January 23, 2013

Assistant Secretary
Economic Relations Division
Ministry of Finance
Government of the People’s Republic of Bangladesh
Dhaka, Bangladesh

Mr. Mesbah ul ALAM
Secretary
Ministry of Environment and Forests
Bangladesh Secretariat, Building # 6, Room # 1309
Dhaka – 1000
Bangladesh

Re: GEF-Reports to Conventions Grant No. TF013026
Bangladesh: Revision and Alignment of National Action Program (NAP) with UNCCD 10-year Strategic Plan and Framework

Dear Excellences:

In response to the request for financial assistance made on behalf of the People’s Republic of Bangladesh ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), represented by the Chief Executive Officer/Chairperson ("CEO") of the Global Environment Facility ("GEF"), proposes to extend to the Recipient a grant from the Reports to Conventions window of the GEF trust fund in an amount not to exceed One Hundred Fifty Thousand United States Dollars (U.S.$150,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the GEF trust fund for which the World Bank, as the trustee of the fund, receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it under the GEF trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement. In conformity with the understanding reflected in paras. 23-24 of GEF Council paper (GEF/C.38/6/Rev.1) on the policies and procedures for the execution of selected GEF activities, the Recipient also acknowledges that, if any of the projects/programs identified as a result of the Project are financed with GEF funds, the projects/programs in question will have to comply with applicable environmental and social requirements.
Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By [Signature]
Naoko Ishii
CEO/Chairperson, Global Environment Facility

AGREED:
PEOPLE'S REPUBLIC OF BANGLADESH

By [Signature]
Authorized Representative

Name Md. Ashadul Islam
Title Additional Secretary
Economic Relations Division
Ministry of Finance

Date 11-4-2012

Enclosures:


(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("Standard Conditions") constitute an integral part of this Agreement.

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

Article II
Project Execution

2.01. **Project Objective and Description.** (a) Aligning its National Action Program ("NAP") with the United Nations Convention to Combat Desertification ("UNCCD") 10-Year Strategy; and (b) complying with UNCCD reporting and reviewing requirements.

(b) The Project consists of the following activities: (i) conducting NAP review, assessment and awareness raising for NAP alignment; (ii) strengthening human and scientific capacity for NAP alignment; (iii) establishing and strengthening the policy and institutional framework for NAP alignment and implementation, and establishing the finance and technology framework for NAP implementation; (iv) strengthening human and scientific capacity for implementation of indicator based monitoring and assessment; (v) preparing the reports for the 5th (2012) and 6th (2014) UNCCD reporting and review processes; and (vi) enhancing national ownership of the reporting process, and harmonizing the indicator data and knowledge bases of the GEF, the Multilateral Environment Agreements Information and Knowledge Management ("MEA IKM") and other databases relevant to land degradation.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through its Ministry of Environment and Forests in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 ("Anti-Corruption Guidelines"); and (c) this Article II.

2.03. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the GEF’s support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the request of the World Bank, represented by the GEF CEO, enable GEF representatives to visit any part of the Recipient’s territory for purposes related to the Project.

2.04. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project in accordance with the provisions of Section 2.06 of the Standard Conditions. Without limitation to the foregoing, the Recipient shall furnish to the
2.05. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank on semi-annual basis after the end of forty-five (45) days of each period, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have the Project Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.06. **Procurement**

(a) **General.** All goods, non-consulting services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the “Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants” dated January 2011 (“Procurement Guidelines”), in the case of goods and non-consulting services;

(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank 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.

(c) **Particular Methods of Procurement of Goods and Non-Consulting Services:** The following methods may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (A) National Competitive Bidding, (B) Shopping; and (C) Direct Contracting.
(d) **Particular Methods of Procurement of Consultants’ Services.** The following methods may be used for the procurement of consultants’ services for those assignments specified in the Procurement Plan: (A) Selection based on Consultants’ Qualifications; (B) Least Cost Selection; (C) Single-source Selection of consulting firms; (D) Selection of Individual Consultants; and (E) Single-source procedures for the Selection of Individual Consultants.

(e) **Review by the World Bank of Procurement Decisions.** The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review, if applicable. All other contracts shall be subject to Post Review by the World Bank.

**Article III**

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** (a) The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (i) the Standard Conditions; (ii) this Section; and (iii) 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 100% of Eligible Expenditures consisting of goods, consultants’ services (including audit), meetings, trainings and workshops, and operating costs, inclusive of taxes.

(b) For the purposes of this Section, the term: (i) “meetings, trainings and workshops” means the costs associated with the preparation and conduct of meetings, trainings and workshops pursuant to Section 2.01 of this Agreement, including travel, accommodation and subsistence costs for meeting, training and workshop participants, rental of meeting, training and workshop facilities and equipment, communication costs associated with the meetings, trainings and workshops, and preparation and reproduction of meeting, training and workshop materials and other costs directly related to the preparation and implementation of meetings, trainings and workshops; and (ii) the term “operating costs” means the operating costs incurred for the purposes of the implementation and supervision of the Project including maintenance of vehicles and equipment, fuel, office rental, office supplies, utilities, consumables, bank charges, advertising expenses, travel, per diems, accommodation, and salaries of selected support staff, but excluding salaries of civil servants and consultants.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is 24 months after the date of countersignature of this Agreement by the Recipient.

**Article IV**

**Recipient’s Representative; Addresses**

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its GEF Operational Focal Point.

4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:
Ministry of Environment and Forests  
Bangladesh Secretariat, Building # 6, Room # 1309  
Dhaka – 1000  
Bangladesh  

Tel: + 88 02 71 60481  
Fax: 011 88 02 716 9210  
Email: mesbah02@gmail.com, secretary@moef.gov.bd  

4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development  
c/o CEO/Chairperson, Global Environment Facility  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America  

Cable: INTBAFRAD  
Telex: 248423 (MCI) or 64145 (MCI)  
Facsimile: 1-202-477-6391