Financing Agreement

(Coastal Embankment Improvement Project – Phase I)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated 1 October, 2013
FINANCING AGREEMENT

AGREEMENT dated 1 OCTOBER, 2013, entered into between the PEOPLE'S REPUBLIC OF BANGLADESH ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

WHEREAS (A) the Recipient, having satisfied itself as to the feasibility and priority of the Project described in Schedule 1 to this Agreement ("Project"), has requested the Association to extend a credit in an amount equivalent to SDR 248,600,000, as provided in Section 2.01 of this Agreement, to assist in the financing of the Project; and

(B) the Recipient has also requested the Association, acting as an Implementing Entity of the Pilot Program for Climate Resilience under the Strategic Climate Fund ("PPCR-SCF") to provide additional assistance towards the financing of the Project, and the Association has agreed to make available a grant to the Recipient from the PPCR-SCF ("PPCR Grant") in an amount equal to twenty five million Dollars ($25,000,000) to assist in the financing of Parts A.1(b) and C.3(b) of the Project, pursuant to the grant agreement to be entered into between the Recipient and the Association for such purpose ("PPCR Grant Agreement"); and

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to extend a credit to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE, 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 Preamble and 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 two hundred forty eight million six hundred thousand Special Drawing Rights
(SDR 248,600,000) (variously, “Credit” and “Financing”) to assist in financing the project described in Schedule 1 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 the Project 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 — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension is that the PPCR Grant Agreement has failed to become effective by March 31, 2014, or such later date as the Association has established by notice to the Recipient; provided, however, that the provisions of this Section shall not apply if the Recipient establishes to the satisfaction of the Association that adequate funds for the Project are available from other sources on terms and conditions consistent with its obligations under the Financing Agreement.
ARTICLE V — TERMINATION

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

5.02. 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 VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the 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.

6.02. 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: 880 2 8813088

6.03. 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: MOHAMMAD AZAD KALAM
Title: SECRETARY, ECONOMIC RELATIONS DIVISION, MINISTRY OF FINANCE

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 objectives of the Project are to: (a) increase the area protected in selected polders from tidal flooding and frequent storm surges, which are expected to worsen due to climate change; (b) improve agricultural production by reducing saline water intrusion in selected polders; and (c) improve the Recipient's capacity to respond promptly and effectively to an Eligible Crisis or Emergency. The Project consists of the following parts:

Part A: Rehabilitation and Improvement of Polders

1. Rehabilitation and Improvement of Polders. Rehabilitation and improvement of selected polder embankments to enhance the protection of such polders against tidal flooding and storm surges through, inter alia, carrying out slope protection works, increasing embankment height, repairing and upgrading drainage and flushing systems, and improving polder operations and maintenance, and consisting of: (a) polder rehabilitation works (or part thereof) selected to be financed from the proceeds of the Credit as specified in the Procurement Plan, and (b) polder rehabilitation works (or part thereof) selected to be financed from the proceeds of the PPCR Grant as specified in the Procurement Plan.

2. Afforestation. Afforestation along selected polder embankments to provide a protective greenbelt against tidal flooding and storm surges and enhance the livelihoods of local communities.

Part B: Implementation of Social and Environmental Management Frameworks and Plans

1. Implementation of Social Action Plans. Carrying out of activities identified in social action plans to establish and strengthen polder stakeholder committees to facilitate the participatory planning of water resource needs and uses of local communities, and of water management organizations to operate and maintain the polders hydraulic infrastructure.

2. Implementation of SMRPF and RAPs. Carrying out of activities identified in the SMRPF and RAPs to ensure the carrying out of social impact assessments and the resettlement and rehabilitation of Affected Persons in accordance with the terms of such RAPs, including the conduct of surveys and verification of field data related to the implementation of the RAPs.
3. **Implementation of EMF and Environment Management Plans.** Carrying out of activities identified in the EMF and EMPs to ensure the implementation of environmental mitigation and enhancement measures in accordance with the terms of such EMF and EMPs.

**Part C: Construction Supervision, Project Monitoring and Evaluation, and Coastal Zone Monitoring**

1. **Detailed Design and Construction Supervision.** Provision of consulting services for the conduct of surveys and detailed designs of polders included in the Project, and for the supervision of the coastal embankment rehabilitation and improvement works carried out under Part A.1 of the Project.

2. **Monitoring and Evaluation of Project Implementation.** Carrying out of continuous monitoring and evaluation of Project activities, including third party assessment and monitoring of key aspects of implementation of the Project including the GAAP, RAPs and EMPs.

3. **Long Term Monitoring, Research and Analysis of Bangladesh Coastal Zone.** Carrying out of a comprehensive assessment of the Bangladesh coastal zone to enhance the understanding of its ecological and morphological conditions, fluvial processes, human intervention, and climate change impacts, including research and analysis of the effects of multiple drivers on the coastal zone environment to guide the design and implementation of future rehabilitation and improvement investments, and consisting of: (a) technical advisory services and training (or part thereof) selected to be financed from the proceeds of the Credit as specified in the Procurement Plan; and (b) technical advisory services and training (or part thereof) selected to be financed from the proceeds of the PPCR Grant as specified in the Procurement Plan.

**Part D: Project Management, Technical Assistance, Training and Strategic Studies**

1. **Project Management and Audit.** Carrying out of the day-to-day coordination and administration of Project activities, including procurement, financial management, environmental and social management, monitoring and evaluation, communication, and audit of the Project, and carrying out of other activities required to implement the GAAP.

2. **Technical Assistance and Training.** Provision of technical assistance and training to enhance the capacity of BWDB and other relevant agencies to carry out their mandated functions including, without limitation, design, operation and maintenance of polders, water resources management, general contract administration, and strengthening of BWDB’s overall financial management, procurement and environmental and social management capacity.
3. **Strategic Studies and Project Preparation.** Carrying out of feasibility studies and preparation of designs for future coastal embankment improvement projects, and preparation of strategic studies, policies and tools such as updated strategic polder assessments, a master plan for tidal river management, a land policy, and preparation of coastal area cadastral maps.

**Part E: Contingent Emergency Response**

Provision of immediate response to an Eligible Crisis or Emergency, as needed.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Project Steering Committee

The Recipient shall maintain, throughout the period of implementation of the Project, a Project Steering Committee with a mandate, composition and resources satisfactory to the Association. Without limitation on the foregoing, the Project Steering Committee shall be chaired by the Secretary of the Ministry of Water Resources and comprise representatives of the Ministry of Water Resources, BWDB, the Recipient’s ministries and agencies responsible for finance, planning, implementation monitoring, agriculture, environment, local government and forestry, representatives of districts where the embankments rehabilitated under the Project are located, and representatives of civil society and academia, and shall meet at least twice per year or more often if required for the purposes of, inter alia: (a) reviewing the overall progress of the Project and providing strategic and policy direction on all activities under the Project; and (b) facilitating the coordination of Project activities among the members of the Project Steering Committee and the removal of any obstacles to the implementation of the Project.

2. Project Management Unit

The Recipient shall carry out the Project through the BWDB and, to this end, shall maintain, at all times during the period of implementation of the Project, a Project Management Unit within the BWDB, with functions and resources satisfactory to the Association, and with staff in adequate numbers and with qualifications, experience and terms of reference satisfactory to the Association. Without limitation on the foregoing, the Project Management Unit shall be headed by a Project director and shall be responsible for, inter alia: (a) coordinating the implementation of all Project activities; (b) handling the procurement, financial management, and environmental and social safeguards management of the Project; (c) carrying out the overall monitoring, evaluation and communication of Project activities; and (d) functioning as a secretariat of, and reporting to, the Project Steering Committee and liaising with the Association on any matters related to the progress of the Project and the use of the proceeds of the Financing and the PPCR Grant.
3. **Procurement Panel**

The Recipient shall maintain, at all times during the period of implementation of the Project, a panel of international and local procurement experts with qualifications, experience and terms of reference satisfactory to the Association, which shall be authorized and empowered, on behalf of the Recipient, to conduct the procurement and oversee the management of those contracts for goods, works and services financed under the Project which shall be specified in the Procurement Plan for such purpose, and shall take all measures as shall be necessary to enable the said panel to discharge its functions in an efficient, transparent and independent manner.

B. **Financial Management Manual**

The Recipient shall ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Financial Management Manual (provided, however, that in the case of any conflict between the arrangements and procedures set out in the Financial Management Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail) and, except as the Association shall otherwise agree, shall not amend, abrogate or waive any provision of the Financial Management Manual.

C. **Environmental and Social Safeguards**

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the EMF, the SMRPF and the relevant Safeguard Assessments and Plans.

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 EMF and the SMRPF, 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 EMF and the SMRPF, 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; and

   (c) in the case of any resettlement activity under the Project involving Affected Persons, ensure that no displacement shall occur before
necessary resettlement measures consistent with the RAP applicable to such activity have been executed, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, prior to displacement.

3. The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the EMF, the SMRPF or any Safeguard Assessments and Plans, 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 a quarterly basis (or such other frequency as may be agreed with the Association) consolidated reports on the status of compliance with the EMF, the SMRPF and 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.

5. In the event of any conflict between the provisions of any of the EMF, the SMRPF or the Safeguard Assessments and Plans, and the provisions of this Agreement, the provisions of this Agreement shall prevail.

D. 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 on a quarterly basis (or such other frequency as may be agreed with the Association) reports on the status of implementation of the said plan.

E. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part E of the Project ("Emergency Response Part"), the Recipient shall:

   (a) prepare and furnish to the Association for its review and approval, a Contingent Emergency Response Implementation Plan ("CERIP") which shall set forth detailed implementation arrangements for the Emergency
Response Part, including: (i) any special institutional arrangements for coordinating and implementing the Emergency Response Part; (ii) specific activities which may be included in the Emergency Response Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the Emergency Response Part; (iv) procurement methods and procedures for Emergency Response Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) application of the EMF, SMRPF and relevant Safeguard Assessments and Plans to the Emergency Response Part; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the Emergency Response Part;

(b) afford the Association a reasonable opportunity to review the proposed CERIP;

(c) promptly adopt the CERIP for the Emergency Response Part as shall have been accepted by the Association;

(d) ensure that the Emergency Response Part is carried out in accordance with the CERIP; provided, however, that in the event of any inconsistency between the provisions of the CERIP and this Agreement, the provisions of this Agreement shall prevail; and

(e) not amend, suspend, abrogate, repeal or waive any provision of the CERIP without prior written approval by the Association.

2. The Recipient shall undertake no activities under the Emergency Response Part unless and until the following conditions have been met in respect of said activities:

(a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Emergency Response Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and

(b) the Recipient has ensured the preparation and disclosure of all Safeguard Assessments and Plans required for said activities, in accordance with the EMF and the SMRPF, the Association has approved all such instruments, and the Recipient has ensured the implementation of any actions which are required to be taken under said instruments.
Section II.  Project Monitoring, Reporting and Evaluation

A.  Project Reports

1.  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 quarter, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

2.  The Recipient shall: (a) on or about October 31, 2017, prepare and furnish to the Association a mid-term report, in such detail as the Association shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of the mid-term report, taking into account the monitoring and evaluation activities performed pursuant to paragraph 1 of this Part A, and setting out the measures recommended to ensure the continued efficient carrying out of the Project and the achievement of its objectives during the period following such date; and (b) review with the Association such mid-term report, on or about the date one month after its submission, and thereafter take all measures required to ensure the continued efficient implementation of the Project and the achievement of its objectives, based on the conclusions and recommendations of the mid-term report and the Association’s views on the matter.

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.  Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association, not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3.  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 not later than six (6) months after the end of such period.
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 and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

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, following the request for quotation method of the Procurement Laws; and (c) Direct Contracting.

3. National Competitive Bidding Procedures. The following provisions apply for the contracting of goods, works and non-consulting services under National Competitive Bidding, using bidding documents acceptable to the Association:

(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 (1) 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 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.

E. Procurement of Emergency Expenditures under the Emergency Response Part

Notwithstanding any provision to the contrary in this Section, Emergency Expenditures required for activities included in the Emergency Response Part shall be procured in accordance with the procurement methods and procedures set forth in the CERIP.
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 Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants' services, and Training, Operating Costs and Resettlement Compensation required for the Project, but excluding Parts A.1(b) and C.3(b) of the Project</td>
<td>248,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Emergency Expenditures</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>248,600,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 2,000,000
equivalent may be made for payments made prior to this date but on or after April 1, 2013, for Eligible Expenditures under Category (1); or

(b) for Emergency Expenditures under Category (2), unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said activities:

(i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Emergency Response Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

(ii) the Recipient has ensured that all safeguards instruments required for said activities have been prepared and disclosed, and the Recipient has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Sections I.D and I.E.2(b) of this Schedule;

(iii) the entities in charge of coordinating and implementing the Emergency Response Part have adequate staff and resources, in accordance with the provisions of Section I.E.1 of this Schedule, for the purposes of said activities; and

(iv) the Recipient has adopted the CERIP in form, substance and manner acceptable to the Association and the provisions of the CERIP remain - or have been updated in accordance with the provisions of Section I.E of this Schedule 2 so as to be appropriate for the inclusion and implementation of the Emergency Response Part.

2. The Closing Date is December 31, 2020.
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>
</tr>
<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.
APPENDIX

Definitions

1. "Affected Persons" means any person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction or access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.


4. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


6. "Contingent Emergency Response Implementation Plan" and "CERIP" each means the plan referred to in Section I.E.1 of Schedule 2 to this Agreement, to be adopted by the Recipient for the Emergency Response Part in accordance with the provisions of said Section.

7. "Eligible Crisis or Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

8. "Emergency Expenditure" means any of the eligible expenditures set forth in the CERIP in accordance with the provisions of Section I.E.1 of Schedule 2 to this Agreement, and required for the Emergency Response Part.

9. "Emergency Response Part" means a specific activity or activities to be carried out in the event of an Eligible Crisis or Emergency under Part E of the Project.

10. "EIA" means each of the following environmental impact assessments, as the said assessments may be amended and/or supplemented from time to time with the prior written approval of the Association: (a) each of the environmental...
impact assessments dated February 15, 2013, prepared for the initial four (4) polders selected to be rehabilitated under the Project; and (b) each of the environmental impact assessments to be prepared for subsequent polders selected for rehabilitation under the Project in accordance with the EMF, pursuant to Section I.C of Schedule 2 to this Agreement, each such assessment in form and substance satisfactory to the Association, and defining details of potential environmental risks and adverse impacts associated with the implementation of Project activities, together with an environmental management plan defining measures to manage such risks and impacts; and “EIAs” means, collectively, all such assessments.

11. “EMF” means the Environmental Management Framework of the Recipient dated February 15, 2013, setting forth the policy framework, principles, standards, processes and institutional arrangements to be applied to assess potential adverse environmental impacts associated with Project activities and the ways to avoid, minimize, mitigate or offset them, including public consultation, disclosure and reporting.

12. “EMP” means each of the following environmental management plans included in the relevant EIAs, as the said plans may be amended and/or supplemented from time to time with the prior written approval of the Association: (a) each of the environmental management plans dated February 15, 2013, prepared for the initial four (4) polders selected to be rehabilitated under the Project; and (b) each of the environmental management plans to be prepared for subsequent polders selected for rehabilitation under the Project in accordance with the EMF, pursuant to Section I.C of Schedule 2 to this Agreement, each such plan in form and substance satisfactory to the Association, and defining details of measures to manage potential environmental risks and mitigate, reduce and/or offset adverse environmental impacts associated with the implementation of Project activities, together with adequate budget, institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms; and “EMPs” means, collectively, all such plans.


15. “Governance and Accountability Action Plan” and “GAAP” each means the plan agreed between the Association and the Recipient, dated May 15, 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.
16. “Ministry of Water Resources” means the Recipient’s ministry responsible for the management of water resources, or any successor thereto.

17. “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, salaries and allowances of Project Management Unit staff assigned to the Project as agreed with the Association, and other administrative costs directly related to the Project.


20. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 6, 2013 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.

21. “Project Management Unit” means the unit to be maintained by the Recipient in accordance with the provisions of Section I.A.2 of Schedule 2 to this Agreement.

22. “Project Steering Committee” means the committee to be maintained by the Recipient in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement.

23. “RAP” means each of the following resettlement action plans, as the said plans may be amended and/or supplemented from time to time with the prior written approval of the Association: (a) each of the resettlement action plans dated February 15, 2013, prepared for the initial four (4) polders selected to be rehabilitated under the Project; and (b) each of the resettlement action plans to be prepared for subsequent polders selected for rehabilitation under the Project in accordance with the SMRPF, pursuant to Section I.C of Schedule 2 to this Agreement, each such plan in form and substance satisfactory to the Association, and containing, a program of actions, measures and policies for compensation and resettlement of Affected Persons, including the magnitude of displacement,
compensation and resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with its terms.

24. "Resettlement Compensation" means the costs of implementing the resettlement assistance and compensation measures required in accordance with the terms of the RAPs.

25. "Safeguard Assessment and Plan" means any EIA, SIA, EMP, and/or RAP prepared or to be prepared by the Recipient in accordance with the EMF and the SMRPF and the provisions of Section I.C of Schedule 2 to this Agreement; and "Safeguard Assessments and Plans" means, collectively, all such assessments and plans.

26. "SIA" means each of the following social impact assessments, as the said assessments may be amended and/or supplemented from time to time with the prior written approval of the Association: (a) each of the social impact assessments dated December 2011, prepared for the initial four (4) polders selected to be rehabilitated under the Project; and (b) each of the social impact assessments to be prepared for subsequent polders selected for rehabilitation under the Project in accordance with the SMRPF, pursuant to Section I.C of Schedule 2 to this Agreement, each such assessment in form and substance satisfactory to the Association, and defining details of potential social risks and adverse impacts associated with the implementation of Project activities, together with measures to manage such risks and impacts; and "SIAs" means, collectively, all such assessments.

27. "SMRPF" means the Social Management and Resettlement Policy Framework of the Recipient dated April 11, 2013, including a land acquisition and resettlement framework and a social inclusion and gender framework, together setting forth social impact assessment and mitigation procedures and arrangements, including guidelines and procedures for assessing and addressing any Project impacts on women and other vulnerable groups, and resettlement procedures, institutional arrangements, eligibility criteria, entitlements and compensation, including valuation procedures, budget, public consultation and participation, monitoring and evaluation and disclosure.

28. "Training" means the reasonable costs of goods and services required for the participation of personnel involved in training activities, workshops and study tours under the Project, including travel and subsistence costs for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, costs of academic degree
studies, and other costs directly related to training course, workshop or study tour preparation and implementation, but excluding salaries of consultants.