

Public Disclosure Authorized

# OFFICIAL DOCUMENTS

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GRANT NUMBERS: D4530-AF and TF0B0027

## Project Agreement

(Payment Automation and Integration of Salaries in Afghanistan Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

DA AFGHANISTAN BANK

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**GRANT NUMBERS: D4530-AF and TF0B0027**

**PROJECT AGREEMENT**

AGREEMENT between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and DA AFGAHNSITAN BANK (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of the Signature Date between the Islamic Republic of Afghanistan (“Recipient) and the Association concerning Grant No. **D4530-AF** and the Grant Agreement (“Grant Agreement”), dated July 1, 2019 between the Recipient and the Association, acting as the administrator of the Afghanistan Reconstruction Trust Fund, concerning Grant No. **TF0B0027**. 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) and the Standard Conditions (as defined in the Grant Agreement) apply to and form 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, the Grant Agreement, the General Conditions, or the Standard 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 Parts 2(b) and 3 of the Project in accordance with the provisions of Article V of the General Conditions, Article II of the Standard Conditions, and the Schedule to this Agreement, and shall provide promptly as needed, the funds, facilities, services and other resources required for its Respective Part of the Project.

**ARTICLE III — TERMINATION**

- 3.01. For purposes of Section 10.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty years after the Signature Date.

**ARTICLE IV — REPRESENTATIVE; ADDRESSES**

- 4.01. The Project Implementing Entity's Representative is its Governor.
- 4.02. For purposes of Section 11.01 of the General Conditions and Section 7.01 of the Standard Conditions: (a) the Association's address is:

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

(b) the Association's Electronic Address is:

Facsimile:

1-202-477-6391

- 4.03. For purposes of Section 11.01 of the General Conditions and Section 7.01 of the Standard Conditions: (a) the Project Implementing Entity's address is:

Da Afghanistan Bank  
Ibn-e-Sina Watt  
Kabul  
Afghanistan; and

(b) the Project Implementing Entity's Electronic Address is:

Facsimile:

+93-202-100-305

AGREED as of the later of the two dates written below.

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

By

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

Name: Shubham Chaudhuri

Title: Country Director

Date: May 30, 2019

**DA AFGHANISTAN BANK**

By

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

Name: Khalil Sadiq

Title: Governor

Date: June 30, 2019

## **SCHEDULE**

### **Execution of the Project Implementing Entity's Respective Part of the Project**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements.**

1. The Project Implementing Entity shall establish and maintain throughout the period of implementation of the Project, Project implementation structures with mandate, resources and composition satisfactory to the Association as set out in the Project Operations Manual.
2. The Project Implementing Entity shall recruit, and maintain throughout the period of Project implementation, Project Implementation Staff in line with the requirements of the Project Operations Manual, including the detailed hiring procedure agreed upon between the Recipient and the Association, and with qualifications as well as terms of reference satisfactory to the Association.
3. The Project Implementing Entity shall recruit by not later than one (1) month after the Effective Date, and maintain throughout the Project implementation period, a project management team, chaired by a Project co-director, with composition, mandate, resources, staff, and under terms of reference satisfactory to the Association, to be responsible for implementing its Respective Parts of the Project, including financial management, procurement, and monitoring and evaluation.

##### **B. Donor Visibility and Visit**

1. The Project Implementing Entity shall take all such measures as the Association may reasonably request to identify publicly the Donors' support for the Project.

##### **C. Project Document.**

1. The Project Implementing Entity shall: (a) ensure that the Project is carried out in accordance with the procedures, principles, practices, and arrangements set out in the Project Operations Manual and the Financial Management Manual, including any annexes thereof, (provided, however, that in the event of any conflict between the arrangements and procedures set out in the Project Operations Manual or the Financial Management Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail); and (b) not amend, abrogate or waive the Project Operations Manual or the Financial Management Manual, including any of their annexes, or any provision thereof, unless the Association has provided its prior approval thereof in writing.

## **Section II. Project Monitoring, Reporting and Evaluation**

### **A. Documents; Records**

In addition, and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Project Implementing Entity shall ensure that:

- (a) all records evidencing expenditures under its Respective Parts of the Project are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Project Implementing Entity's financial and narrative progress reports submitted to the Recipient; (iii) the Project Implementing Entity's financial information related to the grant provided to it for its Respective Parts of the Project under the Grant Agreement, including audit reports, invoices and payroll records; (iv) the Project Implementing Entity's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and
- (b) the representatives of the Association are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor(s).

### **B. Project Reports.**

1. The Project Implementing Entity shall monitor and evaluate the progress of its Respective Parts of the Project and prepare Project Reports for its Respective Parts of the Project in accordance with the provisions of Section 5.08 (b) of the General Conditions as well as Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar quarter and shall be furnished to the Recipient not later than one month 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.
2. The Project Implementing Entity shall provide to the Recipient not later than six (6) months after the Closing, for incorporation in the report referred to in Section 5.08 (c) of the General Conditions and Section 2.06 of the Standard Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Sections.

**C. Financial Management; Financial Reports; Audits**

1. The Project Implementing Entity shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions and Section 5.09(a)(i) of the General Conditions.
2. The Project Implementing Entity shall ensure that interim unaudited financial reports for its Respective Parts of the Project are prepared and furnished to the Recipient not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the Association, incorporation and forwarding by the Recipient to the Association of the overall interim unaudited financial reports for the Project.
3. The Project Implementing Entity shall have its Financial Statements for its Respective Parts of the Project audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Recipient not later than six months after the end of such period for submission by the Recipient to the Association.