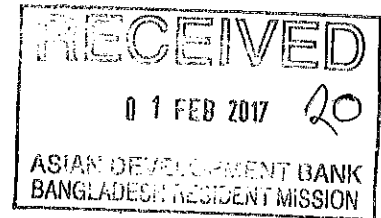




BANGLADESH RESIDENT MISSION



26 January 2017

Mr. Kazi Shofiqul Azam
Secretary
Economic Relations Division
Ministry of Finance
Sher-e-Bangla Nagar, Dhaka

Dear Mr. Secretary:

Subject: Project Design Advance for City Region Development Project II
Loan Number: PDA 6010-BAN (Ordinary Operations [Concessional])
Project Number: 49329-006

We are pleased to inform you that on 15 December 2016, the Asian Development Bank ("ADB") approved the provision of a project design advance in the form of a loan ("PDA Loan") to People's Republic of Bangladesh ("Borrower") for the purposes of the activities described in the table below ("PDA Project"), which will serve to prepare the City Region Development Project II ("Ensuing Project").

The PDA is provided pursuant to the Master Agreement for Project Design Advance Loans (Special Operations) dated 2 November 2014 (as amended on 6 November 2016) between the Borrower and ADB ("Master Agreement"). The Borrower and ADB hereby agree that the PDA Project will be financed and carried out on the terms and conditions set forth in this letter agreement ("PDA Loan Agreement").

The general terms and conditions set forth in Schedule 1 to the Master Agreement ("General Terms and Conditions") are hereby made applicable to this PDA Loan Agreement with the same force and effect as if they were fully set forth herein. Unless the context otherwise requires, (a) capitalized terms used but not defined in this PDA Loan Agreement have the meaning given thereto in the General Terms and Conditions; and (b) any reference in this PDA Loan Agreement to a Section is a reference to a Section of the General Terms and Conditions.

Table with 2 columns: PDA Project, The PDA Project shall finance: (a) the preparation and assessment of the Ensuing Project; (b) undertaking detailed engineering design, cost estimates, and technical, financial and economic analysis; (c) advance procurement actions, including preparation of bidding documents for the Ensuing Project and supporting the bidding process until contract award;

ASIAN DEVELOPMENT BANK
BANGLADESH RESIDENT MISSION
Plot No. E-31, Sher-e-Bangla Nagar
Dhaka - 1207, Bangladesh
Tel +880 2 5566 7000, +880 2 5815 6000-17, +880 2 5815 6020-30
Fax +880 2 911 7925, +880 2 911 7926
www.adb.org/bangladesh

	(d) undertaking environmental and social safeguards assessment and preparing environmental and social safeguards planning documents for the Ensuing Project; and (e) assessments of monitoring and evaluation systems, fiduciary systems and other institutional and governance systems for the Ensuing Project.
PDA Project Executing Agency (Section 1.02j)	Local Government Engineering Department or any successor thereto acceptable to ADB.
Refinancing Date (Section 1.02m)	30 March 2018, or such other date as may from time to time be agreed between the Borrower and ADB.
PDA Loan amount (Section 2.01)	Five million Dollars (\$5,000,000)
Interest rate (Section 2.02)	A rate for each Interest Period of 2% per annum.
Currency of repayment (Section 2.04a)	Dollar
Amortization Schedule (Sections 1.02b and 2.04b)	As set forth in attachment 1 to this PDA Loan Agreement, subject to such changes in the Principal Payment Dates as ADB may notify to the Borrower.
Interest payment dates (Section 2.04b)	Semiannually on 15 June and 15 December in each year.
Allocation Table (Sections 1.02a and 3.02)	As set forth in attachment 2 to this PDA Loan Agreement, subject to such changes as ADB may notify to the Borrower.
PDA PAM (Sections 1.02 and 4.01)	As set forth in attachment 3 to this PDA Loan Agreement and as updated from time to time in accordance with the respective administrative procedures of the Borrower and ADB.

According to ADB's Public Communication Policy 2011 ("PCP") on disclosure and exchange of information, this PDA Loan Agreement will be publicly disclosed on the ADB website once it has been signed by both parties. If ADB is advised that this PDA Loan Agreement contains any information or data of a sensitive or confidential nature falling within the PCP exceptions to presumed disclosure under the PCP, this PDA Loan Agreement will be disclosed after removing such information.

The Borrower is requested to confirm its agreement to the terms and conditions of this PDA Loan Agreement by having an authorized representative countersign the two original counterparts of this PDA Loan Agreement in the space indicated below. Please retain one signed original counterpart for your records, and return one signed original counterpart to ADB.


Sincerely,



 Kazuhiko Higuchi
 Country Director

- A. Accepted and agreed.
- B. Confirmed that the PDA Loan Agreement do not contain information falling within the PCP exceptions

Confirmed by:



Kazi Shofiqul Azam
Secretary
Economic Relations Division
Ministry of Finance

Kazi Shofiqul Azam
Secretary (In Charge)
Economic Relations Division
Ministry of Finance
Govt. of the People's Republic of Bangladesh

Date: 01.02.2017

Amortization Schedule

<u>Payment Due Date</u>	<u>Payment of Principal</u> (expressed in Dollars)*
15 June 2018	500,000
15 December 2018	500,000
15 June 2019	500,000
15 December 2019	500,000
15 June 2020	500,000
15 December 2020	500,000
15 June 2021	500,000
15 December 2021	500,000
15 June 2022	500,000
15 December 2022	<u>500,000</u>
Total	5,000,000

*The arrangements for payment are subject to the provisions of Sections 3.04 and 4.03 of the Loan Regulations.

Allocation Table

Allocation and Withdrawal of PDA Loan Proceeds (Project Design Advance for City Region Development Project II)			
Number	Category	Amount of PDA Loan Allocated to the Category (\$)	Basis for Withdrawal from the PDA Loan Account
1	Consulting Services (Firm)	4,400,000	100% of total expenditure claimed*
2	Consulting Services (Individual)	600,000	100% of total expenditure claimed*
	Total	5,000,000	

*Exclusive of taxes and duties imposed within the territory of the Borrower.

Project Administration Manual

(Project Design Advance for the City Region Development Project II)



Project Design Advance Project Administration Manual

Project Number: 49329-006
Loan Number: xx
November 2016

Bangladesh: City Region Development Project II

Distribution of this document is restricted until it has been approved by the Board of Directors. Following such approval, ADB will disclose the document to the public in accordance with ADB's Public Communications Policy 2011.