

**OFFICIAL
DOCUMENTS**

Cr. 4693-BD

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

E-32, Agargaon, Sher-e-Bangla Nagar
G.P.O. Box 97, Dhaka 1207
Bangladesh

Tel.: (880-2) 5566-7777
Fax.: (880-2) 5566-7778
www.worldbank.org.bd

December 15, 2015

Senior Secretary Mohammad Mejbahuddin
Economic Relations Division
Ministry of Finance
Block 8, Room 3
Sher-e-Bangla Nagar
Dhaka

Dear Senior Secretary Mejbahuddin:

***Re: Additional Financing for Investment Promotion and Financing Facility Project
(Credit No.4693-BD):
Amendment to the Financing Agreement and Performance Indicators***

We refer to: (i) the Financing Agreement between the People's Republic of Bangladesh (the "Recipient") and the International Development Association (the "Association") for the Additional Financing for Investment Promotion and Financing Facility Project (the "Project"), dated June 7, 2010 (the "Agreement"), as amended; and (ii) the Supplemental Letter No. 2 of same date as regards the Performance Indicators for the Project. We also refer to the letter dated October 28, 2015 from the Economic Relations Division, Ministry of Finance, requesting amendments to the Agreement and to the Performance Indicators for the Project.

We are pleased to inform you that, after due consideration, the Association:

- (i) hereby reallocates the proceeds of the Credit allocated in the table in paragraph 2 of Section IV.A of Schedule 2 to the Agreement as set forth in Attachment 1 to this letter; and
- (ii) proposes to amend the Performance Indicators for the Project to read as set forth in Attachment 2 to this letter.


Except as specifically amended by this letter of amendment, all other provisions of the Agreement shall remain unchanged and in full force and effect.

Please confirm your agreement to the foregoing on behalf of the Recipient by countersigning and dating the corresponding form of confirmation set forth below, and returning one fully signed original of this letter to us.

Upon receipt by the Association of the copy of this letter of amendment duly countersigned by the authorized representative of the Recipient, the above amendment to the Agreement and to the Performance Indicators for the Project shall become effective as of the date of countersignature.


Sincerely yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION



Martin G. Rama
Acting Country Director

AGREED:
PEOPLE'S REPUBLIC OF BANGLADESH

By: 
Authorized Representative

Kazi Shofiqul Azam
Additional Secretary
Economic Relations Division
Ministry of Finance
Govt. of the People's Republic of Bangladesh

Name: KAZI SHOFIQU L AZAM

Title: ADDL. SECRETARY

Date: 24.12.2015

cc: Dr. Atiur Rahman, Governor, Bangladesh Bank
Mr. Mahbub Ahmed, Senior Secretary, Finance Division, Ministry of Finance
Mr. Kazi Shofiqul Azam, Additional Secretary, Economic Relations Division
Mr. Sheikh Yusuf Harun, Joint Secretary, Prime Minister's Office
Mr. Syed Afsor H Uddin, CEO, PPP Office
Mr. Ahmed Jamal, Executive Director, Bangladesh Bank and Project Director, IPFF Project

Attachment 1**People's Republic of Bangladesh
Credit No. 4693-BD
Revised Withdrawal Schedule**

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Investment Loans	162,953,925.00	60%
(2) Others (goods, consultants' services, training, and Operating Costs)	4,746,075.00	100%
TOTAL AMOUNT	167,700,000.00	

People's Republic of Bangladesh
Credit No. 4693-BD
Revised Performance Indicators

	Project Outcome Indicators	Unit of Measure	Cumulative FY07 to FY13	Cumulative Values			
				FY 14	FY 15	FY 16	FY 17
1	Total investments in infrastructure increase (as measured by the total amount of equity and debt financing from IPFF, GOB and the local financial institutions)	US\$ Value of PPPs	\$130 Million	\$210 Million	\$350 Million	\$460 Million	\$490 Million
	<i>Achievement against Target</i>		<i>\$128 Million</i>	<i>\$262 Million</i>	<i>\$347.08 Million</i>		
2	Total amount of equity and debt financing from IPFF, GoB and the local financial institutions	US\$ Value	\$87 Million	\$151 Million	\$251 Million	\$330 Million	\$352 Million
	<i>Achievement against Target</i>		<i>\$108 Million</i>	<i>\$182 Million</i>	<i>\$235.07 Million</i>		
3	Total amount of equity from the private sector entrepreneurs on the transactions supported by IPFF	US\$ Value	\$43 Million	\$59 Million	\$99 Million	\$128 Million	\$138 Million
	<i>Achievement against Target</i>		<i>\$40 Million</i>	<i>\$80 Million</i>	<i>\$111.43 Million</i>		

	Project Outcome Indicators	Unit of Measure	Cumulative FY07 to FY13	Cumulative Values			
				FY 14	FY 15	FY 16	FY 17
Intermediate Outcome Indicators							
4	Long term debt financing for infrastructure increases (as measured by cumulative debt financing from IPFF)	US\$ Value	\$67.5 Million	\$125 Million	\$210 Million	\$270 Million	\$294.5 Million
	<i>Achievement against Target</i>		<i>\$80 Million</i>	<i>\$129 Million</i>	<i>\$237.66 Million</i>		
5	At least 10 domestic financial institutions use the IPFF	Number	10	9	10	10	10
	<i>Achievement against Target</i>			<i>12</i>	<i>15</i>		
6	PFI's maintain eligibility criteria	Percentage	100%	100%	100%	100%	100%
	<i>Achievement against Target</i>			<i>100%</i>	<i>100%</i>		
7	The project results in 240 MW of additional electricity added to the national capacity	MW	178 MW	230 MW	240 MW	240 MW	240 MW
	<i>Achievement against Target</i>		<i>178 MW</i>	<i>228 MW</i>	<i>334 MW</i>		
8	Environmental assessments are undertaken for all infrastructure projects financed under the facility in coordination with the DoE	Percentage	100%	100%	100%	100%	100%
	<i>Achievement against Target</i>		<i>100%</i>	<i>100%</i>	<i>100%</i>		
9	Effective guidance provided to Bangladesh Bank regarding investment project eligibility, as measured by percentage of projects reviewed	Percentage	100%	100%	100%	100%	100%
	<i>Achievement against Target</i>		<i>100%</i>	<i>100%</i>	<i>100%</i>		
10	The capacity of financial institutions participating in IPFF to undertake financial analysis of infrastructure projects is strengthened, as measured by the cumulative number of staff trained	Number	100	140	160	180	190
	<i>Achievement against Target</i>		<i>110</i>	<i>113</i>	<i>170</i>		