January 14, 2014

Secretary Md. Abul Kalam Azad  
Economic Relations Division  
Ministry of Finance  
Government of the People’s Republic of Bangladesh  
Dhaka, Bangladesh

Dear Secretary Azad:

Re: Empowerment and Livelihood Improvement “Nuton Jibon” Project (Credit No. 4757-BD): 
Amendment to the Financing Agreement

We refer to the Financing Agreement dated August 23, 2010, between the People’s Republic of Bangladesh (the Recipient) and the International Development Association (the Association) for the above-referenced Project, as amended to date. We also refer to your letter dated September 25, 2013, requesting a restructuring of the Project.

Accordingly, I am pleased to inform you that the Association concurs with your request and hereby propose to amend the Financing Agreement as set out in this letter of amendment (“Letter of Amendment”).

1. The objective of the Project in Schedule I to the Financing Agreement shall me amended to read as follows:

“The objectives of the Project are to improve the livelihoods of extremely poor households and to strengthen community institutions in selected districts.”

2. Section II.A of Schedule 2 to the Financing Agreement shall be amended to read as follows:

“A. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association and set out in the Project Implementation Plan. Each Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.”

3. The disbursement table in Section IV.A.2 of Schedule 2 to the Financing Agreement shall be amended as set out in the attachment to this letter.
4. A new definition of the term "Training" is added in the Appendix to the Financing Agreement as number 28 as follows and the subsequent definitions are renumbered:

"Training" means the cost of training financed under the Project, attributable to seminars, workshops, and study tours, along with the cost of domestic and international travel and subsistence for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation."

Unless the context requires otherwise, the capitalized terms used in this Letter of Amendment have the meanings ascribed to them in the General Conditions or in the Financing Agreement.

All other provisions of the Financing Agreement shall remain in full force and effect.

Please confirm your agreement to the foregoing amendments by countersigning, dating, and returning to us the enclosed copy of this Letter of Amendment. Upon receipt by the Association of the copy this Letter of Amendment countersigned by you, the Letter of Amendment shall be effective as of December 1, 2013.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Christine E. Kimes
Acting Head of Bangladesh Country Office
For Country Director

AGREED:
PEOPLE'S REPUBLIC OF BANGLADESH

Authorized Representative
Name: ARASTOO KHAN
Title: Additional Secretary
Date: 05 February 2014

cc: Mr. Arastoo Khan, Additional Secretary, Economic Relations Division, MoF
    Mr. A.Z.M. Sakhawat Hossain, Managing Director, Social Development Foundation
SCHEDULE 2
REVISED DISBURSEMENT TABLE IN SECTION IV.A.2

The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing 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 Financing Allocated (Expressed in SDR Equivalent)</th>
<th>% of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Sub-grants to communities under Parts A.2 and B.2 of the Project</td>
<td>46,000,000</td>
<td>95%</td>
</tr>
<tr>
<td>(2) Goods, works, consultants' services and Training and Operating Costs</td>
<td>11,630,000</td>
<td>100% for payments made before December 01, 2013</td>
</tr>
<tr>
<td>(3) Goods, works, consultants' services and Training Parts B, C and D of the Project</td>
<td>12,900,000</td>
<td>100% for payments made on or after December 01, 2013</td>
</tr>
<tr>
<td>(4) Operating Costs under Parts C and D of the Project</td>
<td>5,670,000</td>
<td>100% for payments made on or after December 01, 2013</td>
</tr>
<tr>
<td>TOTAL</td>
<td>76,200,000</td>
<td></td>
</tr>
</tbody>
</table>