Financing Agreement

(Amending and Restating Financing Agreement and Providing Additional Financing for the Rural Electrification and Renewable Energy Development Project II)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 30, 2014
FINANCING AGREEMENT

AGREEMENT dated, June 30, 2014, entered into between PEOPLE’S REPUBLIC OF BANGLADESH (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement).

WHEREAS (A) under an agreement dated October 23, 2012, between the Association and the Recipient, as amended (the “Original Financing Agreement”), the Association agreed to provide to the Recipient a credit in the amount equivalent to one hundred two million and eight hundred thousand Special Drawing Rights (SDR102,800,000) (Credit Number 5158-BD) (the “Original Credit”) to assist in financing the Rural Electrification and Renewable Energy Development Project II described in Schedule 1 to the Original Financing Agreement;

(B) the Recipient has requested the Association to: (i) provide additional financial assistance in support of the Rural Electrification and Renewable Energy Development Project II by increasing the amount made available under the Original Financing Agreement; and (ii) restructure the Original Project to, among other things, revise the project development objective, remove Part C of the Original Project, and include additional activities for the Project, as described in Schedule 1 to this Agreement; and

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing to extend such additional assistance to the Recipient and restructure the Original Project upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the Recipient and the Association hereby agree to amend and restate the Original Financing Agreement to read as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral 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, on the terms and conditions set forth or referred to in this Agreement:

(a) the Original Credit in an amount equivalent to one hundred two million and eight hundred thousand Special Drawing Rights (SDR102,800,000) ("Original Credit"); and

(b) an Additional Credit in an amount equivalent to fifty million five hundred eighty-five thousand and twelve Special Drawing Rights (SDR 50,585,012) ("Additional Credit", and together with the Original Credit, the "Financing"),

both to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Original Credit and the Additional Credit (collectively "Financing") in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%).

2.05. The Payment Dates are March 15 and September 15 in each year for the Original Credit and June 15 and December 15 in each year for the Additional Credit.

2.06. The principal amount of the Original Credit and of the Additional Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollar.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall:

(a) carry out Part C of the Project through Power Cell in accordance with the provisions of Article IV of the General Conditions; and

(b) cause Parts A and B of the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consist of the following, namely that the Project Implementing Entity’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.

4.02. The Additional Event of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Subsidiary Loan Agreement signed for the Original Project has been amended on behalf of the Recipient and Project Implementing Entity to take into account the Additional Financing.

(b) The Subsidiary Grant Agreement has been amended on behalf of the Recipient and Project Implementing Entity to take into account the Additional Financing.
5.02. The Additional Legal Matters consist of the following:

(a) The amendment to the Subsidiary Loan Agreement has been duly authorized or ratified by the Recipient and Project Implementing Entity and is legally binding upon the Recipient and Project Implementing Entity in accordance with its terms.

(b) The amendment to the Subsidiary Grant Agreement has been duly authorized or ratified by the Recipient and Project Implementing Entity and is legally binding upon the Recipient and Project Implementing Entity in accordance with its terms.

5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

5.04. For purposes of Section 8.05(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 date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01 The Recipient’s Representative is the Senior Secretary or Secretary or the Additional Secretary, or any Joint Secretary, Joint Chief, Deputy Secretary, Deputy Chief, Senior Assistant Secretary, Senior Assistant Chief, Assistant Secretary, or Assistant Chief of the Economic Relations Division of its Ministry of Finance.

6.02. The Recipient’s Address is:

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

Facsimile:

88028113088

6.03. The Association’s Address is:

International Development Association
AGREED at Dhaka, People's Republic of Bangladesh, as of the day and year first above written.

PEOPLE'S REPUBLIC OF BANGLADESH

By

[Signature]
Authorized Representative

Name: ABDOSTO KHAN

Title: ADDL SECRETARY, ERD

MINISTRY OF FINANCE

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]
Authorized Representative

Name: CHRISTINE KIMES

Title: Acting Head of Bangladesh Country Office
SCHEDULE 1

Project Description

The objective of the Project is to increase access to clean energy in rural areas through renewable energy.

The Project consists of the following parts:

Part A. Access to Electricity

Provision of solar home systems and other renewable energy options for providing access to electricity to households, farmers, and businesses in the rural areas of the Recipient, consisting of:

1. Solar home systems, consisting of the installation, through Participating Organizations, of solar home systems for use in rural homes and enterprises, including the provision of Sub-loans to eligible Participating Organizations.

2. Remote area power supply systems, consisting of:
   
   (a) development and operation, through Participating Organizations, of mini-grid schemes, micro-grid schemes, captive plants, and other options based on renewable energy, including solar photovoltaic, biomass gasification, biogas and other technologies, through the provision of Sub-loans to eligible Participating Organizations; and
   
   (b) installation and operation, through Participating Organizations, of solar irrigation pumps, through the provision of Sub-loans to eligible Participating Organizations.

3. Provision of technical assistance and Incremental Operating Costs to the Project Implementing Entity to assist in the implementation of Parts A.1 and A.2 of the Project.

4. Carrying out carbon finance-related activities for access to electricity and energy efficient lighting.

Part B. Household Energy

1. Provision of clean cooking solutions, including improved cook stoves and advanced combustion stoves and biogas, to rural households through the provision of Sub-grants.
2. Carrying out of awareness-raising and social mobilization activities.

3. Carrying out of research and development to enhance product quality, performance, safety and durability.


5. Support to Participating Organizations to generate demand and facilitate enterprise creation.

6. Supporting the Project Implementing Entity’s Project Management Unit, including by providing Incremental Operating Costs, for purposes of Part B of the Project.

7. Carrying out of carbon finance-related activities.

Part C. Technical Assistance to Power Cell

Provision of technical assistance to Power Cell to assist it in the implementation of power sector reforms and the carrying out of capacity building activities, including, inter alia:

1. Support for the establishment and operation of SREDAs through the provision of office equipment and furniture, consultant services, and training.

2. Support for building the capacity of BERC, including its capacity to regulate the power sector, and to develop tariff methodologies and regulations.

3. Support for the continued implementation of new and ongoing activities, including:

   (a) development of policy guidelines for the power sector, including in the renewable energy area;

   (b) implementation of a power sector reform roadmap;

   (c) development of national guidelines for safe disposal of compact fluorescent lamps, and capacity building for ensuring the safe disposal of expired compact fluorescent lamps;

   (d) transaction advisory support for private participation in the power and gas sectors;
(e) preparation of feasibility studies, environment/social impact assessments, and project preparation support for power sector projects;

(f) preparation of feasibility studies for liquefied natural gas import;

(g) preparation of bidding documents to employ consultants under power sector projects;

(h) design and implementation support for performance improvements of power plants;

(i) support to utilities for cost-based tariff analysis and tariff-filing;

(j) support to Power Cell in the technical, financial, legal, management information systems, human resources and management areas;

(k) support to the promotion of energy efficiency; and

(l) development and implementation of quality standards for energy efficiency.

4. Carrying out of training, road shows, workshops, seminars, study tours, and awareness campaigns.

5. Carrying out of selective monitoring, evaluation and coordination activities related to the Project.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Subsidiary Agreements

1. To facilitate the carrying out of Parts A.1 and A.2 of the Project, the Recipient shall make part of the proceeds of the Financing available to the Project Implementing Entity under a Subsidiary Loan Agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association, which shall include the obligation of the Recipient to on-lend to the Project Implementing Entity, (a) out of the proceeds of the Original Credit, an amount not to exceed the equivalent of eighty-one million and four hundred eighty thousand Special Drawing Rights (SDR 81,480,000), and (b) out of the proceeds of the Additional Credit, an amount not to exceed the equivalent of forty seven million five hundred fifty-two thousand and five hundred Special Drawing Rights (SDR 47,552,500); or such other amounts as shall be agreed from time to time in writing with the Association, and the following additional terms and conditions:

(a) the principal amount and interest charged shall be denominated and repayable in Taka;

(b) interest charged on the principal amount, withdrawn and outstanding from time to time, at the rate of three percent (3%) per annum;

(c) repayment over a period not exceeding twenty (20) years from the date of the Subsidiary Loan Agreement, inclusive of a grace period not exceeding five (5) years; and

(d) the foreign exchange risk to be borne by the Recipient.

2. To facilitate the carrying out of Parts A.3, A.4 and B of the Project, the Recipient shall make part of the proceeds of the Financing available to the Project Implementing Entity under a Subsidiary Grant Agreement between the Recipient and the Project Implementing Entity ("Subsidiary Grant Agreement"), under terms and conditions approved by the Association, which shall include the obligation of the Recipient to on-grant to the Project Implementing Entity, (a) out of the proceeds of the Original Credit, an amount not to exceed the equivalent of eleven million and four hundred thousand Special Drawing Rights (SDR 11,400,000), and (b) out of the proceeds of the Additional Credit, an amount not to exceed the equivalent of three million thirty-two thousand five hundred twelve
Special Drawing Rights (SDR 3,032,512); or such other amounts as shall be agreed from time to time in writing with the Association.

3. The Recipient shall exercise its rights under the Subsidiary Agreements referred to above in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Subsidiary Agreement or any of their provisions.

B. Sub-projects

1. The Recipient shall ensure and cause to ensure that, except as the Association shall otherwise agree, Sub-projects shall be promoted, identified, appraised, approved, carried out and monitored in accordance with the procedures and other provisions set forth or referred to in the Operating Guidelines, the Environmental and Social Management Framework, and the GAAP.

2. The Recipient shall ensure and cause to ensure that Participating Organizations applying for any Sub-loans or Sub-grants provided under the Project shall meet relevant eligibility criteria set out in the Operating Guidelines.

C. National Guidelines on Disposal and Recycling of Compact Fluorescent Lamps

The Recipient shall within one (1) year of the Effective Date adopt a national guideline for the safe disposal and/or recycling of compact fluorescent lamps.

D. Anti-Corruption

1. The Recipient shall ensure and cause to ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

2. Without limitation on the provisions of paragraph 1 above, the Recipient shall: (a) carry out the Governance and Accountability Action Plan in accordance with its terms; and (b) without limitation on its other reporting obligations under this Agreement, furnish to the Association as part of the Project Report the status of implementation of the said plan.

E. Safeguards

1. The Recipient shall carry out and cause to carry out the Project in accordance with the Environmental and Social Management Framework, the Tribal People's Development Framework and each relevant EMP and Tribal Peoples Plan.
2. Whenever an EMP or Tribal Peoples Plan shall be required for any Project activity in accordance with the provisions of the ESMF and/or the TPDF, as the case may be, the Recipient shall:

(a) prior to the commencement of such activity, proceed to have such EMP and Tribal Peoples Plan: (i) prepared in accordance with the provisions of the ESMF and the TPDF, as the case may be; (ii) furnished to the Association for review and approval; and (iii) thereafter adopted and disclosed as approved by the Association, in a manner acceptable to the Association; and

(b) thereafter take such measures as shall be necessary or appropriate to ensure compliance by the relevant Participating Organization, with the requirements of such EMP and Tribal Peoples Plan.

3. The Recipient shall not amend, suspend or waive the ESMF and/or the TPDF, or any provision of either framework, unless the Association has provided its prior approval thereof in writing, and the Recipient has complied with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.

4. The Recipient shall cause the Project Implementing Entity to collect, compile and submit to the Association on an annual basis (or such other frequency as may be agreed with the Association) an audit on the status of compliance with the ESMF, the TPDF, and each EMP and Tribal Peoples Plan, giving details of: (a) measures taken in furtherance of the said instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the said measures; and (c) remedial measures taken or required to be taken to address such conditions.

5. In the event of any conflict between the provisions of any of the ESMF, the TPDF, or any EMP or Tribal Peoples Plan, the provisions of the Project Agreement, and the provisions of this Agreement, the provisions of this Agreement shall prevail.

6. The Recipient shall ensure that all terms of reference for technical assistance under Part C of the Project shall be satisfactory to the Association and to that end shall incorporate applicable technical, environmental and social standards consistent with the Association’s environmental and social safeguards policies, as applied to the advice, studies and/or support provided through such technical assistance.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate, and cause the Project Implementing Entity to monitor and evaluate, the progress of its Respective Parts of the Project, and prepare, and cause the Project Implementing Entity to prepare, Project Reports for its Respective Parts of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Association. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

2. The Recipient shall:

   (a) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about September 30, 2015, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph 1 above, on the progress achieved in the carrying out of the Project during the period preceding the date of said report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

   (b) review with the Association, by January 31, 2016, or such later date as the Association shall request, the report referred to in sub-paragraph (a) above, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendation of the said report and the Association’s views on the matter.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish, and cause the Project Implementing Entity to prepare and furnish, to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for its Respective Parts of the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements and cause the Project Implementing Entity to have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient or the Project Implementing Entity, as the case may be. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association 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.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services

(a) The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan:

(i) National Competitive Bidding, following the procedures of the Procurement Laws subject to paragraph (b) below;

(ii) Shopping, following the request for quotation method of the Procurement Laws;
(iii) Direct Contracting; and

(iv) Framework Agreement.

(b) The following provisions apply for the contracting of goods, works and non-consulting services under National Competitive Bidding, using bidding documents acceptable to the Association:

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

(ii) bids should be submitted and opened in public in one location immediately after the deadline for submission;

(iii) lottery in award of contracts shall not be allowed;

(iv) bidders’ qualification/experience requirement shall be mandatory;

(v) 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

(vi) single stage two (2) envelope procurement system shall not be allowed.

C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.
D. **Review by the Association of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

**Section IV. Withdrawal of the Proceeds of the Financing**

**A. General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

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 Original Credit and the Additional Credit 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 Original Credit Allocated (expressed in SDR)</th>
<th>Amount of the Additional Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Sub-loans under Parts A.1 and A.2 of the Project</td>
<td>81,480,000</td>
<td>47,552,500</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, consultants’ services, Training and Incremental Operating Costs under Part A of the Project</td>
<td>3,400,000</td>
<td>3,032,512</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, consultants’ services,</td>
<td>8,000,000</td>
<td>0</td>
<td>100%</td>
</tr>
</tbody>
</table>
### Training, Incremental Operating Costs, and Sub-grants under Part B of the Project

<table>
<thead>
<tr>
<th>(4) Goods, consultants’ services, and Training under the Part C of the Original Project</th>
<th></th>
<th>0</th>
<th>0</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>(5) Goods, consultants’ services, Training, Incremental Operating Costs under Part C of the Project</td>
<td>6,620,000</td>
<td></td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Unallocated</td>
<td>3,300,000</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>102,800,000</strong></td>
<td><strong>50,585,012</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal of the Additional Credit shall be made for payments made prior to the date of this Agreement.

2. The Closing Date is December 31, 2018.
SCHEDULE 3

Repayment Schedule

Repayment Schedule of the Original Credit

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each March 15 and September 15:</td>
<td></td>
</tr>
<tr>
<td>commencing March 15, 2023 to and including September 15, 2032</td>
<td>1%</td>
</tr>
<tr>
<td>commencing March 15, 2033 to and including September 15, 2052</td>
<td>2%</td>
</tr>
</tbody>
</table>

Repayment Schedule of the Additional Credit

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each December 15 and June 15:</td>
<td></td>
</tr>
<tr>
<td>commencing December 15, 2024 to and including June 15, 2034</td>
<td>1%</td>
</tr>
<tr>
<td>commencing December 15, 2034 to and including June 15, 2054</td>
<td>2%</td>
</tr>
</tbody>
</table>

* 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 3.03 (b) of the General Conditions.
APPENDIX

Definitions


2. “BERC” means the Recipient’s Bangladesh Energy Regulatory Commission or any successor thereto.

3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


5. “Environmental and Social Management Framework” and the acronym “ESMF” mean the Environmental and Social Management Framework, acceptable to the Association, dated June 29, 2012 and updated on April 21, 2014 which sets forth the principles and procedures, governing, inter alia: (i) screening for eligible activities under the Project; (ii) screening for potential safeguard issues, including the required actions to prepare safeguard documents, including, inter alia: Environmental Management Plans when required; (iii) and the environmental protection measures, if any, required to be undertaken in order to avoid or mitigate potential adverse environmental impacts; and (iv) a Tribal People’s Development Framework as Annex 20; as said framework and any annexes or schedules to such framework, may be revised from time to time with the prior written approval of the Association.

6. “Environmental Management Plan” and the acronym “EMP” mean each plan, acceptable to the Association and prepared on the basis of the Environmental Management Framework, detailing the specific actions, measures and policies designed to address adverse environmental impacts and facilitate the achievement of the objectives of the Environmental Management Framework; as said plan and any annexes or schedules to such plan, may be revised from time to time with the prior written approval of the Association.


8. “Governance and Accountability Action Plan” and the acronym “GAAP” means the plan prepared by the Recipient and endorsed by the Association, dated August 12, 2012 and updated on May 22, 2014, setting forth actions and
measures to be taken by the Recipient to ensure integrity, transparency and accountability in the implementation of the Project and the use of the proceeds of the Financing.


10. “Incremental Operating Costs” means the reasonable costs incurred on account of the implementation of the Project (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, office and vehicle rental, operation and maintenance, fuel costs, charges for the opening and operation of bank accounts required for the Project, postage and handling, honoraria and staff allowances, travel, lodging and per diems for the Project staff and officials on field visit; subscriptions to e-publishers, bandwidth cost including commodity internet, and salaries of contracted non-core Project staff of the Project Implementing Entity; but excluding salaries of officials of the Recipient’s civil service.


12. “Operating Guidelines” means the operating guidelines for the Project Implementing Entity, approved by the Association, which sets out the eligibility criteria for Sub-projects (as hereinafter defined), guidelines for appraisal, approval and supervision of Sub-projects, and the terms and conditions applicable to Sub-loans and Sub-grants (as hereinafter defined) as updated on May 19, 2014.

13. “Original Credit” means the financing made available to the Recipient pursuant to the Original Financing Agreement.


15. “Original Project” means the Project described in the Original Financing Agreement.

16. “Participating Organization” means a micro-finance institution, non-governmental organization or private enterprise which participates in carrying out activities under Parts A and B of the Project, and which has entered into a Participation Agreement (as this term is hereinafter defined) with the Project
Implementing Entity and “Participating Organizations” means all said organizations.

17. “Participation Agreement” means the agreement to be entered into between the Project Implementing Entity and a Participating Organization, pursuant to paragraph 2 of Section I.D of the Schedule to the Project Agreement, for the purpose of promoting and carrying out renewable energy projects in the territory of the Recipient.

18. “Power Cell” means the unit within the Ministry of Power, Energy and Mineral Resources operating under the Power Division within said Ministry or any successor thereto.


20. “Procurement Laws” means, 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.

21. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 11, 2014 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

22. “Project Agreement” means the agreement between the Association and the Project Implementing Entity relating to the implementation of Parts A and B of the Project, as such agreement may be amended from time to time.

23. “Project Implementing Entity” means IDCOL.

24. “Project Implementing Entity’s Legislation” means the Memorandum and Articles of Association of IDCOL, dated May 14, 1997, as amended to the date of this Agreement.

25. “Project Management Unit” means the unit referred to in Section I.A of the Project Agreement.

26. “SREDA” means an autonomous Sustainable and Renewable Energy Development Authority established by the Recipient for purposes of leading efforts to promote renewable energy and efficiency in the Recipient’s territory.

27. “Sub-grant” means a financing made, or proposed to be made, by the Project Implementing Entity under Part B of the Project, out of the proceeds of the
Credit, to a Participating Organization to carry out a Sub-project (as this term is hereinafter defined) and “Sub-grants” means all said Sub-grants.

28. “Sub-loan” means a financing made, or proposed to be made, by the Project Implementing Entity under Part A the Project, out of the proceeds of the Credit, to a Participating Organization to carry out a Sub-project (as this term is hereinafter defined) and “Sub-loans” means all said Sub-loans.

29. “Sub-project” means a rural electrification and/or renewable energy project, activity or service financed, or proposed to be financed, by the proceeds of a Sub-loan, which meets the eligibility criteria set forth in the Operating Guidelines and “Sub-projects” means all said Sub-projects.

30. “Subsidiary Grant Agreement” means the agreement referred to in paragraph 2 of Section I.A of Schedule 2 to this Agreement pursuant to which the Recipient shall on-grant part of the proceeds of the Financing to IDCOL.

31. “Subsidiary Loan Agreement” means the agreement referred to in paragraph 1 of Section I.A of Schedule 2 to this Agreement pursuant to which the Recipient shall on-lend part of the proceeds of the Financing to IDCOL.

32. “Taka” means the currency of the Recipient.

33. “Training” means training, workshops and study tours conducted in the territory of the Recipient and abroad, including reasonable and necessary incremental expenditures incurred on account of organizing or attending learning and knowledge dissemination events, including, fees for educational institutions; fees and allowances for resource persons; travel, board and lodging for resource persons and trainees; logistics and materials associated with conferences, seminars, workshops, and study tours; and other training costs directly associated with the Project but excluding those provided through consulting services.

34. “Tribal People” means, for purposes of the Project, the social groups residing or engaged in livelihood activities under the Project from time to time; each of which possesses a distinct social and cultural identity that makes it vulnerable to being disadvantaged in the development process, including the presence in varying degrees of the following characteristics: (i) close attachment to ancestral territories and to the natural resources in these areas; (ii) self-identification and identification by others as members of a distinct cultural group; (iii) a language, often different from the Bangla language; (iv) presence of customary social and political institutions; and (v) primarily subsistence-oriented production.

35. “Tribal People’s Development Framework” and the acronym “TPDF” mean the Recipient’s framework satisfactory to the Association, which is included in the EMSF as Annex 20, which sets forth the principles and procedures, governing,
inter alia: (i) screening for eligible activities under the Project, and (ii) screening for potential social issues, including the required actions to prepare safeguard documents, including, inter alia: Tribal People’s Plan, when required; as said framework and any annexes or schedules to such framework, may be revised from time to time with the prior written approval of the Association.

36. “Tribal People’s Plan” and the acronym “TPP” mean a plan, acceptable to the Association and prepared on the basis of the Tribal People's Development Framework, detailing the specific actions, measures and policies designed to address any impact on Tribal People and facilitate the achievement of the objectives of the Social Management Framework; as said plan and any annexes or schedules to such plan, may be revised from time to time with the prior written approval of the Association.