
CREDIT NUMBER 7300-BD

Financing Agreement

(Sustainable Microenterprise and Resilient Transformation)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 7300-BD

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between the 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) apply to and form 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 a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to one hundred eighty-eight million two hundred thousand Special Drawing Rights (SDR 188,200,000) (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 III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 2.05. The Interest Charge is one and a quarter percent (1.25%) per annum on the Withdrawn Credit Balance.

- 2.06. The Payment Dates are April 1 and October 1 in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.08. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Project Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consists of the following: the PKSF Charter has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project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: the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following: the PKSF Subsidiary Loan and Grant Agreement has been executed on behalf of the Recipient and PKSF and all conditions precedent to its effectiveness or to the right of PKSF to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.03. For purposes of Section 10.05(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 Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Senior Secretary/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 the Ministry of Finance.

6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:

Economic Relations Division
Ministry of Finance
Government of the People's Republic of Bangladesh
Sher-E-Bangla Nagar 1207
Dhaka, Bangladesh; and

(b) the Recipient's Electronic Address is:

Facsimile:	E-mail:
+88029180788 / +88029180671	secretary@erd.gov.bd

6.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

PEOPLE'S REPUBLIC OF BANGLADESH

By



Authorized Representative

Name: Sharifa Khan

Title: Secretary, Economic Relations
Division

Date: 28.04.2023

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Abdoulaye Seck

Title: Country Director

Date: 28 April 2023

SCHEDULE 1

Project Description

The objective of the Project is to increase resource-efficient and resilient green growth of microenterprises (MEs).

The Project consists of the following parts:

Part 1: Enabling capacity and systems for green growth of MEs

1.1 Enhancing MEs' environmental-knowledge capacity

- (a) Provision of Grants to Partner Organizations for strengthening the capacity building of MEs on environmental and climate challenges to identify and invest in climate resilient RECP;
- (b) conduct climate resilient RECP assessment to identify the environmental issues, assess climate change vulnerability, and develop technical recommendations for MEs and MEs' clusters; and
- (c) Digitalization of the environmental and financial management system.

1.2 Enhancing common facilities and enabling environmental systems for MEs' clusters

Provision of Grants to Partner Organizations to support for non-revenue generating common facilities (NRG) to promote inclusive, green growth outcomes to enhance MEs' growth, competitiveness, and productivity.

1.3 Enabling MEs to develop green value chain and expand markets for green products

Provision of Grants to Partner Organizations for supporting MEs to access wider domestic, regional and international markets through eco-labelling of their products or services.

Part 2: Providing access to finance for MEs to enable green growth

2.1 Provision of Lines of Credit for sustainable climate resilient RECP practices and technologies

Provision of Lines of Credit to finance MEs that adopt sector-appropriate climate resilient RECP business improvement measures.

2.2 Provision of Lines of Credit for revenue-generating common facilities

Provision of Lines of Credit for establishment and upgrading the common facilities that promote resource-efficiency and pollution reduction and overall productivity to enhance ME cluster growth.

Part 3: Improving PKSF Project management, communications, monitoring and evaluations and knowledge management

3.1 PKSF's Project management and enhanced capacity

Supporting the Project Implementing Entity in establishing a Project Management Unit.

3.2 Communications, monitoring and evaluations

Enhancing the capacity of the Project Implementing Entity to carry out Project implementation management activities, carry out Project knowledge management, communication and monitoring and evaluation activities.

3.3 Knowledge management

Supporting the generation and sharing of knowledge of all Project participants (the Project Implementing Entity staff, PMU staff, PO staff and MEs), throughout the Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional arrangements

1. The Recipient shall vest responsibility for the implementation of the Project to the Project Implementing Entity, which shall implement the Project in collaboration with Partner Organizations.
2. By no later than three (3) months after the Effective Date, the Recipient shall, establish and thereafter maintain throughout the course of Project implementation, a Project steering committee (“Project Steering Committee”) with a mandate, functions, composition and resources satisfactory to the Association. Without limitation to the immediately foregoing provision, said Project Steering Committee shall: (a) be chaired by the Secretary of the Financial Institution Division and comprise representatives from the relevant ministries/agencies involved in Project implementation; and (b) meet at least every six (6) months to: (i) provide strategic and policy direction on all Project activities; (ii) review progress in Project implementation; and (iii) address any obstacle during Project implementation.
3. By no later than three (3) months after the Effective Date, the Recipient shall cause the Project Implementing Entity to establish and thereafter maintain throughout the course of Project implementation a Project management unit (PMU), with a mandate, functions and resources satisfactory to the Association, and with staff in adequate numbers and with qualifications, experience and terms of reference satisfactory to the Association. Without limitation on the foregoing, the PMU shall: (a) be headed by a Project coordinator; (b) be staffed with technical experts and specialists in, *inter alia*, procurement, financial management, and monitoring and evaluation and reporting; and (c) be responsible for, *inter alia*, planning, coordination, implementation and monitoring and evaluation of Project activities, preparing annual work plans and budgets, procurement and financial management, social and environmental safeguards, and reporting on Project progress.

B. Subsidiary Loan and Grant Agreement.

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under a subsidiary loan and grant agreement between the Recipient and the Project Implementing Entity (“PKSF Subsidiary Loan and Grant agreement”), under terms and conditions acceptable to the Association, by which the Recipient agreed to extend to PKSF: (a) a loan in the amount equivalent to one hundred fifty-two million eight hundred twenty thousand Special Drawing Rights (SDR152,820,000); and (b) a

grant in the amount equivalent to thirty-five million three hundred eighty thousand Special Drawing Rights (SDR35,380,000).

2. The Recipient shall exercise its rights under the PKSf Subsidiary Loan and Grant agreement 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 the PKSf Subsidiary Loan and Grant agreement or any of its provisions. In the event of any conflict between the provisions of the PKSf Subsidiary Loan and Grant Agreement and the provisions of this Agreement, the provisions of this Agreement shall prevail.

C. The Project Operations Manual

1. The Recipient shall cause the Project Implementing Entity to:
 - (a) prepare and promptly furnish to the Association for its review, and adopt, by no later than three (3) months after the Effective Date, a Project Operations Manual for the Project, in a manner and substance satisfactory to the Association, setting out detailed arrangements and procedures for implementation of the Project including *inter alia*:
 - (i) detailed description of the Project activities;
 - (ii) implementation arrangements including delineation of role and responsibility of various departments, entities and institutions involved in Project implementation and their coordination;
 - (iii) the procurement procedures and standard procurement documentation;
 - (iv) the operational procedures, implementation modalities, monitoring arrangements and model templates for the Grant Agreements, for the Sub-loan Agreements and for Line of Credit Agreements;
 - (v) the eligibility and selection criteria of the Partner Organizations and MEs;
 - (vi) disbursement arrangements, arrangements for funds flow, financial management procedures and audit procedures;
 - (vii) annual work plan and budget preparation and review procedures;
 - (viii) the Project performance indicators and monitoring and evaluation arrangements;

- (ix) the List of Excluded Activities;
 - (x) requirements and procedures for collection, use and processing (including transfers to third parties) of any Personal Data collected under the Project to ensure legitimate, appropriate and proportionate treatment of such data;
 - (xi) arrangement and procedures for environment and social safeguard management including social monitoring and gender strategy; and
 - (xii) administrative, financial, technical, and organizational arrangements and procedures as shall be required for the Project.
- (b) thereafter, implement the Project in accordance with the Project Operations Manual.
2. The Recipient shall ensure that the Project Implementing Entity does not amend, abrogate, or suspend, or permit to be amended, abrogated, or suspended any provision of the Project Operations Manual without the prior written agreement of the Association.
 3. Notwithstanding the foregoing, if any provision of the Project Operations Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail. Subject to the prior written agreement of the Association, the Recipient shall cause the Project Implementing Entity to update the Project Operations Manual, as necessary, at all times ensuring compliance thereof with the terms of this Agreement.
 4. The Recipient shall or cause the Project Implementing Entity to ensure that collection, storage, usage, or processing of personal data are carried out with due regard to appropriate data protection and privacy standards and practices.

D. Grants, Sub-loans and Lines of Credit

1. The Recipient shall cause the Project Implementing Entity to invite, in accordance with the Project Operations Manual:
 - (a) Partner Organizations to submit proposals for financing through Grants for purposes of Part 1.1, Part 1.2 and Part 1.3 of the Project;
 - (b) Partner Organizations to submit proposals for financing, through Sub-loans for purposes of Part 2.1 and 2.2 of the Project.
2. The Recipient shall cause the Project Implementing Entity to ensure that the Grants and/or Sub-loans are made to selected POs (the "Participating POs") in

accordance with the eligibility criteria and procedures set forth in the Project Operations Manual.

3. Upon selection of Participating POs and the award of a Grant or a Sub-loan, the Recipient shall ensure that the Project Implementing Entity shall enter into a written agreement (the "Grant Agreement" or the "Sub-loan Agreement", as the case may be) with the Participating PO, under terms and conditions acceptable to the Association, as set forth in the Project Operations Manual, and pursuant to the respective template agreements prescribed in the Project Operations Manual, which agreement shall provide, *inter alia*:
 - (a) that the Participating PO shall carry out the activities financed by the respective Grant or Sub-loan, as the case may be, with due diligence and efficiency and in accordance with sound technical, financial, environmental and managerial standards, including the provisions of the Project Operations Manual, the Procurement Regulations, the Anti-Corruption Guidelines, the ESCP and other applicable safeguards instruments;
 - (b) the requirement that the Participating PO shall use the proceeds of the Grant and/or the Sub-loan to finance only the eligible expenditures set forth in the Project Operations Manual and the approved grant and/or sub-loan proposal; and maintain adequate records that reflect the proper administration and use of the resources awarded under the respective Grant and/or Sub-loan;
 - (c) that the Participating PO shall establish by no later than three (3) months after the signature date of the Grant Agreement or the Sub-loan Agreement, as the case may be, and maintain an environment and climate change unit (ECCU), with at least one (1) environmental and social officer, with a mandate, functions and resources satisfactory to the Project Implementing Entity and the Association and with staff with adequate qualifications and terms of reference satisfactory to the Project Implementing Entity and the Association;
 - (d) that the Participating PO shall: (i) establish and/or maintain policies and procedures that would allow the Project Implementing Entity and/or the Recipient and/or the Association to carry out supervision and monitor the implementation of the Grant and/or the Sub-loan; (ii) prepare and furnish to the Project Implementing Entity and/or the Recipient and/or the Association, all such information that the Project Implementing Entity and/or the Recipient and/or the Association shall reasonably request in relation to the Grant and/or Sub-loan; and (iii) accept random and/or unannounced physical or documentary inspections by the Project Implementing Entity and/or the Recipient and/or the Association for the

monitoring of, and in relation to, the carrying out of the Grant and/or Sub-loan;

- (e) that the Participating PO shall: (i) maintain records and accounts adequate to reflect, in accordance with sound accounting practices, the operations, resources and expenditures incurred in the implementation of the respective Grant and/or Sub-loan; and (ii) whenever required by the Association or the Recipient or the Project Implementing Entity, have such records and accounts audited in accordance with appropriate auditing principles consistently applied by an independent auditor;
- (f) the right of the Project Implementing Entity to suspend or terminate the right of the Participating PO to withdraw and use the proceeds of the respective Grant and/or Sub-loan:
 - (i) upon any failure of the Participating PO to perform its obligations under the Grant Agreement or the Sub-loan Agreement or the Line of Credit Agreements; or
 - (ii) upon the Association declaring the Participating PO ineligible under the Anti-Corruption Guidelines;
- (g) The Project Implementing Entity's right of restitution of any amounts disbursed to the Participating PO under the Grant, and the Project Implementing Entity's right of immediate reimbursement of any amounts disbursed to the Participating PO under, respectively, the Grant or the Sub-loan with respect to which fraud and corruption has occurred, or with which an ineligible expenditure has been paid; and
- (h) the closing date for each Grant and/or Sub-loan, which date shall fall on or before the date set forth in Section III.B.2 of Schedule 2 to this Agreement.
- (i) that the Participating PO shall ensure that the Lines of Credit are made to selected MEs in accordance with the eligibility criteria and procedures set forth in the Project Operations Manual and that, upon selection of the MEs and the award of the Lines of Credit, the Participating PO shall enter into written Line of Credit Agreements with the selected MEs under terms and conditions acceptable to the Project Implementing Entity, as set forth in the Project Operations Manual, and pursuant to the template agreement prescribed in the Project Operations Manual, which agreement shall provide *inter alia*:
 - (i) that the selected MEs shall carry out the activities financed by the Line of Credit with due diligence and efficiency and in accordance

with sound technical, financial, environmental and managerial standards, including the provisions of the Project Operations Manual, the Procurement Regulations, the Anti-Corruption Guidelines, the ESCP and other applicable safeguards instruments;

- (ii) that the selected MEs shall use the proceeds of the Line of Credit to finance only the eligible expenditures set forth in the Project Operations Manual and the approved line of credit proposal;
- (iii) that the selected MEs shall maintain adequate records in a manner adequate to reflect the proper administration and use of the resources awarded under the Lines of Credit;
- (iv) that the activities financed out of the proceeds of the Line of Credit shall be completed by the Closing Date;
- (v) that the selected ME shall accept random and/or unannounced physical or documentary inspections by the Project Implementing Entity and/or the relevant Participating PO and/or the Association for the monitoring of, and in relation to, the carrying out of the Line of Credit;
- (vi) that the selected ME shall prepare and furnish to the Project Implementing Entity and/or the Participating PO and/or the Association, all such information that the Project Implementing Entity and/or the Participating PO and/or the Association shall reasonably request in relation to the Line of Credit (including the activities financed out of the proceeds of a Line of Credit); and
- (vii) that the selected relevant Participating PO has the right to suspend or terminate the right of the selected ME to the use of the proceeds of the Line of Credit, or declare to be immediately due and payable all or any part of the amount of the Line of Credit then withdrawn, upon failure by such ME to perform its obligations under the Line of Credit Agreement.

4. The Recipient shall cause the Project Implementing Entity to exercise its rights under each Grant Agreement and each Sub-loan Agreement in such manner as to protect the interests of the Project Implementing Entity, the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall ensure that the Project Implementing Entity shall not assign, amend, abrogate or waive any of the Grant Agreements or the Sub-loan Agreements or any of their provisions.

5. The Recipient shall ensure that the Project Implementing Entity shall cause the Participating POs to exercise their rights under each Line of Credit Agreement in such manner as to protect the interests of the Project Implementing Entity, the Participating PO, the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall cause the Project Implementing Entity to ensure that the Participating PO shall not assign, amend, abrogate or waive any of the Line of Credit Agreements or any of their provisions.

E. Environmental and Social Standards.

1. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall, and shall cause the Project Implementing Entity to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall, and shall cause the Project Implementing Entity to, ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and

the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

(b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, *inter alia*, any case of sexual exploitation and abuse (SEA), sexual harassment (SH), and accidents that result in death, serious or multiple injury, serious mismanagement of in handling waste, security breach, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

5. The Recipient shall, and shall cause the Project Implementing Entity to, establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

6. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

F. Expenditures to be financed with counterpart funds

The Recipient shall: (a) ensure that the following expenditures are financed exclusively out of its own resources or the Project Implementing Entity's resources and not out of the proceeds of the Financing; and (b) provide, promptly as needed, the resources needed for this purpose:

- (i) all costs associated with land and land use rights required for the purposes of the Project;
- (ii) procurement of vehicles, recurrent expenditures for the purpose of attending meetings, conferences, seminars, workshops and for all other

purposes (sitting allowances / cash per diems / honoraria, notwithstanding eligible expenditures under Incremental Operating Costs and Training, and recurrent expenditures for fuel, under the Project; and

- (iii) taxes exceeding fifteen (15) percent of the total amount of the Financing.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than sixty (60) days after the end of calendar quarter, covering the calendar quarter. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Association, in sharing any information, report or document related to the activities described in Schedule 1 to this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (Inclusive of Taxes, except for Taxes specified in Section I.F(iii) of Schedule 2))
(1) Grants under Parts 1.1, 1.2 and 1.3 of the Project	22,600,000	100%
(2) Lines of Credit under Part 2.1 of the Project	145,250,000	80%

(3) Lines of Credit under Part 2.2 of the Project	7,550,000	100%
(4) Goods, works, non-consulting services, and consulting services, Incremental Operating Costs and Training for Part 1.1 and Part 3 of the Project	12,800,000	100%
TOTAL AMOUNT	188,200,000	

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 Signature Date, except that withdrawals up to an aggregate amount not to exceed seven hundred sixty thousand Special Drawing Rights (SDR 760,000) may be made for payments made prior to this date but on or after January 1, 2023, for Eligible Expenditures under Category (4);
 - (b) under Categories (1), (2) and (3), until and unless the Recipient has prepared, approved and adopted the Project Operations Manual in form and manner satisfactory to the Association.
2. The Closing Date is December 31, 2028.

C. Other Undertakings

The Recipient shall provide or cause the PIE to provide, as needed, the funds, facilities and services and other resources required for the Project.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 1 and October 1:	
commencing October 1, 2028, to and including April 1, 2048	1.65%
commencing October 1, 2048, to and including April 1, 2053	3.40%

* 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 3.05(b) of the General Conditions.

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011 and as of July 1, 2016.
2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated March 23, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
4. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
5. “Financial Institutions Division” means division of the Ministry of Finance entitled “Financial Institutions Division”.

6. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).
7. “Grants” means a grant to be made or proposed to be made by PKSF out of the proceeds of the Financing to a PO for purposes of financing a Sub-project under Part 1.1 and/or Part 1.2 and/or Part 1.3 of the Project; and “Grants” means, collectively, all such grants.
8. “Grant Agreement” means an agreement to be entered between PKSF and a PO for purposes of providing a Grant.
9. “Incremental Operating Costs” means the reasonable costs required for the day-to-day coordination, administration and supervision of Project activities, including leasing and/or routine repair and maintenance of vehicles, equipment, facilities and office premises; office rent; office supplies; utilities; consumables; communication expenses; translation; printing, photocopying and postal expenses; bank charges; advertising expenses; insurance; costs of clearing, forwarding, inspection, survey and transportation of goods; Project-related meeting expenses; Project-related travel, subsistence and lodging expenses; provided that such Operating Costs are paid to the eligible recipient through the banking system (except for petty cash expenses following the Recipient’s existing policy) and salaries and allowances of contractual staff (other than consultants) but excluding salaries and salary top-ups of the Recipient’s civil servants and of the Project Implementing Entity’s staff or regular staff, per diem, allowances and honorarium of officials of the Recipient’s civil service and/or other sitting allowances, cash per diems and honorarium of any other nature.
10. “Line of Credit” means the line of credit to be made or proposed to be made by a PO out of the proceeds of a Sub-loan to a ME for purposes of financing a Sub-project under Part 2.1 and/or 2.2 of the Project and “Lines of Credit” means, collectively, all such Lines of Credit.
11. “Line of Credit Agreement” means an agreement to be entered into between a PO and a ME for purposes of providing a Line of Credit.
12. “List of Excluded Activities” means the list of activities to be excluded from financing as set forth in the POM.
13. “MEs” means microenterprises being economic entity involving investment amount from BDT 0.1 million to BDT 20.0 million excluding the value of land and building or partial or full-time employment of less than 100 persons, as may be amended as set forth in the Project Operations Manual.

14. "Participating POs" means the POs that have been selected pursuant to Section D of Schedule 2 to this Agreement.
15. "Partner Organization" or "PO" means any partner organization which has met the criteria set forth in the POM, which (a) has received a Grant and/or a Sub-loan; and/or (b) is expected to provide a Line of Credit.
16. "Personal Data" means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata, and factors specific to the physical, physiological, genetic, mental, economic, cultural, or social identity of an individual.
17. "PKSF" means Palli Karma-Sahayak Foundation, a not-for-profit entity registered under the Companies Act, 1994.
18. "PKSF Charter" means PKSF's by-laws duly registered under the Companies Act, 1994, with the Registrar of Joint Stock Companies.
19. "PKSF Subsidiary Loan and Grant Agreement" means the agreement referred to in Section I.A of Schedule 2 to this Agreement.
20. "Procurement Regulations" means, for purposes of paragraph 85 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated November 2020.
21. "Project Agreement" means the agreement between the Association and the Project Implementing Entity relating to the implementation of the Project.
22. "Project Implementing Entity" means PKSF.
23. "Project Management Unit" or "PMU" means the unit referred to under Section I.A.3 of Schedule 2 to this Agreement.
24. "Project Operations Manual" or "POM" means the manual to be prepared, approved and adopted by the Recipient in accordance with Section I.C of Schedule 2 to this Agreement.
25. "RECP" means resource efficient and cleaner production.
26. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.

27. "Sub-loan" means a loan to be made or proposed to be made by PKSF out of the proceeds of the Financing to a PO for purposes of financing a Sub-project through a Line of Credit under Part 2.1 and/or Part 2.2 of the Project; and "Sub-loans" means, collectively, all such sub-loans.
28. "Sub-loan Agreement" means an agreement to be entered into between PKSF and a PO for purposes of providing a Sub-loan.
29. "Sub-project" means a set of goods, works and services (including Training and Incremental Operating Costs) which have met the criteria set out in the POM and have been procured in accordance with the Procurement Regulations, and to be financed under Part 1 and Part 2 of the Project and "Sub-projects" means, collectively, all such Sub-projects.
30. "Training" means the reasonable costs required for the participation of personnel involved in training activities, conferences, seminars, workshops and study tours under the Project, which have been approved by the Association in writing on an annual basis, including: (a) travel, hotel, and subsistence costs associated to training, conferences, seminars, workshops and study tours provided that such costs are paid directly to the eligible recipient using the banking system; and (b) costs associated with rental of training, conference, seminar and workshop facilities; preparation and reproduction of training, conference, seminar, workshop and study tours materials; costs of academic degree studies; and other costs directly related to preparation and implementation of any training course, workshop, seminar, conference or study tour; but excluding sitting allowances, workshop allowances and honorarium of any nature.