

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4643-BD

Project Agreement

(Additional Financing for Rural Electrification and
Renewable Energy Development Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

RURAL ELECTRIFICATION BOARD

Dated September 2, 2009

PROJECT AGREEMENT

AGREEMENT dated September 2, 2009, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and RURAL ELECTRIFICATION BOARD (REB) (“Project Agreement”) in connection with the Financing Agreement (“Additional Financing Agreement”) of same date between the People’s Republic of Bangladesh (“Recipient”) and the Association. The Association and the REB hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Additional Financing Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Additional Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

- 2.01. The REB declares its commitment to the objectives of the Project as set forth in Schedule 1 to the Financing Agreement, and, to this end, shall carry out Parts 1 and 2 of the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for Parts 1 and 2 of the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the REB shall otherwise agree, the REB shall carry out Parts 1 and 2 of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

- 3.01. The REB’s Representative is its Chairman.

3.02. The Association's Address is:

International Development Association
1818 H Street, N.W.
Washington, DC 20433
United States of America

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

3.03. The REB's Address is:

Nikunjo -2
Khilkhet
Dhaka 1229
Bangladesh

Facsimile:

8802-8916400

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

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

/s/ Tahseen Sayed
Authorized Representative

RURAL ELECTRIFICATION BOARD

By

/s/ Bhuiyan Shafiqul Islam
Authorized Representative

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Original Project Agreement

Article III, Article IV and the Schedule to the Original Project Agreement are incorporated by reference in this Agreement, and the provisions thereof shall apply *mutatis mutandis* to this Agreement. Unless the context otherwise requires, the reference to the term “Subsidiary Loan Agreement” in the Original Project Agreement shall be deemed to be reference to “REB Subsidiary Loan Agreement” or “REB Subsidiary Grant Agreement”, as the case may be.

B. Anti-Corruption

The REB shall ensure that Parts 1 and 2 of the Project are carried out in accordance with the provisions of the Anti-Corruption Guidelines.

- C. The REB shall take all necessary measures to implement the safeguards and mitigations measures recommended in the ESF, all in form and substance satisfactory to the Association.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The REB shall monitor and evaluate the progress of Parts 1 and 2 of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Association. Each such Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Recipient not later two (2) weeks after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

B. Financial Management, Financial Reports and Audits

1. The REB shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the REB, including the operations, resources and expenditures related to Parts 1 and 2 of the Project.

2. The REB shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one (1) fiscal year of the REB. The audited financial statements for each period shall be furnished to the Association not later than six (6) months after the end of the period.

Section III. Procurement

All goods, works and services required for Parts 1 and 2 of the Project and to be financed out of the proceeds of the Additional Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.