Senior Secretary  
Economic Relations Division  
Ministry of Finance  
Government of the People's Republic of Bangladesh  
Dhaka, Bangladesh  

Re: Bangladesh: Advance Agreement for Preparation of Proposed  
Enabling Open Government Project  
Project Preparation Advance No. Q8370-BD  

Dear Sir:  

In response to the request for financial assistance made on behalf of People’s Republic of Bangladesh (“Recipient”), I am pleased to inform you that the International Development Association (“World Bank”) proposes to extend to the Recipient an advance out of the World Bank’s Project Preparation Facility in an amount not to exceed eight hundred fifty-five thousand Dollars ($855,000) (“Advance”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in financing the activities described in the Annex (“Activities”). The objective of the Activities is to facilitate the preparation of a proposed project designed to enable the Government to provide better access to underserved citizens and communities in Bangladesh to receive relevant, convenient affordable and reliable government services and information at their locality (“Project”), in support of which the Recipient will request the World Bank’s financial assistance.  

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of this Agreement.  

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature.  

Very truly yours,  
INTERNATIONAL DEVELOPMENT ASSOCIATION  

By  
Ellen A. Goldstein  
Country Director
AGREED:
PEOPLE'S REPUBLIC OF BANGLADESH

By

Authorized Representative

Name

Title

Date:

Enclosures:

(1) “Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility”, dated July 31, 2010; and

(2) Disbursement Letter for the Advance of the same date as this Agreement, together with “World Bank Disbursement Guidelines for Projects”, dated May 1, 2006.
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility dated July 31, 2010 ("Standard Conditions"), constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement; and the following term has the following meaning:

"Cabinet Division" mean an administrative unit of the Recipient, having a key role in the formulation of policies and the coordination among ministries and divisions, and being responsible, *inter alia*, for providing secretarial assistance to the Cabinet and its committee and to oversee and follow up on the progress and implementation of the Cabinet and committee's decisions, or any successor thereto.

"Incremental Operating Costs" means reasonable expenditures directly related to the Project, incurred by the Recipient (which expenditures would not have been incurred absent the Project), including consumable materials and supplies (including office supplies), office equipment, communications, translation services, mass media and printing services, vehicle rental, operation and maintenance, fuel costs, charges for the opening and operation of bank accounts required for the Project, postage and handling, and travel, lodging and per diems, but excluding salaries of officials of the Recipient's civil service.

"Project Implementation Committee" means a committee referred to in Section 2.03(b) of this Agreement and "Project Implementation Committees" means all the said committees.

"Project Steering Committee" means a committee referred to in Section 2.03(a) of this Agreement.

"Salary Support" means an allowance to be paid to the Recipient's civil servants who are deputized to undertake additional duties in the course of carrying out the Activities.

"Training" means training, workshops and study tours conducted in the territory of the Recipient and abroad, including purchase and publication of materials, rental of facilities, course fees, and travel, accommodation and subsistence of trainees.

Article II
Execution of the Activities

2.01. **Description of the Activities.** The Activities for which the Advance is provided consist of the following:

(a) establish the program support unit in the Cabinet Division;
(b) develop and implement the national e-government architecture plan
(c) develop a core e-services implementation plan;
(d) develop sector e-services implementation plan;
(e) develop monitoring and evaluation systems;
(f) develop a communication strategy and an implementation plan for promulgating rights to information;
(g) develop of e-governance capacity building and a change management plan; and
(h) develop a capacity building and foundation plan for promulgating rights to information; and
(i) carrying out other activities related to the preparation of the Project.

2.02. Execution of the Activities Generally. The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities through the Cabinet Division in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) 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.

2.03. Institutional and Other Arrangements. (a) The Recipient shall maintain, at all times during implementation of the Project, a Project Steering Committee chaired by the cabinet Secretary, with a mandate, terms of reference and composition that is satisfactory to the Association, and whose membership includes representatives from, inter alia, the Recipient, the Project director and the deputy Project director. The Project Steering Committee shall, inter alia: (a) provide policy guidance for Project implementations; (b) review and monitor progress of the Project; (c) facilitate cooperation and coordination among stakeholders; (d) translate policies in regulations; and (e) coordinate to resolve cross-sectoral and inter-ministerial matters.

(b) The Recipient shall maintain, at all times during implementation of the Project a Project Implementation Committee for each of activities (b) and (h) of Section 2.01 of this Agreement each with a mandates, terms of reference and composition that is satisfactory to the Association. The Project Implementation Committees shall, inter alia: (a) provide technical guideline for implementation of the activities; (b) prepare the specifications for the hardware and software required under the Project; (c) monitor and evaluate the (i) technical purchase time, and (ii) work progress.

2.04. Monitoring, Reporting and Evaluation of the Activities. The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.
2.05. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.

(b) The Recipient shall ensure that interim un-audited financial reports for the Activities are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall cause the Cabinet Division to maintain books and records of the expenditures financed under this Agreement. The audit of this Agreement will be included in the first year audit of the Project.

2.06. **Procurement**

(a) **General.** All goods and consultants' services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in:


(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Activities in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Goods**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods shall be procured under contracts awarded on the basis of National Competitive Bidding using bidding documents acceptable to the Association subject to the following additional procedures:

(A) post bidding negotiations shall not be allowed with the lowest evaluated or any other bidder;

(B) bids should be submitted and opened in public in one (1) occasion immediately after the deadline for submission;
releasing shall not be carried out, except with the Association’s prior agreement;
(D) lottery in award of contracts shall not be allowed;
(E) bidders’ qualification/experience requirement shall be mandatory;
(F) bids shall not be invited on the basis of percentage above or below the estimated cost and contract award shall be based on the lowest evaluated bid price of compliant bid from eligible and qualified bidder; and
(G) single stage two (2) envelope procurement system shall not be allowed.

(ii) The following methods, other than National Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (A) Shopping and (B) Direct Contracting.

(d) Particular Methods of Procurement of Consultants’ Services

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Selection of Individual Consultants.

(ii) The following specific procurement method will be used following Consultant Guidelines: (a) Quality and Cost Based Selection, (b) Selection Under a Fixed Budget (c) Selection Based on Consultants’ Qualification and (d) Single-Source Selection.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III
Withdrawal of the Advance

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Advance in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies each category of Eligible Expenditures that may be financed out of the proceeds of the Advance (“Category”), the amount of the Advance allocated to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
### Table

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Advance Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, consultants’ services, Incremental Operating Costs and Training under the Activities</td>
<td>849,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Salary Support</td>
<td>6,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>855,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Refinancing Date.** The Refinancing Date is September 30, 2013.

### Article IV

**Terms of the Advance**

4.01. **Service Charge.** The Recipient shall pay a service charge on the Withdrawn Advance Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum. The service charge shall accrue from the respective dates on which amounts of the Advance are withdrawn and shall be paid in arrears in accordance with the provisions of Section 4.02 of this Agreement. Service charges shall be computed on the basis of a 360-day year of twelve 30-day months.

4.02 **Repayment.** The Withdrawn Advance Balance shall be repaid by the Recipient to the World Bank (together with any service charges accrued thereon) in accordance with the provisions of Article IV of the Standard Conditions and the following provisions:

   (a) **Refinancing under the Refinancing Agreement:** If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be repaid to the World Bank (together with any service charges accrued on the Advance to the date of repayment) as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of an amount of the Refinancing Proceeds equivalent to the Withdrawn Advance Balance plus such service charges, in accordance with the provisions of the Refinancing Agreement.

   (b) **Repayment in the absence of a Refinancing Agreement:** If, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date or at any time thereafter, it has been so executed but terminates without becoming effective, then:

   (i) if the amount of the Withdrawn Advance Balance does not exceed $50,000, it shall be repaid by the Recipient to the World Bank (together with service charges
accrued on the Withdrawn Advance Balance to the date of repayment) on such
date as the World Bank shall specify in a notice to the Recipient, which shall in
no event be earlier than 60 days following the date of dispatch of such notice;
and

(ii) if the amount of the Withdrawn Advance Balance exceeds $50,000, it (together
with service charges accrued on the Withdrawn Advance Balance to the Notice
Date) (the “Aggregate Balance”) shall be paid by the Recipient to the World
Bank in ten approximately equal semiannual installments, in the amounts and on
the dates (“Payment Dates”) which the World Bank shall specify in a notice to
the Recipient. In no event shall the first Payment Date be set earlier than 60 days
following the date (“Notice Date”) of dispatch of such notice. The Recipient
shall pay a service charge on the Aggregate Balance at the rate of three-fourths of
one percent (3/4 of 1%) per annum, payable in arrears on each Payment Date.
The service charge shall be computed on the basis of a 360-day year of twelve
30-day months.

Article V
Recipient’s Representative; Addresses

5.01. Recipient’s Representative. The Recipient’s Representative referred to in Section 9.02
of the Standard Conditions is the Secretary, or the Additional Secretary, or any Joint Secretary, or
Deputy Secretary, or Senior Assistant Secretary, or Assistant Secretary, or Joint Chief, or Deputy
Chief, or Senior Assistant Chief, or Assistant Chief of the Economic Relations Division of the
Recipient’s Ministry of Finance.

5.02. Recipient’s Address. The Recipient’s Address referred to in Section 9.01 of the Standard
Conditions is:

Economic Relations Division
Ministry of Finance
Government of the People’s Republic of Bangladesh
Sher-e-Bangla Nagar
Dhaka, Bangladesh

Facsimile:

88028113088

5.03. World Bank’s Address. The World Bank’s Address referred to in Section 9.01 of the
Standard Conditions is:

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

Cable: Telex: Facsimile:
INDEVAS 2-48423 (MCI) or 1-202-477-6391
Washington, D.C. 64145 (MCI)