March 31, 2019

Secretary Monowar Ahmed
Economic Relations Division
Ministry of Finance
Government of the People’s Republic of Bangladesh
Sher-e-Bangla Nagar
Dhaka, Bangladesh

Dear Secretary Ahmed:

Bangladesh: Advance Agreement for Preparation for Dhaka Public Transport Improvement Project
Project Preparation Advance No. IDA V267-BD
Additional Instructions: Disbursement Letter

I refer to the Advance Agreement between People’s Republic of Bangladesh (“Recipient”) and the International Development Association (“World Bank”) for the above-referenced project, dated February 2017. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Project Preparation Advance No. IDA V267-BD (“Advance”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

The attached Disbursement Guidelines for Investment Project Financing, dated February 2017, (“Disbursement Guidelines”) (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Advance is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Advance:

- Reimbursement
- Direct Payment
- Advance

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is the Refinancing Date specified in the Advance Agreement. Any changes to this date will be notified by the World Bank.
II. Withdrawal of Advance Proceeds

(i) Authorized Signatures (subsection 3.1).

Authorized signatory letters in the Form attached (Attachment 2) should be furnished to the World Bank at the address indicated in the next page providing the name(s) and specimen signature(s) of the official(s) authorized to sign Application

The World Bank
Plot E32, Agargaon
Sher-e Bangla Nagar
G.P.O. Box 97
Dhaka 1207, Bangladesh
Attention: Country Director

(ii) Applications (subsection 3.3). Please provide completed and signed applications for withdrawal, together with supporting documents, to the address indicated below:

The World Bank
No. 11, Taramani Main Road
Taramani, Chennai – 600 113
India. Attention: Team Lead. WFACS

(iii) Electronic Delivery (subsection 3.4) The World Bank may permit the Recipient to electronically deliver to the World Bank Applications (with supporting documents) through the World Bank’s Client Connection, web-based portal. The option to deliver Applications to the World Bank by electronic means may be effected if: (a) the Recipient has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification credentials ("SIDC") from the World Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Recipient have registered as users of Client Connection. If the World Bank agrees, the World Bank will provide the Recipient with SIDC for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (https://clientconnection.worldbank.org). The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The World Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient.

(iv) Terms and Conditions of Use of SIDC to Process Applications (subsection 3.2). Bydesignating officials to use SIDC and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of Secure Identification Credentials") provided in Attachment 3; and (b) to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The minimum value for reimbursement and direct payment applications is equivalent of US$ 200,000.
(vi) Advances (sections 5 and 6).

* Type of Designated Account (Section 5.3): Segregated Account

* Currency of Designated Account: (Section 5.4): BDT

* Financial Institution at which the Designated Account will be opened (Subsection 5.5): Commercial bank acceptable to the Association

* Ceiling (Subsection 6.1): BDT 150,000,000

III. Reporting on Use of Advance Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:

* For Reimbursement:
  - Statement of Expenditures (SOE) in the form attached (Attachment 4) for all expenditures/contracts

* For requests for Direct Payment: Records evidencing eligible expenditures, e.g., invoice.

* For reporting eligible expenses paid from the Designated Account:
  - Statement of Expenditures (SOE) in the form attached (Attachment 4) for all expenditures/contracts
  - Designated Account Reconciliation Statement (Attachment 5) and related bank statements.

(ii) Frequency of reporting eligible expenses paid from the Designated Account: Quarterly

IV. Other Disbursement Instructions

(i) All payments for expenditures claimed under this Financing must be made using the banking system, except expenditures paid using the petty cash system following the Recipient’s existing policy. The petty cash limit as per the Recipient’s existing policy is BDT 100,000.

V. Other Important Information

If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (https: clientconnection.worldbank.org). From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Advance, and retrieve related policy, financial, and procurement information. All Recipient officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. For more information about the website and registration arrangements, please contact the World Bank by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact askloans@worldbank.org.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Robert J. Saupe

Attachments

1. Disbursement Guidelines for Investment Project Financing dated February 2017
2. Form for Authorized Signatures
4. Form of Statement of Expenditures
5. Designated Account Reconciliation Statement.
Attachment 2

Form of Authorized Signatory Letter
[Letterhead]
Ministry of Finance
[Street address]

The World Bank
Plot E32, Agargaon
Sher-e Bangla Nagar
G.P.O. Box 97
Dhaka 1207, Bangladesh
Attention: Country Director

[DATE]

Re: Advance Agreement for Preparation for Dhaka Public Transport Improvement Project – IDA V267-BD

I refer to the Advance Agreement ("Agreement") between People’s Republic of Bangladesh ("Recipient") and the International Development Association ("World Bank") dated _____, providing for the above Project Preparation Advance. For the purposes of Section 3.03 of the Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility, as defined in the Agreement, any [one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal under this Project Preparation Advance:

For the purpose of delivering Applications to the World Bank, [each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [individually] [jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the World Bank.

This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the World Bank by electronic means. In full recognition that the World Bank shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of SIDC"), the

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Instruction to the Recipient when sending this letter to the World Bank: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply.

Instruction to the Recipient: Stipulate if more than one person needs to jointly sign Applications, if so, please indicate the actual number. Please delete this footnote in final letter that is sent to the World Bank.

Instruction to the Recipient: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the World Bank.

Instruction to the Recipient: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the World Bank.

Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. Please delete this footnote in final letter that is sent to the World Bank.
Terms and Conditions of Use of Secure Identification Credentials
in connection with Use of Electronic Means
to Process Applications
and Supporting Documentation

March 1, 2013

The World Bank (Bank)1 will provide secure identification credentials (SIDC) to permit the Borrower2 to deliver applications for withdrawal and applications for special commitments under the Agreement(s) and supporting documentation (such applications and supporting documentation together referred to in these Terms and Conditions of Use as Applications) to the Bank electronically, on the terms and conditions of use specified herein.

SIDC can be either: (a) hardware-based (Physical Token), or (b) software-based (Soft Token). The Bank reserves the right to determine which type of SIDC is most appropriate.

A. Identification of Users.

1. The Borrower will be required to identify in a completed Authorized Signatory Letter (ASL) duly delivered to and received by the Bank each person who will be authorized to deliver Applications. The Bank will provide SIDC to each person identified in the ASL (Signatory), as provided below. The Borrower shall also immediately notify the Bank if a Signatory is no longer authorized by the Borrower to act as a Signatory.

2. Each Signatory must register as a user on the Bank’s Client Connection (CC) website (https://clientconnection.worldbank.org) prior to receipt of his/her SIDC. Registration on CC will require that the Signatory establish a CC password (CC Password). The Signatory shall not reveal his/her CC Password to anyone or store or record the CC Password in written or other form. Upon registration as a CC user, the Signatory will be assigned a unique identifying account name.

B. Initialization of SIDC.

1. Prior to initialization of SIDC by a Signatory, the Signatory will acknowledge having read, understood and agreed to be bound by these Terms and Conditions of Use.

2. Where a Physical Token is to be used, promptly upon receipt of the Physical Token, the Signatory will access CC using his/her account name and CC Password and register his/her Physical Token and set a personal identification number (PIN) to be used in connection with the use of his/her Physical Token, after which the Physical Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Where a Soft Token is to be used, the Signatory will access CC using his/her account name and CC Password and set a personal identification number (PIN) to be used in connection with the use of his/her Soft Token, after which the Soft Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications.

1 “Bank” includes IBRD and IDA.
2 “Borrower” includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.
6. **Care of Physical Tokens**

6.1. Physical Tokens will remain the property of the Bank.

6.2. The Bank will physically deliver a Physical Token to each Signatory designated to receive one in a manner to be determined by and satisfactory to the Bank.

6.3. Physical Tokens contain delicate and sophisticated instrumentation and therefore should be handled with due care, and should not be immersed in liquids, exposed to extreme temperatures, crushed or bent. Also, Physical Tokens should be kept more than five (5) cm from devices that generate electromagnetic radiation (EMR), such as mobile phones, phone-enabled PDAs, smart phones and other similar devices. Physical Tokens should be carried and stored separate from any EMR device. At close range (less than 5 cm), these devices can output high levels of EMR that can interfere with the proper operation of electronic equipment, including the Physical Token.

6.4. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care of Physical Tokens are available at http://www.rsa.com.

7. **Replacement**

7.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Physical Tokens will be replaced at the expense of the Borrower.

7.2. The Bank reserves the right, in its sole discretion, not to replace any Physical Token in the case of misuse, or not to reactivate a SIDC User's Account.
### DESIGNATED ACCOUNT RECONCILIATION STATEMENT

<table>
<thead>
<tr>
<th>GRANT NUMBER</th>
<th>ACCOUNT NUMBER WITH BANK</th>
<th>BDT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. TOTAL ADVANCED BY WORLD BANK</td>
<td>BDT</td>
<td></td>
</tr>
<tr>
<td>2. LESS: TOTAL AMOUNT Recovered BY WORLD BANK</td>
<td>BDT</td>
<td></td>
</tr>
<tr>
<td>3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE SPECIAL ACCOUNT (NUMBER 1 LESS NUMBER 2)</td>
<td>BDT</td>
<td></td>
</tr>
</tbody>
</table>

| 4. BALANCE OF SPECIAL ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE | BDT |
| 5. PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. | BDT |
| 6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON | BDT |
| 7. PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS |

<table>
<thead>
<tr>
<th>APPLICATION NO.</th>
<th>AMOUNT</th>
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<table>
<thead>
<tr>
<th>SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED</th>
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<tbody>
<tr>
<td>8. MINUS: INTEREST EARNED</td>
<td>BDT</td>
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<tr>
<td>9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9)</td>
<td>BDT</td>
</tr>
<tr>
<td>10. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9</td>
<td></td>
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</tbody>
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<tr>
<th>DATE</th>
<th>SIGNATURE:</th>
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| TITLE: |   |