Mr. Hans Guttman  
Executive Director  
Asian Disaster Preparedness Center  
SM Tower, 24th Floor, 979/69 Paholyothin Road, Samsen Nai, Phayathai  
Bangkok 10400, Thailand  

Re:   PARCC TF Grant No. TF0B2642  
Climate Adaptation and Resilience for South Asia Project  
Letter Agreement  

Dear Sir/Madam:  

In response to the request for financial assistance made on behalf of Asian Disaster Preparedness Centre ("Recipient"), I am pleased to inform you that the International Development Association ("Bank"), acting as administrator of grant funds provided by the Department for International Development ("DFID") ("Donor" under the Program for Asia Resilience to Climate Change Multi-Donor Trust Fund), proposes to extend to the Recipient for the benefit of countries in the South Asia region (each a “Member Country”), a grant in an amount not to exceed Three Million Five Hundred Thousand United States Dollars (USD 3,500,000) ("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 abovementioned trust fund for which the Bank receives periodic contributions from the Donor. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the 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.  

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.  

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date this Agreement, and returning one duly executed copy to the Bank.  

Very truly yours,  
INTERNATIONAL DEVELOPMENT ASSOCIATION  

By  
Cecile Fruman  
Name:  
Title:  Director, Regional Integration, South Asia  

27-May-2020  

Cecile Fruman  
Director, Regional Integration, South Asia  
27-May-2020
AGREED:
ASIAN DISASTER PREPAREDNESS CENTRE

By __________________________
Authorized Representative
Hans Guttman

Name __________________________
Title Executive Director

Date 28-May-2020

Enclosures:

(1) “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds” dated February 25, 2019

(2) Disbursement and Financial Information Letter of the same date as this Agreement, together with the “Disbursement Guidelines for Investment Project Financing”, dated February 2017
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) 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 Section or in the ADPC Financing Agreement:

(a) “ADPC Financing Agreement” means the agreement entered or to be entered into on or about the date of this Agreement between ADPC and the Association for the implementation of Part 2 of the Project.

(b) “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard 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.

(c) “Category” means a category set forth in the table in Section 3.01 of this Agreement.

(d) “Grants Manager” shall have the meaning as specified in Section 2.04 of this Agreement.

(e) “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.


(g) “Operating Costs” means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred on account of the administration of the [Grant program] consisting of, communication and insurance costs, banking charges, document duplication/printing, interpretation and translation costs, consumables, and salaries of staff of the ADPC PIU and such staff working out of the country units supporting the Grant program, but excluding the apportioned and indirect staff costs.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to contribute to an enabling environment for climate resilience policies and investments in select sectors and countries in South Asia.

The Project consists of the activities described in Schedule 1 of the ADPC Financing Agreement.
2.02. **Project Execution Generally.** The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out Part 2.4 of the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

2.03. **Institutional and Other Arrangements.** (a) Section I.A (Institutional Arrangements), Section I.B (Project Operations Manual), Section I.D (Environmental and Social Standards) of Schedule 2 to the ADPC Financing Agreement, are hereby incorporated by reference and shall apply, *mutatis mutandis*, to this Agreement, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.

(b) Without limitation to the provisions of Section 2.03 of this Schedule, for the purpose of the implementation of the Grant program, the Recipient shall coordinate the administration of the Sub-grants, through a manager (“Grants Manager”) who shall report to the Project Director of the ADPC PIU, as further specified in the Project Operations Manual.

2.04. **Sub-Grants under Part 2.4 of the Project**

1. For the implementation of Part 2.4 of the Project, the Recipient shall extend Sub-grants to Beneficiaries for the purpose of financing Sub-projects, in accordance with eligibility criteria, assessment, due diligence and procedures set out in the Project Operations Manual.

2. Each Sub-grant shall be extended pursuant to a Sub-grant Agreement between the Recipient and the relevant Beneficiary on terms and conditions approved by the Association, which shall include the following:

   (a) the Beneficiary’s obligations to: (i) carry out the Sub-projects with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (ii) to maintain policies and procedures to enable it to monitor and evaluate the progress of the Sub-grant in accordance with indicators acceptable to the Association; (iii) prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association; (iv) procure the goods, works and services to be financed out of the Sub-grant in accordance with the provisions of this Agreement; (v) promptly inform the Recipient of any condition which interferes and threatens to interfere with the purpose of the Sub-project or with its performance; (vi) complete the carrying out of the Sub-project before the Closing Date; (vii) maintain policies and procedures to enable to monitor the progress of the Sub-project and the achievement of its objectives; (viii) abide by, and comply with, the terms and conditions of the safeguard instruments, as applicable; and (ix) accept physical or documentary inspection by the Association, in relation to the carrying out of the Sub-project; and

   (b) the Recipient’s right to suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-grant or obtain a refund of all or any part of the amount of the Sub-grant then withdraw, upon the Beneficiary’s failure to perform its obligations under the Sub-grant Agreement.
2.05 **Documents; Records.**

In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

(a) all records evidencing expenditures under the Project are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient’s financial and narrative progress reports submitted to the Bank; (iii) the Recipient’s financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient’s implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and

(b) the representatives of the Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor.

2.06. **Project Monitoring, Reporting and Evaluation.** The Recipient shall ensure that each Project Report is furnished to the Bank not later than one month after each calendar semester, covering the calendar semester.

**Article III**

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table under the Project.

<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) Sub-Grants under Part 2.4 of the Project</td>
<td>3,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Operating Costs incurred for Part 2.4 of the Project</td>
<td>500,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>3,500,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

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 this Agreement.

3.03. **Withdrawal Period.** The Closing Date is August 28, 2022.
Article IV
Additional Remedies

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

(a) The Member Country or any member of the Recipient: (i) has been suspended from membership in or ceased to be a member of the Association; or (ii) has ceased to be a member of the International Monetary Fund.”

(b) The Bank has determined after the Effective Date referred to in Section 5.0(3) of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the conditions specified below have been satisfied.

(a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental [and corporate] action.

(b) If the Bank so requests, the condition of the Recipient, as represented or warranted to the Bank at the date of this Agreement, has undergone no material adverse change after such date.

(c) the financing agreement dated the same date as this Agreement, between the Recipient and IDA, providing an IDA grant in support of the Project (“ADPC Financing Agreement”), has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

5.02. By signing the Grant Agreement, the Recipient Entity shall be deemed to represent and warrant that on the Signature Date, the Grant Agreement has been duly authorized by, and executed and delivered on behalf of, the Recipient and is legally binding upon the Recipient in accordance with its terms, except where additional action is required to make such Grant Agreement legally binding. Where additional action is required following the Signature Date, the Recipient shall notify the Bank when such additional action has been taken. By providing such notification, the Recipient shall be deemed to represent and warrant that on the date of such notification the Grant Agreement is legally binding upon the Recipient in accordance with its terms.

5.03. Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Bank may
postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. **Termination for Failure to Become Effective.** This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

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**Article VI**

**Recipient’s Representative; Addresses**

6.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Executive Director.

6.02. **Recipient’s Address.** For purposes of Section 7.01 of the Standard Conditions: (a) the Recipient’s Address is:

Asian Disaster Preparedness Center  
SM Tower, 24th Floor, 979/69 Paholyothin Road,  
Samsen Nai, Phayathai  
Bangkok 10400, Thailand; and

(b) the Recipient’s Electronic Address is:

Facsimile:  
E-mail:

+662 516 5902  
rimes@rimes.int

6.03. **Bank’s Address.** For purposes of Section 7.01 of the Standard Conditions: (a) the Bank’s address is:

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

(b) the Bank’s Electronic Address is:

[Telex:  
Facsimile:

248423 (MCI) or  
64145 (MCI)]  
1-202-477-6391
APPENDIX
Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. The Appendix (Definitions) is modified as follows:

   (a) Paragraph 17 (Member Country) is modified to read as follows:

   “Member Country” means the member of the Association in whose territory the Project is carried out or any such member’s political or administrative subdivisions. If such activity is carried out in the territory of more than one such member, “Member Country” refers separately to each such member.”

2. Paragraphs (a) and (b) of Section 2.09 (Visits) of the Standard Conditions is modified as follows:

   “Section 2.09. Visits

   “(a) The Recipient shall take all action necessary or useful to ensure that the Member Country affords all reasonable opportunity for representatives of the Association to visit any part of their territories for purposes related to the Grant or the Project.”

3. Section 4.02 is modified as follows:

   Paragraph (h) on Membership is modified to read as follows:

   “(h) Membership. The Member Country or any member of the Recipient: (i) has been suspended from membership in or ceased to be a member of the Association; or (ii) has ceased to be a member of the International Monetary Fund.”