

The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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December 23, 2015

Senior Secretary Mohammad Mejbahuddin
Economic Relations Division
Ministry of Finance
Block 8, Room No. 3
Sher-e Bangla Nagar
Dhaka, Bangladesh

Dear Senior Secretary Mejbahuddin:

***Bangladesh: Emergency 2007 Cyclone Recovery and Restoration Project
(IDA Credits No. 4819-BD and No. 5342-BD) - Amendment to the Legal Agreements***

We refer to the following agreements (“Agreements”) for the above-mentioned Project between the People’s Republic of Bangladesh (“Recipient”) and the International Development Association (“Association”): (i) the Financing Agreement for the Additional Credit No. 4819 dated November 11, 2010, as amended; and (ii) the Financing Agreement for the Additional Credit No. 5342 dated June 9, 2014. We also refer to the letter dated December 14, 2015 from the Economic Relations Division, Ministry of Finance, requesting us to reallocate the proceeds of both credits. Following agreements reached between the Recipient and the Association, we propose to amend the Agreements as follows:

I. Financing Agreement for the Additional Credit No. 4819

1. The following terms of the table in paragraph 2 of Section IV.A of Schedule 2 shall be amended as follows:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, consultants' services and Incremental Operating Costs under Part A of the Project (through FAO)	7,842,000	100%
(2) Goods, works, consultants' services and Incremental Operating Costs, including training:		
(a) under Part B and D.5 (LGED)	33,219,000	100%
	3,466,000	100%

(b) under Part C and D.4 (BWDB)	2,738,000	100%
(c) under Part D.1, D.2 and D.3 (DMB)	1,941,000	100%
(d) under Parts E and F.1		
(3) Goods, works, consultants' services, Incremental Operating Costs, including training for emergency support under Part F.2 of the Project	NIL	NIL
(4) Unallocated	194,000	100%
TOTAL AMOUNT	49,400,000	

2. The following terms of the table in paragraph 2 of Section IV.A of Schedule 2 shall be amended as follows:

“Incremental Operating Costs” means 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, and Project-related travel, providing that payment is made using the Bank system; excluding salaries, travel and daily allowances and honorarium of officials of the Recipient’s civil service and/or other honorarium of any other nature.”

“Training” means the reasonable costs required for the participation of personnel involved in training activities, workshops and study tours under the Project which have been approved by the Association in writing on annual basis, including: (a) travel, hotel, and subsistence costs for training, workshop and study tour participants provided that such allowances are paid directly to the eligible recipient using the banking system; (b) costs associated with rental of training and workshop facilities, preparation and reproduction of training and workshop materials, costs of academic degree studies, and other costs directly related to training course, workshop or study tour preparation and implementation, but excluding salaries of consultants and honorarium of any other nature.”

II. Financing Agreement for the Additional Credit No. 5342

3. The following terms of the table in paragraph 2 of Section IV.A of Schedule 2 shall be amended as follows:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants' services Training, Incremental Operating Costs, Resettlement Compensation required under Part B of the Project	46,811,000	100%
(2) Goods, works, non-consulting services and consultants' services, Training, Incremental Operating Costs, Resettlement Compensation required under Parts C and D4 of the Project	43,476,000	100%
(3) Goods, works, non-consulting services and consultants' services, Training, Incremental Operating Costs, Resettlement Compensation required under Parts E and F of the Project	700,000	100%
(4) Emergency Expenditures under Part F.2 of the Project	NIL	NIL
(5) Unallocated	113,000	NIL
TOTAL AMOUNT	91,100,000	

4. The following definitions set forth in Section I of the Appendix shall be amended as follows:

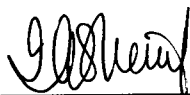
“Incremental Operating Costs” means the reasonable costs required for the day-to-day coordination, administration and supervision of Project activities, including leasing and/or routine repair and maintenance of vehicles, equipment, facilities and office premises, fuel, office supplies, utilities, consumables, 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, , and Project-related travel, providing that payment is made using the Bank system; excluding salaries, travel and daily allowances and honorarium of officials of the Recipient’s civil service and/or other honorarium of any other nature.”

“Training” means the reasonable costs required for the participation of personnel involved in training activities, workshops and study tours under the Project which have been approved by the Association in writing on annual basis, including: (a) travel, hotel, and subsistence costs for training, workshop and study tour participants provided that such allowances are paid directly to the eligible recipient using the banking system; (b) costs associated with rental of training and workshop facilities, preparation and reproduction of training and workshop materials, costs of academic degree studies, and other costs directly related to training course, workshop or study tour preparation and implementation, but excluding salaries of consultants and honorarium of any other nature.”

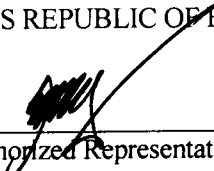
Except as specifically amended by this Amendment Letter, all other provisions of the Agreements shall remain unchanged and in full force and effect. The Association will disclose this Amendment Letter and related information in accordance with the Association’s Policy on Access to Information. By entering into this Amendment Letter, the Recipient consents to disclosure of this Amendment Letter and related information.

Please confirm your acceptance to the foregoing by signing and dating the two originals, retaining one original for your records and returning the other original to the Association. Upon receipt by the Association of the original Amendment Letter countersigned by you, this Amendment Letter will become effective as of the date of this Amendment Letter.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

By 
Iffath A. Sharif
Acting Country Director

AGREED:
PEOPLE’S REPUBLIC OF BANGLADESH

By: 
Authorized Representative

Name: **Mohammad Mejbahuddin**
Senior Secretary
Economic Relations Division
Ministry of Finance
Title: **Govt. of the People’s Republic of Bangladesh**

cc: Mr. Mohammad Shafiqul Azam, Secretary, Planning Division, Ministry of Planning
Mr. Abdul Malek, Secretary, Local Government Division, Ministry of Local Government,
Rural Development and Cooperatives

Dr. Zafar Ahmed Khan, Secretary, Ministry of Water Resources
Mr. Md. Shah Kamal, Secretary, Ministry of Disaster Management and Relief
Mr. S.M. Golam Faruk, Member (Physical Infrastructure), Planning Commission
Mr. Kazi Shofiqul Azam, Additional Secretary, Economic Relations Division, Ministry of Finance
Mr. Shyma Prasad Adhikari, Chief Engineer, Local Government Engineering Department (LGED)
Mr. Md. Ismail Hossain, Director General, Bangladesh Water Development Board (BWDB)
Mr. Md. Reaz Ahmed, Director General, Department of Disaster Management (DDM)
Mr. Md. Nazrul Islam, Project Director, ECRRP-PCMU
Mr. Abdur Rashid Khan, Project Director, ECRRP-LGED
Mr. Md. Habibur Rahman, Project Director, ECRRP-BWDB
Mr. M. Khalid Mahmood, Project Director, ECRRP-DDM