

## **Memorandum of Agreement**

Between

**Binh Duong Water Supply Sewerage Environment Company Limited (BIWASE)**

And

**Phnom Penh Water Supply Authority (PPWSA)**

*Whereas*, BIWASE is a public corporation mandated to provide water supply and sanitation services to Binh Duong province, Viet Nam.

*Whereas*, PPWSA is a public corporation mandated to provide water supply to the city of Phnom Penh, Cambodia;

*Whereas*, PPWSA has achieved performance efficiencies in their operations that have resulted in significant improvement in various performance indicators;

*Whereas*, BIWASE desires to learn from the experience of PPWSA and seeks their assistance to accomplish measurable improvement in its operational performance;

*Whereas*, PPWSA is keen to share their experience and is willing to assist BIWASE;

*Whereas*, the parties recognize that a twinning arrangement which will facilitate the exchange of knowledge, ideas and experience will be a valuable learning tool that will lead to positive results for both organizations;

*Whereas*, the twinning arrangement will be implemented under the Water Operator's Partnership Program (WOPs) implemented by the Asian Development Bank (ADB);

*Now, therefore*, the parties hereby agree as follows:

### **Article 1 Objectives of the Parties**

The Parties intend to cooperate with each other to achieve the following outcomes:

- identified priority areas for improvement of BIWASE operations;
- trained BIWASE personnel in priority areas of water supply operations;
- institutionalized system of process benchmarking and monitoring;
- measurable improvement in two or more areas of operations at the end of the twinning period.

### **Article 2 Means of Cooperation**

For this purpose of achieving the outcomes in Article 1, the Parties will conduct a performance audit of BIWASE's operations. The performance audit will be conducted

over a period of two (2) weeks, and aims to identify and prioritize the areas for improvement, and to structure the required assistance.

The audit will review the business processes related but not limited to:

- quality control and assurance of water production;
- quality control and assurance of water distribution;
- customer relations, billing and collection;
- financial administration and information;
- strategic management and planning.

Based on this performance audit, a work plan together with resources required and further agreements, as necessary will be developed and agreed upon. This work plan may include a wide range of means and methods including but not limited to the following:

- Secondment of expert personnel by PPWSA for a period of at least two (2) weeks for managerial positions and at least one (1) month for technical personnel;
- On-site demonstration especially on asset maintenance and rehabilitation;
- Exchange visits of BIWASE personnel to PPWSA for a period of at least two (2) weeks for managerial positions and at least one (1) month for technical personnel;
- Training of personnel through seminars, courses, and internships on areas of operations that urgently need improvement.

### **Article 3 Responsibilities of Parties**

This twinning arrangement is a joint commitment between the two parties working together in a voluntary partnership. Each party commits to contribute human and/or in kind resources (i.e. training facilities) to the twinning arrangement to ensure its success.

Each party will bear the costs of personnel involved in the twinning arrangement.

ADB will provide financial and technical support to this twinning arrangement to be implemented as a SEAWUN activity as part of the WOPs program. The details of such support shall be outlined in the work and financial plan that will be developed after the conduct of the performance audit.

### **Article 4 Steering Committee**

The parties agree that an independent Advisory Committee (AC) will be established to provide advice and recommendations to the parties in the implementation of the twinning arrangement. The AC will be composed the following: (i) two representatives from the ADB, (ii) one (1) SEAWUN Board Member, (iii) one (1) representative from a donor agency and/or international organization as agreed upon by the Parties. It is preferred that the AC members shall have expertise in any of the following fields of utility management: water utility operations, financial management, customer service.

The AC shall assist the parties by:

- Providing advice on the priority areas to be addressed;
- Assessing the outcomes of the twinning arrangement;
- Monitoring the progress and impact of the twinning arrangement.

#### **Article 5 Review and Amendments**

The parties, together with the AC, shall review the progress of the twinning arrangement every three (3) months.

Amendments to this agreement can be made by mutual written consent of the parties.

#### **Article 6 Period of Twinning Arrangement**

This Memorandum of Agreement shall enter into force on the date of signing hereof and shall remain in force for a period of 18 months. The same may be extended upon mutual written agreement.

Either party may immediately terminate this agreement by informing the other party in writing of its intention to terminate.

Nothing in this agreement shall affect the rights of parties to enter into other arrangements with other water supply operators and/or donor agency for the improvement of performance operations.



**Mr. Nguyen Van Thien**  
Director  
For Binh Duong Water Supply  
Sewerage Environment Company  
Limited (BIWASE)



**Mr. Ek Sonn Chan**  
General Director  
For Phnom Penh Water Supply  
Authority

Signed in Bangkok, Thailand  
July 31, 2007