Bangladesh Climate Change Resilience Fund Grant Agreement

(Climate Resilient Participatory Afforestation and Reforestation Project)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

acting as manager of the Bangladesh Climate Change Resilience Fund

Dated February 27, 2013
BCCRF GRANT NUMBER TF014026

BANGLADESH CLIMATE CHANGE RESILIENCE FUND
GRANT AGREEMENT

AGREEMENT dated, February 27, 2013, entered into between:
PEOPLE’S REPUBLIC OF BANGLADESH (“Recipient”); and INTERNATIONAL
DEVELOPMENT ASSOCIATION (“World Bank”), acting as manager of the
Bangladesh Climate Change Resilience Fund.

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard Conditions (as defined in the Appendix to this 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 Standard Conditions, in
this Agreement, or in the Appendix to this Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described
in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall:
(a) carry out Parts 1, 3 and 4 of the Project through the Bangladesh Forest
Department; and (b) cause Part 2 of the Project to be carried out by the Project
Implementing Entity, in accordance with the provisions of Article II of the
Standard Conditions and the Project Agreement.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and
except as the Recipient and the World Bank shall otherwise agree, the Recipient
shall ensure that the Project is carried out in accordance with the provisions of
Schedule 2 to this Agreement.

Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions
set forth or referred to in this Agreement, a grant in an amount equal to thirty
three million eight hundred thousand United States Dollars (US$33,800,000) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

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

(a) The Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the Project Implementing Entity of its obligations under the Project Agreement.

(b) The Project Implementing Entity has failed to perform any obligation under the Project Agreement.

(c) IBRD or IDA has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by IBRD or IDA, or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA (including as administrator of funds provided by another financier), as a result of:

(i) a determination by IBRD or IDA that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or

(ii) a declaration by another financier that the Project Implementing Entity is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Project Implementing Entity has engaged in fraudulent, corrupt,
coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.

(d) As a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that the Project Implementing Entity will be able to perform its obligations under the Project Agreement.

(e) The Recipient's Company Law has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.

(f) The World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World 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 World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.

(a) If the World Bank so requests, the condition of the Project Implementing Entity, as represented or warranted to the World Bank at the date of the Project Agreement, has undergone no material adverse change after such date.

(b) The Subsidiary Agreement referred to in Section I.A.1 of Schedule 2 to this Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.

5.02. As part of the evidence to be furnished pursuant to Section 5.01, there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing the following matters:

(a) the Subsidiary Agreement referred to in Section I.A.1 of Schedule 2 to this Agreement has been duly authorized or ratified by the Recipient and the
Project Implementing Entity and is legally binding upon each such party in accordance with its terms.

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World 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 World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World 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. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient's Representative; Addresses

6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the 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.

6.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

    Economic Relations Division
    Ministry of Finance
    Government of the People's Republic of Bangladesh
    Sher-E-Bangla Nagar
    Dhaka, Bangladesh

    Facsimile:

    88028113088

6.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Facsimile:
1-202-477-6391

AGREED at Dhaka, People’s Republic of Bangladesh, as of the day and year first above written.

PEOPLE’S REPUBLIC OF BANGLADESH

By

[Signature]
Authorized Representative

Name: Aastoo Khan
Title: Additional Secretary
Economic Relations Division

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as manager of the Bangladesh Climate Change Resilience Fund

By

[Signature]
Authorized Representative

Name: Salman Jaheer
Title: Country Director for Bangladesh
South Asia Region
SCHEDULE 1
Project Description

The objective of the Project is to reduce forest degradation and increase forest coverage through participatory planning/monitoring and to contribute in building the long-term resilience of selected communities in coastal and hilly areas of the Recipient's territory to climate change.

The Project consists of the following parts:

Part 1. Afforestation and Reforestation Program

(a) Participatory Afforestation and Reforestation

Afforestation and reforestation of about 17,000 hectares of land and about 1,672 kilometers of roadside plantation, including, inter alia: (i) treatment and reclamation of coastal mangrove land; (ii) treatment of the undulating terrain within a 20 kilometer-radius of the coastal zone; (iii) promotion of locally proven nursery and plantation techniques with international best practices for ensuring quality planting stock and successful plantation establishment; (iv) piloting of an open, inclusive and transparent process of selecting participants in the social forestry program at the Union level; and (v) preparation and maintenance of a list of daily participants coming from the adjacent community with each participant assigned a code number to be used in making payments to such participant.

(b) Rehabilitation/Reconstruction of Forest Department Field Infrastructure

Rehabilitation and/or reconstruction of about 43 field offices of BFD in the Project area.

Part 2. Alternative Livelihoods to Support Forest Communities

Creation of alternative livelihood opportunities for about 6,000 households in about two hundred (200) forest communities in nine (9) Project districts selected using a clear and sound selection method including:

(a) technical assistance, training, and development of guidelines and informational materials;

(b) improvement of linkages with BFD through social mobilization of targeted communities into Forest Dependent Groups;

(c) promotion of small-scale alternative income-generating activities at the household level;
(d) identification of and support to income-generating activities that have the potential to be expanded to the community level (e.g. establishment of cooperatives, community-based eco-tourism, production of energy-efficient cooking stoves, and establishment of agricultural firms), including the provision of Sub-grants; and

(e) support to the establishment by selected Forest Dependent Groups of a mutual rotating savings and loan program, including the provision of Sub-grants.

Part 3. Capacity Development for Forest Resource Planning and Management

Improvement of forest management through:

(a) improvement of the current management practices through technological interventions;

(b) capacity building of BFD through the deployment of appropriate manpower and training plans, and proper resource planning, resource management and human resource assessment, including:

(i) establishment of a forest resource assessment and monitoring system at BFD; and

(ii) formulation of guidelines for quality assurance of data, results, and mapping and assessment of change to forests;

(c) review and update of the Forestry Sector Master Plan;

(d) strengthening of the capacity of BFD, the Ministry of Environment & Forests and targeted communities to better manage forest resources, including carrying out of a capacity assessment and capacity development interventions involving short-term on-the-job training and academic/ diploma training.

Part 4. Project Management

(a) Establishment, operation and maintenance of a Project Implementation Unit and support for Project implementation, financial management, social and environmental safeguards, communication, procurement, monitoring and reporting.

(b) Enhanced coordination with the relevant ministries/divisions/agencies and local authorities.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Subsidiary Agreement

1. To facilitate the carrying out of Part 2 of the Project, the Recipient shall make part of the proceeds of the Grant allocated from time to time to Categories (1)(b) and (2) of the table set forth in Section IV.A.2 of this Schedule available to the Project Implementing Entity under a subsidiary agreement ("Subsidiary Agreement") between the Recipient and the Project Implementing Entity, under terms and conditions approved by the World Bank, which shall include the following:

(a) The Recipient shall obtain rights adequate to protect its interests and those of the World Bank, including the right to:

   (i) suspend or terminate the right of the Project Implementing Entity to use the proceeds of the Grant, or obtain a refund of all or any part of the amount of the Grant then withdrawn, upon the Project Implementing Entity’s failure to perform any of its obligations under the Subsidiary Agreement; and

   (ii) require the Project Implementing Entity to:

         (A) carry out Part 2 of the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient;

         (B) provide, promptly as needed, the resources required for the purpose;

         (C) procure the goods, works and services to be financed out of the Grant in accordance with the provisions of Section III of this Schedule 2;

         (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of Part 2 of the Project and the achievement of its objectives;
(E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to Part 2 of the Project; and

(2) at the World Bank’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank;

(F) enable the Recipient and the World Bank to inspect Part 2 of the Project, its operation and any relevant records and documents, including each Sub-grant Agreement and any documents related thereto; and

(G) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing.

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

B. Institutional Arrangements

1. The Recipient shall, not later than the Effective Date, establish and thereafter maintain, throughout the period of Project implementation, a Project Steering Committee, chaired by the Secretary, Ministry of Environment & Forests and consisting of, inter alia, representatives of the Economic Relations Division, Planning Commission, Implementation Monitoring and Evaluation Division, BFD, the World Bank and other relevant government agencies, and the Executive Director of the Project Implementing Entity. The Project Steering Committee shall be responsible for providing advice and guidance on Project implementation and for providing policy guidance.

2. The Recipient shall, not later than the Effective Date, establish and thereafter maintain, throughout the period of Project implementation, a Project Implementation Committee at BFD, chaired by the Chief Conservator of Forests,
and responsible for, *inter alia*: (a) reviewing the quarterly and annual progress of the Project; and (b) guiding the Project Implementation Unit and the Project Implementing Entity on implementation. The Project Implementation Committee shall include a representative of the Project Implementing Entity.

3. (a) The Recipient shall, not later than the Effective Date, establish and thereafter maintain, throughout the period of Project implementation, a Project Implementation Unit at BFD, headed by a Project Director, who shall be a Deputy Conservator of Forests or a Conservator of Forests, and having adequate staff as agreed with the World Bank. The PIU shall be responsible for overall Project supervision and monitoring and shall support the Project Implementing Entity in implementing Part 2 of the Project.

(b) The Recipient shall appoint the Project Director and other staff and consultants of the PIU in keeping with the qualifications and terms of reference for such positions agreed with the World Bank.

4. The Recipient shall ensure that BFD’s ten Divisional Forest Offices, each headed by a Divisional Forest Officer and each having adequate staff as agreed with the World Bank, shall be responsible for implementing Project activities in the field.

**C. Implementation Manual**

1. The Recipient shall, together with the Project Implementing Entity, not later than the Effective Date, prepare and adopt an Implementation Manual, satisfactory to the World Bank, for the implementation of activities under the Project, which shall include: (a) updated details of nursery and plantation development; (b) procurement and financial management procedures; (c) a targeting and selection strategy, including eligibility and selection criteria for Forest Dependent Groups; (d) a monitoring and evaluation strategy and plan; and (e) mutual rotating savings and loan program guidelines.

2. The Recipient shall cause the Project Implementing Entity to carry out Part 2 of the Project in accordance with the Implementation Manual.

**D. Safeguards**

1. The Recipient shall ensure that the Project, including each site-specific activity and/or Sub-project, is carried out in accordance with the provisions of the Environmental Management Framework and the Social Management Framework.

2. To that end, the Recipient shall ensure that, and shall cause the Project Implementing Entity to ensure that:
(a) an environmental and social screening of each site-specific activity and/or Sub-project is carried out in accordance with the provisions of the EMF and SMF;

(b) for each site-specific activity and Sub-project, Environmental Management Plans, Resettlement Plans and/or Tribal Peoples’ Development Plans, acceptable to the World Bank, shall be prepared as required by and in accordance with the EMF and/or SMF, as the case may be; and

(c) each site-specific activity and/or Sub-project is carried out in accordance with the respective Environmental Management Plan, Resettlement Plan and/or Tribal Peoples’ Development Plan prepared for such site-specific activity or Sub-project.

3. The Recipient: (a) shall not amend the EMF, the SMF, or any Environmental Management Plan, Resettlement Plan or any Tribal Peoples’ Development Plan without the prior written approval of the World Bank; and (b) report any issues on the implementation of the requirements of this section.

4. In the event of a conflict between the provisions of any of the instruments referred to above in paragraph 3 and those of this Agreement and/or the Project Agreement, the provisions of the latter shall prevail.

5. The Recipient shall, not later than March 31, 2013, establish and thereafter maintain, throughout the period of Project implementation, a grievance redress mechanism as required by and in accordance with the SMF.

E. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines and those of the GAAP.

F. Donor Visibility, Visit and Information Disclosure

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the donors’ support for the Project.

2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the donors to visit any part of the Recipient’s territory for purposes related to the Project.
3. The Recipient shall allow the BCCRF Secretariat at MOEF to publicly disclose information with respect to the Project and the progress of Project implementation.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. (a) The Recipient shall monitor and evaluate and shall cause the Project Implementing Entity to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the World Bank not later than fifteen (15) days after the end of the period covered by such report.

(b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

(i) area restored or re/afforested (hectare) (core);

(ii) forest users trained (number) (core);

(iii) increased household income of beneficiaries participating in alternative income-generating activities;

(iv) reforms in forest policy, legislation or other regulations supported (yes/no) (core);

(v) government institutions provided with capacity building support to improve management of forest resources (number) (core); and

(vi) direct project beneficiaries (number), of which female (percentage).

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

3. The Recipient shall, not later than August 31, 2013, hire an independent third party monitoring firm to review and report on the progress of Project implementation independently to the World Bank and the Project Steering Committee.
B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall engage an audit firm to conduct an internal audit of the Project. The audit shall be conducted by applying forensic audit techniques and tools under agreed terms of reference. Each such audit shall cover a period of six (6) months of the Recipient’s fiscal year and the report of each such audit shall be furnished to the World Bank within three (3) months after the end of the period covered by such report.

4. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, works, 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:

(a) Section I of the Procurement Guidelines in the case of goods, works and non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consultants’ services; and

(b) the provisions of this Section III, as the same shall be elaborated in the Procurement Plan.

2. Definitions. The capitalized terms used below in 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.
B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services

(a) The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan:

(i) National Competitive Bidding, following the procedures of the Procurement Laws subject to paragraph (b) below;

(ii) Shopping, following the request for quotation method of the Procurement Laws;

(iii) Direct Contracting under special circumstances with the prior agreement of the World Bank;

(iv) Force Account and direct cash purchase methods of the Procurement Laws; and

(v) Community Participation procedures, which have been found acceptable to the World Bank.

(b) The following provisions apply for the contracting of goods, works and non-consulting services under National Competitive Bidding, using bidding documents acceptable to the World Bank:

(i) post bidding negotiations shall not be allowed with the lowest evaluated or any other bidder;

(ii) bids should be submitted and opened in public in one (1) location immediately after the deadline for submission;

(iii) rebidding shall not be carried out, except with the World Bank’s prior agreement;

(iv) lottery in award of contracts shall not be allowed;

(v) bidders’ qualification/experience requirement shall be mandatory;
(vi) bids shall not be invited on the basis of percentage above or below the estimated cost and contract award shall be based on the lowest evaluated bid price of compliant bid from eligible and qualified bidder; and

(vii) single stage two (2) envelope procurement system shall not be allowed.

C. Particular Methods of Procurement of Consultants’ Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms under special circumstances with the prior written agreement of the World Bank; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants under special circumstances with the prior written agreement of the World Bank.

D. 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. All other contracts shall be subject to Post Review by the World Bank.

E. Other Undertakings

The Recipient shall: (a) by not later than the Effective Date, assign a procurement officer at BFD as procurement focal point with qualifications and terms of reference satisfactory to the World Bank; (b) by not later than March 15, 2013, engage the services of a procurement consultant with qualifications and terms of reference satisfactory to the World Bank; (c) disclose, without delay, procurement-related information accessible to the public on BFD’s website; and (d) submit semi-annual reports on the Procurement Performance Monitoring Report in a format acceptable to the World Bank.
Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) 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 Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<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) Goods, works, non-consulting services, consultants’ services, and Incremental Operating Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) under Parts 1, 3 and 4 of the Project</td>
<td>30,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(b) under Part 2 of the Project</td>
<td>3,020,000</td>
<td>93.8%</td>
</tr>
<tr>
<td>(2) Sub-grants under Parts 2 (d) and 2(e) of the Project</td>
<td>780,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>33,800,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed U.S.$200,000 equivalent
may be made for payments made prior to this date but on or after August 31, 2012, for Eligible Expenditures under Category (1)(a).

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2016.
APPENDIX

Definitions


2. “Arannayk Foundation” means the non-profit company established by the joint initiative of the People’s Republic of Bangladesh and the United States of America whose mission is to facilitate the conservation, protection, restoration and sustainable use of tropical forests in Bangladesh.

3. “Bangladesh Forest Department” and the acronym “BFD” mean the department attached to the Ministry of Environment & Forests.

4. “BCCRF” means the Bangladesh Climate Change Resilience Fund.

5. “BCCRF Secretariat” means the Secretariat established pursuant to trust fund administration agreements between the World Bank and donors concerning the BCCRF, and responsible for, inter alia, BCCRF program administration, coordination, monitoring and reporting, and knowledge dissemination.

6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

7. “Chief Conservator of Forests” means the head of the Bangladesh Forest Department.

8. “Company Law” means the Recipient’s Company Act, 1994 (Act No. 18 of 1994), as amended to the date of this Agreement.


10. “Displaced Person” means a person who, on account of Project implementation, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; and “Displaced Persons” means, collectively, all such persons.
11. “Divisional Forest Office” means BFD’s office at the forest division level.

12. “Divisional Forest Officer” means the administrative head of the Division Forest Office.

13. “Environmental Management Framework” and the acronym “EMF” mean the framework dated May 17, 2012, satisfactory to the World Bank, which, inter alia, describes the environmental baseline conditions within which the Project will be implemented; identifies the overall range of impacts, and designs mitigation, management and monitoring measures; and describes the environmental management implementation arrangements and the legal framework for the implementation and monitoring of Project interventions, as such framework may be amended from time to time with the prior written agreement of the World Bank.

14. “Environmental Management Plan” means a plan, acceptable to the World Bank and prepared on the basis of the Environmental Management Framework, detailing the actions and mitigation measures following a completed environmental assessment of a Sub-project and designed to address adverse environmental impacts, as such plan may be amended from time to time with the prior written agreement of the World Bank.

15. “Forest Dependent Group” means a community-based organization of forest users, consisting of individuals and/or households and meeting the eligibility and selection criteria set out in the Implementation Manual.

16. “Forestry Sector Master Plan” means the Recipient’s plan for FY1993-FY2013 which provides a framework of forestry sector policy guidelines for activities towards environmental and socio-economic development.

17. “GAAP” means the Recipient’s Governance and Accountability Action Plan, dated December 11, 2012, acceptable to the World Bank, which identifies key governance issues under the Project and sets forth mitigating actions to address said issues, as said plan may be modified from time to time with the prior written agreement of the World Bank.

18. “Implementation Manual” means the manual referred to in Section I.C of Schedule 2 to this Agreement and in Section I.B of the Schedule to the Project Agreement.

19. “Implementation Monitoring and Evaluation Division” means the Implementation Monitoring and Evaluation Division within the Recipient’s Ministry of Planning.
20. "Incremental Operating Costs" means the reasonable costs incurred on account of the implementation of the Project for incremental Project staff, operation and maintenance of vehicles (fuel, maintenance and insurance), local travel and subsistence allowance, renting of vehicles, office utilities, office supplies and stationeries, printing, souvenirs, events, workshops, rental of office buildings, bank charges, advertising costs or any other operational costs agreed with the World Bank but excluding salaries of the Recipient’s civil servants.


22. "Ministry of Planning" means the Recipient’s Ministry of Planning or any successor thereto.

23. "Planning Commission" means the Recipient’s Planning Commission or any successor thereto.


25. "Procurement Laws" means the Recipient’s Public Procurement Act 2006, the Recipient’s Public Procurement Rules, 2008 (as amended in August 2009), and the Recipient’s Public Procurement Act (1st Amendment) 2009 collectively.

26. "Procurement Performance Monitoring Report" means the framework of measures and actions to be prepared by the Recipient, aimed at mitigating procurement-related risks in the carrying out activities under the Project, and agreed with the World Bank.

27. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated December 17, 2012 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

28. "Project Agreement" means the agreement between the World Bank and the Project Implementing Entity relating to the implementation of Part 2 of the Project, as such agreement may be amended from time to time, and such term includes the Standard Conditions and all appendices, schedules and agreements supplemental to the Project Agreement.

29. "Project Implementing Entity" means the Arannayk Foundation.

30. "Project Implementation Committee" means the committee referred to in paragraph 2 of Section 1.B of Schedule 2 to this Agreement.
31. “Project Implementation Unit” and the acronym “PIU” mean the unit referred to in paragraph 3 of Section I.B of Schedule 2 to this Agreement.

32. “Project Steering Committee” means the committee referred to in paragraph 1 of Section I.B of Schedule 2 to this Agreement.

33. “Resettlement Plan” means a plan, acceptable to the World Bank, to be prepared by the Recipient for each site-specific activity or Sub-project in accordance with the provisions of the Social Management Framework, setting out the arrangements pertaining to land acquisition and the compensation, resettlement, and rehabilitation of Displaced Persons, as such plan may be amended from time to time with the prior written agreement of the World Bank.

34. “Social Management Framework” and the acronym “SMF” mean the framework dated May 17, 2012, satisfactory to the World Bank, setting out the principles, guidelines, and procedures to ensure that Sub-projects are screened, designed and implemented to, inter alia: (a) enhance positive social outcomes of the participatory afforestation and reforestation activities, and income generating activities under the Project; (b) ensure participation of the target communities, including poor, women, vulnerable and marginalized groups, while identifying the location, beneficiaries, and activities under the Sub-projects; (c) avoid or minimize negative social impacts; and (d) prevent or compensate for the loss of livelihood, which may result from displacement of public land users and use of private lands, and severely restrict access to common property resources, as such framework may be amended from time to time with the prior written agreement of the World Bank.


36. “Sub-grant” means a grant made or proposed to be made by the Project Implementing Entity out of the proceeds of the Grant to a Forest Dependent Group for the implementation of a Sub-project under Parts 2(d) or 2(e) of the Project.

37. “Sub-grant Agreement” means an agreement to be entered into between the Project Implementing Entity and a Forest Dependent Group pursuant to paragraph 2 of Section I.D of the Schedule to the Project Agreement.

38. “Sub-project” means an economic activity that enhances rural livelihoods financed or proposed to be financed under Parts 2(c), 2(d) or 2(e) of the Project.

39. “Subsidiary Agreement” means the agreement referred to in Section I.A of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Grant available to the Project Implementing Entity.
40. "Tribal Peoples’ Development Plan" means a plan, acceptable to the World Bank and prepared on the basis of the Social Management Framework, aimed at mitigating the adverse impacts of Project activities and reinforcing and promoting any available development opportunities in the Sub-project areas, and detailing, *inter alia*, baseline data, including an analysis of cultural characteristics, social structure and economic activities of tribal peoples; mitigation measures and activities; and the implementation schedule and responsibilities, as such plan may be amended from time to time with the prior written agreement of the World Bank.

41. "Union Parishad" means the elected local government body, established under the Local Government (Union Parishad) Act, 2009 and provided for by the Constitution of the Recipient, and which, *inter alia*, is responsible, within its territorial jurisdiction, for the: (a) coordination of public service delivery and the providers thereof; (b) maintenance of public order and conflict resolution and mediation; and (c) preparation and implementation of plans relating to public services and economic development.