

CONFORMED COPY

CREDIT NUMBER 4450-BD

Project Agreement

(Additional Financing for Social Investment Program Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

SOCIAL DEVELOPMENT FOUNDATION

Dated July 31, 2008

PROJECT AGREEMENT

AGREEMENT dated July 31, 2008, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and SOCIAL DEVELOPMENT FOUNDATION (SDF) (“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 SDF 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. SDF declares its commitment to the objectives of the Project as set forth in Schedule 2 to the Original Financing Agreement, and, to this end, shall carry out 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 the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the SDF shall otherwise agree, the SDF shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

- 3.01. The SDF’s Representative is the Managing Director.

3.02. 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

3.0. The SDF's Address is:

Social Development Foundation,
House 4, Road 21, Sector 4,
Utara Model Town,
Dhaka-1230

Facsimile: 880-2-8961096

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

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

/s/ Xian Zhu
Authorized Representative

SOCIAL DEVELOPMENT FOUNDATION

By

/s/ Muhammad Fazlur Rahman
Authorized Representative

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Original Project Agreement

Article III and Schedule 2 to the Original Project Agreement are incorporated by reference in this Agreement, and the provisions thereof shall apply *mutatis mutandis* to this Agreement.

B. Anti-Corruption

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

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The SDF 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 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 than 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 SDF 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 SDF, including the operations, resources and expenditures related to the Project.
2. The SDF 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 SDF. 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 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.