Project Agreement

(Additional Financing II for the Rural Electrification and Renewable Energy Development II Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

May 30, 2018
PROJECT AGREEMENT

AGREEMENT between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED ("Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of the Signature Date between the PEOPLE'S REPUBLIC OF BANGLADESH ("Recipient) and the Association, concerning Credit No. 6202-BD. 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) 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 or the General 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 Part A and B of the Project in accordance with the provisions of Article V of the General Conditions and the Schedule to this Agreement, and shall provide promptly as needed, the funds, facilities, services and other resources required for Part A and B 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 (20) years after the Signature Date.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is its Executive Director and Chief Executive Officer.

4.02. For purposes of Section 11.01 of the General 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:

Telex: Facsimile: E-mail:
248423 (MCI) 1-202-477-6391 qfan@worldbank.org

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

UTC Building, (16th Floor)
8 Panthapath, Kawran Bazar
Dhaka 1215
Bangladesh; and

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

Telex: Facsimile: E-mail:
(8802) 8116663 mmalik@idcol.org
AGREED as of the later of the two dates written below.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: QIMIAO FAN
Title: COUNTRY DIRECTOR
Date: MAY 30, 2018

INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

By

Authorized Representative

Name: MAHMOOD MALIK
Title: EXECUTIVE DIRECTOR & CEO
Date: MAY 30, 2018
SCHEDULE

Execution of the Project Implementing Entity's Part A and Part B of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements.

The Project Implementing Entity shall, maintain, throughout the period of Project implementation, the Project Management Unit, responsible for the day-to-day implementation of Part B of the Project, including monitoring the activities and results under such Part.

B. Operating Guidelines

1. The Project Implementing Entity shall ensure that Parts A and B of the Project are carried out in accordance with the provisions of the Operating Guidelines.

2. Except as the Association shall otherwise agree, the Project Implementing Entity shall not amend or waive any provision of the Operating Guidelines, or any part thereof.

C. Sub-projects

1. (a) The Project Implementing Entity shall ensure that, except as the Association shall otherwise agree, Sub-projects shall be promoted, identified, appraised, approved, carried out and monitored in accordance with the procedures and other provisions set forth or referred to in the Operating Guidelines, the ESMF and TPDF.

   (b) Participating Organizations applying for Sub-loans or Sub-grants provided under the Project shall meet relevant eligibility criteria set out in the Operating Guidelines, the ESMF and the TPDF with respect to the making of Sub-loans and Sub-grants.

   (c) The Project Implementing Entity shall, not later than October 1 of each year, carry out an annual review to determine that Participating Organizations continue to be eligible for Sub-loans and Sub-grants in accordance with the eligibility criteria set out in the Operating Guidelines, and, no later than December 31 of each year, furnish the results of such review to the Association.

2. The Project Implementing Entity shall make each Sub-loan and Sub-grant under a Participation Agreement with the respective Participating Organization on terms and conditions approved by the Association, which shall include the following:
the Project Implementing Entity, shall obtain rights adequate to protect its interests and those of the Recipient and the Association, including the right to:

(i) suspend or terminate the right of the Participating Organization to use the proceeds of the Sub-loan or Sub-grant, or declare to be immediately due and payable all or any part of the amount of the Sub-loan then withdrawn or obtain a refund of all or any part of the amount of the Sub-grant then withdrawn, upon the Participating Organization's failure to perform any of its obligations under the Participation Agreement; and

(ii) require each Participating Organization to:

(A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient;

(B) procure the goods, works and services to be financed out of the Sub-grants in accordance with the provisions of the Procurement Regulations, provided however that the goods, works and services to be financed out of the Sub-loans shall be exempted from the applicability of the Procurement Regulations;

(C) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and

(2) at the Recipient's or the Association's or the Project Implementing Entity's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient, the Association and the Project Implementing Entity;
enable the Recipient, the Association and the Project Implementing Entity, to inspect the Sub-project, its operation and any relevant records and documents; and

prepare and furnish to the Recipient, the Association and the Project Implementing Entity, all such information as the Recipient or the Association or the Project Implementing Entity shall reasonably request relating to the foregoing.

The Project Implementing Entity shall exercise its rights under each Participation Agreement in such manner as to protect the interests of the Recipient, the Association and the Project Implementing Entity and to accomplish the purposes of the Financing. Except as the Recipient and the Association shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate or waive any Participation Agreement or any of its provisions.

3. The Project Implementing Entity shall:

(a) furnish to the Association, for its review and approval, appraisal reports of the first five (5) Sub-projects under each technology proposed to be financed under Part A.2 of the Project;

(b) engage an independent third party to perform an annual technical audit of the Sub-projects, under terms of reference satisfactory to the Association; and

(c) furnish to the Association the report of such audit not later than September 30 of each year until completion of the Project.

D. Safeguards

1. The Project Implementing Entity shall carry out and cause to carry out Parts A and B of the Project in accordance with the ESMF, the TPDF and each relevant EMP and TPP.

2. Whenever an EMP or TPP shall be required for any Project activity in accordance with the provisions of the ESMF and/or the TPDF, as the case may be, the Recipient shall:

(a) prior to the commencement of such activity, proceed to have such EMP and Tribal Peoples Plan: (i) prepared in accordance with the provisions of the ESMF and the TPDF, as the case may be; (ii) furnished to the Association for review and approval; and (iii) thereafter adopted and
disclosed as approved by the Association, in a manner acceptable to the Association; and

(b) thereafter take such measures as shall be necessary or appropriate to ensure compliance by the relevant Participating Organization, with the requirements of such EMP and TPP.

3. Without limitation on its other reporting obligations under this Agreement, the Project Implementing Entity shall:

(a) engage an independent third party to perform an annual audit of environmental safeguards, under terms of reference satisfactory to the Association; such third party shall collect, compile consolidated reports on the status of compliance with the ESMF, the TPDF, and each EMP and TPP, giving details of: (i) measures taken in furtherance of the said instruments; (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the said measures; and (iii) remedial measures taken or required to be taken to address such conditions; and

(b) furnish to the Association the report on such audit not later than September 30 of each year until completion of the Project.

4. In the event of any conflict between the provisions of any of the ESMF, the TPDF, or any EMP or TPP, the provisions of this Agreement, and the provisions of the Financing Agreement, the provisions of the Financing Agreement and this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports.

1. The Project Implementing Entity shall monitor and evaluate the progress of Part A and Part B of the Project and prepare Project Reports for Parts A and B of the Project in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of the indicators acceptable to the Association. Each such Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Recipient not later than two weeks (2) 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 three (3) months, for incorporation in the report referred to in Section 5.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.