Grant Agreement

(Skills and Training Enhancement Project)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

acting as administrator of the Trust Fund for the Multi-Donor Trust Fund Support for the Bangladesh Skills and Training Enhancement Project

Dated Dec 05, 2015
GRANT AGREEMENT

AGREEMENT dated 05 August, 2013, entered into between the PEOPLE’S REPUBLIC OF BANGLADESH (“Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“World Bank”), acting as administrator of the Multi-Donor Trust Fund for the Support for the Bangladesh Skills and Training Enhancement Project.

WHEREAS: (A) pursuant to an agreement dated July 8, 2010 and amended as of the date of this Grant Agreement, between the Recipient and the World Bank (“Financing Agreement”) for the financing of the Skills and Training Enhancement Project, as described in Schedule 1 of the Financing Agreement (“Project”), the World Bank agreed to provide to the Recipient a credit in the amount equivalent to fifty two million three hundred thousand Special Drawing Rights (SDR 52,300,000) on the terms and conditions set forth in the Financing Agreement, and the Recipient declared its commitment to the objectives of the Project and agreed to carry out the Project in accordance with the terms and conditions of the Financing Agreement;

(B) the Recipient has requested the World Bank to provide additional financial assistance in support of additional activities under the Project;

(C) pursuant to an agreement between the World Bank and the Government of Canada as represented by the Minister for International Cooperation acting through the Canadian International Development Agency (the “Donor”), the Donor has agreed to contribute funds for co-financing the Project, and the World Bank has agreed to administer, on behalf of the Donor, its contribution, through a trust fund grant to be used to finance in part the costs of carrying out the Project under the terms and conditions of this Agreement; and

(D) The World Bank has agreed, on the basis, inter alia, of the foregoing, to provide such additional funds to the Recipient upon the terms and conditions set forth in this Agreement.

NOW THEREFORE the Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions, this Agreement or the Financing Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project through DTE with the assistance of:

(a) Selected Training Institutions in respect of Part A of the Project; and

(b) BMET and BTEB in respect of Part C of the Project, in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to eleven million one hundred seventy six thousand United States Dollars ($11,176,000) ("Grant") to assist in financing the Project.

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

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donor to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.
ARTICLE IV
Additional Remedies

4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:

(a) Any of Selected Training Institutions shall have failed to comply with the provisions of their respective Performance Contracts.

(b) The Selected Bank shall have failed to comply with the provisions of the Participation Agreement.

(c) BTEB shall have failed to comply with the provisions of the BTEB Cooperation Agreement.

(d) NSDC shall have failed to comply with the provision of the NSDC Agreement.

Article V
Recipient’s Representative; Addresses

5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions 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.

5.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Facsimile:

88029180788
5.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions 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

[Signature]

Authorized Representative

Name: **Akhtarul Khan**
Title: **Additional Secretary**

INTERNATIONAL DEVELOPMENT
ASSOCIATION acting as administrator of the Trust Fund for the Multi-Donor Trust Fund Support for the Bangladesh Skills and Training Enhancement Project

By

[Signature]

Authorized Representative

Name: **Johannes Zott**
Title: **Country Director**
SCHEDULE 1  
Project Description

The objective of the Project is to strengthen Training Institutions to improve training quality and employability of trainees, including those from disadvantaged socio-economic backgrounds.

The description of the Project in Schedule 1 to the Financing Agreement is incorporated in this Schedule 1 to the Grant Agreement.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The provisions of Sections I.A, I.C and I.D. of Schedule 2 to the Financing Agreement are incorporated herein and apply to the Grant, mutatis mutandis, and the Recipient hereby undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.

2. For the purposes of the above paragraph 1. and the definitions in the Appendix to the Financing Agreement, the term (a) “Association” means “World Bank”; (b) “Financing” means the Grant provided for in this Grant Agreement; and (c) “Recipient” means the Recipient of the Grant provided for in this Grant Agreement.

3. The Recipient shall within six (6) months of the date of this Grant Agreement, update the agreements signed with BTEB, the Selected Bank, ISC and NSDC, and all Performance Contracts with Selected Institutions, as necessary and in a manner satisfactory to the World Bank, to reflect the additional grant funds provided under this Agreement.

B. 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 World Bank on a quarterly basis (or such other frequency as may be agreed with the World Bank) reports on the status of implementation of the said plan. Except as the World Bank shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Governance and Accountability Action Plan.

C. Donor Visibility and Visit

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor's support for the Project.
2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the Donor to visit any part of the Recipient’s territory for purposes related to the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank and specified in the Project Implementation Manual. Each Project Report shall cover the period of one (1) calendar semester, 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.

2. The Recipient 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; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.
Section III.  **Procurement**

1. The provisions of Section III of Schedule 2 of the Financing Agreement are incorporated herein by reference and apply to the Grant, mutatis mutandis, and the Recipient hereby undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.

Section IV.  **Withdrawal of Grant Proceeds**

A. **General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may 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 World Bank 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 Grant (“Category”), the allocations of the amounts of the Grant 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 Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Grants and Stipends</td>
<td>7,085,000</td>
<td>100% for amounts disbursed as per the Performance Contract for grants to public institutions; 90% for amounts disbursed as per the Performance Contract for grants to private institutions; 100% for stipends</td>
</tr>
<tr>
<td>(2) Goods, works, consultants’ services Training, and Operating Costs for Parts B, C and D of the Project</td>
<td>4,091,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>11,176,000</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 for payments made prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2016.