**PARTICIPATION AGREEMENT**

**BETWEEN**

**THE LOCAL GOVERNMENT ENGINEERING DEPARTMENT, LOCAL GOVERNMENT DIVISION, MINISTRY OF LOCAL GOVERNMENT, RURAL DEVELOPMENT &COOPERATIVES**

**AND**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**[name of Pourashava or City Corporation]**

**CONCERNING**

**THE LOCAL GOVERNMENT COVID-19 RESPONSE AND RECOVERY PROJECT**

This Agreement is made between the Local Government Engineering Department (hereafter, “LGED”] of the Ministry of Local Government, Rural Development & Cooperatives (hereafter “MLGRD&C), and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [name of Pourashava or City Corporation] (hereafter, “Urban Local Government Institution” or “ULGI”)

**INTRODUCTION**

**WHEREAS** the Government of the People’s Republic of Bangladesh has prepared the Local Government COVID-19 Response & Recovery Project (LGCRRP), to be implemented by LGD and in cognizance of the role played by ULGIs in responding to the COVID-19 pandemic and other such crises and disasters.

**WHEREAS** the World Bank has agreed to provide support for LGCRRP through the provision of a loan to the Government of the People’s Republic of Bangladesh.

**WHEREAS** through LGCRRP the LGED undertakes to establish activities aimed at:

1. Providing ULGIs with COVID-19 Response Grants (CRGS) in order to undertake investments, schemes and actions aimed at strengthening their response to the COVID-19 pandemic and to recovering from the impact of the said pandemic;
2. Providing technical support, capacity building and guidance to ULGIs in order to strengthen their efforts to respond to and recover from the said pandemic;
3. Providing technical support, capacity building and guidance to ULGIs in order to strengthen their preparedness to meet the challenges of future disease outbreaks, natural disasters and the impacts of climate change;

**NOW,** THE PARTIES HEREUNTO enter into this Participation Agreement to define their roles and obligations to facilitate implementation and management of the Local Government COVID-19 Response & Recovery Project (LGCRRP).

1. **OBLIGATIONS OF THE LOCAL GOVERNMENT ENGINEERING DEPARTMENT (LGED)**

LGED undertakes to establish activities aimed at:

1. ensuring that the ULGI is provided with technical support, guidance and capacity building to enable it to respond to and recover from the COVID-19 pandemic;
2. ensuring that the ULGI is provided with technical support, guidance and capacity building to strengthen its ability to be prepared for any future disease outbreaks, natural disasters and impacts of climate change;
3. providing Covid-19 Response Grants(CRG) for up to a period of three years (FY 22/23,23/24, FY 24/25, FY 25/26) to the ULGIs and specifying the minimum conditions to be met by the ULGI in order to access their CRGs;
4. Providing other support as may be required for the proper implementation of LGCRRP.

LGED, in consultation with the World Bank, may suspend and/or terminate the ULGI’s access to or use of its CRG allocation upon failure by the ULGI to comply with the Minimum Conditions for accessing CRGs.

LGED will establish the LGCRRP’s Project Management Unit (PMU) and engage Regional Municipal Support Units (RMSUs) of LGD to provide the ULGI with technical support, guidance and capacity building; the PMU and RMSUs will monitor and oversee the ULGI’s activities undertaken within the framework of LGCRRP.,

1. **OBLIGATIONS OF THE ULGI**

The ULGI undertakes to:

1. follow the procedures and processes described in the LGCRRP Project Operations Manual (POM) in the implementation of the project;
2. comply with the Minimum Conditions required in order to access its indicative CRG allocations;
3. facilitate any and all LGED activities (including annual financial audits undertaken by private audit firms) aimed at assessing ULGI compliance with CRG Minimum Conditions;
4. use CRG funds in accordance with the eligible expenditure and non-eligible expenditure menus (as specified in the LGCRRP POM);
5. use CRG funds in accordance with the Environmental and Social Management Plan, with due diligence and efficiency and in accordance with sound technical, economic, financial, and environmental and social safeguard practices;
6. maintain adequate FM records in accordance with sound accounting practices and proper coding of the revenues and expenditure of the operations, resources, and expenditures;
7. ensure that the goods, works, services financed from the proceeds of the CRG shall be procured in accordance with the procurement procedures described in the LGCRRP POM;
8. cooperate fully with LGCRRP, the PMU for RMSUs and submission of quarterly, semi-annual and annual reports about project implementation in prescribed format;
9. participate in LGCRRP capacity building activities as designed by the PMU/RMSU;
10. commit itself to the development of local preparedness plans in order to strengthen its resilience and response to future disease outbreaks, natural disasters and climate change impacts;
11. ensure that the World Bank has the right to obtain all information as it shall reasonably request regarding the administration, operation and financial management of the ULGI’s CRG allocations and otherwise under LGCRRP;
12. report on the utilization of CRG funds to the PMU/RMSU on a monthly basis;
13. report on the investments, schemes and activities undertaken with CRG funds or on a quarterly basis and semi –annual basis to PMU/RMSU;
14. submit any complaints or evidence of fraud involving CRG expenditures to the PMU and relevant authorities;
15. **TERMINATION**

Unless otherwise extended by consent in writing between the parties herein, this Agreement shall lapse at the official closure of LGCRRP.

**IN WITNESS WHEREOF** the ULGI hereto, acting through its duly authorised representative, has caused this Participation Agreement to be signed in its respective name as of the day and year first herein before written.

**NAME: …………………………………………………………………**

**SIGNATURE OF THE MAYOR**

**………………………………………..**[name of Pourashava or City Corporation]

**DATE: ………………………………..…………………………….**

**FOR AND ON BEHALF OF THE LOCAL GOVERNMENT ENGINEERING DEPARTMENT**

**LGCRRP PROJECT DIRECTOR**

**NAME: …………………………………………………………………**

**SIGNATURE: …………………………………………………………………**

**DATE: ....................................................**

**FOR AND ON BEHALF OF THE LOCAL GOVERNMENT ENGINEERING DEPARTMENT**

**LGCRRP PROJECT DIRECTOR**

**NAME: …………………………………………………………………**

**SIGNATURE: …………………………………………………………………**

**DATE: ....................................................**