Financing Agreement

(Operation for Supporting Rural Bridges)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated December 6, 2018
FINANCING AGREEMENT

AGREEMENT dated December 6, 2018 between PEOPLE’S REPUBLIC OF BANGLADESH (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). 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) apply to and form 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 Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient a credit, deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement, in an amount equivalent to three hundred and three million, three hundred thousand Special Drawing Rights (SDR 303,300,000) (variously, “Credit” and “Financing”), to assist in financing:

(a) the program as described in Part 1 (“Program”) of Schedule 1 to this Agreement; and

(b) the project as described in Part 2 (“Project”) of Schedule 1 to this Agreement,

(the Program and the Project hereinafter jointly referred to as the “Operation”).

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Financing Account to which the amount of the Credit allocated to the Program is credited shall be deposited by the Association into an account specified by the Recipient and acceptable to the Association.
The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.

The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.

The Interest Charge is one and a quarter percent (1.25%) per annum on the Withdrawn Credit Balance.


The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

The Payment Currency is Dollar.

**ARTICLE III — OPERATION**

The Recipient declares its commitment to the objective of the Operation. To this end, the Recipient shall carry out the Operation in accordance with the provisions of Article V of the Program General Conditions, Article V of the Project General Conditions, and Schedule 2 to this Agreement.

**ARTICLE IV — EFFECTIVENESS; TERMINATION**

The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

For purposes of Section 10.05 (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 Signature Date.

**ARTICLE V — REPRESENTATIVE; ADDRESSES**

The Recipient’s Representative is the Senior Secretary/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. For purposes of Section 10.01 of the General Conditions,

(a) the Recipient’s address is:

Economic Relations Division
Ministry of Finance
Government of the People’s Republic of Bangladesh
Sher-E-Bangla Nagar 1207
Dhaka, Bangladesh; and

(b) the Recipient’s Electronic Address is:

Facsimile: E-mail:
88029180671 secretary@erd.gov.bd

5.03. For purposes of Section 10.01 of the General Conditions:

(a) the Association’s Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Association’s Electronic Address is:

Telex: Facsimile:
248423 (MCI) 1-202-477-6391
AGREED as of the Signature Date.

PEOPLE'S REPUBLIC OF BANGLADESH

By

[Signature]

Authorized Representative

Name: Mahmuda Begum
Title: Additional Secretary
Date: December 6, 2018

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: Qimiao Fan
Title: Country Director
Date: December 6, 2018
SCHEDULE 1

Operation Description

The objective of the Operation is to improve and preserve rural bridges to support connectivity and climate resiliency and strengthen institutional management.

The Operation consists of the Program and the Project as follows:

Part 1: The Program

The Program consists of following activities: (a) planning, technical design, quality control and management of rural bridges; (b) major and minor maintenance and rehabilitation of rural bridges; (c) capacity expansion (widening) and replacement of rural bridges; and (d) construction of short-to-medium-span new rural bridges, some of which with climate-resilient features.

Part 2: The Project

The Project consists of the following activities:

(a) Provision of technical assistance for supporting Program implementation, including inter alia: (i) provision of technical assistance for the Program coordination, monitoring, planning, design and other technical areas; (ii) provision of technical assistance for the carrying out of bridge asset management activities, including RuBIMS; (iii) provision of technical assistance for the carrying out of integrated technical audits (technical, fiduciary and environmental and social) of rural bridges; (iv) provision of technical assistance for the carrying out of the procurement, financial management, and internal audit sections of the Program; (v) provision of technical assistance for the monitoring and training on labor influx, occupational health and safety issues at construction sites, including labor rights, gender based violence and citizen engagement issues; and (vi) provision of technical assistance for the carrying out of the verification of DLIs.

(b) Provision of technical assistance for strengthening and building Program institutional capabilities, including, inter alia: (i) building capacity of LGED staff to handle Program-related technical, fiduciary and environmental matters, including technical design and maintenance, adaptation to climate change and disaster, and grievance redressal matters; (ii) strengthening of information communication technology and monitoring information systems of the Program;
and (iii) building capacity of LGED staff to carry out Program communication, branding and outreach activities.

(c) Provision of technical assistance for, inter alia, feasibility and analytical studies related to potential transport operations, including associated gender, social, environmental and occupational health and safety issues.
SCHEDULE 2

Operation Execution

Section I. Implementation Arrangements

A. Operation Arrangements

1. The Recipient shall maintain a unit under LGED led by one (1) additional chief engineer and supported by approximately sixty-one (61) district-level executive engineers, with technical, social and environmental safeguards, fiduciary and other Program related responsibilities for implementing the Operation, all with powers, functions, capacity, staffing, and resources appropriate to fulfil their respective functions under the Program.

2. The Recipient shall operate and maintain, throughout the period of implementation of the Operation, a multi-tier grievance redress mechanism, in a manner and substance satisfactory to the Association, for the handling of any stakeholder complaints arising out of the implementation of the Operation.

3. By no later than December 31, 2019, the Recipient shall create twenty (20) new LGED headquarters-level positions to strengthen its institutional capacity for planning, designing and managing rural bridge assets under the Operation.

B. Additional Program Implementation Arrangements

1. The Recipient shall:

   (a) appoint and thereafter maintain, at all times during the implementation of the Program, Verification Agents under terms of reference acceptable to the Association, to verify the data and other evidence supporting the achievement of one or more DLRs as set forth in the table in paragraph 2 of Section IV.A of this Schedule 2, and recommend corresponding payments to be made, as applicable; and

   (b) (i) ensure that the Verification Agents carry out verification and process(es) in accordance with the Verification Protocol; and (ii) submit to the Association the corresponding verification reports in a timely manner and in form and substance satisfactory to the Association.
2. The Recipient shall carry out the Program Action Plan in accordance with the schedule set out in the said Program Action Plan in a manner satisfactory to the Association.

C. Operation Manual

Prior to withdrawing any proceeds of the Financing, the Recipient shall issue an Operation Manual, in a manner satisfactory to the Association, setting out detailed institutional, administrative, financial, technical and operational guidelines and procedures for the implementation of the Operation, and thereafter, implement the Operation in accordance with said manual. The Recipient shall not amend, abrogate or suspend, or permit to be amended, abrogated or suspended any provision of the Operation Manual without the prior written agreement of the Association. Notwithstanding the foregoing, if any provision of the Operation Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail.

D. Safeguard Requirements for the Project

1. The Recipient shall:

   (a) ensure that the Project is carried out in accordance with the Environmental and Social Management Framework, and in accordance with the objectives, policies, procedures, time schedules and other provisions set forth in the Environmental and Social Management Framework; and

   (b) refrain from taking any action which would prevent or interfere with the implementation of the Environmental and Social Management Framework, including any amendment, suspension, waiver, and/or voidance of any provision of the Environmental and Social Management Framework, whether in whole or in part, without the prior written concurrence of the Association.

2. In the event of any conflict between the provisions of the Environmental and Social Management Framework, on the one side, and the provisions of this Agreement, on the other, the provisions of this Agreement shall prevail.

3. The Recipient shall ensure that: (a) all terms of reference for any technical assistance or studies carried out under the Project are consistent with, and pay due attention to, the Environmental and Social Management Framework; and (b) such terms of reference have received the Association’s no objection.
Section II. Excluded Activities

1. The Recipient shall ensure that the Program excludes any activities which:

(a) in the opinion of the Association, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people;

(b) involve the procurement of: (i) works, estimated to cost US$50,000,000 equivalent or more per contract; (ii) goods, estimated to cost US$30,000,000 equivalent or more per contract; (iii) non-consulting services, estimated to cost US$30,000,000 equivalent or more per contract; or (iv) consulting services, estimated to cost US$15,000,000 equivalent or more per contract;

(c) are financed by any other financier or by the Association under any other loan, credit or grant;

(d) involve the capacity expansion (widening), replacement and new construction of bridges with a length of hundred (100) meters or above;

(e) involve any construction of bridges in environmental sensitive areas, such as Recipient-listed national parks and conservation areas;

(f) involve the procurement of works, goods, non-consulting services and consulting services under open tendering method, in which: (i) bids are invited and/or rejected based on a percentage above or below the estimated cost; and/or (ii) awards using lottery systems are allowed; and

(g) involve the procurement of works, goods, non-consulting services and consulting services contracts in which awarded bids disregard tenderer's qualifications and/or experience requirements.

Section III. Operation Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Program Report and Project Report not later than forty-five (45) days after the end of each quarter, covering the quarter.
Section IV.  Withdrawal of Financing Proceeds

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 may specify from time to time by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions) to: (a) finance the Disbursement Linked Results achieved by the Recipient under the Program, as measured against Disbursement Linked Indicators, all as set forth in Category (1) of the table in paragraph 2 of this Part A; and (b) finance (inclusive of Taxes) the Eligible Expenditures under the Project as set forth in Category (2) of the table in paragraph 2 of this Part A.

2. The following table specifies each category of withdrawal of the proceeds of the Financing and allocated amounts for each such Category, including, as applicable: (a) the Disbursement Linked Indicators under the Program financed under Category (1); and (b) the Eligible Expenditures under the Project financed under Category (2), as well as the financing percentages thereof. Notwithstanding the foregoing, for purposes of Category (1) of the table below the actual amount authorized for disbursement against each Disbursement Linked Result corresponding to a Disbursement Linked Indicator (“Allocated Amount”) and/or the formula for its determination are set forth below:
<table>
<thead>
<tr>
<th>Category (including Disbursement Linked Indicator as applicable)</th>
<th>Disbursement Linked Result (as applicable)</th>
<th>Amount of the Credit (expressed in SDR)</th>
<th>Disbursement Calculation Formula (expressed in SDR)</th>
<th>Percentage of Eligible Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DLI#1: Number of meters of rural bridges with minor maintenance works completed</td>
<td>DLR#1: 60,000 meters</td>
<td>30,000,000</td>
<td>500 per meter of the Completed Rural Bridge with minor maintenance works completed</td>
<td>Not applicable</td>
</tr>
<tr>
<td>DLI#2: Number of meters of rural bridges with major maintenance works completed</td>
<td>DLR#2: 25,000 meters</td>
<td>31,000,000</td>
<td>1,240 per meter of the Completed Rural Bridge with major maintenance works completed</td>
<td></td>
</tr>
<tr>
<td>DLI#3: Number of meters of rural bridges with rehabilitation works completed</td>
<td>DLR#3: 24,000 meters</td>
<td>53,550,000</td>
<td>2,231.25 per meter of the Completed Rural Bridge with rehabilitation works completed</td>
<td></td>
</tr>
<tr>
<td>DLI#4: Number of meters of rural bridges with capacity expansion completed</td>
<td>DLR#4: 5,000 meters</td>
<td>28,550,000</td>
<td>5710 per meter of the Completed Rural Bridge with capacity</td>
<td></td>
</tr>
<tr>
<td>DLI#5: Number of meters of rural bridges with replacement or new construction works completed</td>
<td>DLR#5: 20,000 meters</td>
<td>116,300,000</td>
<td>[5,815] per meter of the Completed Rural Bridge with replacement or new construction works completed</td>
<td></td>
</tr>
<tr>
<td>DLI#6: Implementation and updating of RuBIMS</td>
<td>DLR#6: 7,100,000</td>
<td>1,775,000</td>
<td>Not applicable</td>
<td></td>
</tr>
</tbody>
</table>

Year 2: LGED has collected 20% of UZRs and UNRs bridge and gap data across the country, populated RuBIMS using the collected data and published such data on LGED website.

Year 3: LGED has collected an additional 40% of UZRs and UNRs bridge and gap data across the country, populated RuBIMS using the collected data and published such data on LGED website.

Year 4: LGED has collected an additional 40% of UZRs and UNRs bridge and gap data across the country, populated RuBIMS using the collected data and published such data on LGED website.

Year 5: LGED has collected UZRs and UNRs bridge and gap data in at
least 50% of the 61 districts under the Program, populated RuBIMS using the collected data and published such data on LGED website.

| DLI#7(a): Percentage of national competitive tenders issued using e-contract management module of e-governance procurement | DLR#7(a): | 2,100,000 | 2,100,000 × ((verified percentage – baseline percentage) / (maximum percentage – baseline percentage)) – last disbursement (cumulative) |
| Year 2: At least 10% | 350,000 |
| Year 3: At least 40% | 1,050,000 |
| Year 4: At least 60% | 700,000 |

| DLI#7(b): Percentage of work contracts completed within the original contractual timeline | DLR#7(b): | 2,800,000 | $2,800,000 × ((verified percentage – baseline percentage) / (maximum percentage – baseline percentage)) – last disbursement (cumulative) |
| Year 2: At least 35% | 350,000 |
| Year 3: At least 50% | 1,050,000 |
| Year 4: At least 60% | 700,000 |
| Year 5: At least 70% | 700,000 |

<p>| DLI #7(c): Effective and efficient fiduciary management system | DLR#7(c): | 2,100,000 | Not applicable |
| Year 2: LGED constitutes an audit observation resolution committee (&quot;AORC&quot;) | 700,000 |</p>
<table>
<thead>
<tr>
<th>Year 3: LGED’s internal audit department completes at least 1 Program internal audit using risk based internal auditing approach</th>
<th>700,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 4: Resolution of at least 80% (in number) of audit observations</td>
<td>700,000</td>
</tr>
<tr>
<td>DLI #8(a): Adaptation and operationalization of GRS</td>
<td>3,500,000</td>
</tr>
<tr>
<td>Year 1: LGED formulates and approves GRS guidelines in line with the Cabinet Division’s GRS guidelines of 2015</td>
<td>700,000</td>
</tr>
<tr>
<td>Year 2: LGED implements a department wide web-based GRS to track complaints on its department’s activities; publicly publishes yearly summary reports detailing number of received complaints, complaint types and resolutions’ status</td>
<td>700,000</td>
</tr>
<tr>
<td>Year 3: LGED publicly publishes yearly summary reports detailing number of received complaints, complaint types and resolutions’ status</td>
<td>700,000</td>
</tr>
<tr>
<td>Year 4: LGED publicly publishes yearly summary reports detailing number of received complaints, complaint types and resolutions’ status</td>
<td>700,000</td>
</tr>
<tr>
<td>Year 5: LGED publicly publishes yearly summary reports detailing number of received complaints, complaint types and resolutions’ status</td>
<td>700,000</td>
</tr>
<tr>
<td>DLI#8(b): Development and operationalization of smartphone-based field inspection application</td>
<td>DLR#8(b):</td>
</tr>
<tr>
<td>---</td>
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</tr>
<tr>
<td>Year 1: LGED finalizes design and approves a table-cum-smartphone-based application for field work inspection</td>
<td>700,000</td>
</tr>
<tr>
<td>Year 2: LGED publicly publishes yearly summary reports detailing number of site visit made, summary finding of such visits and number of visits made by different levels of officials</td>
<td>700,000</td>
</tr>
<tr>
<td>Year 3: LGED publicly publishes yearly summary reports detailing number of site visit made, summary finding of such visits and number of visits made by different levels of officials</td>
<td>700,000</td>
</tr>
<tr>
<td>Year 4: LGED publicly publishes yearly summary reports detailing number of site visit made, summary finding of such visits and number of visits made by different levels of officials</td>
<td>700,000</td>
</tr>
<tr>
<td>Year 5: LGED publicly publishes yearly summary reports detailing number of site visit made, summary finding of such visits and number of visits made by different levels of officials</td>
<td>700,000</td>
</tr>
<tr>
<td>Category (2)</td>
<td>22,800,000</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Goods (excluding vehicles), non-consulting services, consulting services, Training and Workshops and Incremental Operating Costs under the Project</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>303,300,000</td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions for the Program

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

   (a) on the basis of DLRs achieved prior to the Signature Date; or

   (b) for any DLR under Category (1) until and unless the Recipient has furnished evidence satisfactory to the Association that said DLR has been achieved.

2. Notwithstanding the provisions of Part B.1(b) of this Section, the Recipient may withdraw an amount not to exceed seventy million one hundred and twenty-five thousand Special Drawing SDR 70,125,000 as an advance; provided, however, that if the DLR(s) in the opinion of the Association, is/are not achieved (or only partially achieved) by the Closing Date, the Recipient shall refund such advance to the Association promptly upon notice thereof by the Association. Except as otherwise agreed with the Recipient, the Association shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the Association shall specify by notice to the Recipient.

3. Notwithstanding the provisions of Part B.1(b) of this Section, the amount of the Financing to be withdrawn upon the verified achievement of any DLR by the Closing Date, shall be calculated, in accordance with the formulas set forth in the table of paragraph 2 of the Section IV.A.2 of this Schedule 2.

4. Notwithstanding the provisions of Part B.1(b) of this Section, if any of the DLRs under Category (1) has not been achieved by the date by which the said DLR is set to be achieved, the Association may, by notice to the Recipient: (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Loan then allocated to said Category which, in the opinion of the Association, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the formulas set forth in the table of paragraph 2 of Section IV.A.2 of this Schedule 2 (except for DLIs 6, 7(c), 8(a) and 8(b)); (b) reallocate all or a portion of the proceeds of the Financing then allocated to said DLR to any other DLR; and/or (c) cancel all or a portion of the proceeds of the Financing then allocated to said DLR.
5. For purposes of, *inter alia*, Section 2.03 and 7.04 of the General Conditions, the term "Program Expenditures" means those expenditures incurred by LGED under the following budget codes: 3211107 (hiring charges), 3211123 (rental of other assets-vehicle), 3231201 (domestic training), 3231101 (foreign training), 3257101 (consultancy firm), 3257104 (survey), 3258111 (repair and maintenance bridges) and 4111303 (replacement and new construction bridges), or such other code/account as may be agreed from time to time with the Association.

6. Notwithstanding the foregoing provisions of this Section IV, if at any time after the Closing Date the Recipient has failed to provide evidence satisfactory to the Association that the Withdrawn Financing Balance does not exceed the total amount of Program Expenditures (exclusive of any such expenditures financed by any other financier or by the Association under any other loan, credit or grant), the Recipient shall, promptly upon notice from the Association, refund to the Association such excess amount of the Withdrawn Financing Balance. The Association shall cancel the refunded amount of the Withdrawn Financing Balance.

C. **Withdrawal Conditions for the Project**

Notwithstanding the provisions of Section V.A of this Schedule 2, with respect to Category (2), no withdrawal shall be made for payments made in respect of the Project prior to the Signature Date.

D. **Operation Withdrawal Period**

The Closing Date is December 31, 2023.
**SCHEDULE 3**

**Repayment Schedule**

| Date Payment Due                                      | Principal Amount of the Credit repayable (expressed as a percentage) *
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>On each January 15 and July 15:</td>
<td></td>
</tr>
<tr>
<td>commencing January 15, 2024 to and including July 15, 2043</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing January 15, 2044 to and including July 15, 2048</td>
<td>3.40%</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 3.05 (b) of the General Conditions.
APPENDIX

Definitions

1. "Allocated Amount(s)" means the amount allocated to each individual DLR, or determined for each DLR pursuant to Schedule 2 to this Agreement, as such amount might be increased, reallocated and/or cancelled (whether partially or in its entirety) by the Association, from time to time as the case may be, in accordance with the provisions of Section IV.B of Schedule 2 to this Agreement.

2. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the Program General Conditions, the Association’s “Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing,” dated February 1, 2012, and revised July 10, 2015. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the Project General Conditions, 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 and as of July 1, 2016.

3. "AORC" means audit observation resolution committee.

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

5. "Completed Rural Bridge" means the UZR or UNR bridge which has been fully maintained, rehabilitated, expanded, replaced or constructed under the Program.

6. "Disbursement Linked Indicator" or "DLI" means in respect of Category (1), the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.

7. "Disbursement Linked Result" or "DLR" means in respect of Category (1), the result under said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the Financing allocated to said result may be withdrawn in accordance with the provisions of said Section IV.

8. "Eligible Expenditure" means the definition of Eligible Expenditure contained in the Appendix to the Project General Conditions.
9. “Environmental and Social Management Framework” means the Recipient’s environmental and social management framework for the Project, acceptable to the Association, disclosed on June 7, 2018, setting forth the policy framework, principles, standards, processes and institutional arrangements to be applied to assess potential adverse environmental and social impacts associated with the technical assistance to be supported under the Project, and the ways to avoid, minimize, mitigate or offset them, including public consultation, disclosure and reporting; as such framework may be amended from time to time with the prior written concurrence of the Association.

10. “General Conditions” means the Program General Conditions and the Project General Conditions. In such cases, capitalized definitions are the same in both sets of General Conditions. In cases where the capitalized definitions differ, the term will be defined in this Appendix.

11. “GRS” means grievance redressal mechanism.

12. “Incremental Operating Costs” means the reasonable costs 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, office supplies, utilities, consumables, communication expenses, translation, printing, photocopying and postal expenses, bank charges, advertising expenses, insurance, Project-related meeting expenses and Project-related travel provided that such allowances are paid directly to the eligible recipient using the banking system; excluding salaries, fuel, per diem, allowances and honorarium of officials of the Recipient’s civil service and/or other sitting allowances and honorarium of any other nature.


14. “Operation Manual” means the manual of the Recipient for the Operation, prepared and issued pursuant to Section I.C of Schedule 2 to this Agreement, as may be amended from time to time with the prior written concurrence of the Association.


17. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the Project General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016 and revised November 2017.

18. “Program Action Plan” means the Recipient’s plan dated September 23, 2018 and referred to in Section I.B.2 of Schedule 2 to this Agreement, as may be amended from time to time with the agreement of the Association.

19. “RuBIMS” means rural bridge information and management system.

20. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.

21. “Training and Workshops” means the reasonable costs required for the participation of personnel involved in training activities, workshops and study tours under the Project which have been approved by the Association in writing on an annual basis, including: (a) travel, hotel, and subsistence costs for training, workshop and study tour participants provided that such costs are paid directly to the eligible recipient using the banking system; and (b) costs associated with 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, workshop allowances, sitting allowances and honorarium of any other nature.

22. “UNRs” means Union roads.

23. “UZRs” means Upazila roads.

24. “Verification Agents” means independent entities to be engaged by the Recipient for the purposes of certifying the achievement of the DLRs as referred to in Section I.B.1 of Schedule II to this Agreement.

25. “Verification Protocol” means the Recipient’s protocol, acceptable to the Association, setting forth the means by which the achievement of DLRs will be
verified under the Program, as such Verification Protocol may be amended from
time to time with the prior written agreement of the Association.

26. “Year” means a fiscal year of the Recipient, commencing on July 1st of a calendar
year and concluding on June 30th of the following calendar year.

27. “Year 1” means the period commencing on July 1, 2018 and concluding on June
30, 2019.

28. “Year 2” means the period commencing on July 1, 2019 and concluding on June

29. “Year 3” means the period commencing on July 1, 2020 and concluding on June
30, 2021.

30. “Year 4” means the period commencing on July 1, 2021 and concluding on June
30, 2022.

31. “Year 5” means the period commencing on July 1, 2022 and concluding on June