

Public Disclosure Authorized

OFFICIAL DOCUMENTS

CREDIT NUMBER 6042-BD

Financing Agreement

(Export Competitiveness for Jobs Project)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated

November 5, 2017

CREDIT NUMBER 6042-BD

FINANCING AGREEMENT

AGREEMENT dated, November 5, 2017, entered into 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) 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in the amount equivalent to seventy three million eight hundred thousand Special Drawing Rights (SDR 73,800,000) (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 IV of Schedule 2 to this Agreement
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are March 1st and September 1st in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

- 2.07. 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 through the Ministry of Commerce shall carry out the Project; all in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.02. For purposes of Section 8.05(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 date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is the Senior Secretary/Secretary, or any Additional Secretary, or Joint Secretary/Joint Chief, Deputy Secretary/Deputy Chief, Senior Assistant Secretary/Senior Assistant Chief, Assistant Secretary/Assistant Chief of the Economic Relations Division of the Ministry of Finance.
- 5.02. The Recipient's Address is:

Economic Relations Division
Ministry of Finance
Sher-e-Bangla Nagar
Dhaka 1207
Bangladesh
Facsimile: +88029180788/+88029180671

- 5.03. The Association's Address is:

International Development Association
1818 H Street, N.W.

Washington, D.C. 20433
United States of America

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI)	1-202-477-6391

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

PEOPLE'S REPUBLIC OF BANGLADESH

By




Authorized Representative

Name: Kazi Shofiqul Azam

Title: Secretary

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Qimiao Fan

Title: Country Director

SCHEDULE 1

Project Description

The objective of the Project is to contribute to export diversification and more and better jobs in targeted sectors.

The Project consists of the following parts:

Part 1: Market Access Support Program

- (a) Sector-level environmental, social and quality (“ESQ”) awareness and readiness.** Building knowledge and capacity of firms in each targeted sector to maintain ESQ standards, including: (i) carrying out of industry-wide awareness and capacity building activities on ESQ standards; and (ii) development and dissemination of ESQ reference material.
- (b) Export readiness fund.** (i) establishment of the Export Readiness Fund (“ERF”) and (ii) provision of Matching Grants to Selected Firms through the ERF to identify and address ESQ compliance gaps and upgrade products and production processes as required by large buyers and laws and/or regulations of major export markets.
- (c) Market development and ESQ branding.** Provision of support to exporters to help overcome market access constraints linked to ESQ compliance, including: (i) carrying out of market intelligence activities; and (ii) carrying out of market development and branding activities.

Part 2: Productivity Enhancement Program

Establishment of four (4) technology centers in proximity to existing production clusters of micro, small and medium-sized enterprises, including provision of training and operational support during early stages of the technology centers.

Part 3: Public Investment Facility for Infrastructure Constraints

Establishment of the Public Investment Facility For Infrastructure Constraints (“PIFIC”) to address infrastructure constraints negatively affecting the development of leather, footwear, plastics and electrical/electronic industrial clusters.

Part 4: Project Implementation, Monitoring and Evaluation

Carrying out of Project management activities (including technical, safeguards, monitoring and evaluation, and impact activities) and provision of capacity building activities on Project implementation matters, including: (a) setting up of

an automated financial management system and easily accessible grievance mechanism; and (b) carrying out of baselines and user satisfaction surveys.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Project Steering Committee

By no later than one (1) month after the Effective Date, the Recipient shall establish and thereafter maintain, throughout the period of Project implementation, the Project Steering Committee ("PSC") with a mandate, composition and resources satisfactory to the Association. Without limitation on the foregoing, the PSC shall: (a) be chaired by the Secretary of MOC and comprise representatives from relevant ministries and associations; and (b) meet as frequently as necessary to: (i) provide strategic and policy direction on all Project activities; (ii) facilitate the coordination of Project activities; and (iii) address any obstacle during Project implementation.

2. Project Implementing Unit

By no later than one (1) month after the Effective Date, the Recipient shall establish and thereafter maintain, throughout the period of Project implementation, a Project Implementation Unit ("PIU") within MOC, 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 PIU shall: (a) be headed by one (1) Project director and three (3) full-time deputy Project directors; (b) be composed of leaders for each Part of the Project and technical experts and specialists in, *inter alia*, procurement, financial management, environment, social safeguards and monitoring and evaluation and reporting; and (c) be responsible for, *inter alia*: (i) carrying out the management, financial management, performance evaluations, safeguards, monitoring and reporting activities of the Project; (ii) supervising the ERF Manager; and (iii) reporting semiannually to the PSC on Project implementation matters.

3. Advisory Boards

By no later than four (4) months after the Effective Date, the Recipient shall establish and thereafter maintain, throughout the period of Project implementation, the following advisory boards, with a mandate, composition and resources satisfactory to the Association:

- (a) the Grant Advisory Committee to be responsible for, *inter alia*, (i) approving on a non-objection basis, rejecting and/or requesting the review, of proposals recommended by the ERF Manager for providing Matching

Grants; (ii) advising on strategic matters associated with the provision of Matching Grants; (iii) ensuring the application of the Matching Grant Manual; and (iv) resolving any dispute associated with the provision of Matching Grants; and

- (b) the Technology Center Advisory Board to be responsible for, *inter alia*, advising on strategic matters associated with the establishment of technology centers under Part 2 of the Project.

4. Bid/Proposal Evaluation Committees for Internationally Advertised Contracts

Prior to the procurement of internationally advertised contracts for goods, works, IT systems, and consulting services through firms to be financed out of the proceeds of the Credit; the Recipient shall establish, and thereafter maintain throughout the period of Project implementation, a bid/proposal evaluation committee with composition and terms of reference acceptable to the Association. Such committee shall be composed by at least five (5) members including two (2) international/national technical experts, two (2) members of the PIU (including one (1) local procurement consultant), and one (1) member from MOC.

B. Project Implementation Manual, Matching Grant Manual for Part 1(b) of the Project and PIFIC Operating Guidelines for Part 3 of the Project

- 1. By no later than one (1) month after the Effective Date, the Recipient shall adopt, and thereafter maintain throughout the period of implementation of the Project, the Project Implementation Manual and the PIFIC Operating Guidelines.
- 2. The Recipient shall carry out the Project in accordance with the Project Implementation Manual. Without limiting the generality of the foregoing, the Recipient shall carry out Part 1(b) of the Project in accordance with the Matching Grant Manual and Part 3 of the Project in accordance with the PIFIC Operating Guidelines. Except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the Project Implementation Manual, the Matching Grant Manual, the PIFIC Operating Guidelines and/or any provision thereof. In the event of a conflict between the provisions of the Matching Grant Manual or the PIFIC Guidelines and those of this Agreement, the latter shall govern.

C. Export Readiness Fund (“ERF”) under Part 1(b) of the Project

- 1. For purposes of Part 1(b) of the Project, the Recipient shall:
 - (a) identify an ERF Manager acceptable to the Association and enter into, and thereafter maintain throughout the period of implementation of the ERF, a management agreement with the ERF Manager under terms and

conditions acceptable to the Association (“Management Agreement”), including, *inter alia*:

- (i) the obligation of the ERF Manager to: (A) operate the ERF in accordance with the provisions of the Matching Grant Manual and the Anti-Corruption Guidelines; (B) maintain a financial management system and prepare financial reports in a format acceptable to the Recipient and the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the provision of Matching Grants; (C) have such financial reports audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and furnish, within a timeframe acceptable to the Association, the statements as so audited to the Recipient and the Association; (D) enter into Matching Grant Agreements under the terms and conditions set out in paragraph 2 of this Section C; (E) submit claims for payments of the Matching Grants to the PIU along with supporting documentation of Eligible Expenditures; (F) transfer payments of Matching Grants to the Selected Firms for incurred expenditures promptly after receiving them the PIU; (G) enable the Association to inspect any relevant records and documents; (H) prepare and furnish to the Recipient and Association all such information as the Association shall reasonably request relating to the foregoing; and (I) exercise its rights under the Management Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Credit; and
 - (ii) the right of the Recipient to suspend or terminate the Management Agreement, or obtain a refund of all or any part of the amount of the Matching Grant then withdrawn, upon the ERF Manager’s failure to perform any of its obligations under the Management Agreement; and
- (b) make proceeds of the Credit under Category (2)(a) and (b) of the table set forth in Section I.B.2 of this Schedule 2 available to Selected Firms on a grant matching basis (“Matching Grant”), and pursuant to the eligibility, selection criteria and arrangements set out in the Matching Grant Manual and pursuant to a duly executed Matching Grant Agreement.
2. Prior to making a Matching Grant, the Recipient shall cause the ERF Manager to enter into a grant agreement with each Selected Firm (“Matching Grant Agreement”), under terms and conditions acceptable to the Association, including, *inter alia*:

- (a) (i) the obligation of the ERF Manager to provide the Matching Grant; and (ii) the right of the ERF Manager to suspend or terminate the right of the Selected Firm to use the proceeds of the Matching Grant, or obtain a refund of all or any part of the amount of the Matching Grant then withdrawn, upon the Selected Firm's failure to perform any of its obligations under the Matching Grant Agreement; and
 - (b) the obligation of the Selected Firm to: (A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, fiduciary, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the EMF, SMF, RPF, SETVCDF and any plans to be developed thereunder, if applicable, and the provisions of the Anti-Corruption Guidelines; (B) provide, promptly as needed, the resources required for its Sub-project; (C) (1) procure the goods, works and services to be financed out of the Credit in accordance with the provisions of this Agreement; and (2) complete the activities procured under its Sub-project by the Closing Date; (D) maintain policies and procedures adequate to enable the Selected Firm to monitor and evaluate, in accordance with indicators acceptable to the Association, the progress of its Sub-project and the achievement of its objectives; (E) (1) maintain a financial management system and prepare financial reports in a format acceptable to the Recipient and the Association, both in a manner adequate to reflect the operations, resources and expenditures related to its Sub-project; and (2) at the Association's or Recipient's request, have such financial reports audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (F) enable the Association to inspect the Sub-project, its operation and any relevant records and documents; and (G) prepare and furnish to the Association all such information as the Association shall reasonably request relating to the foregoing.
3. The Recipient shall cause the ERF Manager to: (a) exercise its rights under each Matching Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Credit; and (b) except as the Association shall otherwise agree, not assign, amend, abrogate or waive any Matching Grant Agreement or any provision thereof.

D. Technology Centers under Part 2 of the Project

The Recipient shall incur expenditures, out of the proceeds of the Financing, related to the construction of technology centers under Part 2 of the Project after completing the feasibility studies required by the Project Implementation Manual and EMF, the SMF, the RPF, and SETVCDF, each in a manner satisfactory to the Association.

E. Public Investment Facility for Infrastructure Constrains (“PIFIC”) under Part 3 of the Project

1. By no later than nine (9) months after the Effective Date, the Recipient shall hire, and thereafter maintain throughout the period of implementation of the Project, a consulting firm under terms of reference, experience and qualifications acceptable to the Association, responsible for supporting the PIU in carrying out the procurement evaluations and bidding documents relating to activities under Part 3 of the Project.
2. Prior to the carrying out of any infrastructure investment under Part 3 of the Project, the Recipient shall, if applicable:
 - (a) enter into a collaborative agreement with the Beneficiary Group in accordance with the terms and conditions acceptable to the Association (“Assistance Agreement”), including, *inter alia*, the endorsement of the Beneficiary Group and the roles and responsibilities of the Beneficiary Group towards the infrastructure investment financed through the PIFIC;
 - (b) exercise its rights under the Assistance Agreement in such manner as to protect its interests and the interests of the Association, comply with its obligations under its respective memoranda and achieve the purposes of the Project; and
 - (d) except as the Association shall otherwise agree, not materially assign, amend, abrogate or waive any memoranda, or any provisions thereof.

F. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

G. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the EMF, the SMF, the RPF, the SETDCDF and the relevant Safeguard Assessments and Plans.
2. The Recipient shall ensure or cause to be ensured, that any consultants’ services including studies to be supported under the Project, are carried out under terms of reference satisfactory to the Association following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the Association’s Safeguards Policies and be disclosed and consulted upon in accordance with the Association’s Safeguard Policies.

3. Whenever an additional or revised Safeguard Assessment and Plan shall be required for any proposed Project activity, in accordance with the provisions of the EMF, the SMF, the RPF and the SETDCDF, as the case may be, the Recipient shall:
 - (a) prior to the commencement of such activity, proceed to have such Safeguard Assessment and Plan: (i) prepared and publicly consulted on in accordance with the provisions of the EMF, the SMP, the RPF and the SETDCDF, 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;
 - (b) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such Safeguard Assessment and Plan; and
 - (c) in the case of any resettlement activity under the Project involving Affected Persons, ensure that no displacement shall occur before necessary resettlement measures consistent with the RAP applicable to such activity have been executed, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, prior to displacement.
4. The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the EMF, the SMF, the RPF, the SETDCDF or any Safeguard Assessments and Plans, unless the Association has provided its prior approval thereof in writing, and the Recipient has complied with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.
5. Without limitation on its other reporting obligations under this Agreement, the Recipient 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 EMF, the SMF, the RPF, the SETDCDF 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.
6. In the event of any conflict between the provisions of any of the EMF, the RPF, the SETDCDF or the Safeguard Assessments and Plans, and the provisions of this Agreement, the provisions of this Agreement shall prevail.
7. The Recipient shall establish, prior to the carrying out of any activities under the Project, and thereafter maintain until completion of the Project, an independent

Grievance Redress Mechanism, acceptable to the Association, as per the requirements of the RPF.

H. Expenditures to be Exclusively Financed with Counterpart Funds

1. The Recipient shall, at all times, remain the entity duly authorized and responsible for land acquisition and resettlement, compensation and rehabilitation or other assistance during Project implementation.
2. The Recipient shall: (a) ensure that the following expenditures are financed exclusively out of its own resources or other resources of the Recipient and not out of the proceeds of the Credit; and (b) provide, promptly as needed, the resources needed for this purpose: (i) all land required for the purposes of the Project; (ii) all resettlement and rehabilitation compensation and other assistance to Affected Persons in accordance with the RAPs; (iii) recurrent expenditures such as workshop allowances, sitting allowances, cash per diems, honoraria and fuel; and (iv) vehicles.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

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

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient 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 Recipient shall have Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

All goods, works, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations and the provisions of the Procurement Plan.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "Disbursement Guidelines for Investment Project Financing" dated February 2017, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods (excluding vehicles), works, non-consulting services, consulting services, Incremental Operating Costs and Training Costs under Parts 1, 2 and 4 of the Project	33,700,000	100%
(2) Matching Grants through ERF under Part 1(b) of the Project	7,650,000	100% of the disbursed amount
(3) Goods (excluding vehicles), works, non-consulting services,	32,450,000	100%

consulting services and Incremental Operating Costs through PIFIC under Part 3 of the Project		
TOTAL AMOUNT	73,800,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payment made:
 - (a) prior to the date of this Agreement except that withdrawals up to an aggregate amount not to exceed SDR 14,740,000 may be made for payments made prior to this date but on or after May 1, 2017, for Eligible Expenditures under Category (1); and
 - (b) under Category (2) until: (i) the Association is satisfied that the ERF Manager has the capacity to administer the Matching Grants; (ii) the Management Agreement has been executed in a manner satisfactory to the Association; and (iii) the Matching Grant Manual has been duly adopted by the Recipient under terms and conditions satisfactory to the Association.
2. The Closing Date is June 30, 2023.

SCHEDULE 3

Amortization Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each March 1 and September 1, commencing September 1, 2023 to and including March 1, 2055	1.5625%

* 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 3.03 (b) of the General Conditions.

APPENDIX

Section I. Definitions

1. “Affected Persons” means persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons.
2. “Anti-Corruption Guidelines” means 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.
3. “Assistance Agreement” means the agreement referred to in Section I.E.1 of Schedule 2 to this Agreement.
4. “Association’s Safeguards Policies” means the Association’s operational policies and procedures set forth in the Association’s Operational Manual under OP/BPs 4.01, 4.02, 4.03, 4.04, 4.07, 4.09, 4.10, 4.11, 4.12, 4.20, 4.36, 4.37, and 7.50, or any successor thereof, as said manual is published under www.WorldBank.org/opmanual.
5. “Beneficiary Group” means the group for the infrastructure investment was built for under Part 3 of the Project, and selected in accordance with the criteria set out in the PIFIC Operating Guidelines.
6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
7. “Environmental Management Framework” and the acronym “EMF” mean the framework of the Project acceptable to the Association, dated March 1, 2017, and duly disclosed on MOC’s website, setting out the policy framework, principles, standards, processes and institutional arrangements to be applied to assess potential adverse environmental impacts associated with activities under the Project, and the ways to avoid, minimize, mitigate or offset them, including public consultation, disclosure and reporting; as such framework may be revised, supplemented or updated from time to time with the prior written agreement between the Recipient and the Association.
8. “Environmental Management Plan” and the acronym “EMP” mean each plan acceptable to the Association and to be prepared in accordance with the EMF; each such plan in form and substance satisfactory to the Association, and defining

details of measures to manage potential environmental risks and mitigate, reduce and/or offset adverse environmental impacts associated with the implementation of activities under the Project, together with adequate budget, institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms; as each environmental management plan may be revised, supplemented or updated from time to time with the prior written agreement between the Recipient and the Association.

9. "ERF" means the Export Readiness Fund, a fund to be established by MOC for purposes of providing the Matching Grants under Part 1(b) of the Project.
10. "ERF Manager" means the manager referred to in Section I.C.1(a) of Schedule 2 to this Agreement selected by the Recipient to be responsible for operating the ERF.
11. "ESQ" means environmental, social and quality.
12. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010.
13. "Grant Advisory Committee" means the committee referred to in Section I.A.3(a) of Schedule 2 to this Agreement.
14. "Grievance Redress Mechanism" means the system to be established and implemented by the Recipient under the Project, which shall meet the requirements set forth in the RPF and be acceptable to the Association, be designed to track complaints regarding the Project, guide resolution of such complaints, and track and publicize resolution of such complaints, as such system may be updated from time to time by prior written agreement between the Recipient and the Association.
15. "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, 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, provided that such Operating Costs are paid to the eligible recipient through banking system (except for petty cash expenses following Recipient's existing policy); but excluding salaries, per diem, fuel, allowances, sitting allowances and honorarium of any other nature.
16. "Management Agreement" means the agreement referred to in Section I.C.1(a) of Schedule 2 to this Agreement.
17. "Matching Grant" means the grant to be provided out of the proceeds of the Credit to a Selected Firm to finance a Sub-project.

18. “Matching Grant Agreement” means the agreement between the ERF Manager and the Selected Firm for the purpose of carrying out Sub-projects under Part 1(b) of the Project.
19. “Matching Grant Manual” means the manual to be prepared and adopted by MOC, acceptable to the Association, setting out of the terms and conditions for operating the ERF, including the provision of the Matching Grants; as the same may be revised from time to time with the prior written approval of the Association.
20. “Ministry of Commerce” or the acronym “MOC” mean the Recipient’s Ministry of Commerce, or any successor thereto.
21. “PIFIC” means the Public Investment Facility For Infrastructure Constrains, a facility to be established by MOC for purposes of financing the infrastructure investments and technical assistance under Part 3 of the Project.
22. “PIFIC Operating Guidelines” means the guidelines to be prepared and adopted by MOC, acceptable to the Association, setting out of the principles for selecting and appraising the infrastructure investments under Part 3 of the Project; as the same may be revised from time to time with the prior written approval of the Association.
23. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 13, 2017 and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Association.
24. “Procurement Regulations” means the “World Bank Procurement Regulations for Borrowers under Investment Project Financing”, dated July 1, 2016.
25. “Project Implementation Manual” means the manual to be prepared and adopted by MOC, acceptable to the Association, setting out implementation, organizational, administrative, monitoring and evaluation, financial management, disbursement, and procurement arrangements for purposes of implementation of the Project, as said manual may be revised from time to time with the prior written approval of the Association.
26. “Project Implementation Unit” and the acronym “PIU” mean the unit referred to in Section I.A.2 of Schedule 2 to this Agreement.
27. “Project Steering Committee” means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement.
28. “Resettlement Action Plan” and the acronym “RAP” mean each plan acceptable to the Association and to be prepared under the Project in accordance with the RPF in form and substance satisfactory to the Association, and containing, a program of actions, measures and policies for compensation and resettlement of Affected Persons, including the magnitude of displacement, compensation and resettlement

arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with its terms; as each resettlement action plan may be revised, supplemented or updated from time to time with the prior agreement between the Recipient and the Association.

29. "Resettlement Policy Framework" and the acronym "RPF" mean the framework acceptable to the Association, dated March 1, 2017, and duly disclosed on MOC's website, setting out, *inter alia*, the principles and objectives governing resettlement preparation and implementation, and a description of the process for preparing and approving resettlement plans under the Project; as such framework may be revised, supplemented or updated from time to time with the prior agreement between the Recipient and the Association.
30. "Safeguard Assessment and Plan" means any EMP, SMP, RAP and SETDCDP prepared or to be prepared by the Recipient in accordance with the EMF, the RPF and the SETVCDF, as the case may be, and the provisions of Section I.G of Schedule 2 to this Agreement; and "Safeguard Assessments and Plans" means, collectively, all such assessments and plans.
31. "Selected Firm" means the recipient of a Matching Grant under Part 1(b) of the Project selected in accordance with the criteria set out in the Matching Grant Manual.
32. "Small Ethnic Tribal and Other Disadvantaged Communities Development Plan" and the acronym "SEDCDP" mean each plan acceptable to the Association and to be prepared on the basis of the SEVCDF, detailing the specific actions, measures and policies designed to address any impact on Small Ethnic Communities and facilitate the achievement of the objectives of the SEVCDF; as said plan and any annexes or schedules to such plan, may be revised from time to time with the prior written approval of the Association.
33. "Small Ethnic Tribal and Other Disadvantaged Communities" means, for purposes of the Project and in a generic sense, distinct, vulnerable, social and cultural groups (including tribes, minor races, ethnic sects and communities) possessing the following characteristics in varying degrees: (a) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (b) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (c) customary cultural, economic, social, or political institutions that are separate from those of the dominant society; and (d) an indigenous language, often different from the official language of the country or region.
34. "Small Ethnic Tribal and Other Disadvantaged Communities Development Framework" and the acronym "SETDVDF" mean the framework acceptable to the Association dated March 1, 2017, and specifically for the Small Ethnic Tribal and

Other Disadvantaged Communities, setting the policies and procedures to ensure that ethnic and vulnerable communities affected by the Project receive culturally appropriate social and economic benefits, and if any potential adverse effects on such communities are identified, measures to ensure their effects are avoided, minimized, mitigated, or compensated, as well as the preparation of SEDCDPs during the implementation of the Project, as said framework may be revised from time to time with the prior written consent of the Association, and such term includes any annexes or schedules to such framework.

35. “Social Management Framework and the acronym “SMF” means the framework the Project acceptable to the Association, dated March 1, 2017, and duly disclosed on MOC’s website, setting out the policy framework, principles, standards, processes and institutional arrangements to be applied to assess potential adverse social impacts associated with activities under the Project, including gender, including and citizen’s engagement social aspects of the Project, and the ways to avoid, minimize, mitigate or offset them, including public consultation, disclosure and reporting; as such framework may be revised, supplemented or updated from time to time with the prior written agreement between the Recipient and the Association.
36. “Social Management Plan” and the acronym “SMP” mean each plan acceptable to the Association and to be prepared in accordance with the SMF; each such plan in form and substance satisfactory to the Association, and defining details of measures to manage potential social risks and mitigate, reduce and/or offset adverse social impacts associated with the implementation of activities under the Project, together with adequate budget, institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms; as each social management plan may be revised, supplemented or updated from time to time with the prior written agreement between the Recipient and the Association.
37. “Sub-project” means a set of activities to be carried out under Part 1(b) of the Project under the terms of a Matching Grant Agreement.
38. “Technology Center Advisory Board” means the board referred to in Section I.A.3(b) of Schedule 2 to this Agreement.
39. “Training” means the reasonable costs required for the participation of personnel involved in training activities, seminars and workshops under the Project which have been approved by the Association in writing on annual basis, including: (a) travel, hotel, and subsistence costs for training, seminars and workshop participants provided that such allowances are paid directly to the eligible recipient using the banking system; and (b) costs associated with rental of training, seminar and workshop facilities, preparation and reproduction of training, seminar and workshop materials, costs of academic degree studies, and other costs directly

related to training course or workshop preparation and implementation, but excluding sitting allowances and honorarium of any other nature.