

Public Disclosure Authorized

OFFICIAL DOCUMENTS

CREDIT NUMBER 7033-BD

Financing Agreement

(Local Government COVID-19 Response and Recovery Project)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

DATED AUGUST 07, 2022

CREDIT NUMBER 7033-BD

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between PEOPLE'S REPUBLIC OF BANGLADESH ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to two hundred and fourteen million four hundred thousand Special Drawing Rights (SDR 214,400,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 2.05. The Interest Charge is one and a quarter percent (1.25%) per annum on the Withdrawn Credit Balance.
- 2.06. The Payment Dates are February 15 and August 15 in each year.

2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.08. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through the LGED in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Events of Suspension consist of the following:

(a) The Local Government (Pourashava) Act, 2009 has been amended, suspended, abrogated or waived so as to materially and adversely affect the ability of the Recipient and/or the select Pourashavas to perform any of their obligations under the Project.

(b) The Local Government (City Corporation) Act, 2009 has been amended, suspended, abrogated or waived so as to materially and adversely affect the ability of the Recipient and/or the select City Corporations to perform any of their obligations under the Project.

4.02. The Additional Events of Acceleration consists of the following:

(a) Any event specified in paragraph (a) and (b) of Section 4.01 of this Agreement occurs and is continuing for a period of thirty (30) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

5.02. For purposes of Section 10.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the 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.

6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:

Economic Relations Division
Ministry of Finance
Government of the People's Republic of Bangladesh
Sher-E-Bangla Nagar 1207
Dhaka, Bangladesh; and

(b) the Recipient's Electronic Address is:

Telex:	Facsimile:	E-mail:
+88029180788	+88029180671	<u>secretary@erd.gov.bd</u>

6.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association's address is:

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

(b) the Association's Electronic Address is:

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

AGREED as of the Signature Date.

PEOPLE'S REPUBLIC OF BANGLADESH

By



Authorized Representative

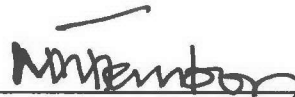
Name: SHARIFA KHAN

Title: SECRETARY

Date: AUGUST 07, 2022

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: MERCY MIYANG TEMBON

Title: COUNTRY DIRECTOR

Date: AUGUST 07, 2022

SCHEDULE 1

Project Description

The objective of the Project is to strengthen urban local governments' response to the COVID-19 pandemic and preparedness for future shocks.

The Project consists of the following parts:

Part 1: COVID-19 Response Grants (CRGs)

Support, through the provision of CRGs, Eligible ULGIs to finance Sub-Projects in the following areas:

- (i) Support health interventions through measures that include providing community hand-washing stations, toilets and improving sanitization in municipality-owned or operated markets, burial grounds and public offices; conducting awareness programs on COVID-19 protocols, vaccines and climate risks; improving access to climate resilient municipality operated health clinics; facilitating the registration of vulnerable/ disadvantaged for the COVID-19 vaccines; and conducting community counselling.
- (ii) Support the provision of essential services and paid employment for the poor and vulnerable through measures that include carrying out of labor-intensive public works; and operations and maintenance schemes to ensure public service delivery of facilities and infrastructure (like water supply and sanitation, drainage, public parks and roads) with a focus on low-income areas, slums and areas exposed to high disease outbreak and disaster risks.
- (iii) Support local economic development and recovery from COVID-19 impact through measures that include upgrading/rehabilitating to climate resilient health standards the municipal/local markets, local industrial parks; strengthening the ICT network and digital technology (for improving ULGI preparedness to climate including remote connectivity, surveillance of climate change-exacerbated health risks); and making improvements in municipal revenue generation and collection.
- (iv) Strengthen policies, institutions and investments to enable ULGIs take measures to improve their emergency response system, build preparedness for future disease outbreak, disasters and climate change impact through actions recommended in the local preparedness plans and climate and flood proofing municipality operated health clinics and schools.

Part 2: Implementation and capacity development support, digital technology and project management

2.1 Implementation and capacity development support.

- (i) Support ULGIs in immediate COVID-19 response and recovery through provision of support in the preparation and implementation of Covid-19 Response and Recovery Plans; capacity building support to ULGIs for compliance with Minimum Conditions; technical support for public health interventions and management of labor-intensive public works; support the planning, preparation and implementation of climate resilient infrastructure and service delivery schemes; and strengthening ULGIs capacity in Project management, safeguards, procurement and reporting.
- (ii) Support ULGIs in improving preparedness to disease outbreaks, disasters, and climate change impacts through the provision of technical assistance to develop own-source revenue improvement plans; and provide technical assistance and capacity building support to ULGIs to develop local preparedness plans that will enable rapid response for climate change disasters/ disease emergencies which includes measures such as development of local disease outbreak surveillance, strengthening emergency preparedness and response systems, and technical assistance to improve safety of municipal/local markets.
- (iii) Support the LGED and ULGIs in improving its hardware and software capacities to enable remote connectivity, improved grant monitoring and supervision along with the establishment of a MIS and a web-based platform for exchanging information on disease outbreak, climate, and disaster information for improved coordination during emergencies.

2.2 Project management and implementation support.

Support the establishment and operationalization of the Project Management Unit and the Regional Support Centers at the national and divisional levels respectively, for Project management, monitoring & evaluation, and reporting and provide technical assistance for ULGI compliance assessment with the Minimum Conditions and its monitoring and technical backstopping and quality assurance.

Part 3: Contingent Emergency Response Component

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Recipient shall vest the overall responsibility for Project implementation at the national level in the LGED.
2. The Recipient shall establish within three (3) months of the Effective Date and maintain, throughout the period of implementation of the Project, the Project Steering Committee ("PSC") with a mandate, composition and resources as provided for in the Project Operations Manual. Without limitation on the foregoing, the PSC shall: (a) be chaired by the Secretary of LGD and comprise of representatives of the relevant ministries and agencies, among others; and (b) meet at least on a six-monthly basis or as frequently as necessary to: (i) provide strategic and policy direction on all activities under the Project; (ii) facilitate the coordination of activities under the Project; and (iii) address any obstacle during the implementation of the Project.
3. Within four (4) months of the Effective Date, the Recipient, shall establish and maintain at all times during the implementation of the Project, the PMU within the LGED, with functions and resources satisfactory to the Association, and with staff in adequate numbers and with qualifications, experience and terms of reference satisfactory to the Association. Without limitation on the foregoing, the PMU shall be headed by a full-time Project director, two (2) deputy Project director(s) and one assistant Project director; and shall be responsible for, *inter-alia*: Project management including grant management and its administration, compliance monitoring, financial management, safeguards, and reporting coordination of Project implementation, including supervision of and support for the RMSUs.
4. Within four (4) months of the Effective Date, the Recipient shall through Regional Municipal Support Units ("RMSUs") in each of the administrative divisions of the Recipient, with staff in adequate numbers and with qualifications, experience and terms of reference satisfactory to the Association shall be responsible to ensure the coordination of the Project with the LGED and other authorities and support ULGIs in each division on compliance with the Minimum Conditions, and strengthen their technical, procurement, FM and environment and social capacities.
5. Within four (4) months of the Effective Date, the Recipient shall establish Project Implementation Units (PIUs) within each participating ULGI, with staff in

adequate numbers, responsible for the planning, budgeting, implementation of the Project and coordination of the activities with the PMU.

6. Within eighteen (18) months of the Effective Date, the Recipient shall recruit a consultancy firm or such number of individual consultants, with the qualifications, experience and terms of reference satisfactory to the Association to provide technical assistance to the ULGIs for the preparation of local preparedness plans.

B. Project Operations Manual

1. Within three (3) months from the Effective Date, the Recipient shall prepare and adopt a Project Operations Manual in form and substance satisfactory to the Association, which shall include:

- (a) the Project administrative, accounting, auditing, reporting, financial, disbursement and procurement procedures, as agreed with the Association;
- (b) the disbursement formula, selection and eligibility criteria for the COVID-19 Response Grants; as well as the terms and conditions applicable to CRGs and to be reflected in the Participation Agreements;
- (c) the performance indicators for the Project;
- (d) the list of eligible activities and expenditures for the Eligible ULGIs; and
- (e) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

2. The Recipient shall ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Operations Manual, provided, however, that in the case of any conflict between the arrangements and procedures set out in Project Operations Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Project Operations Manual.

C. Sub-projects under Part 1 of the Project

1. For the purpose of Part 1 of the Project, the Recipient shall make available the Covid-19 Response Grants to the Eligible ULGIs in accordance with the eligibility criteria and procedures set forth in Project Operations Manual.

2. For the provision of Covid-19 Response Grants under Part 1 of the Project, the Recipient shall cause LGED to enter into an agreement with each Eligible ULGI (“Participation Agreement”) on terms and conditions satisfactory to the Association, which shall include, among other provisions, the following:
- (a) the description of the activities to be implemented, including the rules and procedures to access the Covid-19 Response Grants; and the arrangements for monitoring and reporting on the implementation of the Sub-Project(s);
 - (b) the obligation of each Eligible ULGI to: (i) carry out all Sub-Project(s) with due diligence and efficiency and in accordance with sound technical, engineering, environmental, financial, and managerial practices and in accordance with the provisions of the Project Operations Manual including the Minimum Conditions, the safeguard documents, the requirements of the grievance redress mechanism, and the provisions of the Anti-Corruption Guidelines; and (ii) maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures related to the Sub-Project(s);
 - (c) the requirement that the goods, works, and services to be financed out of the proceeds of the financial support shall be procured in accordance with the Procurement Regulations, and shall be used exclusively in the carrying out of the Sub-Project(s);
 - (d) the list of Excluded Activities;
 - (e) the obligation to complete the carrying out of the Sub-Project(s) prior to the Closing Date;
 - (f) the obligation of each eligible ULGI to: (i) 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, resources and expenditures related to the Sub-Project(s); (ii) at the Association’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association covering one fiscal year of the Recipient, and promptly furnish the statements (within six months of the end of the covered period) as so audited to the Recipient and the Association; and (iii) permit the Association to make the Participation Agreement and all financial statements audited pursuant to sub-paragraph (ii) above available to the public in accordance with the Association’s policies on access to information; and

- (g) the right of the Recipient to: (i) inspect by itself, or jointly with the Association, if the Association shall so request, the goods and sites included in the Sub-Project(s), the operations thereof and any relevant records and documents; (ii) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation and financial conditions of the Sub-Project(s) and the eligible ULGIs; and (iii) suspend or terminate the right of any eligible ULGI to use the proceeds of the financial support, or obtain a refund of all or any part of the amount of the financial support then withdrawn, upon failure by the eligible ULGI to perform any of its obligations under the Participation Agreement.
3. The Recipient, through LGED, shall exercise its rights and perform its obligations under the Participation Agreements in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the financial support and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Participation Agreement or any provision thereof.

D. 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 Association.
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 Association. 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 Association 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 Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, 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 Association, 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 Association 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, including, 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 Association.
6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of the ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

E. Expenditures to be Exclusively 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 Credit: (i) all land required for the purposes of the Project, and provide, promptly as needed, the resources needed for this purpose; (ii) taxes exceeding 15%; (iii) recurrent expenditures such as workshop allowances, sitting allowances, cash per diems, honoraria and fuel; (iv) salaries of the Recipients' civil servants; and (v) purchase of vehicles.

F. Data Protection

The Recipient, shall ensure that the collection, use and processing (including transfers to third parties) of any Personal Data collected under the Project shall be done in accordance with the best international practice, and ensure legitimate, appropriate and proportionate treatment of such data.

G. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 3 of the Project (“Contingent Emergency Response Part”), the Recipient shall ensure that:
 - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
 - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
 - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
 - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent

Emergency Response Part, with adequate staff and resources satisfactory to Association.

3. The Recipient shall ensure that:
 - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
 - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

Section II. Project Monitoring, Reporting and Evaluation

1. The Recipient shall furnish to the Association each Project Report not later than one (1) month after the end of each calendar semester, covering the calendar semester.
2. Mid-term review
 - (a) The Recipient, shall, carry out jointly with the Association: no later than four (4) months after the disbursement of the second tranche of the CRG grants, a mid-term review to assess the status of the Project implementation, as measured against the indicators set forth in the Project Operations Manual. Such review shall include, *inter alia*, an assessment of the overall progress in implementation, results of monitoring and evaluation activities, implementation arrangements, identification of bottlenecks and remedial measures to address the same.
 - (b) To this end, prepare and furnish to the Association, at least one (1) month before such review, a mid-term report, in such detail as the Association shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of the mid-term report, taking into account the monitoring and evaluation activities performed pursuant to Section II.1 of this Schedule 2, and setting out the measures recommended to ensure the continued efficient carrying out of the Project and the achievement of its objectives during the period following such date; and

- (c) review jointly with the Association such mid-term report, and thereafter take all measures required to ensure the continued efficient implementation of the Project and the achievement of its objectives, based on the conclusions and recommendations of the mid-term report and the Association's views on the matter.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) COVID-19 Response Grants	205,600,000	100%
(2) Goods (excluding vehicles), works, non-consulting services, consulting services, Training and Operating Costs for the Project	8,800,000	100%
(3) Emergency Expenditures under Part 3 of the Project	0	
TOTAL AMOUNT	214,400,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date.
 - (b) For Emergency Expenditures under Category (3), unless and until, all of the following conditions have been met in respect of said expenditures:
 - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw the Financing amounts under Category (3); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.
2. The Closing Date is December 31, 2025.

SCHEDULE 3
Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each February 15 and August 15: commencing August 15, 2027, to and including February 15, 2047	1.65%
commencing August 15, 2047, to and including February 15, 2052	3.40%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General 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. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “CERC Manual” means the manual referred to in Section I.E of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the POM.
4. “City Corporation” means, a municipal corporation created by the Local Government (City Corporation) Act, 2009 as amended on November 29, 2011, or any successor thereto.
5. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
6. “Covid-19 Response Grant” or “CRG” shall mean the grant to be provided out of the proceeds of the Financing to an Eligible ULGI under Part 1 of Schedule 1 of the Project, to carry out a Sub-Project, as per the terms and conditions provided for in the Project Operations Manual, and “Covid-19 Response Grants” or “CRGs” shall mean collectively, all such COVID-19 Response Grants.
7. “COVID-19 Response and Recovery Plan” shall mean, the plan to be prepared and implemented by a ULGI, as per the template provided for in the Project Operations Manual and “COVID-19 Response and Recovery Plans” shall mean, collectively, all such plans.
8. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.G of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
9. “Emergency Action Plan” means the plan referred to in Section I.G of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.

10. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
11. “Eligible ULGI” means any ULGI (excluding the Dhaka South and Dhaka North City Corporation(s)) that satisfies the Minimum Conditions required to qualify for the COVID-19 Response Grant under Part 1 of the Project; and “Eligible ULGIs” shall mean more than one Eligible ULGI.
12. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated January 5, 2022, 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.
13. “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 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 Association.
14. “Excluded Activities” shall mean the list of activities specified in the Annex to this Agreement that are ineligible to be financed under Part 1 of the Project.
15. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).
16. “ICT” means information and communication technology.

17. "Local Government Division" and the acronym "LGD" mean the Local Government Division within the Recipient's Ministry of Local Government and Rural Development & Cooperatives.
18. "Local Government Engineering Department" and the acronym "LGED" means the Local Government Engineering Department of the Recipient' MoLGRD&C.
19. "MoLGRD&C" means the Recipient's Ministry of Local Government, Rural Development and Cooperatives or any successor hereto.
20. "Minimum Conditions" means the conditions stipulated in the Project Operations Manual to be satisfied by ULGIs (excluding the Dhaka South and Dhaka North City Corporation(s)) to be eligible for CRGs under Part 1 of this Agreement.
21. "Operating Costs" mean the reasonable costs required for the day-to-day coordination, administration and supervision of Project activities, for 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 Operating Costs are paid to the eligible recipient through the banking system (except for petty cash expenses following the Recipient's existing policy); and salaries and allowances of contractual staff (other than consultants) but excluding salaries and salary top ups of the Recipient's civil servants, workshop allowances, sitting allowances, cash per diems, honoraria, and fuel.
22. "Participation Agreement" means the agreement to be entered into by a ULGI with the LGED as referred to in Section I.B of the Schedule 2 to this Agreement.
23. "Pourashava" means an urban administrative unit in the territory of the Recipient under the Local Government (Pourashava) Act, 2009, or any successor thereto.
24. "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.

25. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated November 2020.
26. "Project Implementation Unit" or "PIU" means the committee or committees referred to in Section I.A.5 of Schedule 2 to this Agreement
27. "Project Management Unit" or "PMU" means the committee referred to in Section I.A.3 of Schedule 2 to this Agreement.
28. "Project Operations Manual" means the manual to be prepared by the Recipient and referred to in Section I.B of Schedule 2 to this Agreement, as amended from time to time.
29. "Project Steering Committee" or "PSC" means the committee referred to in Section I.A.2 of Schedule 2 to this Agreement.
30. "Regional Municipal Support Unit" or "RMSU" means the center established by the Recipient in each of the Recipient's administrative divisions.
31. "Sub-Project" means a set of goods, works or services meeting the criteria set out in the Project Operations Manual, to be carried out by an Eligible ULGI, as applicable, using the proceeds of the COVID-19 Response Grant under Part 1 of the Project and "Sub-projects" shall mean, all such projects.
32. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.
33. "Training" means the reasonable costs required for the participation of personnel involved in training activities, workshops, seminars, conferences and study tours under the Project, which have been approved by the Association in writing on a bi-annual basis, including: (a) travel, hotel, and subsistence costs associated to training, workshops, seminars, conferences and study tours provided that such costs are paid directly to the eligible recipient using the banking system; and (b) costs associated with rental of training and workshop facilities; preparation and reproduction of training, workshop, seminar and conference materials; and other costs directly related to preparation and implementation of any training course, workshop, seminar, conference or study tour; but excluding sitting allowances and honorarium of any nature.
34. "Urban Local Government Institutions" or "ULGIs" means, collectively the *Pourashavas* and the City Corporations.

Annex

I. Eligibility Criteria for Sub-Projects

1. Sub-Projects shall:

- (i) be carried out by an Eligible ULGI in a manner consistent with the Project Operations Manual;
- (ii) comprise of activities that are within the mandate of the Eligible ULGI;
- (iii) exclude ineligible activities from the Sub-Projects as provided below:

Type of expenditure	Examples
Mandate-related expenditures	Any expenditure that is the responsibility of other institutional stakeholders, which is not part of the mandate of ULGIs and which has not been identified through close inter-sector coordination. Examples: regular curative health care, education-related actions
Cash or in-kind transfers	Food aid for individuals/households, welfare payments
Non-developmental expenditures	Salaries, vehicles, administrative buildings, religious facilities/activities except municipality operated burial grounds and crematoriums
Private goods and services	Micro-finance, revolving funds, equipment for small scale commercial activities, investments in private businesses/enterprises of any kind
Expenditures with potential negative social or environmental impacts	Activities requiring land acquisition or resettlement Activities with significant environmental impacts, including those that significantly increase greenhouse gas emissions or activities that involve hazardous waste disposal