
LOAN NUMBER 2554-BAN(SF)

PROGRAM AGREEMENT

(Urban Public and Environmental Health Sector Development Program)

between

ASIAN DEVELOPMENT BANK

and

BARISAL CITY CORPORATION

CHITTAGONG CITY CORPORATION

DHAKA CITY CORPORATION

KHULNA CITY CORPORATION

RAJSHAHI CITY CORPORATION

SYLHET CITY CORPORATION

DATED 14 OCTOBER 2009

PAG: BAN 39305

PROGRAM AGREEMENT

PROGRAM AGREEMENT dated 14 October 2009 between ASIAN DEVELOPMENT BANK ("ADB") of the one part and the BARISAL CITY CORPORATION, CHITTAGONG CITY CORPORATION, DHAKA CITY CORPORATION, KHULNA CITY CORPORATION, RAJSHAHI CITY CORPORATION, and SYLHET CITY CORPORATION (each a "City Corporation", and collectively "City Corporations") of the other part.

WHEREAS

(A) by a Loan Agreement of even date herewith ("Program Loan Agreement") between the People's Republic of Bangladesh ("Borrower") and ADB, ADB has agreed to make to the Borrower a loan in various currencies equivalent to forty four million eight hundred ninety five thousand Special Drawing Rights (SDR 44,895,000) on the terms and conditions set forth in the Program Loan Agreement, but only on the condition that the City Corporations agree to undertake certain obligations towards ADB as set forth in this Program Agreement; and

(B) the City Corporations, in consideration of ADB entering into the Program Loan Agreement with the Borrower, have agreed to undertake the obligations set forth in this Program Agreement;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Definitions

Section 1.01. Wherever used in this Program Agreement, unless the context otherwise requires, the terms defined in the Program Loan Agreement and in the Loan Regulations (as so defined) have the respective meanings therein set forth, except that for purposes of this Program Agreement, the term "the Program" means components of the Program as set out in items A.3.4.1; B.2.1.1; B.3.1.3; B.3.2.2; B.3.3.3; B.3.4.1; C.2.1.1; C.2.1.2; C.2.1.3; C.3.1.1; C.3.1.2; C.3.1.3; C.3.2.1; C.3.2.2.; C.3.3.2; C.3.3.3; C.3.4.1; C.3.5.1; C.4.1.1; C.4.2.1; C.4.3.1; and C.4.2.1. of the Policy Matrix.

ARTICLE II

Particular Covenants

Section 2.01. (a) The City Corporations shall carry out the Program with due diligence and efficiency, and in conformity with sound administrative, financial, regulatory, and urban public and environmental health practices.

(b) In the carrying out of the Program and operation of the Program facilities, the City Corporations shall perform all obligations set forth in the Program Loan Agreement to the extent that they are applicable to the City Corporations.

Section 2.02. The City Corporations shall make available, promptly as needed, the facilities, services and other resources which are required for the carrying out of the Program.

Section 2.03. In the carrying out of the Program, the City Corporations shall engage competent and qualified staff, upon terms and conditions satisfactory to ADB.

Section 2.04. The City Corporations shall maintain, or cause to be maintained, all appropriate documents to record the progress of the Program, and reflect, in accordance with consistently maintained sound accounting principles, its operations and financial condition.

Section 2.05. (a) ADB and the City Corporations shall cooperate fully to ensure that the purposes of the Loan will be accomplished.

(b) The City Corporations shall promptly inform ADB of any condition which interferes with, or threatens to interfere with, the progress of the Program, the performance of their obligations under this Program Agreement, or the accomplishment of the purposes of the Loan.

(c) ADB and the City Corporations shall from time to time, at the request of either party, exchange views through their representatives with regard to any matters relating to the Program, the City Corporations and the Loan.

Section 2.06. (a) The City Corporations shall furnish to ADB all such reports and information as ADB shall reasonably request concerning (i) the Program; (ii) the administration, operations and financial condition of the City Corporations; and (iii) any other matters relating to the purposes of the Loan.

(b) Without limiting the generality of the foregoing, the City Corporations shall furnish, through the Program Executing Agency, to ADB quarterly and annual reports on the execution of the Program and on the operation and management of the Program facilities. Such reports shall be submitted in such form and in such detail and within such a period as ADB shall reasonably request, and shall indicate, among other things, progress made and problems encountered during the period under review, steps taken or proposed to be taken to remedy these problems, and proposed program of activities and expected progress during the following quarter period.

(c) Promptly after completion of the Program, but in any event not later than 3 months thereafter or such later date as ADB may agree for this purpose, the City Corporations shall prepare and furnish, through the Program Executing Agency, to ADB a report, in such form and in such detail as ADB shall reasonably request, on the execution and initial operation of the Program, the performance by the City Corporations of their obligations under this Program Agreement and the accomplishment of the purposes of the Loan.

Section 2.07. The City Corporations shall enable ADB's representatives to inspect all relevant records and documents in connection with the Program.

Section 2.08. (a) The City Corporations shall, promptly as required, take all action within their authority to maintain their corporate existence, to carry on their operations, and to acquire, maintain and renew all rights, properties, powers and privileges which are necessary in the carrying out of the Program or in the conduct of their business.

(b) The City Corporations shall at all times conduct their business in accordance with sound administrative, financial, and regulatory practices, and under the supervision of competent and experienced management and personnel.

Section 2.09. Except as ADB may otherwise agree, the City Corporations shall not sell, lease or otherwise dispose of any of their assets which shall be required for the efficient carrying on of their operations or the disposal of which may prejudice their ability to perform satisfactorily any of their obligations under this Program Agreement.

Section 2.10. The City Corporations shall, through the Borrower, promptly notify ADB of any proposal to amend, suspend or repeal any provision of their enabling legislation or charter that may affect the performance of their obligations under this Program Agreement and shall afford ADB adequate opportunity to comment on such proposal prior to taking any action thereon.

ARTICLE III

Effective Date; Termination

Section 3.01. This Program Agreement shall come into force and effect on the date on which the Program Loan Agreement shall come into force and effect. ADB shall promptly notify the City Corporations of such date.

Section 3.02. All the provisions of this Program Agreement shall continue in full force and effect notwithstanding any cancellation or suspension under the Program Loan Agreement.

ARTICLE IV

Miscellaneous

Section 4.01. Any notice or request required or permitted to be given or made under this Program Agreement and any agreement between the parties contemplated by this Program Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand, mail, or facsimile to the party to which it is required or permitted to be given or made at its address hereinafter specified, or at

such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For ADB

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

Facsimile Numbers:

632 636 2444
632 636 2293

For BARISAL CITY CORPORATION

Barisal City Corporation
Barisal

Facsimile Number:

88-0431-2173362

For CHITTAGONG CITY CORPORATION

Chittagong City Corporation
Chittagong

Facsimile Number:

88-031-610007

For DHAKA CITY CORPORATION

Dhaka City Corporation
Nagar Bhaban
Dhaka City

Facsimile Number:

88-02-9563514

For KHULNA CITY CORPORATION

Khulna City Corporation
Khulna

Facsimile Number:

88-041-2830383

For RAJSHAHI CITY CORPORATION

Rajshahi City Corporation
Rajshahi

Facsimile Number:

88-0721-772140

For SYLHET CITY CORPORATION

Sylhet City Corporation
Sylhet

Facsimile Number:

88-0821-719335.

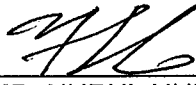
Section 4.02. (a) Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Program Agreement by or on behalf of each of the City Corporations may be taken or executed by its mayor or chief executive officer or by such other person or persons as he/she shall so designate in writing notified to ADB.

(b) The City Corporations shall furnish to ADB sufficient evidence of the authority of each person who will act under paragraph (a) of this Section, together with the authenticated specimen signature of each such person.

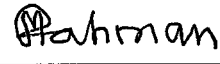
Section 4.03. No delay in exercising, or omission to exercise, any right, power or remedy accruing to either party under this Program Agreement upon any default shall impair any such right, power or remedy or be construed to be a waiver thereof or an acquiescence in such default; nor shall the action of such party in respect of any default, or any acquiescence in any default, affect or impair any right, power or remedy of such party in respect of any other or subsequent default.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Program 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.

ASIAN DEVELOPMENT BANK

By 
MD. NURUL HUDA
Officer-in-Charge
Bangladesh Resident Mission

BARISAL CITY CORPORATION

By 
MD. MATIUR RAHMAN
Chief Health Officer

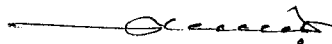
CHITTAGONG CITY CORPORATION

By 
SALIM AKHTER CHOWDHURY
Chief Health Officer

DHAKA CITY CORPORATION

By 
MD. NURUL HAQUE
Chief Executive Officer

KHULNA CITY CORPORATION



By _____
TAPAN KUMAR GOSH
Chief Executive Officer

RAJSHAHI CITY CORPORATION



By _____
MD. ABUL FAZAL
Chief Health Officer

SYLHET CITY CORPORATION



By _____
HARUN-OR-RASHID MOLLAH
Chief Executive Officer (in-charge)