annual O&M plans following a standardized guidelines, and (b) implementation of O&M plans.

**Part C: Project Management Systems and Strengthening Institutions**

Part C.a. Project Management Systems: Establishing JMCs and training them and their subcommittees in making subproject decisions at the scheme and at the sub-unit level respectively, including Project implementation and annual O&M.

Part C.b. Strengthening Institutions through Training and Advisory Support:  
(i) Providing training to public and non-public institutions involved in the Project activities for (a) participatory IWMP preparation, (b) socially inclusive WMA development and management, (c) management of diverse stakeholder interests, (d) resettlement, (e) design and construction management, (f) environmental management, (g) agriculture, fishery and livelihood enhancement, (h) sustainable O&M, and (i) quality control; and (ii) providing support for the progress of the policy and institutional actions to be carried out under the Project.

Part C.c. Management Information Systems (MIS) for Hydrology and FCD/I Performance: Strengthening MIS for (i) hydrological data collection and sharing, and (ii) FCD/I scheme performance in the Project area.

3. The Project is expected to be completed by 30 June 2013.

## SCHEDULE 2

### Amortization Schedule

#### (Southwest Area Integrated Water Resources Planning and Management Project)

<u>Date Payment Due</u>	<u>Payment of Principal</u> (expressed in Special Drawing Rights*)
15 December 2013	288,812.00
15 June 2014	288,812.00
15 December 2014	288,812.00
15 June 2015	288,812.00
15 December 2015	288,812.00
15 June 2016	288,812.00
15 December 2016	288,812.00
15 June 2017	288,812.00
15 December 2017	288,812.00
15 June 2018	288,812.00
15 December 2018	288,812.00
15 June 2019	288,812.00
15 December 2019	288,812.00
15 June 2020	288,812.00
15 December 2020	288,812.00
15 June 2021	288,812.00
15 December 2021	288,812.00
15 June 2022	288,812.00
15 December 2022	288,812.00
15 June 2023	288,812.00
15 December 2023	288,812.00
15 June 2024	288,812.00
15 December 2024	288,812.00
15 June 2025	288,812.00
15 December 2025	288,812.00
15 June 2026	288,812.00
15 December 2026	288,812.00
15 June 2027	288,812.00
15 December 2027	288,812.00
15 June 2028	288,812.00
15 December 2028	288,812.00
15 June 2029	288,812.00
15 December 2029	288,812.00
15 June 2030	288,812.00
31 December 2030	288,812.00

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\* The figures in this column represent SDR equivalents determined as of the respective dates of withdrawal. The arrangements for payment of each maturity are subject to the relevant provisions of the Special Operations Loan Regulations.

15 June 2031	288,812.00
15 December 2031	288,812.00
15 June 2032	288,812.00
15 December 2032	288,812.00
15 June 2033	288,812.00
15 December 2033	288,812.00
15 June 2034	288,812.00
15 December 2034	288,812.00
15 June 2035	288,812.00
15 December 2035	288,812.00
15 June 2036	288,812.00
15 December 2036	288,812.00
15 June 2037	288,836.00
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<b>TOTAL</b>	<b>13,863,000.00</b>

### SCHEDULE 3

#### Allocation and Withdrawal of Loan Proceeds

##### General

1. The table attached to this Schedule sets forth the Categories of goods, services and other items to be financed out of the proceeds of the Loan and the allocation of amounts of the Loan to each such Category (hereinafter called the Table). (Reference to "Category" or "Categories" in this Schedule is to a Category or Categories of the Table and reference to "Subcategory" or "Subcategories" in this Schedule is to a Subcategory or Subcategories of a Category.)

##### Percentages of ADB Financing

2. Except as ADB may otherwise agree, the items of the Categories and Subcategories listed in the Table shall be financed out of the proceeds of the Loan on the basis of the percentages set forth in the Table.

##### Interest Charge

3. The amount allocated to Category 9 is for financing the interest charge on the Loan during the implementation period of the Project.

##### Reallocation

4. Notwithstanding the allocation of Loan proceeds and the withdrawal percentages set forth in the Table and subject to paragraph 5 of this Schedule,

(a) if the amount of the Loan allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, by notice to the Borrower, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Loan which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and

(b) if the amount of the Loan then allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, by notice to the Borrower, reallocate such excess amount to any other Category.

##### Imprest Account; Statement of Expenditures

5. (a) Except as ADB may otherwise agree, the Borrower shall establish immediately after the Effective Date, an imprest account at the Bangladesh Bank or any other commercial bank nominated by the Bangladesh Bank or the Ministry of Finance, and acceptable to ADB. The imprest account shall be established, managed, replenished and liquidated in accordance with ADB's "Loan Disbursement Handbook" dated January 2001, as

amended from time to time, and detailed arrangements agreed upon between the Borrower and ADB. The initial amount to be deposited into the imprest account shall not exceed the equivalent of six months of estimated expenditure and not more than 10% of the total Loan amount.

(b) The statement of expenditures (SOE) procedure may be used for reimbursement of eligible expenditures for small contracts not exceeding the equivalent of \$50,000 and to liquidate advances provided into the imprest account, in accordance with ADB's "Loan Disbursement Handbook" dated January 2001, as amended from time to time, and detailed arrangements agreed upon between the Borrower and ADB. Any individual payment to be reimbursed or liquidated under the SOE procedure shall not exceed the equivalent of \$50,000.

#### Condition of Withdrawals from Loan Account

6. Notwithstanding any other provision of this Loan Agreement, no withdrawals shall be made from the Loan Account until:

- (i) the Project consultants have been engaged and fielded, except for the expenditures for equipment and supplies, vehicles, survey, investigation and monitoring, and project management; and
- (ii) the Netherlands Grant has become effective.

TABLE

<b>ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS</b>				
<b>(Southwest Area Integrated Water Resources Planning and Management Project)</b>				
<b>CATEGORY</b>				<b>ADB FINANCING</b>
<b>Number</b>	<b>Item</b>	<b>Amount Allocated SDR</b>		<b>Percentage and Basis for Withdrawal from the Loan Account</b>
		<b>Category</b>	<b>Subcategory</b>	
1	Civil Works	7,782,000		
1A	BWDB		6,691,000	51 percent of total expenditure
1B	Embankment Pavement		545,000	51 percent of total expenditure
1C	BWDB O&M during Construction		546,000	28 percent of total expenditure
2	Construction Materials	521,000		61 percent of total expenditure*
3	Vehicles	97,000		
3A	BWDB		81,000	61 percent of total expenditure*
3B	Other Organizations		16,000	46 percent of total expenditure
4	Equipment	53,000		49 percent of total expenditure
5	Social Mobilization & Facilitation	332,000		61 percent of total expenditure
6	Training	1,337,000		
6A	For Staff Training		247,000	61 percent of total expenditure
6B	For WMA Training (WMA Management, Agriculture, Fishery and Livelihood)		1,090,000	57 percent of total expenditure
7	Studies, Survey, Investigation and Monitoring	690,000		58 percent of total expenditure
8	Project Management	224,000		
8A	Operating Expenses		94,000	52 percent of total expenditure
8B	Vehicle and Equipment O&M		130,000	46 percent of total expenditure
9	Consulting Services	1,536,000		61 percent of total expenditure*

10	Interest Charge	548,000		100 percent of amounts due
11	Unallocated	743,000		
	Total	13,863,000		

\*Excluding taxes

## **SCHEDULE 4**

### **Procurement**

1. Except as ADB may otherwise agree, the procedures referred to in the following paragraphs of this Schedule shall apply in the procurement of goods and services to be financed out of the proceeds of the Loan. In this Schedule and the Attachment hereto, the term "goods" includes equipment and materials; the term "services" does not include consulting services.

2. Procurement of goods and services shall be subject to the provisions of the "Guidelines for Procurement under Asian Development Bank Loans" dated November 2004 (hereinafter called the Guidelines for Procurement), as amended from time to time, which have been furnished to the Borrower and BWDB.

3. Procurement of goods and services shall be made without any restriction against, or preference for, any particular supplier or contractor or any particular class of suppliers or contractors, except as otherwise provided in paragraphs 6, 8 and 9 below.

4. (a) Each supply contract for equipment or materials estimated to cost the equivalent of more than \$1,000,000 shall be awarded on the basis of international competitive bidding as described in Chapter II of the Guidelines for Procurement.

(b) For contracts to be awarded on the basis of international competitive bidding, there shall be submitted to ADB, as soon as possible, and in any event not later than 90 days before the issuance of the first invitation to bid for the Project, a General Procurement Notice (which ADB will arrange to publish separately) in such form and detail and containing such information as ADB shall reasonably request. ADB shall be provided the necessary information to update such General Procurement Notice annually as long as any goods remain to be procured on the basis of international competitive bidding.

(c) For contracts to be awarded on the basis of international competitive bidding, procurement actions shall be subject to review by ADB in accordance with the procedures set forth in Chapter IV of the Guidelines for Procurement. Each draft invitation to bid, to be submitted to ADB for approval under such procedures, shall reach ADB at least 21 days before it is issued and shall contain such information as ADB shall reasonably request to enable ADB to arrange for the separate publication of such invitation.

5. (a) Each supply contract for equipment or materials estimated to cost the equivalent of \$1,000,000 or less (other than minor items) shall be awarded on the basis of international shopping as described in Chapter III of the Guidelines for Procurement.

(b) Each draft invitation to bid and related bid document shall be submitted to ADB for approval before they are issued.

(c) Notwithstanding paragraph 3.03(b) of the Guidelines for Procurement, any award of contract shall be subject to prior ADB approval.

Schedule 4

6. In comparing bids under international competitive bidding, a margin of preference may be provided, at the option of the Borrower and in accordance with the provisions of the Attachment to this Schedule, for

(a) goods manufactured in the territory of the Borrower, provided that the bidder offering such goods shall have established to the satisfaction of the Borrower and ADB that the domestic value added equals at least 20 percent of the ex-factory bid price of such goods; and

(b) civil works to be carried out by eligible domestic contractors, as defined by ADB.

7. Each Civil works contract estimated to cost the equivalent of \$1,000,000 or less, and each supply contract for equipment or materials estimated to cost the equivalent of \$300,000 or less, may be awarded on the basis of local competitive bidding among contractors or suppliers in accordance with the standard procurement procedures of the Borrower and acceptable to ADB.

(a) For the first contract to be awarded on the basis of local competitive bidding, selection and engagement of contractors shall be subject to the approval of ADB. As soon as the bids received have been evaluated, the proposal for award of contract shall be submitted to ADB for approval. For this purpose, ADB shall be furnished with three copies of (i) an account of the public opening of bids; (ii) a summary and evaluation of the bids; (iii) the proposal for award; and (iv) a draft contract or a draft letter of acceptance. Promptly after each contract is awarded, ADB shall be furnished with three copies of the contract as executed.

(b) For the subsequent contracts, bid evaluation and award of contracts shall be subject to post review by ADB. Promptly after each contract is awarded, ADB shall be furnished with three copies of the contract as executed.

8. Small civil works contract, estimated to cost the equivalent of \$8,000 or less, may be carried out by BWDB on a force account basis utilizing labor contracting societies (LCS) of disadvantaged groups mobilized by the concerned WMAs.

9. Any equipment estimated to cost, in the aggregate, the equivalent of \$10,000, may be procured directly from the manufacturers of the original equipment or their agents. Prior to such procurement, a list of individual items to be procured, an estimate of their costs, an indication of potential sources of supply and any related documents shall be submitted to ADB for approval. After award, three copies of each contract for such items shall be furnished to ADB.

10. (a) The Borrower shall ensure that all ADB-financed goods and services procured (including without limitation all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right or claim of any third party.

Schedule 4

(b) The Borrower shall ensure that all ADB-financed contracts for the procurement of goods and services contain appropriate representations, warranties and, if appropriate, indemnities from the contractor or supplier with respect to the matters referred to in subparagraph (a) of this paragraph.

Preference for Domestically Manufactured Goods

1. In the procurement of goods through international competitive bidding, goods manufactured in the territory of the Borrower may be granted a margin of preference in accordance with the following provisions, provided that the bidder shall have established to the satisfaction of the Borrower and ADB that the domestic value added equals at least 20 percent of the ex-factory bid price of such goods. The 20 percent domestic value added applies to the total ex-factory bid price of the goods and not only to one item in a list.

- (a) For application of domestic preference, all responsive bids shall first be classified into the following three categories:

Category I -- bids offering goods manufactured in the territory of the Borrower which meet the minimum domestic value added requirement;

Category II -- bids offering other goods manufactured in the territory of the Borrower; and

Category III -- bids offering imported goods.

- (b) The lowest evaluated bid of each category shall then be determined by comparing all evaluated bids in each category among themselves, without taking into account customs duties and other import taxes levied in connection with the importation, and sales and similar taxes levied in connection with the sale or delivery, pursuant to the bids, of the goods.
- (c) Such lowest evaluated bids shall next be compared with each other and if, as a result of this comparison, a bid from Category I or Category II is found to be the lowest, it shall be selected for the award of contract.
- (d) If, however, as a result of the comparison under subparagraph (c) above, the lowest bid is found to be from Category III, it shall be further compared with the lowest evaluated bid from Category I. For the purpose of this further comparison only, an upward adjustment shall be made to the lowest evaluated bid price of Category III by adding either
- (i) the amount of customs duties and other import taxes which a nonexempt importer would have to pay for the importation of the goods offered in such Category III bid; or
  - (ii) 15 percent of the CIF bid price of such goods if the customs duties and import taxes referred to above exceed 15 percent of the CIF bid price.

If, after such further comparison, the Category I bid is determined to be the lowest, it shall be selected for the award of contract; if not, the lowest evaluated bid from Category III shall be selected for the award.

2. (a) Bidders applying for the preference shall provide evidence necessary to establish the eligibility of a bid for the preference, including the minimum domestic value added.

(b) The bidding documents shall clearly indicate the preference to be granted, the information required to establish the eligibility of a bid for the preference claimed, and the procedures to be followed in the comparison of bids, all as set forth above.

## SCHEDULE 5

### Consultants

1. The services of consultants shall be utilized in the carrying out of the Project, particularly with regard to:

- (a) Water resources development;
- (b) participatory water management;
- (c) integrated water resources;
- (d) institutional development;
- (e) river engineering and hydrology;
- (f) design engineering;
- (g) agriculture and extension;
- (h) fishery development;
- (i) agriculture economics;
- (j) gender and poverty;
- (k) environment;
- (l) resettlement;
- (m) quality control;
- (n) operation and maintenance; and
- (o) financial management.

The terms of reference of the consultants shall be as determined by agreement between ADB and the Borrower.

2. The selection, engagement and services of the consultants shall be subject to the provisions of this Schedule and the provisions of the "Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers" dated January 2005 (hereinafter called the Guidelines on the Use of Consultants), as amended from time to time, which have been furnished to the Borrower and BWDB.

3. The consultants as a firm shall be selected by ADB and engaged by BWDB using the quality-and-cost-based selection (QCBS) method in accordance with the following procedures.

(a) Invitation for technical and financial proposals. The invitation to submit technical and financial proposals (hereinafter called the Request for Proposals or RFP) and all related documents shall be issued by ADB. A period of at least 45 days shall be allowed for submission of both proposals.

(b) Evaluation and scoring of technical proposals. Immediately after the technical proposals have been evaluated and scored by ADB on behalf of the Borrower.

(c) Public opening of financial proposals. The financial proposals of the firms whose technical proposals meet the minimum qualifying technical score shall be opened publicly after adequate notice is given to such firms or their representatives to attend the opening of the financial proposals.

(d) Evaluation and scoring of financial proposals and ranking of technical and financial proposals. After the financial proposals have been evaluated and scored, the ranking of the technical and financial proposals shall be made by ADB on behalf of the Borrower. The negotiations of the contract with the first-ranked consulting firm may be undertaken by ADB in consultation with BWDB. If it is not possible to reach an agreement, negotiations shall be terminated by ADB in consultation with BWDB and opened with the consulting firm next in ranking (and so on if necessary, until an agreement is reached).

(e) Execution of contract. After the conclusion of negotiations but before the signing of the contract, ADB shall be furnished with the contract as negotiated for approval. Promptly after the contract is signed between BWDB and the consultants, ADB shall be furnished with three copies of the signed contract. If any substantial amendment of the contract is proposed after its execution, the proposed changes shall be submitted to ADB for prior approval.

4. Private service providers including NGOs to carry out (i) participatory rural appraisals for IWMP preparation and socioeconomic surveys, (ii) mobilization of subproject stakeholder groups for WMAs, (iii) preparation of SIPs, (iv) survey, design, and monitoring of civil works, (v) implementation of resettlement plans, (v) delivery of various support services, and (vi) monitoring and evaluation, shall be selected and engaged by BWDB in accordance with procedures acceptable to ADB. The selection and engagement of the service providers shall be subject to the approval of ADB with regard to their competence and experience for carrying out the assignment. As soon as the proposals received have been evaluated but before negotiations are started with the service providers selected for negotiations, ADB shall be furnished with three copies of (i) a list of service providers invited; (ii) an evaluation of the proposals (together with one set of the first-ranked proposal); and (iii) justification for the selection. After the conclusion of negotiations but before the signing of the contract, the contract as negotiated shall be furnished to ADB for approval. Promptly after the contract is signed, ADB shall be furnished with three copies of the signed contract. If any substantial amendment of the contract is proposed after its execution, the proposed changes shall be submitted to ADB for prior approval.

5. The Borrower shall ensure that all ADB-financed contracts with the service providers contain appropriate representations, warranties and, if appropriate, indemnities from the consultants to ensure that the consulting services provided do not violate or infringe any industrial property or intellectual property right or claim of any third party.

## SCHEDULE 6

### Execution of Project and Other Matters

#### A. PROJECT EXECUTION AND IMPLEMENTATION ARRANGEMENT

##### Project Executing Agency

1. BWDB shall be the Project Executing Agency.

##### Project Coordination Office

2. The PCO shall be established in Planning Directorate – II, whose director will serve as the Project Coordinator and be responsible for providing technical backstopping, financial control, facilitation with other central agencies involved in the Project's central level activities, and coordination with other externally financed projects for harmonized support.

##### Project Steering Committee

3. The PSC shall be established for central level coordination, chaired by the Secretary of MOWR and comprising the representatives of the concerned ministries and departments including the Planning Commission, Ministry of Environment and Forests, Ministry of Fishery and Livestock, Ministry of Agriculture, Local Government Division, Ministry of Land, Economic Relations Division, Implementation Monitoring and Evaluation Division (IMED), Rural Development and Cooperatives Division, Ministry of Water Resources, and their concerned line departments including Department of Public Health Engineering, with the Project Coordinator as member secretary. The PSC meetings shall be held semiannually during the first year of the Project, and annually thereafter or whenever required. The Subproject Appraisal Subcommittee, chaired by the Director General of BWDB and with participation of the concerned line ministries, shall be formed under the PSC to approve individual Subprojects' IWMPs and their feasibility studies.

##### Project Management Office

4. The PMO, established in BWDB's Southwest zonal office in Faridpur, shall (i) manage an overall implementation plan, annual work plans and budget; (ii) liaise with BWDB, WARPO, LGED and other line agencies for technical backstopping, managerial support and other central activities; (iii) prepare IWMPs of additional FCD/I systems with the support of the relevant SMOs; (iv) liaise with, monitor and supervise SMOs for subproject implementation; (v) manage financial accounts; and (vi) prepare periodic reports on implementation progress. The PMO shall be headed by a senior superintending engineer or additional chief engineer having multidisciplinary experience as full-time Project Director, and be supported by (i) four executive engineers who will head the PMO's divisions in planning, design, implementation, and monitoring including O&M and environmental monitoring, and (ii) deputy chief extension officer who will head the beneficiary mobilization division. These divisions shall be staffed with adequate number of qualified personnel acceptable to ADB, as agreed upon between the Borrower and ADB.

Subproject Management Office

5. Five SMOs shall be established at individual subproject levels. Each of the SMOs shall be headed by a senior executive engineer having participatory experience, and have three subdivisional engineers and/or assistant engineers, and one class-I officer each in charge of social mobilization, agronomy, and fishery, along with six NGO facilitators one each for agronomy and fishery and four for social mobilization. The SMOs shall be responsible for day-to-day implementation activities, including (i) supporting the PMO planning unit to prepare IWMPs; (ii) managing overall subproject implementation plans, annual work plans and budgets; (iii) preparing and implementing SIPs with proper recording and reporting to the PMO; and (iv) coordinating with the JMCs, other line departments including LGED and LGIs, and NGOs.

6. The JMC, chaired by the project director during the planning stage and by superintending engineer of BWDB sub-zonal office after IWMP approval, shall be established for each Subproject, in accordance with the Borrower's national water policy and the BWDB Act 2000, comprising the representatives of WMAs, LGIs, BWDB, LGED, other line agencies, and its subunit level subcommittees. The JMC shall make subproject decisions on endorsement of the IWMP, annual and periodic programs, implementation schedules and O&M. The JMC's subcommittees shall be formed for preparing and implementing SIPs with the concerned line departments, LGIs and WMAs. Within three years of the Effective Date, BWDB shall assess the initial functions of the JMC, and refine its organizational structure and operational arrangements in a manner satisfactory to ADB, and formally operationalize the JMC by issuing it in the official gazette.

7. The Borrower shall ensure that WMAs under the Project are established in accordance with the Cooperatives Societies Act (2001) and Cooperative Societies Rules (2004) as amended from time to time, and the Guidelines for Participatory Water Management, or any other legal framework satisfactory to ADB.

8. Within 9 months of the Effective Date, specific cooperation arrangements shall be agreed upon under individual memorandum of understandings between BWDB and/or MOWR and the concerned agencies. Such agencies shall include the Departments of Agricultural Extension, Fishery, Cooperatives, Local Government Engineering and Environment, and the Ministry of Land.

**B. SUBPROJECT SELECTION AND IMPLEMENTATION**Subproject Selection Criteria

9. Except as ADB may otherwise agree, the Borrower shall ensure that all the Subprojects to be financed under the Project are selected in accordance with the following criteria.

- (i) Subproject shall not contain a significant proportion of new works and fundamentally consist of rehabilitation or upgrading of existing infrastructure and additional works to address a number of internal water management problems;

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- (ii) Subproject shall require minimal and straightforward rehabilitation and improvement works, and shall have higher prospects of expanding irrigated areas, and higher economic return;
- (iii) Subproject shall not have problems associated with significant riverbank erosion and/or with drainage congestion of outer channels;
- (iv) Subproject net benefited areas shall not be greater than 14,000 ha;
- (v) Subproject's estimated cost shall not be more than \$400/ha net benefited area;
- (vi) Existing poverty levels within schemes shall be more than the present national average, unless otherwise agreed by ADB;
- (vii) Beneficiaries' willingness shall have been confirmed to form WMAs and to assume designated O&M responsibilities, to be demonstrated by enrollment of over 70 percent of the beneficiaries and upfront cash contribution to the civil work cost equivalent to annual O&M cost;
- (viii) Elaborate IWMP shall have been prepared through a consultative approach stipulating (a) specific program and output targets for WMA institutional development, infrastructure, agriculture and fishery development, livelihood enhancement and O&M, and (b) its implementation arrangements including coordination and demarcation of works between BWDB and LGED;
- (ix) Subproject shall be technically feasible, and financially and economically viable with economic rate of return of more than 14 percent, calculated based on the detailed economic and financial analysis;
- (x) Subproject shall be robust under sensitivity and risk analysis;
- (xi) Works required shall not cause any significant adverse environmental and/or social impact, and adequate environmental mitigation measures shall be incorporated into the Subproject design; and
- (xii) Subproject shall have no or minimal land acquisition and/or involuntary resettlement impact. In the event that any land acquisition and/or involuntary resettlement is required, a resettlement plan shall be prepared in accordance with the Project's RF and sample RPs as agreed upon between the Borrower and ADB, and implemented accordingly.

Subproject Implementation

10. The Borrower shall ensure that the subprojects selected in accordance with the criteria in the preceding paragraph are implemented in accordance with the following arrangements and procedures.

- (i) Identification and screening: In consultation with the existing O&M divisional offices in the Project area, the PMO shall screen and identify candidate subprojects following the selection criteria, obtain endorsement of the subproject appraisal subcommittee headed by the WARPO, and submit the proposal to ADB for concurrence.
- (ii) IWMP preparation and feasibility studies: The PMO shall form a JMC and a council of concerned LGI representatives, and jointly prepare with the JMC a comprehensive IWMP and feasibility study including initial environmental examination, environmental impact assessment, and resettlement plan as required, for the subproject. The IWMP and feasibility reports including safeguards documents shall be endorsed by a council of LGI representatives and the subproject appraisal subcommittee, cleared by WARPO, and forwarded to ADB for approval.
- (iii) SIP preparation: Upon IWMP approval, the SMOs shall form JMC subcommittees for individual subunits along with a WMA in the subunit, and prepare jointly with them the SIP comprising WMA institutional development plan, infrastructure improvement plan, agriculture, fishery, and livelihood enhancement plan, environmental management plan, and draft resettlement plan, if needed, with feasibility analysis. The documents shall be endorsed by WMA general assembly, and approved by the PMO.
- (iv) ADB approval of SIP: For initial two years from the Effective Date, each SIP and feasibility analysis report shall be submitted to ADB for approval. After such an initial period and once it has been established that they have achieved the desired level of quality, they shall be retained by the PMO and shall be made available for review by ADB as and when required.
- (v) WMA beneficiary mobilization: The SMOs shall support the WMA in achieving the institutional development targets specified in the institutional development plan of the concerned SIP, with the assistance as may be needed of NGOs and community based organizations. The SMOs shall ensure that prior to the signing of the implementation agreement the WMAs have (i) enrolled at least 70 percent of the direct beneficiaries, (ii) achieved full beneficiary contribution equivalent to an estimated annual O&M requirements of

the facilities to be managed by the WMAs, and (iii) agreed on operational rules of water control structures.

- (vi) Detailed Design: Detailed subunit designs shall be finalized upon endorsement by the concerned WMAs and approved by the PMO. In line with the detailed design, subunit resettlement plans, if necessary, shall also be finalized upon approval by ADB, and be implemented. The PMO shall ensure that the WMAs have formed O&M subcommittee and have prepared O&M plans for the concerned subunit facilities with the support of the PMO.
- (vii) Implementation agreement: After full achievement of the WMA institutional target, detailed design, a memorandum of agreement shall be signed by the heads of the respective of the SMOs, WMAs, and LGIs.
- (viii) Tender and Construction: The SMOs shall initiate the tendering process of the civil works after full compensation of the affected people in the resettlement plan. The SMOs shall also ensure that the WMA subcommittee for O&M receive appropriate training and are involved in monitoring of the construction works, and that the quality control specialist to be engaged under the Project confirms the construction quality prior to the final payment to contractors.
- (ix) Agriculture, Fishery, and Livelihood Enhancement: The SMOs shall provide agriculture, fishery, and livelihood enhancement support in accordance with the relevant SIP, in coordination with the concerned line departments through the SMO's NGO facilitators. The SMO shall ensure that the concerned WMAs monitor and confirm the quality of the services provided and that they sustain activities through training of in-house extension workers and the WMAs. The SMOs shall further ensure that the livelihood enhancement support will be provided to the poorest subgroups in the WMAs.
- (x) Subproject O&M of WMA-managed facilities: The SMOs shall provide on-the-job training for a full year to undertake (i) annual inspection through a joint inspection, (ii) preparation of annual O&M plan, and (iii) implementation of annual O&M plan. SMOs shall ensure that WMAs have also increased the reserve fund established during their formation stage, through further beneficiary contribution and fees collected from lease holders of embankment lands and water bodies. After confirming WMA capacities, the SMOs shall enter into a formal O&M agreement with BWDB, based on which O&M responsibilities are transferred. BWDB shall ensure that the Department of Cooperatives will undertake annual auditing of the WMAs.

- (xi) Subproject O&M of jointly-managed facilities. The SMOs shall ensure that the Subproject facilities are jointly managed by the SMOs, LGIs, and the concerned WMAs, wherein WMAs shall be responsible for facility operation as appropriate and minor preventive maintenance, whereas the SMOs are responsible for periodic and emergency maintenance. The SMOs shall annually undertake (a) preparation of annual O&M plans following standardized guidelines through joint inspections with WMAs, and (b) their implementation by the SMOs and the WMAs.

### C. OTHER MATTERS

#### Policy and Plan Framework

11. Within one year of the Effective Date, MOWR shall have formed an advisory group acceptable to ADB. The advisory group shall provide MOWR and WARPO with its advice on the matter regarding paragraphs 12 to 16 below.
12. Within two years of the Effective Date, MOWR and WARPO shall have reviewed progress and implementation gap of its National Water Policy with specific focus on legal and institutional framework and operations, and define further actions.
13. Within two years of the Effective Date, WARPO shall have operationalized the annual review process of the progress of the implementation of the Borrower's National Water Management Plan.

#### Organizational Development in WARPO

14. Within two years of the Effective Date, WARPO shall have prepared its Organizational Development Plan in accordance with the Organizational Development Strategy, and commenced implementation of such Organizational Development Strategy, including the review and confirmation process with respect to water resources projects as envisaged under the National Water Policy.

#### Organizational Development in BWDB

15. Within two years of the Effective Date, MOWR and BWDB, in consultation with ADB, shall have undertaken comprehensive performance review of BWDB's reorganization under the BWDB reorganization Plan 1999 and BWDB Act 2000.
16. Within one year of the Effective Date, BWDB shall have finalized and adopted the Five-Year Strategic Plan satisfactory to ADB encompassing the action plans prepared by the task force under BWDB, and have initiated regular review of the implementation and updating of such Strategic Plan and task force action plans.
17. Within three years of the Effective Date, BWDB shall have prepared its effective human resources development strategy satisfactory to ADB, for manpower planning and management, professional career development, and improved knowledge and skills. The

strategy shall set out effective principles for recruitment, skills development, job rotation and promotion.

18. Within three years of the Effective Date, BWDB shall have comprehensively reviewed and updated its capacity development plan incorporating the training programs developed under the Project.

19. By the Project completion date as indicated in Schedule 1 to this Loan Agreement, BWDB shall ensure that it will deploy necessary staff by reorganizing its existing planning set-up for the Project area, as required.

20. Within one year of the Effective Date, BWDB shall have revised the Delegation of Administrative Power 2001 and Delegation of Financial Power 2001 following the Public Procurement Regulations 2003, and decentralized its financial and administrative management in a manner satisfactory to ADB.

#### Decentralized Water Management

21. Within two year of the Effective Date, the Borrower shall have reviewed implementation of its Guidelines for Participatory Water Management 2001, including performance of the WMAs that were established following the Cooperatives Societies Act (2001) and Cooperatives Societies Rules (2004), and have explored further options and actions satisfactory to ADB to improve the performance of participatory water management.

#### O&M Sustainability

22. Within two years of the Effective Date, BWDB shall have established and operationalized a national management information system for O&M monitoring and planning for the FCD/I schemes based on scheme inventories with comprehensive indicators satisfactory to ADB including physical, socio-economic, and institutional aspects.

23. Within three years of the Effective Date, BWDB shall have finalized and operationalized guidelines for performance-based O&M budget management system satisfactory to ADB, where allocation will be prioritized to well-performing FCD/I schemes, including those placed under participatory O&M consistent with the National Water Policy.

24. By 1 June 2006, the Borrower shall have developed a medium-term budgetary framework for MOWR, which includes, among others, (i) increase of BWDB's O&M budget with at least the same percentages of O&M budget increase as shown in those between FY2004 – FY2006 towards full maintenance funding, and (ii) actions to improve O&M budgetary management as stipulated in paragraphs 22 and 23 above.

25. Upon completion of a subproject with command area of less than 2,500 ha, the Borrower shall transfer to the concerned WMA, the responsibility of O&M for such subproject's water management structures, unless otherwise agreed upon between the Borrower and ADB.

26. BWDB shall, in accordance with its Irrigation Service Charge Imposition, Collection and Usage Regulation 2002, increase the number of public irrigation projects for which BWDB is managing O&M pursuant to such Regulation, and shall increase the collected revenue from irrigation beneficiaries. BWDB shall report the concerned names of the respective schemes and collected revenues in its Annual Report.

27. The PMO and SMOs shall (i) lease the land and water bodies owned by BWDB to the concerned WMAs; (ii) support their income generating activities of the poorest WMA subgroups using the land and water bodies; and (iii) collect a nominal fee or seek labor contribution from the WMA or the beneficiaries to cover the cost of preventive maintenance activities of the concerned subproject facilities.

28. The Borrower shall ensure that the share of ADB funding for infrastructure O&M will be phased out starting from 60% in year 3 of the Project implementation period and reduced by 20% in year 5 and year 7 of the Project implementation period, respectively.

#### Performance and Technical Auditing

29. Within three years of the Effective Date, the Borrower, through its Comptroller and Auditor General Office, shall have (i) started annual external performance auditing for the Project, (ii) undertaken external technical auditing for the Project infrastructure as a pilot demonstration, and (iii) studied options in broad consultation with ADB and other stakeholders concerned towards introducing technical auditing for improved delivery of infrastructure.

#### Land Acquisition and Resettlement

30. In the event that a subproject will require land acquisition and/or have any involuntary resettlement impacts, the following shall apply:

- (i) Land acquisition and resettlement activities shall be implemented in accordance with all applicable laws and regulations of the Borrower, and ADB's Policy on Involuntary Resettlement (1995), the RF and sample RP agreed between the Borrower and ADB.
- (ii) In case of any discrepancies between the Borrower's laws, regulations and/or procedures and the ADB's requirements including the Policy on Involuntary Resettlement, the ADB's relevant policy shall apply.
- (iii) PMO and SMOs shall include resettlement experts during the entire period of Project implementation.
- (iv) A subproject RP shall be prepared based on detailed technical design, disclosed to affected persons, published on ADB website and submitted to ADB for prior approval, in accordance with the RF agreed between ADB and the Borrower;

- (v) The Borrower shall submit, in a timely manner, the progress and completion reports on land acquisition and resettlement, as part of the financial audit statements for each subproject.
- (vi) The Borrower shall cause external monitors to submit monitoring reports simultaneously to ADB and BWDB.
- (vii) BWDB shall not approve civil works contracts for any construction work unless the concerned RP as required has been submitted to and approved by BWDB and ADB. BWDB shall not award any contract unless the concerned RP has been fully implemented.

31. The Borrower shall ensure that Narail and Chenchuri Beel subproject RPs are updated based on detailed technical design, duly disclosed to affected persons and submitted to ADB for approval.

#### Environment

32. The Borrower shall ensure that adequate environmental mitigating measures are incorporated into the subproject design, construction, O&M, and monitoring arrangements in the form of environment management plans in accordance with (i) ADB's Environmental Policy (2002), as amended from time to time, (ii) the Borrower's environmental laws and regulations, and (iii) the environmental impact assessment (EIA) prepared for the sample subprojects, including semi-annual progress reporting of environmental issues.

33. The Borrower shall ensure that the Initial environmental examination (IEE) and EIAs are included in each of the Subproject feasibility study reports. The IEE and EIAs shall be endorsed by the Borrower, and the endorsed EIAs shall be sent to ADB for concurrence before Subproject approval. The Borrower shall ensure that no Subproject is approved in the absence of such concurrence by ADB.

#### Gender and Other Social Matters

34. The Borrower shall ensure that (i) on average, WMAs achieve at least 33 percent representation of women, (ii) the Project's gender action plan as agreed will be implemented, and (iii) WMAs will maintain due representation of diverse stakeholders in accordance with the household distribution in the subproject area.

#### Project Performance Monitoring and Evaluation

35. BWDB shall operate and regularly refine its quality control system as agreed upon between the Borrower and ADB, including improved construction quality control, and integrated financial, physical and institutional progress management. Within three years of the Effective Date, BWDB shall have issued its internal quality control guidelines to operate improved construction system across BWDB.

36. BWDB shall carry out the performance monitoring and evaluation of the Project, which comprises (i) subproject level baseline data and output targets set out during IWMP and SIP preparation; (ii) comprehensive implementation related indicators integrating financial and non-financial aspects duly collected and recorded by the SMO and reported to the JMC and the PMO, and audited by the PMO; and (iii) post-completion performance and impact data collected by the SMO and the WMAs and kept in the SMOs and the PMO. Within one year of the Effective Date, the PMO shall establish an effective Project management information system acceptable to ADB to operate the monitoring and evaluation system.

Anti-Corruption

37. The Borrower shall ensure that ADB is able to investigate directly or through its agents any possible financial or management impropriety in execution of the Project, and is provided with necessary assistance including access to all relevant books and records, as well as engagement of independent experts that may be needed for satisfactory completion of such investigations.