
CREDIT NUMBER 7402-BD

Financing Agreement

(Urban Health, Nutrition and Population Project)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

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CREDIT NUMBER 7402-BD

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date 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) apply to and form 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 a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to one hundred forty-nine million Special Drawing Rights (SDR 149,000,000 (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 III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 2.05. The Interest Charge is one and a quarter percent (1.25%) per annum on the Withdrawn Credit Balance.
- 2.06. The Payment Dates are February 1 and August 1 in each year.

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- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.08. 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 shall carry out Part 1 of the Project through its Ministry of Health and Family Welfare (MoHFW) and Part 2 of the Project through its Local Government Division (LGD) of the Ministry of Local Government, Rural Development, and Cooperatives (MoLGRDC), all in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV - EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.02. For purposes of Section 10.05(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 Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is its Senior Secretary/Secretary or the Additional Secretary, or any Joint Secretary, Deputy Secretary, Senior Assistant Secretary, or Assistant Secretary of the Economic Relations Division of the Ministry of Finance.
- 5.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Recipient's address is:

Economic Relations Division
Ministry of Finance
Sher-e-Bangla Nagar
Dhaka 1207
Bangladesh

- (b) the Recipient's Electronic Address is:

Facsimile:
+88029180788 / +88029180671

E-mail:
secretary@erd.gov.bd

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5.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association's address is:

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

(b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

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AGREED as of the Signature Date.

PEOPLE'S REPUBLIC OF BANGLADESH

By



Authorized Representative

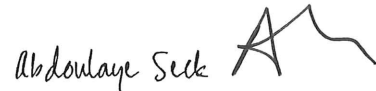
Name: Str. Secretary Sharifa Khan

Title: Ms.

Date: 22-Nov-2023 22-11-2023

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Abdoulaye Seck

Title: Country Director

Date: 22-Nov-2023

SCHEDULE 1

Project Description

The objective of the Project is to improve delivery of comprehensive primary healthcare services for selected urban areas.

The Project consists of the following parts:

Part 1: Improve urban primary health, nutrition and population (HNP) services led by the MoHFW

Support delivery of Essential Health Services in selected urban areas through: (a) establishment of and/or improvement of primary health service delivery networks and arrangement for each catchment area, including by providing training, medicines, equipment, human resources, and other requisite inputs as well as equipping with climate resilient technologies, adequate water and sanitation facilities, and enhanced information and communications technologies at primary HNP centers, mobile and satellite clinics, and referral cells at secondary/tertiary-level hospitals, as relevant; and (b) support for day-to-day administration, management, monitoring, and coordination of Part 1 of the Project, including financial management, procurement, monitoring and evaluation, citizen engagement, and environmental and social management.

Part 2: Improve public health services led by the LGD, MoLGRDC

Support delivery of Environmental Health and Preventive Services in selected urban areas through: (a) development and implementation of a comprehensive strategy for integrated vector surveillance and management, including capacity building and institutional strengthening; (b) support for behavior change communication and outreach interventions, including for air and noise pollution; (c) tree planting; (d) revision and/or development and implementation of strategy, arrangements, practices guidelines, policies, and standards for outhouse medical waste management; and (e) support for day-to-day administration, management, monitoring, and coordination of Part 2 of the Project, including financial management, procurement, monitoring and evaluation, citizen engagement, and environmental and social management.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. **Institutional Arrangements.**

1. The Recipient shall maintain throughout the period of implementation of the Project, relevant line directorates at the MoHFW, with the composition, mandate, functions, staffing and resources satisfactory to the Association for the implementation of Part 1 of the Project. Without limitation on the foregoing: (a) the relevant line directorates shall be responsible for carrying out Part 1 of the Project, including day-to-day implementation of the Project, coordination, preparation of Annual Work Plans and Budgets and procurement plan(s), monitoring and evaluation, and management of relevant environmental and social management for Part 1 of the Project; and (b) Public Works Department under Ministry of Housing and Public Works shall be responsible for the procurement of works for Part 1 of the Project.
2. The Recipient shall establish within three (3) months of the Effective Date and maintain throughout the period of implementation of the Project, a project management unit (PMU) at the LGD, with the composition, mandate, functions, staffing and resources satisfactory to the Association for the implementation of Part 2 of the Project. Without limitation on the foregoing, the PMU shall: (a) include a project director, a procurement specialist, a financial management specialist, a social and environmental specialist, and a monitoring and evaluation specialist; and (b) be responsible for carrying out Part 2 of the Project, including day-to-day implementation of the Project, coordination, preparation of Annual Work Plans and Budgets and procurement plan(s), monitoring and evaluation, and management of relevant environmental and social management for Part 2 of the Project.
3. The Recipient shall maintain throughout the period of implementation of the Project the Urban Health Coordination Committee with the composition, mandate, functions, staffing and resources satisfactory to the Association, and any revisions thereto shall be done in consultation with the Association. The Urban Health Coordination Committee shall meet at least twice a year, or as frequently as needed to provide overall technical and policy oversight and guidance for the Project.
4. The Recipient shall maintain throughout the period of implementation of the Project, the Urban Health Working Group, with the composition, mandate, functions, staffing and resources satisfactory to the Association, and any revisions thereto shall be done in consultation with the Association. The Urban Health Working Group shall meet once every quarter or as frequently as needed to provide overall technical oversight and coordination.

5. The Recipient, through the LGD, shall establish a national level committee headed by the Secretary of LGD with representatives of local government institutions, MoHFW, Ministry of Agriculture, Ministry of Environment, Climate Change and Forest, the Economic Relations Division and the Finance Division of the Ministry of Finance, the Socio Economic Infrastructure Division of Planning Commission, the Implementation Monitoring and Evaluation Division of the Ministry of Planning, the Ministry of Housing and Public Works, and other relevant government agencies, and may also establish committees chaired by the respective mayors for regular monitoring of Part 2 of the Project.

B. Program Implementation Plan (PIP) for Part 1 of the Project and a Development Project Proposal (DPP) for Part 2 of the Project.

1. The Recipient, shall prepare and adopt a Program Implementation Plan (PIP) for Part 1 of the Project, and a Development Project Proposal (DPP) for Part 2 of the Project, in form and substance satisfactory to the Association, which shall include, *inter alia*: priority activities and budget for the Project; administrative, accounting, auditing, financial management, disbursement and procurement procedures; institutional arrangements for the oversight, coordination, management and day-to-day implementation of the Project; environmental and social management arrangements; monitoring and evaluation; personal data collection and processing in accordance with applicable national law and good international practice for the Project; and such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.
2. The Recipient, through MoHFW and LGD shall implement the Respective Part of the Project in accordance with the provisions of the PIP and the DPP, respectively.
3. In the case of any conflict between the arrangements and procedures set out in the PIP, DPP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the PIP, DPP and/or any provision thereof without prior consultation with the Association.
5. The Recipient shall ensure that collection, storage, usage, or processing of Personal Data are carried out with due regard to appropriate data protection and privacy standards and practices.

C. Environmental and Social Standards.

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.

2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Recipient shall establish, publicize, maintain and operate an accessible grievance redressal mechanism at each of MoHFW and LGD, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

D. Expenditures to be Financed with Counterpart Funds

1. The Recipient shall:

- (a) ensure that the following expenditures are financed exclusively out of its own resources and not out of the proceeds of the Financing; and
- (b) provide, promptly as needed, the resources needed for this purpose: (i) all costs associated with land and land use rights required for the purposes of the Project; (ii) procurement of vehicles, recurrent expenditures for the purpose of attending meetings, conferences, seminars, workshops and study visits (sitting allowances / cash per diems / honoraria, notwithstanding eligible expenditures under Incremental Operating Costs and Training), and recurrent expenditures for fuel, under the Project and salaries of the Recipient's civil servants; and (iii) taxes exceeding fifteen (15) percent of the total amount of Financing.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient, through each of its MoHFW and LGD, shall furnish to the Association each Project Report not later than sixty (60) days after the end of each Fiscal Year, covering the Fiscal Year. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Association, in sharing any information, report or document related to the activities described in Schedule 1 to this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods (excluding vehicles), works, non-consulting services, and consulting services, Incremental	74,500,000	100 %

Operating Costs, Training for Part 1 of the Project		
(2) Goods (excluding vehicles), works, non- consulting services, and consulting services, Incremental Operating Costs, Training for Part 2 of the Project	74,500,000	100%
TOTAL AMOUNT	149,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed three million seven hundred thirty thousand Special Drawing Rights (SDR 3,730,000) may be made for payments made prior to this date but on or after July 1, 2023, for Eligible Expenditures under Category 1.
2. The Closing Date is December 31, 2028.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each February 1 and August 1:	
commencing February 1, 2029, to and including August 1, 2048	1.65%
commencing February 1, 2049, to and including August 1, 2053	3.40%

* 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 3.05 (b) of the General Conditions.

APPENDIX

Section I. Definitions

1. “Annual Work Plan and Budget” or “AWPB” each means the plan and budget referred to in Section I.C of Schedule 2 to this Agreement; as said plan may be modified from time to time with the prior written no-objection of the Association.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “Development Project Proposal” and “DPP” means the Development Project Proposal to be prepared by LGD for Part 2 of the Project, referred to in Section I.B of Schedule 2 to this Agreement, in form and substance satisfactory to the Association.
5. “Economic Relations Division” means the Recipient’s Economic Relations Division within the MoF, or any successor thereto.
6. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated August 1, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
7. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental

and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.

8. “Environmental Health and Preventive Services” means environmental health and preventive services delivered by LGD in selected urban areas, including mosquito control, medical waste management, behavior change communication and outreach, and adaptation to the health effects of climate change and air and sound pollution.
9. “Essential Health Services” means essential health services delivered by MoHFW in selected urban areas including family planning services, reproductive, maternal, neonatal, child and adolescent health and nutrition services, infectious disease services, and services related to diagnosis, referral and management of noncommunicable diseases and injuries.
10. “Finance Division” means the Recipient’s Finance Division within the MoF, or any successor thereto.
11. “Fiscal Year” means Recipient’s fiscal year commencing from July 1 and ending on June 30 of each year.
12. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (Last revised on July 15, 2023).
13. “Health Services Division” or “HSD” means the Recipient’s Health Services Division within the MoHFW, or any successor thereto.
14. “Implementation Monitoring and Evaluation Division” means the Recipient’s Implementation Monitoring and Evaluation Division within the Ministry of Planning, or any successor thereto.
15. “Incremental Operating Costs” mean the reasonable costs required for the day-to-day coordination, administration and supervision of Project activities, for leasing and/or routine repair and maintenance of vehicles, equipment, facilities and office premises; office rent; 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, subsistence and lodging expenses, provided that such Incremental Operating Costs are paid to the eligible recipient through the banking system (except for petty cash expenses following the Recipient’s existing policy); and salaries and allowances of contractual staff (other than consultants) but excluding salaries and salary top ups of the Recipient’s civil servants, workshop allowances, sitting allowances, cash per diems, honoraria, and fuel.

16. “Local Government Division” or “LGD” means the Recipient’s Local Government Division within the MoLGRDC, or any successor thereto.
17. “Medical Education and Family Welfare Division” means the Recipient’s Health Services Division within the MoHFW, or any successor thereto.
18. “Ministry of Agriculture” means the Recipient’s Ministry of Agriculture, or any successor thereto.
19. “Ministry of Environment, Climate Change and Forest” means the Recipient’s Ministry of Environment, Climate Change and Forest, or any successor thereto.
20. “Ministry of Finance” or “MoF” means the Recipient’s Ministry of Finance, or any successor thereto.
21. “Ministry of Health and Family Welfare” or “MoHFW” means the Recipient’s Ministry of Health and Family Welfare, which include the Health Services Division and the Medical Education and Family Welfare Division, or any successor thereto.
22. “Ministry of Housing and Public Works” means the Recipient’s Ministry of Housing and Public Works, or any successor thereto.
23. “Ministry of Local Government, Rural Development, and Cooperatives” or “MoLGRDC” means the Recipient’s Ministry of Local Government, Rural Development, and Cooperatives, or any successor thereto.
24. “Ministry of Planning” means the Recipient’s Ministry of Planning, or any successor thereto.
25. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
26. “Planning Commission” means the Recipient’s Planning Commission, or any successor thereto.
27. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.

28. “Program Implementation Plan” and “PIP” means the Program Implementation Plan to be prepared by MoHFW for Part 1 of the Project, referred to in Section I.B of Schedule 2 to this Agreement, in form and substance satisfactory to the Association.
29. “Project Management Unit” or “PMU” means the Recipient’s project coordination unit to be established and maintained at the Local Government Division of the Ministry of Local Government, Rural Development, and Cooperatives, in accordance with Section I.A.2 of Schedule 2 to this Agreement, or any successor thereto.
30. “Public Works Department” means the Recipient’s Public Works Department within the Ministry of Housing and Public Works, or any successor thereto.
31. “Respective Part of the Project” means: (a) Part 1 of the Project to be implemented by the Recipient, through MoHFW; and (b) Part 2 of the Project to be implemented by the Recipient through the LGD.
32. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
33. “Socio Economic Infrastructure Division” means the Recipient’s Socio Economic Infrastructure Division within the Planning Commission, or any successor thereto.
34. “Training” means the reasonable costs required for the participation of personnel involved in training activities, workshops, seminars, conferences and study tours under the Project, which have been approved by the Association in writing on a bi-annual basis, including: (a) travel, hotel, and subsistence costs associated to training, workshops, seminars, conferences and study tours provided that such costs are paid directly to the eligible recipient using the banking system; and (b) costs associated with rental of training and workshop facilities; preparation and reproduction of training, workshop, seminar and conference materials; and other costs directly related to preparation and implementation of any training course, workshop, seminar, conference or study tour; but excluding sitting allowances and honorarium of any nature.
35. “Urban Health Coordination Committee” means the committee to be maintained by the Recipient in accordance with Section I.A.3 of Schedule 2 to this Agreement, or any successor thereto.
36. “Urban Health Working Group” means the working group to be maintained by the Recipient in accordance with Section I.A.4 of Schedule 2 to this Agreement, or any successor thereto.