World Bank Office, Dhaka
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

June 16, 2011

Mr. M Musharraf Hossain Bhuiyan
Secretary
Economic Relations Division (ERD)
Ministry of Finance
Block 8, Room 3
Sher-e-Bangla Nagar
Dhaka

Dear Mr. Bhuiyan:

Re: Avian Influenza Preparedness and Response Project (Credit No. 4340-BD)
    National Agricultural Technology Project (Credit No. 4386-BD)
    Disability and Children-At-Risk Project (Credit No. 4481-BD)
    Dhaka Water Supply and Sanitation Project (Credit No. 4506-BD)
    Emergency 2007 Cyclone Recovery and Restoration Project (Credit No. 4507-BD) &
    Additional Financing for the Emergency 2007 Cyclone Recovery and Restoration
    Project (Credit No. 4819-BD)
    Higher Education Quality Enhancement Project (Credit No. 4544-BD)
    Clean Air and Sustainable Environment Project (Credit No. 4581-BD)
    Additional Financing for Investment Promotion and Financing Facility Project (Credit
    No. 4693-BD)
    Strengthening Public Expenditure Management Program – Deepening the Medium
    Term Budget Framework and Strengthening Financial Accountability Project
    (Grant No. TF095283) –

Amendment to the Financing Agreements and Grant Agreement: Review of
Procurement Decisions

We refer to the Financing Agreements and Grant Agreement of different dates between
the People’s Republic of Bangladesh (the Recipient) and the International Development
Association (the Association) for the above-captioned Projects. We also refer to the discussions
between representatives of the Recipient and the Association as regards increasing the thresholds
for contracts for goods, works and/or consultants’ services subject to Prior Review under the said
Projects.

Accordingly, the Association proposes to amend the Financing Agreements and Grant
Agreement as follows:

1. The Financing Agreement for the Avian Influenza Preparedness and Response Project is
   amended as set out in Annex 1 to this letter of amendment.

2. The Financing Agreement for the National Agricultural Technology Project is amended
   as set out in Annex 2 to this letter of amendment.

3. The Financing Agreement for the Disability and Children-At-Risk Project is amended as
   set out in Annex 3 to this letter of amendment.
4. The Financing Agreement for the *Dhaka Water Supply and Sanitation Project* is amended as set out in Annex 4 to this letter of amendment.


6. The Financing Agreement for the *Higher Education Quality Enhancement Project* is amended as set out in Annex 6 to this letter of amendment.

7. The Financing Agreement for the *Clean Air and Sustainable Environment Project* is amended as set out in Annex 7 to this letter of amendment.

8. The Financing Agreement for the *Additional Financing for Investment Promotion and Financing Facility Project* is amended as set out in Annex 8 to this letter of amendment.

9. The Grant Agreement for the *Strengthening Public Expenditure Management Program – Deepening the Medium Term Budget Framework and Strengthening Financial Accountability Project* is amended as set out in Annex 9 to this letter of amendment.

Except as specifically amended by this letter of amendment, all other provisions of the Financing Agreements and Grant Agreement shall remain unchanged and in full force and effect.

Please confirm your agreement to the foregoing on behalf of the Recipient by countersigning and dating the corresponding form of confirmation set forth below, and returning one fully signed original of this letter to us.

Upon receipt by the Association of the copy of this letter of amendment duly countersigned by the authorized representative of the Recipient, the above amendments to the Agreements shall become effective as of the date of countersignature.

Sincerely yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

/s/: Zafrul Islam

Zafrul Islam
Acting Country Director

AGREED:
PEOPLE’S REPUBLIC OF BANGLADESH

By: /s/: Arastoo Khan
    Authorized Representative
    (Arastoo Khan)
    Additional Secretary
    Economic Relations Division
    Ministry of Finance
    Govt. of the People’s Republic of Bangladesh

Name: ____________________________

Title: ____________________________

Date: ____________________________
    July 28, 2011
ANNEX 1

Avian Influenza Preparedness and Response Project (Credit No. 4340-BD)
Amendment to the Financing Agreement

1. The first sentence of paragraph 2 of Section III.B of Schedule 2 to the Financing Agreement is amended to read as follows:

   “2. **Procurement of Goods and Works through the Recipient’s Procurement Regulations.** Within the overall context of the Procurement Guidelines, local procurement of goods estimated to cost less than US$600,000 per contract, and works estimated to cost less than US$2,000,000 per contract, will follow the Recipient’s Procurement Laws.”

2. The first sentence of paragraph 2 of Section III.C of Schedule 2 to the Financing Agreement is amended to read as follows:

   “2. **Other Methods of Procurement of Consultants’ Services.** Within the overall context of the Consultant Guidelines, local procurement of services of firms (for which the shortlist may be comprised entirely of national consultants) estimated to cost less than US$200,000 per contract, and services of individual consultants estimated to cost less than US$100,000 per contract will follow the Recipient’s Procurement Laws.”

3. Paragraph 1 of Section III.D of Schedule 2 to the Financing Agreement is amended to read as follows:

   “1. Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) each contract for goods estimated to cost US$600,000 equivalent or more, regardless of the procedure; (b) each contract for works estimated to cost US$2,000,000 equivalent or more, regardless of the procedure; (c) each contract for consultants’ services provided by a firm, estimated to cost the equivalent of US$200,000 or more; (d) each contract for services of individual consultants, estimated to cost the equivalent of US$100,000 or more; and (e) all contracts for consultants’ services procured under single source selection. All other contracts shall be subject to Post Review by the Association.”
National Agricultural Technology Project (Credit No. 4386-BD)
Amendment to the Financing Agreement

1. The first sentence of paragraph 2 of Section III.B of Schedule 2 to the Financing Agreement is amended to read as follows:

"2. **Procurement of Goods and Works through the Recipient’s Procurement Regulations.** Within the overall context of the Procurement Guidelines, local procurement of goods estimated to cost less than US$600,000 per contract, and works estimated to cost less than US$4,000,000 per contract, will follow the Recipient’s Procurement Laws."

2. The first sentence of paragraph 2 of Section III.C of Schedule 2 to the Financing Agreement is amended to read as follows:

"2. **Other Methods of Procurement of Consultants’ Services.** Within the overall context of the Consultant Guidelines, local procurement of services of firms (for which the shortlist may be comprised entirely of national consultants) estimated to cost less than US$200,000 per contract, and services of individual consultants estimated to cost less than US$100,000 per contract will follow the Recipient’s Procurement Laws."

3. Paragraph 1 of Section III.D of Schedule 2 to the Financing Agreement is amended to read as follows:

"1. Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) each contract for goods estimated to cost US$600,000 equivalent or more, regardless of the procedure; (b) each contract for works estimated to cost US$4,000,000 equivalent or more, regardless of the procedure; (c) each contract for consultants’ services provided by a firm, estimated to cost the equivalent of US$200,000 or more; (d) each contract for services of individual consultants, estimated to cost the equivalent of US$100,000 or more; and (e) all contracts for goods procured through Direct Contracting, and all contracts for consultants’ services procured under single source selection. All other contracts shall be subject to Post Review by the Association."
ANNEX 3

Disability and Children-At-Risk Project (Credit No. 4481-BD)
Amendment to the Financing Agreement

1. The first sentence of paragraph 2 of Section III.B of Schedule 2 to the Financing Agreement is amended to read as follows:

"2. Procurement of Goods and Works through the Recipient’s Procurement Laws. Within the overall context of the Procurement Guidelines, local procurement of goods estimated to cost less than US$600,000 per contract, and works estimated to cost less than US$2,000,000 per contract, will follow the Recipient’s Procurement Laws."

2. The first sentence of paragraph 2 of Section III.C of Schedule 2 to the Financing Agreement is amended to read as follows:

"2. Other Methods of Procurement of Consultants’ Services. Within the overall context of the Consultant Guidelines, local procurement of services of firms (for which the shortlist may be comprised entirely of national consultants) estimated to cost less than US$200,000 per contract, and services of individual consultants estimated to cost less than US$100,000 per contract will follow the Recipient’s Procurement Laws."

3. Paragraph 1 of Section III.D of Schedule 2 to the Financing Agreement is amended to read as follows:

"1. Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) each contract for goods estimated to cost US$300,000 equivalent or more, regardless of the procedure; (b) each contract for works estimated to cost US$2,000,000 equivalent or more, regardless of the procurement method applied; (c) each contract for consultants’ services provided by a firm, estimated to cost the equivalent of US$200,000 or more; (d) each contract for services of individual consultants, estimated to cost the equivalent of US$100,000 or more; and (e) all contracts for goods procured through Direct Contracting, and all contracts for consultants’ services procured under single source selection. All other contracts shall be subject to Post Review by the Association."
ANNEX 4

Dhaka Water Supply and Sanitation Project (Credit No. 4506-BD)
Amendment to the Financing Agreement

1. The first sentence of paragraph 2 of Section III.B of Schedule 2 to the Financing Agreement is amended to read as follows:

"2. **Procurement of Goods and Works through the Recipient's Procurement Laws.** Within the overall context of the Procurement Guidelines, procurement of goods estimated to cost less than US$600,000 per contract, and works estimated to cost less than US$5,000,000 per contract, shall follow the Recipient’s Procurement Laws."

2. The first sentence of paragraph 2 of Section III.D of Schedule 2 to the Financing Agreement is amended to read as follows:

"2. **Other Methods.** Within the overall context of the Consultant Guidelines, local procurement of services of firms (for which the shortlist may be comprised entirely of national consultants) estimated to cost less than US$200,000 per contract, and services of individual consultants estimated to cost less than US$100,000 per contract will follow the Recipient’s Procurement Laws."

3. Paragraph 1 of Section III.E of Schedule 2 to the Financing Agreement is amended to read as follows:

"1. Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) each contract for goods and works procured on the basis of International Competitive Bidding; (b) each contract for goods estimated to cost US$300,000 equivalent or more, regardless of the procedure; (c) each contract for works estimated to cost US$2,000,000 equivalent or more, regardless of the procurement method applied; (d) each contract for consultants’ services provided by a firm, estimated to cost the equivalent of US$200,000 or more; (e) each contract for services of individual consultants, estimated to cost the equivalent of US$100,000 or more; and (f) all contracts for goods procured through Direct Contracting, and all contracts for consultants’ services procured under single source selection. All other contracts shall be subject to Post Review by the Association."
ANNEX 5

Amendment to the Original Financing Agreement and the Additional Financing Agreement

1. The first sentence of paragraph 2 of Section III.B of Schedule 2 to the Original Financing Agreement is amended to read as follows:

“2. Procurement of Goods and Works through the Recipient’s Procurement Laws. Within the overall context of the Procurement Guidelines, local procurement of goods estimated to cost less than US$600,000 per contract, and works estimated to cost less than US$5,000,000 per contract, will follow the Recipient’s Procurement Laws.”

2. The first sentence of paragraph 2 of Section III.C of Schedule 2 to the Original Financing Agreement is amended to read as follows:

“2. Other Methods of Procurement of Consultants’ Services. Within the overall context of the Consultant Guidelines, local procurement of services of firms (for which the shortlist may be comprised entirely of national consultants) estimated to cost less than US$200,000 per contract, and services of individual consultants estimated to cost less than US$100,000 per contract will follow the Recipient’s Procurement Laws.”

3. Paragraph 1 of Section III.D of Schedule 2 to the Original Financing Agreement is amended to read as follows:

“1. Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) each contract for goods estimated to cost US$600,000 equivalent or more, regardless of the procedure; (b) each contract for works estimated to cost US$2,000,000 equivalent or more, regardless of the procurement method applied; (c) each contract for consultants’ services provided by a firm, estimated to cost the equivalent of US$200,000 or more; (d) each contract for services of individual consultants, estimated to cost the equivalent of US$100,000 or more; and (e) all contracts for goods procured through Direct Contracting, and all contracts for consultants’ services procured under single source selection. All other contracts shall be subject to Post Review by the Association.”

ANNEX 6

Higher Education Quality Enhancement Project (Credit No. 4544-BD)
Amendment to the Financing Agreement

1. The first sentence of paragraph 2 of Section III.B of Schedule 2 to the Financing Agreement is amended to read as follows:

"2. Procurement of Goods and Works through the Recipient’s Procurement Laws. Within the overall context of the Procurement Guidelines, procurement of goods estimated to cost less than US$600,000 per contract, and works estimated to cost less than US$5,000,000 per contract, will follow the Recipient’s Procurement Laws."

2. The first sentence of paragraph 2 of Section III.C of Schedule 2 to the Financing Agreement is amended to read as follows:

"2. Other Methods of Procurement of Consultants’ Services. Within the overall context of the Consultant Guidelines, procurement of services of firms (for which the shortlist may be comprised entirely of national consultants) estimated to cost less than US$200,000 per contract, and services of individual consultants estimated to cost less than US$100,000 per contract will follow the Recipient’s Procurement Laws."

3. Paragraph 1 of Section III.D of Schedule 2 to the Financing Agreement is amended to read as follows:

"1. Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) all contracts procured following the International Competitive Bidding method; (b) each contract for goods estimated to cost US$600,000 equivalent or more, regardless of the procedure; (c) each contract for works estimated to cost US$4,000,000 equivalent or more, regardless of the procurement method applied; (d) all contracts procured following the Direct Contracting method; (e) each contract for consultants’ services provided by a firm, estimated to cost the equivalent of US$200,000 or more; (f) each contract for services of individual consultants, estimated to cost the equivalent of US$100,000 or more; and (g) all contracts for consultants’ services procured under single source selection. All other contracts shall be subject to Post Review by the Association."
ANNEX 7

Clean Air and Sustainable Environment Project (Credit No. 4581-BD)  
Amendment to the Financing Agreement

1. The first sentence of paragraph 2 of Section III.B of Schedule 2 to the Financing Agreement is amended to read as follows:

“2. Procurement of Goods and Works through the Recipient’s Procurement Laws. Within the overall context of the Procurement Guidelines, procurement of goods estimated to cost less than US$600,000 per contract, and works estimated to cost less than US$4,000,000 per contract, shall follow the Recipient’s Procurement Laws.”

2. Paragraph 1 of Section III.D of Schedule 2 to the Financing Agreement is amended to read as follows:

“1. Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) each contract for goods and works procured on the basis of International Competitive Bidding; (b) each contract for goods estimated to cost US$300,000 equivalent or more, regardless of the procedure; (c) each contract for works estimated to cost US$2,000,000 equivalent or more, regardless of the procurement method applied; (d) each contract for consultants’ services provided by a firm, estimated to cost the equivalent of US$200,000 or more; (e) each contract for services of individual consultants, estimated to cost the equivalent of US$100,000 or more; and (f) all contracts for goods procured through Direct Contracting, and all contracts for consultants’ services procured under single source selection. All other contracts shall be subject to Post Review by the Association.”
ANNEX 8

Additional Financing for Investment Promotion and Financing Facility Project
(Credit No. 4693-BD)

Amendment to the Financing Agreement

1. Section III.D of Schedule 2 to the Financing Agreement is amended to read as follows:

“Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) all Investment Projects regardless of value, including complete documentation regarding the process of selection of an entrepreneur, or the goods or works procured by an entrepreneur, as the case may be; (b) each contract for goods following NCB, estimated to cost the equivalent of US$600,000 or more; (c) each contract for works following NCB, estimated to cost the equivalent of US$4,000,000 or more; (d) all contracts procured following Direct Contracting; (e) each contract for consultants’ services provided by a firm, estimated to cost the equivalent of US$200,000 or more; (f) each contract for services of individual consultants, estimated to cost the equivalent of US$100,000 or more; and (g) all contracts for consultants’ services procured under Single Source Selection procedures. All other contracts shall be subject to Post Review by the Association.”
1. The first sentence of paragraph 2 of Section III.B of Schedule 2 to the Grant Agreement is amended to read as follows:

   “2. **Other Methods of Procurement of Goods and Works.** Within the overall context of the Procurement Guidelines, local procurement of goods estimated to cost less than US$600,000 per contract, and works estimated to cost less than US$4,000,000 per contract, will follow the Recipient’s Procurement Laws.”

2. The first sentence of paragraph 2 of Section III.C of Schedule 2 to the Grant Agreement is amended to read as follows:

   “2. **Other Methods of Procurement of Consultants’ Services.** Within the overall context of the Consultant Guidelines, local procurement of services of firms (for which the shortlist may be comprised entirely of national consultants) estimated to cost less than US$200,000 per contract, and services of individual consultants estimated to cost less than US$100,000 per contract will follow the Recipient’s Procurement Laws.”

3. Section III.D of Schedule 2 to the Grant Agreement is amended to read as follows:

   “Except as the World Bank shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the World Bank: (a) each contract for goods estimated to cost US$600,000 equivalent or more, regardless of the procedure; (b) each contract for works estimated to cost US$4,000,000 equivalent or more, regardless of the procurement method applied; (c) each contract for consultants’ services provided by a firm, estimated to cost the equivalent of US$200,000 or more; (d) each contract for services of individual consultants, estimated to cost the equivalent of US$100,000 or more; and (e) all contracts for goods and works procured through Direct Contracting, and all contracts for consultants’ services procured under single source selection. All other contracts shall be subject to Post Review by the World Bank.”