Financing Agreement

(Rural Electrification and Renewable Energy Development Project II)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated OCTOBER 23, 2012
FINANCING AGREEMENT

AGREEMENT dated OCT 23, 2012, entered into between PEOPLE'S REPUBLIC OF BANGLADESH ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree 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 credit in an amount equivalent to one hundred two million and eight hundred thousand Special Drawing Rights (SDR102,800,000) (variously, "Credit" and "Financing") to assist in financing the project described in Schedule 1 to this Agreement ("Project").

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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are March 15 and September 15 in each year.
2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollars.

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 D of the Project through Power Cell in accordance with the provisions of Article IV of the General Conditions;

(b) cause Parts A, B and C.2 of the Project to be carried out by Infrastructure Development Company Limited in accordance with the provisions of Article IV of the General Conditions and the IDCOL Project Agreement; and

(c) cause Part C.1 of the Project to be carried out by the Rural Electrification Board in accordance with the provisions of Article IV of the General Conditions and the REB 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 Events of Suspension consist of the following:

(a) IDCOL's Memorandum and Articles of Association have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of IDCOL to perform any of its obligations under the IDCOL Project Agreement.

(b) The ordinance establishing REB has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of REB to perform any of its obligations under the REB Project Agreement.
4.02. The Additional Events of Acceleration consist of the following, namely, any event specified in paragraphs (a) and (b) of Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

(a) The IDCOL Subsidiary Loan Agreement has been executed on behalf of the Recipient and IDCOL.

(b) The IDCOL Subsidiary Grant Agreement has been executed on behalf of the Recipient and IDCOL.

(c) The REB Subsidiary Grant Agreement has been executed on behalf of the Recipient and REB.

5.02. The Additional Legal Matters consist of the following:

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

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

(c) The REB Subsidiary Grant Agreement has been duly authorized or ratified by the Recipient and REB and is legally binding upon the Recipient and REB 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
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Facsimile:

1-202-477-6391
AGREED at Dhaka, People’s Republic of Bangladesh, as of the day and year first above written.

PEOPLE’S REPUBLIC OF BANGLADESH

By

Authorized Representative

Name: Inayat Maahmod
Title: Senior Secretary

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Ellen A. Caddelstein
Title: Country Director
SCHEDULE 1

Project Description

The objectives of the Project are to increase access to clean energy in rural areas through renewable energy and to promote more efficient energy consumption.

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 and captive plants 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 IDCOL to assist in the implementation of Parts A.1 and A.2 of the Project.

4. Carrying out of carbon finance-related activities.

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. Incremental Operating Costs to IDCOL’s Project Management Unit for purposes of Part B of the Project.

7. Carrying out of carbon finance-related activities.

Part C. Compact Fluorescent Lamp

1. Acquisition of compact fluorescent lamps and distribution thereof to households in exchange for incandescent lamps.

2. Carrying out of carbon finance-related activities.

Part D. 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 SREDA 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 financed under Part C of the Project;
(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; and

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

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 IDCOL under a subsidiary loan agreement between the Recipient and IDCOL, under terms and conditions approved by the Association, which shall include the obligation of the Recipient to on-lend to IDCOL, out of the proceeds of the Financing, an amount not to exceed the equivalent of seventy three million and five hundred thousand Special Drawing Rights (SDR73,500,000), or such other amount 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 and B of the Project, the Recipient shall make part of the proceeds of the Financing available to IDCOL under a subsidiary grant agreement between the Recipient and IDCOL ("IDCOL Subsidiary Grant Agreement"), under terms and conditions approved by the Association, which shall include the obligation of the Recipient to on-grant to IDCOL, out of the proceeds of the Financing, an amount not to exceed the equivalent of eleven million and four hundred thousand Special Drawing Rights (SDR11,400,000), or such other amount as shall be agreed from time to time in writing with the Association.

3. To facilitate the carrying out of Part C.1 of the Project, the Recipient shall make part of the proceeds of the Financing available to REB under a subsidiary grant agreement between the Recipient and REB ("REB Subsidiary Grant Agreement"), under terms and conditions approved by the Association, which shall include the obligation of the Recipient to on-grant to REB, out of the proceeds of the Financing, an amount not to exceed the equivalent of eleven
million three hundred thousand Special Drawing Rights (SDR11,300,000), or such other amount as shall be agreed from time to time in writing with the Association.

4. The Recipient shall exercise its rights under the various 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 shall 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 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. 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. Anti-Corruption

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

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

The Recipient shall undertake all measures to ensure that national guidelines for the safe disposal and/or recycling of compact fluorescent lamps are adopted by the Recipient prior to the distribution of compact fluorescent lamps procured under Part C.1 of the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate, and cause IDCOL and REB to monitor and evaluate, the progress of their Respective Parts of the Project, and prepare, and cause IDCOL and REB to prepare, Project Reports for their 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 March 31, 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 May 31, 2015, 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 IDCOL and REB 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 their 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 IDCOL and REB to have their 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 IDCOL or REB, 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

A. General

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; and

(iii) Direct Contracting.

(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 (1) location immediately after the deadline for submission;

(iii) rebidding shall not be carried out, except with the Association’s prior agreement;

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

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

(vi) 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

(vii) 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.
E. **Other Undertakings**

The Recipient shall: (a) appoint an international technical expert, with qualifications and terms of reference satisfactory to the Association, to support REB during bid invitation, evaluation, and post-award inspections for Part C.1 of the Project; and (b) appoint an international procurement expert, with qualifications and terms of reference satisfactory to the Association, to support REB during bid invitation and evaluation as a member of its bid evaluation committee for Part C.1 of the Project.

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 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)</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>73,500,000</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>100%</td>
</tr>
<tr>
<td>(3) Goods, consultants’ services, Training, Incremental Operating</td>
<td>8,000,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
Costs, and Sub-grants under Part B of the Project

(4) Goods, consultants’ services, and Training under Part C.1 of the Project 11,300,000 100%

(5) Goods, consultants’ services, Training, Incremental Operating Costs under Part D of the Project 3,300,000 100%

(6) Unallocated 3,300,000

TOTAL AMOUNT 102,800,000

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) for payments made prior to the date of this Agreement;

   (b) under Category (4), until and unless REB has carried out measures, satisfactory to the Association, to remedy all of the outstanding audit issues, identified by the Association as material, with respect to REB’s Financial Statements for the Rural Electrification and Renewable Energy Development Project; and

   (c) under Category (5), until and unless an Assistant Director (Accounts), with qualifications and terms of reference satisfactory to the Association, has been employed by Power Cell.

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

### Repayment Schedule

<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>

* 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

Section I. Definitions


2. "BERC" means the Recipient’s Bangladesh Energy Regulatory Commission and 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 dated June 29, 2012 for the Project, which describes the measures proposed to be taken in order to address the adverse environmental and social impact of investments under the Project.

6. "GAAP" means the Recipient’s Governance and Accountability Action Plan, dated August 12, 2012, acceptable to the Association, which identifies key governance issues under the Project and sets forth mitigating actions to address said issues, as said plan may be modified from time to time with the prior written agreement of the Association.


8. "IDCOL Project Agreement" means the agreement between the Association and IDCOL relating to the implementation of Parts A, B and C.2 of the Project, as such agreement may be amended from time to time.

9. "IDCOL 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.

10. "IDCOL 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.
11. "Incremental Operating Costs" means the reasonable costs incurred on account of
the implementation of the Project for honoraria, travel and travel allowances,
rental of communication equipment and vehicles, operation and maintenance of
vehicles and office equipment, office utilities, office supplies and consumables,
bank charges, and salaries of contracted Project staff but excluding salaries of the
Recipient's civil servants.

12. "Infrastructure Development Company Limited" and the acronym "IDCOL"
mean the government-owned infrastructure finance company established and
existing under the Bangladesh Companies Act (1994).

13. "Memorandum and Articles of Association" means the Memorandum and
Articles of Association of IDCOL, dated May 14, 1997, as amended to the date
of this Agreement.

Ministry of Power, Energy and Mineral Resources and any successor thereto.

15. "Operating Guidelines" means the operating guidelines for IDCOL, 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).

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 IDCOL.

17. "Participation Agreement" means the agreement to be entered into between
IDCOL and a Participating Organization, pursuant to paragraph 2 of Section I.D
of the Schedule to the IDCOL 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.

and Non-consulting Services under IBRD Loans and IDA Credits and Grants by
World Bank Borrowers" dated January 2011.

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 August 9, 2012 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 Management Unit" means the unit referred to in Section I.A of the IDCOL Project Agreement.

23. "REB Project Agreement" means the agreement between the Association and REB relating to the implementation of Part C of the Project, as such agreement may be amended from time to time.

24. "REB Subsidiary Grant Agreement" means the agreement referred to in paragraph 3 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 REB.

25. "Rural Electrification and Renewable Energy Development Project" means the project described in the development credit agreement between the Recipient and the Association, dated July 16, 2002, as amended to the date of this Agreement (Credit No. 3679-BD).


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

28. "Sub-grant" means a financing made, or proposed to be made, by IDCOL 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).

29. "Sub-loan" means a financing made, or proposed to be made, by IDCOL 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).

30. "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.

31. "Taka" means the currency of the Recipient.
32. "Training" means expenditures (other than those for consultants’ services) to finance the reasonable cost of the services of trainers, meeting rooms, publications, travel costs, per diem allowances for trainees, workshops, seminars and study tours as agreed with the Association.