

Public Disclosure Authorized

CONFORMED COPY

---

---

CREDIT NUMBER 3740-1 BD  
(Amendment)

# Agreement Amending Development Credit Agreement

(Social Investment Program Project)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 21, 2007

---

---

**CREDIT NUMBER 3740-1 BD  
(Amendment)**

**AGREEMENT AMENDING DEVELOPMENT CREDIT AGREEMENT**

AGREEMENT, dated June 21, 2007, between PEOPLE'S REPUBLIC OF BANGLADESH (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Borrower and the Association have entered into a Development Credit Agreement (Social Investment Program Project), dated April 7, 2003 (the Development Credit Agreement), for the purpose of providing support during the execution of the Social Investment Program Project, as described in the Recital of the Development Credit Agreement (the Project);

(B) the Borrower has requested the Association to provide further additional assistance in support of the Project by increasing the amount made available under the Development Credit Agreement by an amount in various currencies equivalent to five million four hundred thousand Special Drawing Rights (SDR 5,400,000); and

WHEREAS (C) the Association has agreed, on the basis, inter alia, of the foregoing, to provide such additional assistance to the Borrower upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

**ARTICLE I**

**Amendments to the Development Credit Agreement**

Section 1.01. Section 1.02 of the Development Credit Agreement is amended by deleting the "and" at the end of Subsection (u), substituting "; and" for ";" at the end of Subsection (u), substituting "." at the end of subsection (v) for "; and" and adding a new Subsection (w) as follows:

“(w) “Amending Agreement” means the agreement amending the Development Credit Agreement between the Borrower and the Association, dated April 7, 2003.

Section 1.02. Section 2.01 of the Development Credit Agreement is amended to read as follows:

“Section 2.01. The Association agrees to make available to the Borrower, on the terms and conditions set forth or referred to in this Agreement:

(a) an amount in various currencies equivalent to eighteen million nine hundred thousand Special Drawing Rights (SDR 18,900,000) (the Credit), which includes: (a) an original amount in various currencies equivalent to thirteen million five hundred thousand Special Drawing Rights (SDR 13,500,000) (the Initial Credit); and (b) an additional amount in various currencies equivalent to five million four hundred thousand Special Drawing Rights (SDR 5,400,000) (the Additional Credit).”

Section 1.03. The Closing Date in Section 2.03 of the Development Credit Agreement is amended to read “September 30, 2009”.

Section 1.04. A proviso is added at the end of Section 2.04(b)(i) of the Development Credit Agreement reading as follows:

“; provided however that the commitment charge on the Additional Credit shall accrue from a date sixty (60) days after the date of the Amending Agreement.”

Section 1.05. Section 2.07(a) of the Development Credit Agreement is amended to read as follows:

“Section 2.07. (a) For the purpose of: (A) the Credit included in the Initial Credit, subject to paragraphs (b) (c) and (d) below, the Borrower shall repay the principal amount of the Credit in semiannual installments payable on each March 1 and September 1, commencing September 1, 2013, and ending March 1, 2043. Each installment to and including the installment payable on March 1, 2023, shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount; and (B) the Additional Credit, the Borrower shall repay the principal amount of the Credit in semiannual installments payable on each March 1 and September 1, commencing September 1, 2017 and ending March 1, 2047. Each installment to and including the installment payable on March 1, 2027, shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount.”

Section 1.06. Paragraph 1 and the Table in Schedule 1 to the Development Credit Agreement is hereby revised as indicated in the Annex 1 to this Amending Agreement.

Section 1.07. All other provisions of the Development Credit Agreement, including Schedules 2 and 3 shall remain in full force and effect.

## **ARTICLE II**

### **Effective Date; Termination**

Section 2.01. This Amending Agreement shall not become effective until evidence satisfactory to the Association shall have been furnished to the Association that the execution and delivery of this Amending Agreement on behalf of the Borrower have been duly authorized or ratified by all necessary governmental action.

Section 2.02. As part of the evidence to be furnished pursuant to Section 2.01 of this Amending Agreement, there shall be furnished to the Association an opinion or opinions satisfactory to the Association of counsel acceptable to the Association showing, on behalf of the Borrower, that this Amending Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and is legally binding upon the Borrower in accordance with its terms.

Section 2.03. This Amending Agreement shall come into force and effect on the date upon which the Association shall dispatch to the Borrower notice of its acceptance of the evidence required by Section 2.01 of this Amending Agreement.

Section 2.04. If this Amending Agreement shall not have come into force and effect by a date ninety (90) days after the date of this Amending Agreement, this Amending Agreement and all obligations of the parties hereunder shall terminate, unless the Association establishes a later date for the purposes of this Section. If this Amending Agreement shall terminate under the provisions of this Section, the Development Credit Agreement shall continue in full force and effect, as if this Amending Agreement had not been executed.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Amending Agreement to be signed in their respective names in Dhaka, Bangladesh, as of the day and year first above written.

PEOPLE'S REPUBLIC OF BANGLADESH

By /s/ / Md. Aminul Islam Bhuiyan  
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Xian Zhu  
Country Director  
Bangladesh

**SCHEDULE 1**

**Withdrawal of the Proceeds of the Credit**

The table below sets forth the Categories of items to be financed out of the proceeds of the Credit, the allocation of the amounts of the Credit to each Category and the percentage of expenditures for items so to be financed in each Category:

<b>Category</b>	<b>Amount of the Initial Credit Allocated (Expressed in SDR Equivalent)</b>	<b>Amount of the Additional Credit Allocated (Expressed in SDR Equivalent)</b>	<b>% of Expenditures to be Financed</b>
(1) Sub-grants for Sub-projects under Part C	8,960,000	4,400,000	100%
(2) Sub-grants for Sub-projects under Part D	420,000	100,000	100%
(3) Goods, including vehicles and equipment	220,000	180,000	100%
(4) Consultants' services, including PO services, audit and training	3,250,000	360,000	100%
(5) Incremental Staff Salaries and Operating Costs	650,000	360,000	80% in FY03 and FY04, and 60% thereafter
(6) Unallocated			
<b>TOTAL</b>	<b>13,500,000</b>	<b>5,400,000</b>	

wb77754

M:\legsa\Bangladesh\SIPP- Additional Financing\AmendingDCA(signing).doc

06/08/2007

12:51:00

PM