May 20, 2010

Mr. M Musharraf Hossain Bhuyan
Secretary
Economic Relations Division
Ministry of Finance
Block 8, Room 3
Sher-e-Bangla Nagar
Dhaka

Dear Mr. Bhuyan:

Re: Bangladesh: Advance Agreement for Preparation of Proposed Bangladesh River
Infor. u and Conservation Project Preparation Advance No. IDA 07160-BD

In response to the request for financial assistance made on behalf of the 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 an amount not to exceed three million Dollars ($3,000,000) (“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 the proposed Bangladesh River Information and Conservation Project (the “Project”) designed to help the Recipient modernize its hydrology network and restore the productivity of the Goral river systems, for the carrying out of which the Recipient has requested 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.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

/s/: Zahid Hussain

Zahid Hussain
Acting Country Director

Superintending Engineer
Processing and Flood Forecasting Circle
and
Project Director, BRCP
BWDB, 72 Green Road, Dhaka-1208
AGREED:

PEOPLE'S REPUBLIC OF BANGLADESH

/s/: Arastoo Khan

By

Authorized Representative

(Arastoo Khan)

Name: Mr. M Musharraf Hossain Bhuiyan

Economic Relations Division
Ministry of Finance
Govt. of the People's Republic of Bangladesh

Title: Secretary, Economic Relations Division

Date: July 20, 2010

Enclosures:

(1) "Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility", dated January 15, 2008; and

May 20, 20:

Mr. Muzharraf Hussain Bhuiyan
Secretary
Economic Relations Division
Ministry of Finance
Block 8, Room 3
Sher-e-Bangla Nagar
Dhaka

Dear Mr. Bhuiyan:

Re: Bangladesh: Advance Agreement for Preparation of Proposed Bangladesh River Information and Conservation Project Preparation Advance No. IDA Q7169-BD

In response to the request for financial assistance made on behalf of the 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 an amount not to exceed three million Dollars ($3,000,000) (“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 the proposed Bangladesh River Information and Conservation Project (the “Project”) designed to help the Recipient modernize its hydrology network and restore the productivity of the Gograhi river systems, for the carrying out of which the Recipient has requested 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.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/: Zahid Hussain

Zahid Hussain
Acting Country Director

Superintending Engineer
Processing and Flood Forecasting Circle

*Project Director, BRIDP
BWDB, 72 Green Road, Dhaka-1205
AGREED:
PEOPLE'S REPUBLIC OF BANGLADESH

By
Authorized Representative

Name: Mr. M Musharraf Hossain Bhuliyan

Title: Secretary, Economic Relations Division

Date: ______________________

Enclosures:

(1) "Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility", dated January 15, 2008; and

Article I

Standard Conditions; Definitions


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:

(a) “Recipient Procurement Laws” mean, collectively, the Recipient’s Public Procurement Act 2006, the Recipient’s Public Procurement Rules 2008 (as amended in August 2009), and the Recipient’s Public Procurement Act (1st Amendment) 2009 and any other subsequent amendment to the above laws.

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) engaging consultants to conduct the following studies and activities:
   (i) modernization and integration of hydrological monitoring network of Bangladesh;
   (ii) rationalization and modernization of network for groundwater needs;
   (iii) evaluation of on-going community early warning system and designing a program to scale up the initiative;
   (iv) update of package studies on Gograi river models including the mathematical, bathymetric, hydrology survey, river morphological, geotechnical and investigation, off-take management of Gograi river mouth width and remote sensing;
   (v) supervision of quality control of various models as stated above at paragraph (iv) on Gograi river;
   (vi) environmental and social impact assessment studies of the Gograi river restoration and associated works;
   (vii) preparation of the Project Implementation plan;
   (viii) preparation of a communication plan for the Gograi river restoration; and
   (ix) conducting of Training and Workshops.

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 Bangladesh Water Development Board of the Ministry of Water Resources 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.
2.03. 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.

2.04. 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 have its Financial Statements audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the Bank not later than six (6) months after the end of such period.

2.05. Procurement

(a) General. All 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:

(i) Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 (“Consultant Guidelines”) in the case of consultants’ services; and

(ii) The provisions of this Section, as 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 1.16 of the Procurement Guidelines and paragraph 1.24 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 the Procurement Guidelines, or the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Consultants’ Services

(i) Except as otherwise provided in sub-paragraph (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Selection under a Fixed Budget, (B) Selection Based on Consultants’ Qualification, (C) Individual Consultants and (D) Single-source Selection. The Procurement Plan shall specify the circumstances under which such methods may be used. Within the overall context of Consultant Guidelines, local procurement of services of firms (for which the shortlist may be comprised entirely of national consultants) and services of individual consultants...
estimated to cost, per contract, less than the ceilings established in the Procurement Plan, will follow the Recipient’s Procurement Law.

(d) **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 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>
<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) Consultant’s services and Training and Workshops</td>
<td>3,000,000</td>
<td>100%</td>
</tr>
<tr>
<td><em>TOTAL AMOUNT</em></td>
<td><em>3,000,000</em></td>
<td></td>
</tr>
</tbody>
</table>

For the purpose of Section 3.01, (i) the term “Training and Workshops” means reasonable and necessary costs incurred by the Recipient for the carrying out of training, and workshop activities related to the Activities, including travel and subsistence costs for training and workshop participants, rental of training and workshop facilities, preparation and reproduction of training materials, and other costs directly related to training.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments:

(a) prior to the date of countersignature of this Agreement by the Recipient;

(b) Unless there is an assigned Accounts Officer with the Project Management Unit (PMU) that will implement the PPF.

3.03. **Refinancing Date.** The Refinancing Date is August 31, 2011

Superintending Engineer
Processing and Flood Forecasting Circle
and
Project Director, BRIDP
BWD3, 72 Green Road, Dhaka-1205
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 $30,000, 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 $30,000, 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 semianual 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. 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 Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INDEVAS
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
May 20, 2010

Mr. M. Musharraf Hossain Bhuiyan
Secretary
Economic Relations Division
Ministry of Finance
Block-8 Room No. 3
Sher-e-Bangla Nagar
Dhaka, Bangladesh

Dear Mr. Bhuiyan:

Re: Preparation of Proposed Bangladesh River Information and Conservation Project
Project Preparation Advance No. Q7160-BD

Additional Instructions: Disbursement

I refer to the Advance Agreement ("Agreement") between the People's Republic of Bangladesh ("Recipient") and the International Development Association ("World Bank") for the preparation of the above-referenced Project, dated _______. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Project Preparation Advance No. Q7160-BD ("PFA"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, ("Disbursement Guidelines") (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the PFA is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the PFA:

- Reimbursement
- Advance
- Direct Payment
- Special Commitment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is the Refinancing Date specified in the Agreement. Any changes to this date will be notified by the World Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition(s) in Section [3.02] of the Annex to the Agreement.

II. Withdrawal of PFA Proceeds

Superintending Engineer
Processing and Flood Forecasting Circle

Project Director, BRICP

SWDB, 72 Green Road, Dhaka-1205
(i) **Authorized Signatures (subsection 3.1).** A letter in the Form attached (Attachment 2) should be furnished to the World Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank  
Plot E32, Agargaon  
Sher-e Bangla Nagar  
G.P.O. Box 97  
Dhaka 1207, Bangladesh  

Attention: Ms Ellen A. Goldstein

(ii) **Applications (subsections 3.2 - 3.3).** Please provide completed and signed (a) applications for withdrawal, together with supporting documents, and (b) applications for special commitments, together with a copy of the commercial bank letter of credit, to the address indicated below:

The World Bank  
No. 11, Tararami Main Road  
Taramani  
Chennai 600 113, India  

Attention: Ms. Samvita Reddy Ariyath  
Finance Officer, Loan Department - Chennai

(iii) **Minimum Value of Applications (subsection 3.5).** The Minimum Value of Applications for reimbursement, direct payment and special commitment is 20% of advances to the designated account.

(iv) **Advances (sections 5 and 6).**

- **Type of Designated Account (subsection 5.3):** Segregated. One designated account will be established for the Project and managed by the Project Management Unit of the Bangladesh Water Development Board in the Ministry of Water Resources.

- **Currency of Designated Account (subsection 5.4):** BDT

- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** A commercial bank/financial institution acceptable to the World Bank.

- **Ceiling (subsection 6.1):** BDT 56 million

Superintending Engineer  
Processing and Flood Forecasting Circle  

Project Director, BRCP  
BWDB, 72 Green Road, Dhaka-1205
III. Reporting on Use of PPA Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:

- For requests for Reimbursement and for reporting eligible expenditures paid from the Designated Account:
  - Summary Sheet in the form attached (Attachment 3) with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments for i) goods against contracts valued at USD xxx or more; ii) consultants' services provided by a firm against contracts valued at USD 100,000 or more; and iii) consultants' services of individual consultants against contracts valued at USD 50,000 or more; and
  - Statement of Expenditure in the form attached (Attachment 4) for all other expenditures.

- For requests for Direct Payment: records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):

Monthly

(iii) Other Supporting Documentation Instructions: Copies of bank statement of the designated account and Designated Account Reconciliation Statement (Attachment 5) should be attached to Application for Withdrawal for replenishment of designated account.

IV. Other Disbursement Instructions: As stipulated in subsection 5.2 of the Disbursement Guidelines, the Association may decide not to permit the use of and make advances to Designated Accounts in new projects, if the Recipient has failed to refund undocumented advances in the Designated Account of any other loan to, or guaranteed by, the Recipient within two months after the Disbursement Deadline Date for such loan.

V. Other Important Information


If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (http://clientconnection.worldbank.org). From this website you will be able to download Applications, monitor the near real-time status of the PPA, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the World Bank by email at <clientconnection@worldbank.org>.
If you have any queries in relation to the above, please contact Chau-Ching Shen, Senior Finance Officer at fas-sar@worldbank.org using the above reference.

Sincerely

/s/: Zahid Hussain
Zahid Hussain
Acting Country Director

Attachments
1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
3. Form of Summary Sheet
4. Form of Statement of Expenditure

Cleared with cc: Mei Wang
Senior Counsel
LEGES

Cc with copies: Shakib Md. Wahid uz Zaman
Secretary, Ministry of Water Resources
Building 6, Room 409, Bangladesh Secretariat
Dhaka

Md. Habibur Rahman
Director General
Bangladesh Water Development Board
WAPDA Building
Motijheel C/A.
Dhaka 1000

Superintending Engineer
Processing and Flood Forecasting Circle
and
Project Director, BRICP
BWDB, 72 Green Road, Dhaka-1206
Economic Relations Division
Ministry of Finance
Dhaka, Bangladesh

The World Bank
Plot E3, Agargaon
Shor-e Bangla Nagar
G.P.O. Box 97
Dhaka 1207, Bangladesh

Attention: Ms. Eli A. Goldstein
Country Director

Dear Ms. Goldstein:

Re: Project Preparation Advance No. Q7160-BD
(Bangladesh River Information and Conservation Project)

Specimen Signature

I refer to the Advance Agreement ("Agreement") between the People's Republic of Bangladesh ("Recipient") and the International Development Association ("World Bank") dated [date], providing for the above Project Preparation Advance. For the purposes of Section 3.03 of the Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility, as defined in the Agreement, any [name] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal and applications for a special commitment under this Project Preparation Advance:

[Name], [position] Specimen Signature: __________________

[Name], [position] Specimen Signature: __________________

[Name], [position] Specimen Signature: __________________

Yours truly,

/ signed /

[Position]

1 Instruction to the Recipient when sending this letter to the World Bank: Specify if more than one person needs to sign applications, and how many or which positions, and if any thresholds apply.

2 The letter should be signed by the official designated as the Recipient's Representative in the Advance Agreement.
ACCOUNT NUMBER .................................. WITH (BANK) .........................................................

1. Amount advanced by the Association
   BDT ........................................

2. LESS: Total amount recovered by the Association
   BDT ........................................

3. Equals present outstanding amount advanced to the Designated Account
   (Number 1 less number 2)
   BDT ........................................

4. Balance of Designated Account per attached bank statement
   as of date ...................................
   BDT ........................................

5. PLUS: Total amount claimed in this
   application No. .............................. +
   BDT ........................................

6. PLUS: Total amount withdrawn and not yet claimed
   Reasons: ................................... +
   BDT ........................................

7. PLUS: Amounts claimed in previous applications
   not yet credited at date of bank statements

   Application No. | Amount* 
   ---------------|----------
   |            |
   |            |
   |            |
   |            |
   Subtotal of previous Applications not yet credited +
   BDT ........................................

8. MINUS: Interest earned
   BDT ........................................
9. Total advance accounted for (No. 4 through No. 8) BDT

10. Explanation of any difference between the totals appearing on line 3 and 9:

11. Date: ____________________________ Signature:

Title:

* All items should be indicated on the bank statement
APPLICATION FOR WITHDRAWAL
STATEMENT OF EXPENSES (SOE)

(i) For consultants' services provided by a firm against contracts valued at less than USD 100,000;
(ii) For consultants' services of individual consultants against contracts valued at less than USD 50,000; and
(iii) Training and Workshops

Bangladesh River Information and Conservation Project

EXPENSES made during the period from __________ to __________

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Name of Contractor/Supplier</th>
<th>Contract or Purchase Order No. &amp; Date (or other ref.)</th>
<th>Brief Description of Goods, Works, or Services</th>
<th>Covered and Total Amount of Contract in Invoiced Financing by Application (net of retention)</th>
<th>Total Amount of Invoices Covered by Application (net of retention)</th>
<th>Eligible Financing %</th>
<th>Invoice Amount Eligible for Financing (Column 6 x 7)</th>
<th>Amount Paid from Designated Account (If any)</th>
<th>Exchange Rate</th>
<th>Date of Payment &amp; Cheque No.</th>
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</table>

Supporting documents for this SOE are retained at __________________________ (Insert location)
For consultants' services provided by a firm against contracts valued at USD 100,000 or more; and
For consultants' services of individual consultants against contracts valued at USD 50,000 or more

Bangladesh: River Information and Conservation Project
Payments made during the period from __________ to __________

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Name of Contractor/Supplier</th>
<th>Contract or Purchase Order No. &amp; Date (or other ref.)</th>
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<th>Currency and Total Amount of Contract</th>
<th>Total Amount of Invoices Covered by Application (net of retention)</th>
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<th>Invoices for Financing (column 4 * 7)</th>
<th>Amount Paid from Designated Account (if any)</th>
<th>Exchange rate</th>
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<th>Remark (including no-objection data)</th>
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Please note: This is a preliminary draft for discussion and review.
Transmittal Form for PPA Request

Country: Bangladesh  
GNP per capita (year): US$599 (2001)

Sector/Project/Operation:

PPA Advance proposed: US$3,000,000

Within the limit of US$3.0 million

Estimated cost of consultants per staff-month: US$6,000

Estimated dates for:
   Appraisal: April 05, 2011
   Board Presentation: May 31, 2011
   Effectiveness: August 31, 2011

Proposed date for PPA Refinancing:
   August 31, 2011

Soundness of proposed project reviewed in:
   Soundness of the project was reviewed in virtual review meeting of the Project Concept Note (PCN) for the proposed Bangladesh Rivers Information and Conservation (BRIC) on March 19, 2010. The objective of this virtual review was to endorse the updated PCN package which built upon the comments and suggestions from peer reviewers at the initial PCN meeting held on December 10, 2009. One additional comment was received during this virtual review.

The Decision Note was sent out on March 31, 2010 by the CMU (Thomas Buckley).

Special features:
   None

Special issues:
   None

Decision sought:
   Approval of IDA advance of US$3,000,000 for the Government of Bangladesh.

Approved by: ____________________________
   Country Director, Bangladesh

Date: ____________________________
WORLD BANK

DISBURSEMENT GUIDELINES

FOR PROJECTS

LOAN DEPARTMENT
May 1, 2006

Superintending Engineer
Processing and Flood Forecasting Circle
and
Project Director, BRICP
BWDB, 72 Green Road, Dhaka-1205
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World Bank
Disbursement Guidelines
For Projects

May 1, 2006

1. Purpose

1.1 The purpose of these Guidelines is to set out the Bank's procedures for disbursement of loan proceeds for projects. Specifically, the Guidelines explain (a) the different methods used by the Bank to disburse loan proceeds, (b) the requirements for withdrawal from the Loan Account, (c) the types of supporting documentation that the borrower may be required to provide to demonstrate the use of loan proceeds for eligible expenditures, (d) the criteria for establishing designated accounts, (e) the terms and conditions applicable to advances, (f) the types of actions that the Bank may take if it determines that loan proceeds are not needed or have been used for ineligible purposes, and (g) the consequence of refunds.

2. Disbursement Methods

2.1 The Bank establishes disbursement arrangements for an operation in consultation with the borrower and taking into consideration, inter alia, an assessment of the borrower's financial management and procurement arrangements, the procurement plan and cash flow needs of the operation, and its disbursement experience with the borrower.

2.2 The Bank disburses proceeds from the Loan Account established for each loan, to or on the order of the borrower, using one or more of the disbursement methods set forth below, as determined by the Bank.

(a) Reimbursement: The Bank may reimburse the borrower for expenditures eligible for financing pursuant to the Loan Agreement ("eligible expenditures") that the borrower has prefinanced from its own resources.

(b) Advance: The Bank may advance loan proceeds into a designated account of the borrower to finance eligible expenditures as they are incurred.

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Footnote: "Bank" includes IBRD and IDA; "loan" includes credit and grant; "borrower" includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant; and "Loan Agreement" includes the agreement with the Bank providing for a credit, grant, or advance. These Disbursement Guidelines apply to all loans, credits, advances under the Project Preparation Facility, and grants financed under the Institutional Development Fund and Global Environment Facility unless otherwise provided in Operational Policy 10.20, Global Environment Facility Operations (forthcoming). These Guidelines also apply to other recipient-executed grants financed from trust funds unless, exceptionally, the terms of the agreement with the donor make provision for different requirements. They do not apply to Development Policy loans.
for which supporting documents will be provided at a later date (see section 5, “Designated Accounts”).

(c) **Direct Payment:** The Bank may make payments, at the borrower’s request, directly to a third party (e.g., supplier, contractor, consultant) for eligible expenditures.

(d) **Special Commitment:** The Bank may pay amounts to a third party for eligible expenditures under special commitments entered into, in writing, at the borrower’s request and on terms and conditions agreed between the Bank and the borrower.

3. **Withdrawal of Loan Proceeds**

3.1 **Authorized Signatures.** Before loan proceeds may be withdrawn or committed from the Loan Account, the authorized representative of the borrower (as designated in the Loan Agreement) must furnish to the Bank (a) the name(s) of the official(s) authorized to sign applications for withdrawal and applications for a special commitment (collectively, “Applications”), and (b) the authenticated specimen signature(s) of the official(s). The borrower must indicate clearly if more than one signature is required on Applications and must notify the Bank promptly of any changes in signature authority.

3.2 **Applications.** Applications must be provided to the Bank in such form and include such information as the Bank may reasonably request. Application forms are available online from the Client Connection Web site at [http://clientconnection.worldbank.org](http://clientconnection.worldbank.org) or from the Bank upon request.

3.3 For withdrawal from the Loan Account for advances, the borrower should provide an original signed application for withdrawal. For withdrawal from the Loan Account for reimbursements and direct payments and for reporting on the use of advances, the borrower should provide an original signed application for withdrawal together with one copy of supporting documents (see section 4, “Supporting Documentation Requirements”). For a special commitment from the Loan Account, the borrower should provide an original signed application for a special commitment together with one copy of the letter of credit. The Bank reserves the right not to accept or review duplicate copies of Applications and supporting documents and may at its discretion return or destroy the duplicates.

3.4 **Electronic Delivery.** The Bank may authorize the borrower to use electronic means, in a manner and on terms and conditions specified by the Bank, to deliver Applications and supporting documentation to the Bank. Applications and supporting documentation delivered in accordance with this subsection will be deemed to have been provided to the Bank for the purposes of satisfying the requirements of subsections 3.2 and 3.3 of these Guidelines.
3.5 Minimum Value of Applications. The Bank establishes a minimum value for Applications for reimbursement, direct payment, and special commitment. The Bank reserves the right not to accept Applications that are below such minimum value.

3.6 Loan Disbursing Period. The Bank processes Applications only after the Loan Agreement has been declared effective in accordance with the terms of the Loan Agreement. The expenditures for which the Applications are made must be:

(a) paid for (i) on or after the date of the Loan Agreement, or (ii) in the case of operations that permit retrospective financing, on or after the earlier date specified in the Loan Agreement for that purpose; and

(b) incurred on or before the closing date specified or referred to in the Loan Agreement (“Closing Date”), except as otherwise specifically agreed with the Bank.

3.7 The loan disbursing period ends on the final date established by the Bank for receipt by the Bank of applications for withdrawal and supporting documentation (the “Disbursement Deadline Date”). The Disbursement Deadline Date may be the same as the Closing Date, or up to four months after the Closing Date. Normally, to support orderly project completion and closure of the Loan Account, the Bank does not accept applications for withdrawal or supporting documentation received after the Disbursement Deadline Date. The borrower should promptly inform the Bank of any expected implementation delays or exceptional administrative issues before these dates. The Bank notifies the borrower of any exception that the Bank may make to the Disbursement Deadline Date.

3.8 Disbursement Conditions. If the Loan Agreement contains a disbursement condition for a specific expenditure category, the Bank will disburse loan proceeds for that category only after the disbursement condition has been fulfilled and the Bank has notified the borrower to this effect.

4. Supporting Documentation Requirements

4.1 The borrower provides supporting documentation to the Bank to show that loan proceeds have been or are being used to finance eligible expenditures.

4.2 For special commitments, the commercial bank provides its confirmation directly to the Bank that conditions for release of payments committed for withdrawal have been met.

4.3 Types of Supporting Documentation. The Bank requires either copies of the original documents evidencing eligible expenditures (“Records”) or summary reports of expenditure (“Summary Reports”) in such form and substance as the Bank may specify. Records include such documents as invoices and receipts. A Summary Report may be
either (a) the interim un-audited financial report required under the Loan Agreement ("Interim Financial Report") or (b) a statement of expenditure summarizing eligible expenditures paid during a stated period ("Statement of Expenditure"). In all cases, the borrower is responsible for retaining the original documents evidencing eligible expenditures and making them available for audit or inspection.

4.4 The Bank determines the types of supporting documentation that the borrower should provide, taking into consideration the disbursement method used. The supporting documentation may be the following:

(a) For applications for reimbursement: (i) Interim Financial Reports, (ii) Statements of Expenditure, (iii) Records, or (iv) Records required by the Bank for specific expenditures and Statements of Expenditure for all other expenditures;

(b) For reporting on the use of advances: (i) Interim Financial Reports, (ii) Statements of Expenditure, (iii) Records, or (iv) Records required by the Bank for specific expenditures and Statements of Expenditure for all other expenditures;

(c) For applications for direct payments: Records; and

(d) Any other supporting documentation that the Bank may request by notice to the borrower.

4.5 Failure to Provide Audited Financial Statements. If the borrower fails to provide any of the audited Financial Statements required in accordance with, and within the period of time specified in, the Loan Agreement, the Bank may at its discretion decide not to accept applications for withdrawal supported by Summary Reports, even if such reports are accompanied by Records.

5. Designated Accounts

5.1 The borrower may open one or more designated accounts into which the Bank may, at the borrower’s request, deposit amounts withdrawn from the Loan Account for the purpose of paying for eligible expenditures as they are incurred ("Designated Account"). Before the Bank authorizes establishment of a Designated Account, the borrower must have adequate administrative capability, internal controls, and accounting and auditing procedures to ensure effective use of the Designated Account.

5.2 The Bank may decide not to permit the use of Designated Accounts in new projects if the borrower has failed to refund undocumented advances in the Designated Account of any other loan to, or guaranteed by, the borrower within two months after the Disbursement Deadline Date for such loan.
5.3 **Type of Designated Account.** A Designated Account may be established in one of the two ways set out below, as appropriate for the operation concerned, as determined and notified by the Bank.

(a) **Segregated Account:** this is an account of the borrower into which only proceeds of the loan may be deposited; or

(b) **Pooled Account:** this is an account of the borrower into which the loan proceeds and proceeds of other financing for the operation (e.g., borrower resources and/or financing by other development partners) may be deposited.

5.4 **Currency of the Designated Account.** Designated Accounts must be in a currency acceptable to the Bank. In countries that have a freely convertible currency, Designated Accounts may be held in the currency of the borrower or any freely convertible currency. The Bank may also agree to local currency Designated Accounts when, *inter alia*, the country's currency (even if not freely convertible) is stable and the expenditures to be financed are primarily in local currency. The borrower bears all risks associated with foreign exchange fluctuations between (a) the currency of denomination of the Loan and that of the borrower's Designated Account, and (b) the currency of denomination of the borrower's Designated Account and the currency or currencies of project expenditures.

5.5 **Financial Institution.** Designated Accounts must be opened and maintained in a financial institution acceptable to the Bank on terms and conditions acceptable to the Bank. To be acceptable to the Bank, the financial institution proposed by the borrower should generally meet all the following requirements:

(a) be financially sound;
(b) be authorized to maintain the Designated Account in the currency agreed between the Bank and the borrower;
(c) be audited regularly, and receive satisfactory audit reports;
(d) be able to execute a large number of transactions promptly;
(e) be able to perform a wide range of banking services satisfactorily;
(f) be able to provide a detailed statement of the Designated Account;
(g) be part of a satisfactory correspondent banking network; and
(h) charge reasonable fees for its services.

5.6 The Bank reserves the right not to accept a financial institution for the opening and/or maintenance of a Designated Account if such institution has asserted or asserts a claim to set off, seize, or attach the proceeds of any Bank loan on deposit in a Designated Account maintained by it.
6. Terms and Conditions Applicable to Advances

6.1 Ceiling. The Bank notifies the borrower of the maximum amount of loan proceeds that may be on deposit in a Designated Account (the “Ceiling”). The Bank, at its discretion, may establish the Ceiling as either (a) a fixed amount, or (b) an amount that is adjusted from time to time during project implementation based on periodic forecasts of project cash flow needs.

6.2 Applications for Advances. The borrower may apply for an advance in an amount up to the Ceiling less the aggregate amount of those advances previously received by the borrower for which the borrower has not yet provided supporting documentation. Normally, to support orderly closure of the Loan Account, the Bank does not advance loan proceeds into the Designated Account after the Closing Date.

6.3 Frequency of Reporting Eligible Expenditures Paid from the Designated Account. The borrower reports on the use of loan proceeds advanced to the Designated Account at intervals specified by the Bank by notice to the borrower (“Reporting Period”). The borrower should ensure that all amounts deposited in the Designated Account are accounted for and their use reported prior to the Disbursement Deadline Date. After this date, the borrower must refund to the Bank any advances still unaccounted for or remaining in the Designated Account.

6.4 Withholding Advances. The Bank is not required to make any deposit into the Designated Account if:

(a) The Bank determines that payment of the deposit would result in exceeding the Ceiling (see subsection 6.2, “Applications for Advances”);

(b) The Bank is not satisfied that the borrower’s planned project expenditures justify the deposit. The Bank may, by notice to the borrower, adjust the amount it deposits or withhold further deposits into the Designated Account until it is satisfied that the financial needs of the project warrant further deposits;

(c) The borrower fails to take the action required pursuant to the determinations made by the Bank under subsections 7.1 and 7.2 of these Guidelines;

(d) The borrower fails to provide any of the audited Financial Statements required in accordance with, and within the period of time specified in, the Loan Agreement;

(e) The Bank determines that all further withdrawals of loan proceeds should be made by the borrower directly from the Loan Account; or

(f) The Bank has notified the borrower of its intention to suspend in whole or in part the borrower’s right to make withdrawals from the Loan Account.

6.5 Excess Advances. If at any time the Bank determines that any amount deposited in the Designated Account will not be required to cover further payments for eligible
expenditures ("Excess Amount"), it may, at its discretion, require the borrower to take one of the two actions listed below. Upon notification by the Bank, the borrower must promptly take the action requested:

(a) Provide evidence satisfactory to the Bank within a period specified by the Bank that the Excess Amount will be used to pay for eligible expenditures. If the evidence is not furnished within the time period specified, the borrower must promptly refund the Excess Amount to the Bank; or

(b) Refund the Excess Amount promptly.

7. Ineligible Expenditures

7.1 Ineligible Expenditures Generally. If the Bank determines that any amount of the loan was used to pay for an expenditure that is not eligible pursuant to the Loan Agreement ("ineligible expenditure"), the Bank may, at its discretion, require the borrower to take one of the two actions listed below. Upon notification by the Bank, the borrower must promptly take the action requested:

(a) Refund an equivalent amount to the Bank; or

(b) Exceptionally, provide substitute documentation evidencing other eligible expenditures.

7.2 Ineligible Expenditures Paid from the Designated Account. If the Bank determines that any payment out of the Designated Account was not justified by the evidence furnished to the Bank or was made for an ineligible expenditure, the Bank may, at its discretion, require the borrower to take one of the actions listed below. Upon notification by the Bank, the borrower must promptly take the action requested:

(a) Provide the additional evidence requested by the Bank;

(b) Deposit an equivalent amount into the Designated Account;

(c) Refund an equivalent amount to the Bank; or

(d) Exceptionally, provide substitute documentation evidencing other eligible expenditures.

8. Refunds

8.1 Borrower Decision to Refund. The borrower may, upon notice to the Bank, refund all or any amount of the loan on deposit in the Designated Account to the Bank for credit to the Loan Account.

8.2 Consequence of Refunds. The Bank shall determine whether refunds made to the Bank in accordance with sections 6 and 7 and subsection 8.1 of these Disbursement Guidelines will be credited to the Loan Account for subsequent withdrawal or for cancellation. Borrowers should be aware that refunds of loan proceeds may result in swap
termination fees and/or unwinding costs for amounts for which the interest rate basis or currency has been converted or hedged.

8.3 Other Obligations Unaffected by Refunds. Refunds of amounts of the loan do not affect any remedies of the Bank under the Loan Agreement.