

BANGLADESH RESIDENT MISSION

5 July 2016

Mr. Mohammad Mejbahuddin  
Senior Secretary  
Economic Relations Division  
Ministry of Finance  
Sher-e-Bangla Nagar  
Dhaka 1207, Bangladesh

Dear Mr. Senior Secretary:

Subject: **Project Design Advance for Rural Infrastructure Maintenance Program**  
**Loan Number: PDA 6007-BAN (Special Operations)**  
**Project Number: 47243-003**

We are pleased to inform you that, on 7 June 2016, the Asian Development Bank ("ADB") approved the provision of a project design advance in the form of a loan ("PDA Loan") to People's Republic of Bangladesh ("Borrower") for the purposes of the activities described in the table below ("PDA Program"), which will serve to prepare the Rural Infrastructure Maintenance Program ("Ensuing Program").

The PDA Loan is provided pursuant to the Master Agreement for Project Design Advance Loans (Special Operations) dated 2 November 2014 between the Borrower and ADB ("Master Agreement"). The Borrower and ADB hereby agree that the PDA Project will be financed and carried out on the terms and conditions set forth in this letter agreement ("PDA Loan Agreement").

The general terms and conditions set forth in Schedule 1 to the Master Agreement ("General Terms and Conditions") are hereby made applicable to this PDA Loan Agreement with the same force and effect as if they were fully set forth herein. Unless the context otherwise requires, (a) capitalized terms used but not defined in this PDA Loan Agreement have the meaning given thereto in the General Terms and Conditions; and (b) any reference in this PDA Loan Agreement to a Section is a reference to a Section of the General Terms and Conditions.

PDA Project	<p>The PDA Project shall finance:</p> <ul style="list-style-type: none"><li>(a) the preparation and assessment of the Ensuing Program;</li><li>(b) the preparation of an expenditure framework and financing framework assessment, financial management assessment and development of disbursement-linked indicators, including third-party verification protocols;</li><li>(c) the preparation of feasibility studies, including detailed engineering design, cost estimates, and technical, financial, economic, and socioeconomic analysis;</li></ul>
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	(d) environmental and social safeguard analysis including preparation of the environmental and social safeguards planning documents for the Ensuing Program; and the procurement system assessment and advance procurement actions, including preparation of bidding documents for the Ensuing Program and supporting the bidding process.
PDA Project Executing Agency (Section 1.02j)	Local Government Engineering Department, or any successor thereto acceptable to ADB.
Refinancing Date (Section 1.02m)	1 March 2018, or such other date as may from time to time be agreed between the Borrower and ADB.
PDA Loan amount (Section 2.01)	An amount in various currencies equivalent to one million four hundred twenty-four thousand Special Drawing Rights (SDR1,424,000).
Interest rate (Section 2.02)	A rate for each Interest Period of 2% per annum.
Currency of repayment (Section 2.04a)	Dollar
Amortization Schedule (Sections 1.02b and 2.04b)	As set forth in attachment 1 to this PDA Loan Agreement, subject to such changes in the Principal Payment Dates as ADB may notify to the Borrower.
Interest payment dates (Section 2.04b)	Semiannually on 1 March and 1 September in each year.
Allocation Table (Sections 1.02a and 3.02)	As set forth in attachment 2 to this PDA Loan Agreement, subject to such changes as ADB may notify to the Borrower.
PDA PAM (Sections 1.02 and 4.01)	As set forth in attachment 3 to this PDA Loan Agreement and as updated from time to time in accordance with the respective administrative procedures of the Borrower and ADB.

According to ADB's Public Communication Policy 2011 ("PCP") on disclosure and exchange of information, this PDA Loan Agreement will be disclosed on the ADB website once it has been signed by both parties. If ADB is advised that the PDA Loan Agreement contains any information or data of a sensitive or confidential nature falling within the PCP exceptions to presumed disclosure under the PCP, the PDA Loan Agreement will be disclosed after removing such information.

The Borrower is requested to confirm its agreement to the terms and conditions of this PDA Loan Agreement by having an authorized representative countersign the two original counterparts of this PDA Loan Agreement in the space indicated below. Please retain one signed original counterpart for your records, and return one signed original counterpart to ADB.

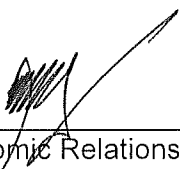
Sincerely,

  
 \_\_\_\_\_  
 Kazuhiko Higuchi  
 Country Director

A. Accepted and agreed.

B. Confirmed that the Loan Agreement do not contain information falling within the PCP exceptions

Confirmed by:

  
\_\_\_\_\_  
Economic Relations Division  
Ministry of Finance

Date: 11-07-2016

**Mohammad Mejbahuddin**  
Senior Secretary  
Economic Relations Division  
Ministry of Finance  
Govt. of the People's Republic of Bangladesh

**Amortization Schedule****(Project Design Advance for Rural Infrastructure Maintenance Program)**

<u>Date Payment Due</u>	<u>Payment of Principal</u> (expressed in Special Drawing Rights)*
1 March 2018	142,400
1 September 2018	142,400
1 March 2019	142,400
1 September 2019	142,400
1 March 2020	142,400
1 September 2020	142,400
1 March 2021	142,400
1 September 2021	142,400
1 March 2022	142,400
1 September 2022	<u>142,400</u>
<b>Total</b>	<b>1,424,000</b>

\*The arrangements for payment are subject to the provisions of Sections 3.04 and 4.03 of the Loan Regulations.

## Allocation Table

Allocation and Withdrawal of PDA Loan Proceeds (Project Design Advance for Rural Infrastructure Maintenance Program)			
Number	Category	Amount of PDA Loan Allocated to the Category (SDR)	Basis for Withdrawal from the PDA Loan Account
1	Consulting Services	1,424,000	100% of total expenditure claimed
	<b>Total</b>	<b>1,424,000</b>	

**Project Administration Manual**  
**(Project Design Advance for Rural Infrastructure Maintenance Program)**



# Project Design Advance Project Administration Manual

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Project Number: 47243-003  
June 2016

People's Republic of Bangladesh: Rural  
Infrastructure Maintenance Program