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FSMDTF GRANT NUMBER TF0C4972

*Food Systems 2030 Multi-Donor Trust  
Fund*

**Grant Agreement**

(Technical Assistance for Repurposing of Agricultural Public Support Towards a  
Sustainable Food System Transformation in Bangladesh)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION  
acting as administrator of Food Systems 2030 Multi-Donor Trust Fund

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**FSMDTF GRANT NUMBER TF0C4972**

**FOOD SYSTEMS 2030 MULTI-DONOR TRUST  
GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between PEOPLES'S REPUBLIC OF BANGLADESH ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Bank"), acting as administrator of Food Systems 2030 Multi-Donor Trust. The Recipient and the Bank hereby agree as follows:

**Article I  
Standard Conditions; Definitions**

- 1.01. The Standard Conditions (as defined in the Appendix to this Agreement) apply to and form 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 or in the Appendix 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, through the DAE, carry out the Project in accordance with the provisions of Article II of the Standard Conditions and Schedule 2 to this Agreement.

**Article III  
The Grant**

- 3.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed fourteen million five hundred thousand United States Dollars (\$14,500,000) ("Grant") to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the 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**  
**Recipient's Representative; Addresses**

4.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Senior Secretary/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.

4.02. For purposes of Section 7.01 of the Standard Conditions:

(a) the Recipient's address is:

Economic Relations Division  
Ministry of Finance  
Sher-e-Bangla Nagar  
Dhaka 1207  
Bangladesh; and

(b) the Recipient's Electronic Address is:

Facsimile:	E-mail:
+88029180788	<a href="mailto:secretary@erd.gov.bd">secretary@erd.gov.bd</a>

4.03. For purposes of Section 7.01 of the Standard Conditions:

(a) the Bank's address is:

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

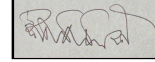
(b) the Bank's Electronic Address is:

Telex:	Facsimile:
248423 (MCI) or 64145 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

**PEOPLE'S REPUBLIC OF BANGLADESH**

**By**



\_\_\_\_\_  
**Authorized Representative**

**Name:** \_\_\_\_\_ Mr. Md. Shahriar Kader Siddiky

**Title:** \_\_\_\_\_ Secretary, Economic Relations Division

**Date:** \_\_\_\_\_ 02-Oct-2024

**INTERNATIONAL DEVELOPMENT ASSOCIATION  
acting as administrator of Food Systems 2030 Multi-Donor  
Trust Grant Agreement**

**By**



\_\_\_\_\_  
**Authorized Representative**

**Name:** \_\_\_\_\_ Abdoulaye Seck

**Title:** \_\_\_\_\_ Country Director

**Date:** \_\_\_\_\_ 23-Sep-2024

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to generate evidence on strategies for repurposing input subsidies to programs that build climate-smart agriculture in Bangladesh.

The Project consists of the following parts:

#### **Part 1: Informing the repurposing agenda through the E-voucher Pilot**

- 1.1. Strengthen the design, implementation, monitoring and evaluation of the E-voucher Pilot through the provision of goods and services for:
  - (a) Prior to implementation, assessing the E-voucher Pilot's: (i) feasibility; (ii) risks; (iii) targeting; (iv) pilot area selection; and (v) exit strategy;
  - (b) During implementation: (i) designing the implementation strategy and manual; (ii) identifying beneficiaries and developing a pilot area stakeholders database; (iii) analyzing relevant laws and regulations and monitoring compliance; (iv) identifying agro-dealers and encouraging their participation in the E-voucher Pilot; (v) developing a digital platform; (vi) raising awareness and training on the E-voucher Pilot; (vii) strengthening stakeholder linkages; and (viii) training relevant stakeholders on fertilizer use efficiency, including the provision of soil health data and plot-specific macro and micronutrients requirements to selected farmers; and
  - (c) Supporting monitoring and evaluation through: (i) iterative beneficiary monitoring; (ii) an impact evaluation; and (iii) policy dialogue and policy recommendations.
- 1.2. Advance the adoption of CSA practices through the provision of payment for Environmental Services Grants to selected farmers and of goods and services for:
  - (a) Implementing CSA practices on-farm; and
  - (b) Promoting the implementation of GAP and the adoption of digital agriculture.

#### **Part 2: Strengthening agriculture public expenditure tracking.**

- 2.1 Training MoA staff on policy analysis.
- 2.2 Strengthening MoA's capacity to monitor and track public expenditure through training and upgrading of software and hardware.

### **Part 3: Project management, monitoring, and learning**

- 3.1 Support the overall management and implementation of the Project, including through capacity building, as well as monitoring, communication, dissemination, and continuous learning.

## SCHEDULE 2

### Project Execution

#### Section I. Institutional and Other Arrangements

##### A. Institutional Arrangements.

1. The Recipient shall, not later than one (1) month after the Effective Date, establish and thereafter maintain throughout the duration of the Project the following committee and units:
  - (a) a steering committee (“Project Steering Committee”) with a mandate, functions, composition and resources satisfactory to the Bank. Without limitation to the immediately foregoing provision, said Project Steering Committee shall: (a) be chaired by the Secretary of Ministry of Agriculture and comprise representatives from the relevant ministries/agencies involved in Project implementation; and (b) be responsible for, *inter alia*: (i) providing planning and strategic guidance for Project implementation as well as facilitating interagency coordination at the highest level; (ii) making policy decisions for smooth Project execution; and (iii) constituting committees to resolve any policy-related issues, as needed.
  - (b) an implementation committee (“Project Implementation Committee”) with a mandate, functions, composition and resources satisfactory to the Bank. Without limitation to the immediately foregoing provision, said Project Implementation Committee shall: (a) be headed by the Additional Secretary/Joint Secretary (PPC Wing) of MoA, and comprise representatives from DAE, BADC, BCIC, BARC, Ministry of Land, agro-input dealers, and members of academia specialized in relevant fields; and (b) be responsible for, *inter alia*: (i) ensuring coordination among all stakeholders involved in the Project; (ii) recommending modifications in implementation mechanisms for Project interventions, if needed, and subject to prior approval of the Bank; (iii) reviewing and approving annual work plans; and (iv) recommending necessary modifications/improvements in Project implementation and modalities, execution arrangements, and flow of funds, subject to prior approval of the Bank.
  - (c) an implementation unit (“Project Implementation Unit”) within the DAE, with a mandate, functions and resources satisfactory to the Bank, and with staff in adequate numbers and with qualifications, experience and terms of reference satisfactory to the Bank. Without limitation on the foregoing, the Project Implementation Unit shall: (a) be headed by a Project director, and comprise (among others) two component leads, an e-voucher specialist, a

GAP/CSA specialist, a policy analysis and monitoring and evaluation specialist, a financial management consultant, and at least one full-time procurement staff assigned to the Project; and (b) be responsible for, *inter alia*: (i) preparing an annual work plan; (ii) reviewing physical and financial progress; (iii) coordinating and supervising Project activities; (iv) ensuring the implementation of decisions of the Project Implementation Committee; (v) formulating mechanisms for transparent external monitoring of Project activities; (vi) reviewing monitoring reports and rectify shortfalls; and (vii) carrying out all financial management and procurement activities for Parts 1, 2 and 3 of the Project, based on the technical guidance of the component leads for Part 1 and Part 2, as relevant.

2. Within twelve (12) months after the Effective Date, the Recipient shall ensure the establishment of agreements (in the form and manner to the satisfaction of the Bank) between DAE and BCIC, BADC, and agro-inputs dealers (selected in accordance with the Project Operations Manual) in the areas (selected in accordance with the Project Operations Manual) in which the E-voucher Pilot is proposed to be implemented.

**B. Project Operations Manual**

1. The Recipient, through the DAE, shall:
  - (a) prepare and promptly furnish to the Bank for its review a Project Operations Manual, in a form and substance satisfactory to the Bank, setting out detailed institutional, administrative, financial, technical and operational guidelines and procedures for the implementation of the Project, including the selection criteria for farmers under Part 1.2 and mechanisms for provision of the Environmental Services Grants.
  - (b) within three (3) months after the Effective Date adopt the Project Operations Manual as shall have been approved by the Bank and thereafter, implement the Project in accordance with the Project Operations Manual.
3. The Recipient shall not amend, abrogate, or suspend, or permit to be amended, abrogated, or suspended any provision of the Project Operations Manual without the prior written agreement of the Bank.



4. Notwithstanding the foregoing, if any provision of any of the Project Operations Manuals is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail.
5. The Recipient shall ensure that collection, storage, usage, or processing of personal data are carried out with due regard to appropriate data protection and privacy standards and practices.

**C. Environmental and Social Standards**

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Recipient shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and

(iii) corrective and preventive measures taken or required to be taken to address such conditions; and

(b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

5. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

**D. Environmental Services Grants**

1. The Recipient shall, through DAE, review and approve applications for the Environmental Services Grants in accordance with criteria acceptable to the Bank and set forth in the Project Operations Manual, and thereafter monitor and evaluate, all in accordance with the provisions of this Part D and the Project Operations Manual.

2. The Recipient shall make an Environmental Services Grant to an eligible farmer pursuant to an Environmental Services Grant Agreement between the DAE and an eligible farmer on the terms and conditions set forth in the Project Operations Manual.

**E. Expenditures to be Financed with Counterpart Funds**

The Recipient shall ensure that the following expenditures are financed exclusively out of its own resources and not out of the proceeds of the Grant, and provide promptly as needed, the resources needed for this purpose: (i) procurement of vehicles, recurrent expenditures for the purpose of attending meetings, conferences, seminars, workshops and study visits (sitting allowances/cash per diems/honoraria, notwithstanding eligible expenditures under Operating Costs and Training), and recurrent expenditures for fuel, under the Project and salaries of the Recipient's civil servants; and (ii) taxes exceeding fifteen (15) percent of the total amount of the Grant.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Documents; Records**

In addition, and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

- (a) all records evidencing expenditures under the Project are retained for five (5) years and six (6) months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the Bank; (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and
- (b) the representatives of the Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor(s).

**B. Project Reports**

The Recipient shall ensure that each Project Report is furnished to the Bank not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Bank, in sharing any information, report or document related to the activities described in Schedule 1 to this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.

**Section III. 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; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table.

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods (excluding vehicles), works, non-consulting services, consulting services, Incremental Operating Costs and Training for the Project (except Environmental Services Grants under Part 1.2 of the Project)	12,500,000	100%
(2) Environmental Services Grants under Part 1.2 of the Project	2,000,000	100%
<b>TOTAL AMOUNT</b>	<b>14,500,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date; or
  - (b) under Category (2) for the Environmental Services Grants under Part 1.2 of the Project, unless and until the Project Operations Manual for Part 1.2 is prepared by the Recipient, approved by the Bank, and adopted by DAE in accordance with Section I.B of Schedule 2 to this Agreement.
2. The Closing Date is September 30, 2027.

## APPENDIX

### Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011, and as of July 1, 2016.
2. “BADC” means Bangladesh Agricultural Development Corporation established pursuant to the Bangladesh Agricultural Development Corporation Act, 2018 (Act no. XXXV of 2018), responsible for taking necessary measures to ensure the production, procurement, repair processing, transportation, warehousing and supply to the farmers of essential commodities, or any successor thereto.
3. “BARC” means Bangladesh Agricultural Research Council established pursuant to the Bangladesh Agricultural Research Council Act, 2012, responsible for strengthening the national agricultural research capability through planning, funding, coordination, and monitoring of research projects, or any successor thereto.
4. “BCIC” means Bangladesh Chemical Industries Corporation established pursuant to a presidential order No. 27 of 1972, responsible for managing several large and medium size industrial enterprises engaged in producing a wide range of products such as urea, paper, cement, glass sheet, hardboard, sanitary ware, or any successor thereto.
5. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. “CSA” means climate-smart agriculture and its related practices.
7. “DAE” means Department of Agricultural Extension, a department within the Ministry of Agriculture, responsible for promoting sustainable agricultural and socio-economic development, or any successor thereto.
8. “E-voucher Pilot” means the pilot planned under PARTNER for the provision of efficient input subsidy delivery mechanisms.
9. “Environmental Services Grants” or “Environmental Services Grant” means grant(s) provided under Part 1.2 of the Project, in accordance with the Project Operations Manual.

10. “Environmental Services Grant Agreement” means an agreement, referred to in Section I.D of Schedule 2 to this Agreement, to be entered to between the Recipient, through DAE, and an eligible farmer, setting forth the terms and conditions governing an Environmental Services Grant.
11. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated June 12, 2024, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
12. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
13. “GAP” means good agricultural practices.
14. “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; office rent; 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; provided that such Incremental Operating Costs are paid to the eligible recipient through the banking system (except for petty cash expenses following the Recipient’s existing policy); but excluding salaries, per diem, allowances and honorarium of officials of the Recipient’s civil service and/or other sitting allowances, cash per diems, honorarium of any other nature, and fuel.

15. “Ministry of Agriculture” or “MoA” means the Ministry of Agriculture of the Recipient, or any successor thereto.
16. “Ministry of Land” means the Ministry of Land of the Recipient, or any successor thereto.
17. “PARTNER” means the program titled ‘Program on Agricultural and Rural Transformation for Nutrition, Entrepreneurship, and Resilience in Bangladesh’ (Credit No. 7299-BD) entered into between the People’s Republic of Bangladesh and the Bank pursuant to the PARTNER Financing Agreement.
18. “PARTNER Financing Agreement” means the financing agreement for PARTNER entered into between the People’s Republic of Bangladesh and the Bank dated June 7, 2023.
19. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata, and factors specific to the physical, physiological, genetic, mental, economic, cultural, or social identity of an individual.
20. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
21. “Project Operations Manual” means the manual referred to in Section I.B of Schedule 2 to this Agreement for performing the Project, as the same may be amended from time to time in agreement with the Bank, and such term includes any schedules to the Project Operations Manual. For abundant caution it is clarified that the manuals are individually referred to as “Project Operations Manual” and collectively as “Project Operations Manuals”.
22. “Project Implementation Committee” means the committee to be established by the Recipient and referred to in Section I.A.1(b) of Schedule 2 to this Agreement.
23. “Project Implementation Unit” means the unit to be established by the Recipient and referred to in Section I.A.1(c) of Schedule 2 to this Agreement.
24. “Project Steering Committee” means the committee to be established by the Recipient and referred to in Section I.A.1(a) of Schedule 2 to this Agreement.

25. “Signature Date” means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.
26. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019.
27. “Training” means the reasonable costs required for the participation of personnel involved in training activities, conferences, seminars and workshops under the Project, which have been approved by the Bank in writing on an annual basis, including: (a) travel, hotel, and subsistence costs associated to training, conferences, seminars and workshops provided that such costs are paid directly to the eligible recipient using the banking system; and (b) costs associated with rental of training, conference, seminar and workshop facilities; preparation and reproduction of training, conference, seminar and workshop materials; costs of academic degree studies; and other costs directly related to preparation and implementation of any training course or workshop; but excluding sitting allowances, workshop allowances and honorarium of any nature.