Project Agreement

(Rural Electricity Transmission and Distribution Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

BANGLADESH RURAL ELECTRIFICATION BOARD

Dated June 19, 2014
PROJECT AGREEMENT

AGREEMENT dated July 1, 2014, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and BANGLADESH RURAL ELECTRIFICATION BOARD ("BREB") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between the PEOPLE'S REPUBLIC OF BANGLADESH ("Recipient") and the Association. The Association and BREB hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Financing 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 Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

2.01. BREB declares its commitment to the objectives of the Project. To this end, BREB shall carry out Parts A and C.1 of Project in accordance with the provisions of Article IV of the General Conditions and the BREB Subsidiary Loan Agreement, 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 Association and BREB shall otherwise agree, BREB shall carry out Parts A and C.1 of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

3.01. For purposes of Section 8.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. BREB's Representative is its Chairman.

4.02. The Association's Address is:

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

Cable: Telex: Facsimile:
INDEVAS 248423(MCI) 1-202-477-6391
Washington, D.C.

4.03. BREB's Address is:

Nikunjo-2
Khilkhet
Dhaka 1229
Bangladesh

Facsimile:

8802-8900611
AGREED at Dhaka, Bangladesh, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

__________________
Name: CHRISTINE KIMES
Title: Acting Head of Country Office
For the Country Director

BANGLADESH RURAL ELECTRIFICATION BOARD

By

__________________
Authorized Representative

Name: Brig Gen Moinuddin
Title: Chairman
SCHEDULE

Execution of Parts A and C.1 of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

By no later than the earlier of June 1, 2014 or the first day on which BREB initiates any procurement for Project activities, BREB shall establish and thereafter maintain throughout the period of implementation of the Project a project management unit headed by a project director assisted by competent staff, all with experience and qualification, in numbers and under terms of reference acceptable to the Association including dedicated financial management, procurement and safeguards specialists with adequate financial resources as shall be required to, inter alia, carry out of day-to-day management of the activities under the Project, including overall budgeting, disbursement, auditing, procurement, financial management, safeguards, monitoring, reporting and evaluation activities.

B. Project Documents

BREB shall:

(a) implement the Project in accordance with the ESMF and GAAP; provided however that in the event of conflict between the provisions of said framework and plan, on the one hand, and those of this Agreement and/or the Financing Agreement, on the other hand, the provisions of this Agreement and/or the Financing Agreement shall prevail; and

(b) refrain from amending, suspending, waiving, and/or voiding any provision of the ESMF and/or GAAP, whether in whole or in part, without the prior written agreement of the Association.

C. Anti-Corruption

Notwithstanding the application of the Recipient’s anticorruption laws, BREB shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

1. BREB shall ensure that the Project is carried out in accordance with the provisions of the ESMF 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 ESMF, BREB 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 ESMF; (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;

(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. BREB shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the ESMF or any Safeguard Assessments and Plans, unless the Association has provided its prior approval thereof in writing, and BREB has complied with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.

4. In the event of any conflict between the provisions of any of the ESMF or the Safeguard Assessments and Plans, and the provisions of this Agreement and/or the Financing Agreement, the provisions of this Agreement and/or the Financing Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. BREB shall monitor and evaluate the progress of Parts A and C.1 of the Project and prepare Project Reports for Parts A and C.1 of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with to the Association. Each such 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 period covered by such report.

2. BREB shall provide to the Recipient on or about July 31, 2016, for incorporation in the report referred to in Section II.A. 2(a) of Schedule 2 to the Financing
Agreement, all such information as the Recipient and the Association shall reasonably request for the purposes of complying with such Section.

B. **Financial Management, Financial Reports and Audits**

1. BREB shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of BREB, including the operations, resources and expenditures related to Parts A and C.1 of the Project.

2. BREB shall furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for Parts A and C.1 of the Project covering the quarter, in form and substance satisfactory to the Association.

3. BREB shall have the financial statements for Parts A and C.1 of the Project referred to above and for its overall operations audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one (1) fiscal year of BREB. BREB shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association 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 Association.

**Section III. Procurement**

1. All goods, works and services required for Parts A and C.1 of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.

2. BREB shall form its bid and proposal evaluation committee for awarding contracts on the basis of International Competitive Bidding and hiring international consultancies under terms of reference acceptable to the Association, including agreed time bound action plans. Such committee shall be composed of five (5) members, including one (1) international procurement expert and one (1) international technical expert.