Financing Agreement

(Safety Net Systems for the Poorest Project)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated OCTOBER 4, 2013
FINANCING AGREEMENT

AGREEMENT dated October 4, 2013, entered into between PEOPLE'S REPUBLIC OF BANGLADESH ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to three hundred thirty one million four hundred thousand Special Drawing Rights (SDR 331,400,000) (variously, "Credit" and "Financing") to assist in financing the project described in Schedule I to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are March 1 and September 1 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollars.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out Parts 1 and 2 of the Project through the Department of Disaster Management and Part 3 of the Project through the Bangladesh Bureau of Statistics in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

4.02. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is the Senior Secretary or Secretary or the Additional Secretary, or any Joint Secretary, Joint Chief, Deputy Secretary, Deputy Chief, Senior Assistant Secretary, Senior Assistant Chief, Assistant Secretary, or Assistant Chief of the Economic Relations Division of the Ministry of Finance.

5.02. The Recipient’s Address is:

   Economic Relations Division  
   Ministry of Finance  
   Government of the People’s Republic of Bangladesh  
   Sher-E-Bangla Nagar  
   Dhaka, Bangladesh

   Facsimile:

   88028813088
5.03. The Association's Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Facsimile:
1-202-477-6391

AGREED at Dhaka, People's Republic of Bangladesh, as of the day and year first above written.

PEOPLE'S REPUBLIC OF BANGLADESH

By

Authorized Representative
Name: MD. ABDUL KALAM AZAD
Title: SECRETARY, ERD,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative
Name: C. KIMES
Title: Acting Head of Office
Operations Adviser
For the Country Director
SCHEDULE 1

Project Description

The objective of the Project is to improve the equity, efficiency, and transparency of major Safety Net Programs to benefit the poorest households.

The Project consists of the following parts:

Part 1: Support to Ministry of Disaster Management and Relief Safety Net Programs

Support MoDMR in improving the implementation of Safety Net Programs by:

(a) improving the targeting of program resources to the poorest households to promote more pro-poor coverage through: (i) increasing pro-poor geographical targeting of Safety Net Programs; (ii) increasing the use of the Bangladesh Poverty Database for household targeting; and (iii) maintaining gender targeting in the Employment Generation Program for the Poorest and the Vulnerable Group Feeding Program;

(b) strengthening management, program information systems and monitoring capacity to ensure efficient administration through: (i) increasing the use of efficient administrative systems by enhancing the ministry's management information system; (ii) improving and maintaining the monitoring capacity at the field level; and

(c) strengthening governance and accountability measures for increased transparency through: (i) implementing efficient payments systems for cash wages by making payments via formal financial channels; (ii) increasing awareness on program design, eligibility rules and entitlements among beneficiaries; and (iii) increasing the use of the Grievance Redress System.

Part 2: Strengthening of MoDMR program administration and transparency

Strengthen DDM’s institutional capacity to implement the Safety Net Programs efficiently and transparently through *inter alia*:

(a) preparing an Operation Manual for Workfare Programs and an Operations Manual for Humanitarian Assistance Programs based on the revised guidelines for the implementation of the Safety Net Programs that will lay out clear definitions of respective Safety Net Program rules and assignment of roles and responsibilities;
(b) developing the specifications for the consolidated Safety Net Programs MIS that will include, *inter alia*: a full set of modules including selection and verification of eligible beneficiaries, registration of selected beneficiaries, payments/transfers, case management, grievances and appeals;

(c) developing and implementing a computerized and automated system linking the MoDMR/DDM and the Bangladesh Poverty Database including, *inter alia*: (i) the system design and development; (ii) the data center, disaster recovery site and data network connectivity; (iii) provision of information technology hardware and networking equipment; (iv) provision of training to staff in the use of management information system and information technology; (v) program data collection, data migration, data entry and update; and (vi) provision of information technology implementation support advisory services;

(d) improving program monitoring at the field level;

(e) strengthening program management using a consolidated management information system program; and

(f) preparing evaluation reports.

**Part 3: Development of the Bangladesh Poverty Database**

Support BPD in the development of the Bangladesh Poverty Database to better target the poor in the Safety Net Programs, and in other key safety net programs implemented by the Recipient, including, *inter alia*:

(a) supporting the implementation of a proxy means test based targeting system through, *inter alia*: developing a set of uniform, objective and transparent criteria to select the poor;

(b) developing a data collection, and its monitoring and oversight strategy reflected in the BPD Operations Manual to ensure that, *inter alia*: (i) a public information campaign to mobilize support for data collection exercise is conducted; (ii) an operation manual and training modules to ensure consistency in data collection and data quality is prepared; (iii) household interviews via a home visit to collect data on the Poverty Score Card (PSC) are conducted; and (iv) appropriate third party monitoring and oversight mechanisms to ensure transparency, credibility of the database development, and control of fraud are conducted;

(c) developing a management information system for data entry, validation, and processing the database including, *inter alia*: (i) the development of
software to support the data collection process and to manage the database; (ii) the procurement of hardware, software, and data communications for BBS and its local offices; (iii) the development and implementation of a system for updates in the database to minimize certain exclusion errors through eligibility appeals under the Grievance Redress System; (iv) the provision of information technology hardware and networking equipment; and (v) the provision of Training of staff to use and maintain the system; and

(d) developing the required security protocols for data exchange surrounding the use of this database by implementing agencies other than MoDMR and data verification protocols.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Recipient shall establish within three (3) months of the Effective Date, and thereafter maintain throughout implementation of the Project, two (2) Project Steering Committees, one chaired by the Secretary of the Ministry of Disaster Management and Relief, and another chaired by the Secretary of the Statistics and Informatics Division, to provide policy advice and oversight, coordinate activities implemented by DDM and BBS respectively, and ensure the effective implementation of the Project.

2. The Recipient shall establish within three (3) months of the Effective Date, and thereafter and maintain throughout implementation of the Project a DDM PMU and a BBS PMU to ensure timely and efficient implementation of the Project; each of the PMU shall have a Project Director whose level of seniority is at least that of a Joint Secretary, with membership, functions, responsibilities and resources satisfactory to the Association.

3. The Recipient shall, at the District level:

   (a) assign within three (3) months of the Effective Date, and maintain throughout implementation of the Project: (i) a District Relief and Rehabilitation Officer who will be the focal point for implementation of Parts 1 and 2 of the Project; and (ii) a Regional/District Statistical Officer who will be the focal point for implementation of Part 3 of the Project; and

   (b) maintain throughout implementation of the Project, Steering Committees for the Safety Net Programs which shall act as the core institutional structures to support implementation and supervision at said level.

4. The Recipient shall, at the Upazila level:

   (a) assign within three (3) months of the Effective Date, and maintain throughout implementation of the Project: (i) a Project Implementation Officer who will be the primary official for implementation of Parts 1 and 2 of the Project; and (ii) a Upazila Statistical Officer who will be the focal point for implementation of Part 3 of the Project; and
5. The Recipient shall:

(a) prepare not later than six (6) months after the Effective Date:

(i) the Operation Manual for Workfare Programs and the Operations Manual for Humanitarian Assistance Programs both developed under Part 2(a) of the Project; and thereafter at all times carry out Parts 1 and 2 of the Project in accordance with such manuals; and

(ii) the BPD Operations Manual and thereafter at all times carry out Part 3 of the Project in accordance with such manual;

(b) submit the manuals referred to in paragraphs (a) (i) and (ii) above to the Association for its review and concurrence, and the Association shall approve the manuals within one (1) month of receipt of said manuals; and

(c) not assign, amend, suspend, abrogate, waive or permit to be assigned, amended, suspended, abrogated, or waived, any of the manuals referred to in paragraphs (a) (i) and (ii) above, or any provisions thereof without the prior written agreement of the Association; and in the event of any inconsistency between the provisions of this Agreement and those of the said manuals, the provisions of this Agreement shall prevail.

6. The Recipient shall ensure that each of DDM and BBS:

(a) nominate a procurement focal point, and

(b) ensure that the procurement specialist referred to in Section I.B.1.(b), or the procurement specialist in Section I.C.1.(b), or the nominated procurement focal point, or both, participate as members in each bid evaluation committee for each procurement activity under the Project.

B. DDM PMU

1. The Recipient shall ensure that the DDM PMU shall comprise the following staff, *inter alia*:

(a) two (2) Deputy Project Directors, one of which is full time, and whose levels of seniority are at least that of a Deputy Secretary; and existing
DDM officials including the Directors or Deputy Directors, responsible for: (i) administration and finance; (ii) Food For Work/Test Relief; (iii) Vulnerable Group Feeding; (iv) Gratuitous Relief; and (v) monitoring and evaluation;

(b) one (1) Financial Management Specialist and one (1) Procurement Specialist as mandatory staff with the possibility of hiring additional staff depending on Project needs which may include program implementation specialists; training and information education communication specialists; database management specialists; and systems engineers; and

(c) at least one (1) Sub-Assistant Engineer (SNSP) in each Upazila.

2. The Recipient shall establish within three (3) months of the Effective Date and maintain throughout implementation of the Project a DDM Technical Project Review Committee, headed by the Project Director to assist in supervision of the Project, and whose responsibilities include: (i) supervising the DDM PMU; (ii) providing advice for timely implementation of scheduled activities; (iii) monitoring and evaluating implementation progress and suggest necessary course corrections; (iv) reviewing the performance of Project personnel and quality of deliverables; (v) resolving issues and conflicts that may emerge during implementation; (vi) facilitating coordination and convergence with other line ministries, divisions and agencies; and (vii) keeping the respective Project Steering Committee apprised on overall performance and other key issues relating to Parts 1 and 2 of the Project.

C. BBS PMU

1. The Recipient shall ensure that the BBS PMU shall comprise the following staff, inter alia:

(a) two (2) Deputy Project Directors whose level of seniority is at least that of a Deputy Secretary;

(b) one (1) Financial Management Specialist; and one (1) Procurement Specialist as mandatory staff with the possibility of hiring additional staff depending on Project needs which may include training and information education communication specialists; database management specialists; and systems engineers; and

(c) at least one (1) BPD Operator in each Upazila/Thana.

2. The Recipient shall establish within three (3) months of the Effective Date and maintain throughout implementation of the Project a BBS Technical Project Review Committee, headed by the Director General of BBS to assist in
supervision of the Project, and whose responsibilities include: (i) supervising the BBS PMU; (ii) providing advice for timely implementation of scheduled activities; (iii) monitoring and evaluating implementation progress and suggest necessary course corrections; (iv) reviewing the performance of Project personnel and quality of deliverables; (v) resolving issues and conflicts that may emerge during implementation; (vi) facilitating coordination and convergence with other line ministries, divisions, and agencies; and (vii) keeping the respective Project Steering Committee apprised on overall performance and other key issues relating to Part 3 of the Project.

3. The Recipient shall, through the BBS, complete the Poverty Score Card census and develop and manage the Bangladesh Poverty Database in accordance with the BPD Operations Manual.

D. Implementation of the EGPP

1. The Recipient shall ensure that upon the completion of the EGPP Project all implementation responsibilities for the Employment Generation Program for the Poorest will be transferred to DDM by MoDMR.

E. Anti-Corruption

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

2. Without limitation on the provisions of paragraph 1 above, the Recipient shall: (a) carry out the Governance and Accountability Action Plan in accordance with its terms; and (b) without limitation on its other reporting obligations under this Agreement, furnish to the Association as part of the Project Report the status of implementation of the said plan.

F. Safeguards

1. The Recipient shall carry out, and cause DDM to carry out, the Project in accordance with the Environmental Management Framework, the Social Management Framework, and each relevant Safeguards Assessment and Plan.

2. Whenever an additional or revised Safeguard Assessment and Plan shall be required for any proposed Project activity in accordance with the provisions of the Environmental Management Framework and the Social Management Framework, as the case may be, the Recipient shall:

(a) prior to the commencement of such activity, proceed to have such Safeguard Assessment and Plan: (i) prepared in accordance with the provisions of the Environmental Management Framework and the Social
Management Framework, 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 with the requirements of such Safeguard Assessment and Plan.

3. The Recipient shall not amend, suspend or waive the Environmental Management Framework and the Social Management Framework, or any provision of either framework, unless the Association has provided its prior approval thereof in writing, and the Recipient has complied with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.

4. Without limitation on its other reporting obligations under this Agreement, the Recipient shall collect, compile and submit to the Association on an annual basis (or such other frequency as may be agreed with the Association) consolidated reports on the status of compliance with the Environmental Management Framework, the Social Management Framework or the Safeguard Assessments and Plans, giving details of: (a) measures taken in furtherance of the said instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the said measures; and (c) remedial measures taken or required to be taken to address such conditions.

4. In the event of any conflict between the provisions of any of the Environmental Management Framework, the Social Management Framework or the Safeguard Assessments and Plans, and the provisions of this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. In addition to the Disbursement Linked Indicators listed in Schedule 4, the Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.
B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. For Part 1, the Recipient shall prepare and furnish to the Association not later than one (1) month after the end of each fiscal year of implementation of the Programs, interim unaudited financial reports for the Project covering the period, in form and substance satisfactory to the Association.

3. For Part 2 and 3, the Recipient shall prepare and furnish to the Association not later than one (1) month after the end of each calendar semester, interim unaudited financial reports for the Project covering the period, in form and substance satisfactory to the Association.

4. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association:

(a) not later than six (6) months after the end of such period for Parts 2 and 3; and

(b) not later than nine (9) months after the end of such period for Part 1.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants' Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II
B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, following the procedures of the Procurement Laws subject to the additional provisions set forth in paragraph 3 below; (b) Shopping; and (c) Direct Contracting.

3. For the purpose of National Competitive Bidding, the following shall apply:

   (a) post bidding negotiations shall not be allowed with the lowest evaluated or any other bidder;

   (b) bids should be submitted and opened in public in one location immediately after the deadline for submission;

   (c) lottery in award of contracts shall not be allowed;

   (d) bidders’ qualification/experience requirement shall be mandatory;

   (e) bids shall not be invited on the basis of percentage above or below the estimated cost and contract award shall be based on the lowest evaluated bid price of compliant bid from eligible and qualified bidder; and

   (f) single stage two (2) envelope procurement system shall not be allowed.

C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following methods, other than Quality- and Cost-based Selection, may be used for
The procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection, (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
### Category Allocated (expressed in SDR) and Percentage of Expenditures to be Financed (inclusive of Taxes)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Beneficiary Wages (under EGPP and TR) under Part 1 of the Project</td>
<td>285,000,000</td>
<td>80%</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants' services, Training, and Operating Costs under Part 2 of the Project</td>
<td>19,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, works, non-consulting services, consultants' services, Training, and Operating Costs under Part 3 of the Project</td>
<td>26,500,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>331,400,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

### B. Withdrawal Conditions; Withdrawal Period

1. **Notwithstanding the provisions of Part A of this Section:**

   (a) no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an amount not exceeding twenty-one million United States dollars (US$ 21,000,000.) under categories (1), (2) and (3) (subject to compliance with the provisions of subparagraph (b) below) may be made for eligible expenditures made prior to this date and not before July 1, 2013; and

   (b) no withdrawal made for Beneficiary Wages (under EGPP and TR) under Category (1) until and unless the Recipient shall have: (i) complied with the additional instructions referred to in Section IV.A.1 of this Schedule, including the submission to the Association of the applicable IUFR evidencing the incurrence of eligible Beneficiary Wages (under EGPP and TR) during the respective DLI Period for which payment is requested; and (ii) furnished evidence satisfactory to the Association, in
accordance with the verification protocol set out in Schedule 4 to this Agreement, that the DLI Target for the respective DLI Period for which payment is requested has been achieved.

2. Notwithstanding the provisions of Part A of this Section, withdrawals under Category (1) shall not exceed the lesser of: (a) the DLI Value allocated to each DLI Target during the respective DLI Period; and (b) eighty percent (80%) of the amount of Beneficiary Wages (under EGPP and TR) incurred during the DLI Period for which payment is requested.

3. Notwithstanding the foregoing, if the Association is satisfied that a DLI Target has been achieved fully before the end of the applicable DLI Period, the Association may authorize the withdrawal of an amount of the Financing corresponding to the level of achievement of such DLI Target before the end of such period.

4. In the event that a DLI target is not met the Association withholds the part of the Financing associated with such DLI Target and the Association may at any time, by notice to the Recipient:

(a) authorize releases of the amounts so withheld/to be withheld, if and when the Association is satisfied that: (i) the non-fulfillment of the respective DLI Target(s) is due to an event of force majeure; and/or (ii) the Recipient has made reasonable efforts, in the sole opinion of the Association, to remedy the situation in order to achieve said DLI Target(s); or

(b) cancel the amount(s) so withheld/to be withheld, and/or reallocate them, whether in full or in part, to any other Category or Categories.

5. The Closing Date is December 31, 2017.
### SCHEDULE 3

**Repayment Schedule**

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each March 1 and September 1:</td>
<td></td>
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<tr>
<td>Commencing September 1, 2023 to and including March 1, 2033</td>
<td>1%</td>
</tr>
<tr>
<td>commencing September 1, 2033 to and including March 1, 2053</td>
<td>2%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.
**SCHEDULE 4**

Disbursement Linked Indicators (DLIs) and Verification Mechanisms

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Year 1 (FY 2013-14)</th>
<th>Year 2 (FY 2014-15)</th>
<th>Year 3 (FY 2015-16)</th>
<th>Year 4 (FY 2016-17)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographic Targeting</td>
<td>(1) Guidelines issued specifying revised program allocation formulas; and (2) Actual allocations per guidelines</td>
<td>(1) Guidelines updated to reflect revised program allocation formulas; and (2) Actual allocations per guidelines</td>
<td>(1) Guidelines updated to reflect revised program allocation formulas; and (2) Actual allocations per guidelines</td>
<td>(1) Guidelines updated to reflect revised program allocation formulas; and (2) Actual allocations per guidelines</td>
</tr>
<tr>
<td>EGPP</td>
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<tr>
<td>&gt;=40%</td>
<td>45%</td>
<td>45%</td>
<td>45%</td>
<td>45%</td>
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<tr>
<td>39%-29%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
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<tr>
<td>28%-19%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
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<tr>
<td>&lt;=18%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
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<tr>
<td>FFW</td>
<td>Population</td>
<td>45%</td>
<td>40%</td>
<td>35%</td>
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<tr>
<td>Population</td>
<td>Area</td>
<td>30%</td>
<td>30%</td>
<td>30%</td>
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<tr>
<td>Poverty Rate</td>
<td>25%</td>
<td>25%</td>
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<td>25%</td>
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<td>TR</td>
<td>Population</td>
<td>45%</td>
<td>40%</td>
<td>35%</td>
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<tr>
<td>Population</td>
<td>Area</td>
<td>20%</td>
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<td>TR</td>
<td>Population</td>
<td>35%</td>
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<tr>
<td>Population</td>
<td>Area</td>
<td>20%</td>
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<tr>
<td>Year 1 (FY 2013-14)</td>
<td>Year 2 (FY 2014-15)</td>
<td>Year 3 (FY 2015-16)</td>
<td>Year 4 (FY 2016-17)</td>
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<td><strong>Household</strong></td>
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<td><strong>Poverty Rate</strong></td>
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<td>45%</td>
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**Documents for Verification:**
- DLI value
- Guidelines issued for VGF (for festival transfers)
- In 80% of Upazilas where EGPP, FFW, and TR is operational, EGPP, FFW, and VGF (festival public workfare program and VGF component) beneficiaries are selected according to existing eligibility criteria defined in FY 2013-14.
- In the remaining Upazilas, (2) Guidelines issued for VGF in FY 2013-14 at least 50% of EGPP, FFW, and VGF (festival public workfare program and VGF component) beneficiaries are drawn from the bottom 30% of the BPD, and (ii) are from households headed by a casual laborer and having a land area less than 0.5 acres.
- In the remaining Upazilas, (2) Guidelines issued for VGF in FY 2013-14 at least 70% of EGPP, FFW, and VGF (festival public workfare program and VGF component) beneficiaries are drawn from the bottom 30% of the BPD, and (ii) are from households headed by a casual laborer and having a land area less than 0.5 acres.

**Targeting:**
- (2) In 80% of Upazilas where EGPP, FFW, and TR is operational, EGPP, FFW, and TR are drawn from the bottom 30% of the BPD; and TR and VGF (festival public workfare program and VGF component) beneficiaries are selected according to existing eligibility criteria defined in FY 2013-14.
- In the remaining Upazilas, (2) Guidelines issued for VGF in FY 2013-14 at least 50% of EGPP, FFW, and VGF (festival public workfare program and VGF component) beneficiaries are drawn from the bottom 30% of the BPD, and (ii) are from households headed by a casual laborer and having a land area less than 0.5 acres.
- In the remaining Upazilas, (2) Guidelines issued for VGF in FY 2013-14 at least 70% of EGPP, FFW, and VGF (festival public workfare program and VGF component) beneficiaries are drawn from the bottom 30% of the BPD, and (ii) are from households headed by a casual laborer and having a land area less than 0.5 acres.

**In 100% of Upazilas:**
- (i) FFW, TR, and VGF (festival component) beneficiaries are selected according to existing eligibility criteria defined in FY 2013-14.
- (ii) In the remaining Upazilas, (2) Guidelines issued for VGF in FY 2013-14 at least 50% of EGPP, FFW, and VGF (festival public workfare program and VGF component) beneficiaries are drawn from the bottom 30% of the BPD, and (ii) are from households headed by a casual laborer and having a land area less than 0.5 acres.
- In the remaining Upazilas, (2) Guidelines issued for VGF in FY 2013-14 at least 70% of EGPP, FFW, and VGF (festival public workfare program and VGF component) beneficiaries are drawn from the bottom 30% of the BPD, and (ii) are from households headed by a casual laborer and having a land area less than 0.5 acres.

**Documents for Verification:**
- DLI value
<p>| Focus Area       | Year 1 (FY 2013-14)                                                                                                                                                                                                 | Year 2 (FY 2014-15)                                                                                                                                                                                                 | Year 3 (FY 2015-16)                                                                                                                                                                                                 | Year 4 (FY 2016-17)                                                                                                                                                                                                 |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3 Gender         | (1) EGPP to maintain 33% female beneficiaries in FY 2013-14, Phase 2; and (2) Guidelines issued for VGF (festival component) requiring 70% of beneficiaries to be female                                                                                                                                  | (1) 33% of EGPP beneficiaries to be female; and (2) 60% of VGF (festival component) beneficiaries to be female                                                                                                                                                                        | (1) 33% of EGPP beneficiaries to be female; and (2) 70% of VGF (festival component) beneficiaries to be female                                                                                                                                                                                                            | (1) 33% of EGPP beneficiaries to be female; and (2) 80% of VGF (festival component) beneficiaries to be female                                                                                                                                                                        |
| Targeting        |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                             |
|                  | Documents for Verification:                                                                                                                                                                                                                                           | Documents for Verification:                                                                                                                                                                                                                                               | Documents for Verification:                                                                                                                                                                                                                                             | Documents for Verification:                                                                                                                                                                                                                                             |
|                  | DLI value                                                                                                                                                                                                                                                                | DLI value                                                                                                                                                                                                                                                                  | DLI value                                                                                                                                                                                                                                                                  | DLI value                                                                                                                                                                                                                                                                  |
| 4 Administrative  | Specifications for common MIS for all programs developed                                                                                                                                                                                                                  | (1) MIS piloted in 10% of Upazilas; and (2) MODMR staff in these Upazilas trained in MIS usage                                                                                                                                                                            | MIS producing program level data in 30% of Upazilas                                                                                                                                                                                                                      | MIS producing program level data in 50% of Upazilas                                                                                                                                                                                                                       |
| Systems          |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                             |
|                  | Documents for Verification:                                                                                                                                                                                                                                           | DLI value                                                                                                                                                                                                                                                                  | DLI value                                                                                                                                                                                                                                                                  | DLI value                                                                                                                                                                                                                                                                  |
| 5 Implementation  | Sub-Assistant Engineers appointed in all Upazilas                                                                                                                                                                                                                         | (1) 80% of Sub-Assistant Engineers positions filled; and (2) Sub-Assistant Engineers trained and assessed on program implementation                                                                                                                                          | 90% of Sub-Assistant Engineers positions filled                                                                                                                                                                                                                           | 90% of Sub-Assistant Engineers positions filled                                                                                                                                                                                                                         |
| &amp; Monitoring     |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                             |
| Capacity         | Documents for Verification:                                                                                                                                                                                                                                           | DLI value                                                                                                                                                                                                                                                                  | DLI value                                                                                                                                                                                                                                                                  | DLI value                                                                                                                                                                                                                                                                  |
|                  | Guidelines issued requiring all cash based wage payments to be made through banks and/or other formal financial channels                                                                                                                                               | 70% of cash based wage payments made through banks and/or other formal financial channels                                                                                                                                                                                  | 80% of cash based wage payments made through banks and/or other formal financial channels                                                                                                                                                                                | 90% of cash based wage payments made through banks and/or other formal financial channels                                                                                                                                                                                |
| 6 Payment        |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                             |
| Systems          |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                             |
|                  | DLI value                                                                                                                                                                                                                                                                | DLI value                                                                                                                                                                                                                                                                  | DLI value                                                                                                                                                                                                                                                                  | DLI value                                                                                                                                                                                                                                                                  |</p>
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<th>Year 3 (FY 2015-16)</th>
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<td><strong>Access to Information</strong></td>
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<td>Public Information Campaign developed outlining programs' objectives, eligibility criteria, entitlements and grievance redress processes</td>
<td>30% of beneficiaries aware of objectives, eligibility criteria, entitlements and grievance redress process of programs in which they participate</td>
<td>50% of beneficiaries aware of objectives, eligibility criteria, entitlements and grievance redress process of programs in which they participate</td>
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<td><strong>Grievance Redress System</strong></td>
<td></td>
<td>Guidelines issued specifying grievance redress processes</td>
<td>All GROs aware of grievance redress processes and roles</td>
<td>Grievances recorded electronically in all Upazilas where MIS is operational</td>
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APPENDIX

Section I. Definitions


2. “Bangladesh Bureau of Statistics” and the acronym “BBS” means the Bangladesh Bureau of Statistics of the Statistics and Informatics Division (SID) under the Ministry of Planning or any successor thereto.

3. “Bangladesh Poverty Database” and the acronym “BPD” mean the database to be developed by BBS under Part 3 of the Project.

4. “BBS PMU” means the project implementation unit referred to in Section I.A.2 of Schedule 2 to this Agreement.

5. “BBS Technical Project Review Committee” means the technical project review committee referred to in Section I.C.2 of Schedule 2 to this Agreement.

6. “BPD Operations Manual” means the consolidated guidelines to be prepared in accordance with Section I.A.5(a) of Schedule 2 to this Agreement for the field level implementation of Part 3 of the Project.

7. “Beneficiary Wages (under EGPP and TR)” means cash based wages paid to beneficiaries of the Employment Generation Program for the Poorest and Test Relief safety net programs under Part 1 of the Project and incurred by DDM under budget codes identified to and found acceptable by the Association.

8. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


10. “Department of Disaster Management” and the acronym “DDM” means the Department of Disaster Management under the Ministry of Disaster Management and Relief or any successor thereto.

11. “DDM PMU” means the project implementation unit referred to in Section I.A.2 of Schedule 2 to this Agreement.
12. "DDM Technical Project Review Committee" means the technical project review committee referred to in Section I.B.2. of Schedule 2 to this Agreement.

13. "District" means the second highest administrative unit in the territory of the Recipient.

14. "District Relief and Rehabilitation Officer" means the district level officer of the DDM, MoDMR responsible for the supervision of the Safety Net Programs in each District, referred to in Section I.A.3.(a) of Schedule 2 to this Agreement.

15. "DLI Period" means the calendar period specified in Schedule 4 to this Agreement, during which each DLI Target is set to be achieved.

16. "DLI Target" means the target specified in Schedule 4 to this Agreement set to be achieved by the DDM during the respective DLI Period.

17. "DLI Value" means the amount of the Financing allocated in Schedule 4 to each respective DLI Target.


19. "Employment Generation Program for the Poorest" and the acronym "EGPP" mean the safety net program of MoDMR which provides employment to poor households during lean periods to help maintain basic rural infrastructure, and for which payment is made in the form of cash wages.

20. "Environmental Management Framework" means the Recipient’s framework duly approved by the Association on April 8, 2013 and referred to in Section I.F.1 of Schedule 2 to this Agreement, which sets forth the principles and procedures, governing, inter alia: (i) screening for eligible activities under the Project; (ii) screening for potential safeguard issues, including the required actions to prepare safeguard documents, including inter alia: Environmental Management Plans when required; and (iii) and the environmental protection measures, if any, required to be undertaken in order to avoid or mitigate potential adverse environmental impacts; as said framework and any annexes or schedules to such framework, may be revised from time to time with the prior written approval of the Association.

21. "Environmental Management Plan" means each plan, acceptable to the Association and prepared on the basis of the Environmental Management Framework, detailing the specific actions, measures and policies designed to address adverse environmental impacts and facilitate the achievement of the objectives of the Environmental Management Framework; as said plan and any
annexes or schedules to such plan, may be revised from time to time with the prior written approval of the Association.

22. “Food for Work” and the acronym “FFW” mean the safety net program of MoDMR which provides employment to poor households during lean periods to develop basic rural infrastructure, and for which payment is made mostly in the form of food grains.


24. “Governance and Accountability Action Plan” means the plan prepared by the Recipient and endorsed by the Association, dated May 22, 2013, setting forth actions and measures to be taken by the Recipient to ensure integrity, transparency and accountability in the implementation of the Project and the use of the proceeds of the Financing.

25. “Gratuitous Relief” and the acronym “GR” mean the safety net program of MoDMR which provides both food and cash transfers to poor households who are affected by emergencies and disasters.

26. “Grievance Redress System” means a mechanism that addresses beneficiary complaints concerning selection, payments, information updates, and complaints on quality of service.

27. “GROs” means Grievance Redress Officers which are administrative officers responsible for accepting beneficiary grievances both at the local and central level who then record and monitor details cases lodged, resolved cases, pending cases and action taken.


29. “Ministry of Disaster Management and Relief” and the acronym “MoDMR” mean the Recipient’s Ministry of Disaster Management and Relief or any successor thereto.

30. “Ministry of Planning” means the Recipient’s the Ministry of Planning or any successor thereto.

31. “MIS” means management information system.

32. “Operating Costs” means the reasonable costs of goods and non-consulting services required for the day-to-day coordination, administration and supervision of Project activities, including leasing and/or routine repair and maintenance of vehicles, equipment, facilities and office premises, fuel, office supplies, utilities, consumables, communication expenses, translation, printing, photocopying and
postal expenses, bank charges, advertising expenses, insurance, costs of clearing, forwarding, inspection, survey and transportation of goods, Project-related meeting expenses, Project-related travel, subsistence and lodging expenses, remuneration of the BBS PMU and DDM PMU staff assigned to the Project as agreed with the Association, and other administrative costs directly related to the Project.

33. “Operations Manual for Humanitarian Assistance Programs” means the consolidated guidelines to be prepared in accordance with Part 2.(a) of the Project for the field level implementation of VGF and GR and referred to in Section I.A.5(a)(i) of Schedule 2 to this Agreement.

34. “Operations Manual for Workfare Programs” means the consolidated guidelines to be prepared in accordance with Part 2.(a) of the Project for the field level implementation of EGPP, FFW and TR and referred to in Section I.A.5(a)(i) of Schedule 2 to this Agreement.

35. “Poverty Score Card” and the acronym “PSC” mean a set of uniform, objective and transparent criteria prepared by the BBS for the purposes of identifying poor beneficiaries of the Safety Net Programs.

36. “Poverty Score Card census” means the administration of the PSC to all households in Bangladesh.


39. “Procurement Plan” means (a) the procurement plan for DDM, for Part 2 of the Project, dated May 14, 2013, or (b) the procurement plan for BBS, for Part 3 of the Project, dated May 13, 2013, as the case may be, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

40. “Project Implementation Officer” means each Upazila level officer of DDM under MoDMR responsible for the implementation of Safety Net Programs in the respective Upazila and referred to in Section I.A.4.(a) of Schedule 2 to this Agreement or any successor thereto.
41. "Project Steering Committee" means each of the Steering Committees referred to in Section I.A.1 of Schedule 2 to this Agreement.

42. "Safeguards Assessments and Plans" means any EMP or Tribal Peoples Plan or other plan prepared or to be prepared by the Recipient in accordance with the Environmental Management Framework and/or the Social Management Framework and the provisions of Section I.F.2.(a) of Schedule 2 to this Agreement; and "Safeguard Assessments and Plans" means, collectively, all such assessments and plans.

43. "Safety Net Programs" means the EGPP, FFW, TR, VGF and GR safety net programs of the MoDMR.

44. "Social Management Framework" means the Recipient's framework satisfactory to the Association, duly approved by the Association on April 8, 2013 and referred to in Section I.F.1 of Schedule 2 to this Agreement, which sets forth the principles and procedures, governing, *inter alia*: (i) screening for eligible activities under the Project, and (ii) screening for potential social issues, including the required actions to prepare safeguard documents, including, *inter alia*: Tribal Peoples Plan, when required; as said framework and any annexes or schedules to such framework, may be revised from time to time with the prior written approval of the Association.

45. "Steering Committees for Safety Net Programs" means any committee convened at the District, Upazila or Union levels to provide guidance and oversight during implementation of the Project and assist in coordinating all activities undertaken by relevant stakeholders at their respective administrative levels.

46. "Test Relief" and the acronym "TR" mean the safety net program of MoDMR which provides employment to rural poor households to help upgrade community institutions such as, *inter alia* schools and mosques, and for which payment is made mostly in the form of food grains.

47. "Thana" means an administrative unit in city corporation areas in the territory of the Recipient.

48. "Training" means training, workshops and study tours conducted in the territory of the Recipient and abroad, including reasonable and necessary incremental expenditures incurred on account of organizing or attending learning and knowledge dissemination events, including, fees for educational institutions; fees and allowances for resource persons; travel, board and lodging for resource persons and trainees; logistics and materials associated with conferences, seminars, workshops, and study tours; and other training costs directly associated with the Project but excluding those provided through consulting services.
49. "Tribal Peoples Plan" means a plan, acceptable to the Association and prepared on the basis of the Social Management Framework, detailing the specific actions, measures and policies designed to address any impact on Tribal People and facilitate the achievement of the objectives of the Social Management Framework; as said plan and any annexes or schedules to such plan, may be revised from time to time with the prior written approval of the Association.

50. "Upazila" means the sub-district level administrative unit, within a District, in the territory of the Recipient.

51. "Vulnerable Group Feeding Program" and the acronym "VGF" mean the safety net program of MoDMR which provides food transfers to poor households who are faced with shortages of food during certain periods.