January 14, 2014

Secretary Md. Abdul Kalam Azad
Economic Relations Division
Ministry of Finance
Government of the People's Republic of Bangladesh
Dhaka, Bangladesh

Dear Secretary Azad:

Re: Disability and Children-At-Risk Project (Credit No. 4481-BD)
(Amendment to the Financing Agreement)

We refer to the Financing Agreement dated December 26, 2011, between the International Development Association (the Association) and the People's Republic of Bangladesh (the Recipient) for the above-referenced Project, as amended to date. We also refer to your letter dated December 26, 2013, and received December 29, 2013, requesting a restructuring of the Project, including the partial cancellation of the proceeds in the amount of eight million eight hundred thousand United States Dollars (USD 8,800,000), and an extension of the Closing Date to June 30, 2016.

Accordingly, we are pleased to inform that, after due consideration, the Association concurs with the restructuring request and proposes to hereby amend the Financing Agreement as follows:

1. Schedule 1 (Project Description) to the Financing Agreement shall be replaced in its entirely by Annex A.

2. Section I.A of Schedule 2 to the Financing Agreement shall be amended to read as follows:

"A. Institutional Arrangements

1. For the purpose of ensuring quality control over the Project, the Recipient shall maintain, throughout the period of Project implementation:

   (a) the Project Steering Committee, with composition acceptable to the Association, headed by the Secretary, Ministry of Social Welfare, responsible for Part A of the Project; and

   (b) the Project Steering Committee, with composition acceptable to the Association, headed by the Secretary, Ministry of Social Welfare, responsible for Part B of the Project.

2. The Recipient shall maintain, until the completion of the Project, the Project Implementation Unit (PIU), within the Department of Social Services (DSS), comprising of a National Project Director, an accounts specialist, procurement specialist, and an adequate number of technical specialists, and administrative and support staff, all with qualifications and terms of reference acceptable to the Association. The PIU shall, under the general oversight, supervision and guidance of the Project Steering Committee for Part B of the Project, be responsible for coordinating the day-to-day activities under Part B of the Project.
3. The Recipient shall: (i) carry out Part B of the Project in accordance with the guidelines, criteria, rules and procedures described in the Children-at-Risk Operational Manual; and (ii) except as the Association shall otherwise agree, shall not assign, amend, abrogate or waive any provision of the Children-at-Risk Operational Manual."

3. Section D of Schedule 2 (Project Execution) shall be deleted in its entirety.

4. Section II.A of Schedule 2 (Project Execution) to the Financing Agreement shall be amended to read as follows:

"A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than one month after the end of the period covered by such report."

5. The table set out in Section IV.A.2 of Schedule 2 (Project Execution) to the Financing Agreement shall be amended to read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, consultants' services, training, studies, study tours, and workshops:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Under Part A</td>
<td>2,034</td>
<td>100%</td>
</tr>
<tr>
<td>(b) Under Part B</td>
<td>96,973</td>
<td></td>
</tr>
<tr>
<td>(2) Sub-Grants for Sub-projects:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) For Disability Sub-projects</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(b) For PCAR Sub-projects</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>(3) Incremental Operating Costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Under Part A</td>
<td>7,428</td>
<td>100%</td>
</tr>
<tr>
<td>(b) Under Part B</td>
<td>22,858</td>
<td></td>
</tr>
<tr>
<td>(4) Refund of Project Preparation Advance</td>
<td>247,740</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>(5) Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>(6) Goods, Non-Consulting Services, Consultant's Services, Studies, Training, Study Tours, Workshops, and Incremental Operating Costs</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>(a) Under Part A</td>
<td>9,758,435</td>
<td></td>
</tr>
<tr>
<td>(b) Under Part B and C</td>
<td>6,064,532</td>
<td></td>
</tr>
<tr>
<td>Cancellation as of December 29, 2013</td>
<td>5,700,000</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>21,900,000</td>
<td></td>
</tr>
</tbody>
</table>

6. New Section IV.A.3 of Schedule 2 shall be inserted as follows:

“For the purpose of the table set out in Section IV.A.2 of Schedule 2 (Project Execution) to the Financing Agreement, Categories 1(a), 1(b), 2(a), 2(b), 3(a), and 3(b) represent amounts that are already disbursed and/or subjected to the Association's special commitment issued prior to December 29, 2014, and other commitments, and shall not be available for disbursement from this date, unless otherwise agreed by the Association.”

7. Section IV.B.2 of Schedule 2 (Project Execution) to the Financing Agreement shall be amended to read as follows:

“2. The Closing Date is June 30, 2016.”

8. The following definitions in the Appendix to the Financing Agreement shall be amended to read as follows:

“‘Children-at-Risk Operational Manual’ means the manual to be issued by the Recipient, for the purpose of carrying out the Project, containing, inter alia, work programs, training programs, implementation time-table, the indicators referred to Section II.A of Schedule 2 to this Agreement, and financial and procurement methods and procedures, approval and selection criteria for NGOs, expected outputs-outcomes, grant limits, roles of various national and local committees, monitoring and evaluation planning and reporting to be used in the implementation of Part B of the Project, as the same may be amended from time to time, in consultation with, and with the approval of, the Association, and such term includes any schedules to the Children-at-Risk Operational Manual.”

“‘Disability Operational Manual’ means the Manual to be issued by the Project Implementing Entity (as hereinafter defined), for the purpose of carrying out Part A of the Project, containing, inter alia, work programs, training programs, implementation time-table, the indicators referred to Section II.A of Schedule 2 to this Agreement, and financial and procurement methods and procedures, approval and selection criteria for NGOs, expected outputs-outcomes, grant limits, roles of various national and local committees, and monitoring and evaluation planning and reporting to be used in the implementation of Part A of the Project, as the same may be amended from time to time, in consultation with, and with the approval of, the Association, and such term includes any schedules to the Disability Operational Manual.”
“Incremental Operating Costs’ mean 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, fuel, office supplies, utilities, consumables, communication expenses, translation, printing, photocopying and postal expenses, bank charges, advertising expenses, insurance, costs of clearing, forwarding, inspection, survey and transportation of goods, Project-related meeting expenses, Project-related travel, subsistence and lodging expenses, other administrative costs directly related to the Project, and remuneration of the staff assigned to the Project as agreed with the Association, but excluding the salaries and allowances of the Recipient's civil service.”

“Project Steering Committee’ means: (i) with respect to Part A of the Project, the committee referred to in paragraph 1(a) of Section I.A of Schedule 2 to this Agreement and referred to as the PSC for the “Promotion of Services and Opportunities to the Disabled Persons in Bangladesh”; or (ii) with respect to Part B of the Project, the committee referred to in paragraph 1(b) of Section I.A of Schedule 2 to this Agreement and referred to as the PSC for the “Services for Children-At-Risk”, as the case may be.”

“Training’ means conferences, seminars, workshops and study tours conducted in the territory of the Recipient and abroad, including reasonable and necessary incremental expenditures incurred on account of organizing or attending learning and knowledge dissemination events, including fees for educational institutions; fees and allowances for resource persons; travel, board and lodging for resource persons and trainees; logistics and materials associated with conferences, seminars, workshops and study tours; and other training costs directly associated with the Project, but excluding those provided through consulting services.”

9. The following definitions in the Appendix to the Financing Agreement shall be deleted:

a) “Beneficiary”;
b) “Children-at-Risk Service Agreement”;
c) “Children-at-Risk Sub-grant”;
d) “Children-at-Risk Sub-project”;
e) “Convention”;
f) “Disability Sub-grant”;
g) “Disability Sub-grant Agreement”;
h) “Disability Sub-project”;
i) “Executing Agent”;
j) “Service Provider”; and
k) “Sub-projects”.

All other provisions of the Financing Agreement shall remain in full force and effect.

Please confirm your agreement to the foregoing amendments by countersigning, dating, and returning to us the enclosed copy of this letter. Upon receipt by the Association of the copy of this letter countersigned by you, the amendments will become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]
Christine Kimes
Acting Head of the Bangladesh Country Office
For Country Director
AGREED:

PEOPLE'S REPUBLIC OF BANGLADESH

[Signature]

Authorized Representative

Name: Nurul Islam

Title: ADDL. SECRETARY (E20), MINISTRY OF FINANCE

Date: Jun 18, 2014
Annex A

SCHEDULE 1

Project Description

The objective of the Project is to expand coverage and improve quality of services for persons with disabilities and children at risk by strengthening and scaling up government service delivery systems.

The Project consists of the following parts:

Part A: Strengthening Disability Services

(a) Strengthening and scaling up of existing government programs and interventions through the addition of new Protibondhi Sheba-O Sahajjo Kendro (Care and Assistance Center for Persons with Disabilities) and provision of fully-equipped mobile vans for outreach services, as well as supply of assistive devices.

(b) Design and implementation of public education and information campaigns on disability issues, including the development of awareness materials.

(c) Carrying out of socioeconomic situation assessments of persons with disability; and other assessments, to inform program development and formulation of an action plan for disability services and programs.

(d) Development of detailed operational guidelines, instructions, and standards of services for persons with disabilities.

(e) Training and capacity building of JPUF and MOSW staff, as well as disability service providers, at union, upazila, district and national levels on disability issues.

(f) Carrying out of evaluations to assess performance of JPUF programs and services.

(g) Financing of Project staff and operating costs.

Part B: Strengthening Children-at-Risk Services and Social Welfare Program Administration

(a) Provision of support to Integrated Child Protection Service (ICPS) Centers in selected cities.

(b) Design and implementation of public education and information campaigns on child protection issues, including the development of awareness materials.

(c) Carrying out of socioeconomic situation assessments of children-at-risk and other assessments, to inform program development and formulation of action plans for children-at-risk services and programs.

(d) Development of detailed operational guidelines, instructions, and standards of services for children-at-risk.

(e) Training and capacity building of DSS and MOSW staff, as well as children-at-risk service providers, at union, upazila, district and national levels on child protection issues.
(f) Carrying out evaluations to assess performance of DSS programs and services.

(g) Financing of Project staff and operating costs.

(h) Development and implementation of an automated management information system for MOSW integrating programs and services of DSS and JPUF, including the provision of, *inter alia*, hardware, software, and training.