Project Agreement

(Community Climate Change Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of the Bangladesh Climate Change Resilience Fund

and

PALLI KARMA-SAHAYAK FOUNDATION

Dated August 6, 2012
PROJECT AGREEMENT

AGREEMENT dated August 6, 2012, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of the Bangladesh Climate Change Resilience Fund; and PALLI KARMA-SAHAYAK FOUNDATION ("Project Implementing Entity") ("Project Agreement") in connection with the Bangladesh Climate Change Resilience Fund Grant Agreement of same date between the People's Republic of Bangladesh ("Recipient") and the World Bank ("Grant Agreement"). The World Bank and the Project Implementing Entity hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard Conditions (as defined in the Appendix to the Grant 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 Grant Agreement or the Standard Conditions.

Article II
The 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 the Project in accordance with the provisions of Article II of the Standard Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the World Bank and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

Article III
Representative; Addresses

3.01. The Project Implementing Entity’s Representative is its Managing Director.

3.02. The World Bank’s Address is:

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

Facsimile:

1-202-477-6391

3.03. The Project Implementing Entity’s Address is:

Palli Karma Shahayak Foundation (PKSF)
E-4/B, Agargaon Administrative Area
Sher-e-Bangla Nagar, Dhaka 1207
Bangladesh

Facsimile:

+880 2 9134431
AGREED at Dhaka, People's Republic of Bangladesh, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of the Bangladesh Climate Change Resilience Fund

By

Authorized Representative

Name: Christine Kimes
Title: Acting Head of Office,
Bangladesh

PALLI KARMA-SAHAYAK FOUNDATION

By

Authorized Representative

Name: Md. Fazlul Kader
Title: Deputy Managing Director
SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

The Project Implementing Entity shall, not later than July 31, 2012, establish and maintain, throughout the period of Project implementation, a Project Management Unit, headed by a Project Coordinator and staffed by such officers, specialists and personnel as agreed with the World Bank, responsible for the overall implementation of the Project.

B. Operational Manual

1. The Project Implementing Entity shall, not later than June 30, 2012, prepare and adopt an Operational Manual for the Project, satisfactory to the World Bank, that shall set forth, inter alia, the procedures for managing the Community Climate Change Fund, including the eligibility criteria for the selection of Project Implementing Partners and Sub-projects.

2. The Project Implementing Entity shall ensure that the Project is carried out in accordance with the Operational Manual.

C. Anti-Corruption

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

D. Sub-projects

1. The Project Implementing Entity shall make Sub-grants to Project Implementing Partners in accordance with eligibility criteria and procedures acceptable to the World Bank, which shall include the terms and conditions set forth in the Annex of this Schedule.

2. The Project Implementing Entity shall make each Sub-grant under a Sub-grant Agreement with the respective Project Implementing Partner on terms and conditions approved by the World Bank, which shall include the following:

(a) The Project Implementing Entity shall obtain rights adequate to protect its interests and those of the Recipient and the World Bank, including the right to:
(i) suspend or terminate the right of the Project Implementing Partner to use the proceeds of the Sub-grant, or obtain a refund of all or any part of the amount of the Sub-grant then withdrawn, upon the Project Implementing Partner's failure to perform any of its obligations under the Sub-Grant Agreement; and

(ii) require each Project Implementing Partner 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 World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient;

(B) provide, promptly as needed, the resources required for the purpose;

(C) procure the goods, works and services to be financed out of the Sub-grant in accordance with the provisions of this Agreement;

(D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the Sub-project and the achievement of its objectives;

(E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, 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 World Bank's or the Project Implementing Entity's request, have such financial statements audited by independent auditors appointed by the PKSF General Body and acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient, the World Bank and the Project Implementing Entity;
(F) enable the Recipient, the World Bank and the Project Implementing Entity to inspect the Sub-project, its operation and any relevant records and documents; and

(G) prepare and furnish to the Recipient, the World Bank and the Project Implementing Entity all such information as the Recipient or the World Bank or the Project Implementing Entity shall reasonably request relating to the foregoing.

3. The Project Implementing Entity shall exercise its rights under each Sub-grant Agreement in such manner as to protect the interests of the Recipient, the World Bank and the Project Implementing Entity and to accomplish the purposes of the Grant. Except as the Recipient and the World Bank shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate or waive any Sub-grant Agreement or any of its provisions.

E. Safeguards

1. The Project Implementing Entity shall ensure that the Project, including each Sub-Project, is carried out in accordance with the provisions of the Environmental Management Framework and the Social Management Framework.

2. To that end, the Project Implementing Entity shall ensure that:

   (a) an environmental and social screening of each Sub-project is carried out in accordance with the provisions of the EMF and SMF;

   (b) when necessary for any Sub-project, Environmental Management Plans and Social Management Plans, including Tribal Peoples Plans, acceptable to the World Bank, shall be prepared in accordance with the EMF and/or SMF, as the case may be; and

   (c) each Sub-project is carried out in accordance with the respective Environmental Management Plan and Social Management Plan, including the Tribal Peoples Plan, prepared for such Sub-project.

3. The Project Implementing Entity: (a) shall not amend the EMF, the SMF, or any Environmental Management Plan or any Social Management Plan, including any Tribal Peoples Plan, without the prior written approval of the World Bank; and (b) report any issues on the implementation of the requirements of this section.
4. In the event of a conflict between the provisions of any of the instruments referred to above in paragraph 3 and those of the Grant Agreement and/or this Agreement, the provisions of the latter shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and Sub-projects and prepare Project Reports, consisting of: (a) activity reports; (b) progress reports; and (c) third party outcome monitoring reports, in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators agreed with the World Bank. Each activity report shall cover the period of one (1) calendar quarter, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the quarter covered by such report. Each progress report shall cover the period of six (6) months of the fiscal year, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report. Each third party outcome monitoring report shall cover the period of one (1) year, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the year covered by such report.

2. The Project Implementing Entity shall:

(a) prepare, under terms of reference satisfactory to the World Bank, and furnish to the World Bank, on or about November 30, 2014, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph 1 above, on the progress achieved in the carrying out of the Project during the period preceding the date of said report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(b) review with the World Bank, by December 31, 2014, or such later date as the World Bank shall request, the report referred to in sub-paragraph (a) above, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of the said report and the World Bank’s views on the matter.

3. The Project Implementing Entity shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.
B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.

2. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank. Each audit of these financial statements shall cover the period of one (1) fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the World Bank not later than six (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the World Bank.

Section III. Procurement

All goods, works and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the provisions of Section III of Schedule 2 to the Grant Agreement.
ANNEX

Terms and Conditions of Sub-Grants Provided to Project Implementing Partners under Part 1 of the Project

1. For purposes of carrying out Part 1 of the Project, except as the World Bank may otherwise agree, the Project Implementing Entity shall select Project Implementation Partners/NGOs which satisfy, and continue to satisfy, the eligibility criteria set forth for Project Implementing Partners in the Operational Manual, which shall include the following:

   (a) the NGO shall be currently registered with an appropriate government authority of the Recipient, and legally able to undertake the proposed activities;

   (b) the NGO shall have an established presence in the target area of at least three (3) years;

   (c) the NGO shall be active in pro-poor development activities for the last five (5) years;

   (d) the NGO shall have an annual budget of at least one hundred fifty thousand United States dollars (U.S.$150,000) for the last three (3) years; and

   (e) the NGO shall have provided detailed information on its organizational structure, staffing, and staff responsibilities.

2. Sub-grants shall be awarded only for Sub-projects which satisfy the eligibility criteria set forth in the Operational Manual, which shall include the following:

   (a) the Sub-project shall qualify as a community-based climate change adaptation project and address at least one of the six (6) thematic pillars of the Bangladesh Climate Change Strategy Action Plan; and

   (b) the Sub-project is located in one of the following three (3) vulnerable zones: salinity-affected coastal areas; flood-affected char-lands and river basins; and drought-affected or rainfall-scarce areas.