

**OFFICIAL
DOCUMENTS**

CREDIT NUMBER 5594-BD

Project Agreement

(Nuton Jibon Livelihood Improvement Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

SOCIAL DEVELOPMENT FOUNDATION

Dated *May 05*, 2015

PROJECT AGREEMENT

AGREEMENT dated, *May 05,* 2015, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and SOCIAL DEVELOPMENT FOUNDATION (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between the People’s Republic of Bangladesh (“Recipient”) and the Association. The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Financing 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 Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

- 3.01. For purposes of Section 8.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

- 4.01. The Project Implementing Entity’s Representative is the Managing Director.
- 4.02. The Association’s Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America

Cable:
INDEVAS

Telex:
248423(MCI)

Facsimile:
1-202-477-6391

Washington, D.C.

4.03. The Project Implementing Entity's Address is:

Social Development Foundation
Z-House, House No. 6/6
Block -F, Lalmatia
Dhaka-1207

Facsimile:

880-2-8100497

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

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

CKimes
Authorized Representative

Name: CHRISTINE KIMES

Title: Acting Head of Bangladesh
Country Office
For the Country Director

SOCIAL DEVELOPMENT FOUNDATION

By

A. M. Saklani
Authorized Representative

Name: A. M. Saklani Hossain

Title: Managing Director, SDF

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall maintain, and cause to be maintained, for purposes of carrying out the Project, during the period of implementation of the Project, a board of directors, head office, regional offices, district offices and field offices staffed with managers and personnel selected in accordance with the Human Resources Policy and Manual, and with qualifications and experience as set out in said manual.
2. The Project Implementing Entity shall hire, and thereafter maintain during the period of implementation of the Project, a managing director and director level staff with qualifications, terms of reference and experience agreed between the Project Implementing Entity and the Association, to be responsible for the overall implementation and coordination of the Project.
3. The Project Implementing Entity shall maintain during the period of implementation of the Project, a core team composed of relevant technical experts and specialists with qualifications, terms of reference and experience agreed between the Project Implementing Entity and the Association, to be responsible for the overall procurement, financial management, safeguards, monitoring and evaluation and reporting aspects of the Project.
4. The Project Implementing Entity shall not amend, abrogate or waive any provision of its Articles of Association; except as the Association shall otherwise agree in writing.

B. Anti-Corruption

1. The Project Implementing Entity shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
2. Without limitation on the provisions of paragraph 1 above, the Project Implementing Entity shall: (a) carry out the Governance and Accountability Action Plan in accordance with its terms; and (b) submit reports on the status of the implementation of said plan as part of the Project Report (or such other frequency as may be agreed with the Association).

C. Plans and Manuals

1. The Project Implementing Entity shall take all the necessary measures to ensure that the Project is carried out in accordance with the PIP, the Community Operational Manual and the Human Resources Policy Manual, in form and substance satisfactory to the Association; and except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the aforementioned manuals.

2. In the event of any conflict between the arrangements and procedures set out in any manual referred to in paragraph 1 abovementioned and the provisions of this Agreement, the provisions of this Agreement shall prevail.

D. Sub-projects

For the purpose of carrying out the Sub-projects under Parts A.2, B.1(d) and B.2(a) of the Project, the Project Implementing Entity shall:

- (a) review and appraise Sub-project proposals, enter into Sub-project Financing Agreements, and thereafter monitor and evaluate Sub-projects, in accordance with the PIP and the Community Operational Manual; and
- (b) make each Sub-grant under a Sub-project Financing Agreement with the respective Beneficiary on terms and conditions acceptable to the Association, which shall include, *inter alia*:
 - (i) the Beneficiary's obligations to: (i) carry out the Sub-project with due diligence and efficiency and in accordance with sound technical, economical, financial, managerial, environmental and social standards and practices satisfactory to the Association; (ii) to maintain policies and procedures to enable it to monitor and evaluate the progress of the Sub-loan in accordance with indicators acceptable to the Bank; (iii) prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank; (iv) provide in cash or in kind contributions in a timely manner to cover the cost of the Sub-project; (v) procure the goods, works and services to be financed out of the Sub-grant in accordance with the provisions of this Agreement; (vi) maintain policies and procedures to enable to monitor the progress of the Sub-project and the achievement of its objectives; (vii) abide by, and comply with, the terms and conditions of the ESMF, as applicable; and (viii) to accept physical or documentary inspection by the Project Implementing Entity and/or the Association, in relation to the carrying out of the Sub-project; and
 - (ii) the Project Implementing Entity'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-project Financing Agreement.

E. Safeguards

1. The Project Implementing Entity shall ensure that the Project is carried out in accordance with the provisions of the ESMF and the relevant Safeguard Assessments and Plans.
2. Whenever an additional or revised Safeguard Assessment and Plan shall be required for any proposed Project activity in accordance with the provisions of the ESMF, as the case may be, the Project Implementing Entity shall:
 - (a) prior to the commencement of such activity, including any Sub-project, proceed to have such Safeguard Assessment and Plan: (i) prepared in accordance with the provisions of the ESMF, as the case may be; (ii) furnished to the Association for review and approval; and (iii) thereafter adopted and disclosed as approved by the Association, in a manner acceptable to the Association; and
 - (b) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such Safeguard Assessment and Plan.
3. The Project Implementing Entity shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the ESMF or any Safeguard Assessments and Plans, unless the Association has provided its prior approval thereof in writing, and the Project Implementing Entity has complied with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.
4. Without limitation on its other reporting obligations under this Agreement, the Project Implementing Entity shall collect, compile and submit to the Association on a bi-annual basis (or such other frequency as may be agreed with the Association) consolidated reports on the status of compliance with the ESMF and the Safeguard Assessments and Plans, giving details of: (a) measures taken in furtherance of the said instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the said measures; and (c) remedial measures taken or required to be taken to address such conditions.
5. In the event of any conflict between the provisions of any of the ESMF or any Safeguard Assessments and Plan, and the provisions of this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Implementing Entity 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 such Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to Association not later than forty-five (45) days after the end of the period covered by such report.

2. Without limitation on the provisions set forth in paragraph 1 above, the Project Implementing Entity:
 - (a) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about September 2017, a mid-term report integrating the results of the monitoring and evaluation activities performed pursuant (1) above, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and
 - (b) review with the Association, by November 2017, or such other date as the Association shall request, the report referred to in (a) above, and thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.
2. Without limitations of Part A of this Section, the Project Implementing Entity shall prepare and furnish to the Association as part of the Project Report, not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one (1) fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association not later than six (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

Section III. Procurement

All goods, works and services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.