

PDCA Y281

A. I. D. PROJECT NUMBER 388-0042

RURAL INDUSTRIES I

and Grant Agreements

FM, LMD (IF Loan)

FM/PAFD

FM/CAD

GC/ANE

ANE Desk

ANE/TR Officer

✓ ANE/PD Officer & File

PFC/CDIE/DI

AMENDMENT NO. 2

to the

PROJECT GRANT AGREEMENT

between

THE PEOPLE'S REPUBLIC OF BANGLADESH

and

THE UNITED STATES OF AMERICA

for the

RURAL INDUSTRIES I PROJECT

DEVELOPMENT FUNDS COMPONENT

DATED: AUGUST 31, 1988

USAID/DHAKA,
BANGLADESH

A.I.D. PROJECT NO.388-0042
RURAL INDUSTRIES I

PROJECT GRANT AGREEMENT AMENDMENT NO. 2

Amendment No. 2, dated August 31, 1988, to the Project Grant Agreement dated September 17, 1981, between the People's Republic of Bangladesh ("Grantee") and the United States of America, acting through the Agency for International Development ("A.I.D."), for the Rural Industries I Project.

SECTION 1. The Grant Agreement dated September 17, 1981, as amended on September 29, 1987, is hereby further amended as follows:

A. Section 3.1 is amended by deleting One Million Six Hundred Sixty-Seven Thousand Six Hundred Five United States Dollars (U.S. \$1,667,605)" and substituting "One Million Eight Hundred Sixty-Seven Thousand Six Hundred Five United States Dollars (U.S. \$1,867,605)" therefor.

B. The Project Description in Annex 1 is hereby amended by adding by the following supplemental paragraphs:

The Project, since its inception, has supported two major sub-activities consistent with the original project description: a loan program for small and medium scale industries and the Women's Entrepreneurship Development Program (WEDP). WEDP, which began in 1981 as a pilot activity, seeks to expand profitable participation of women in cottage industries, thereby improving their living conditions, expanding their role in family decision-making and increasing their cash contributions to the family. Inputs provided include credit, training and advisory services. The WEDP currently operates in twelve locations, where over 10,000 entrepreneurs have received credit to enable them to own and operate commercial ventures.

Funds under this amendment will be used to provide advisory services, training and credit for more women entrepreneurs in the existing 12 locations and to expand credit facilities to additional areas. The funds will be used to support operational expenses, mainly transportation and training, as well as a lending program in existing and new areas. Loans will be administered through the Bangladesh Krishi Bank (BKB) and the Rajshahi Krishi Unnayan Bank (RKUB) which will match funds provided under this grant on a two for one basis.

C. The revised Illustrative Project Financial Plan in Annex 1 - Description of the Project, is hereby deleted in its entirety and the attached, revised Illustrative Project Financial Plan (Attachment A) substituted therefor.

SECTION 2. Except as specifically amended or modified herein, the Grant Agreement as previously amended shall remain in full force and effect in accordance with all of its terms.

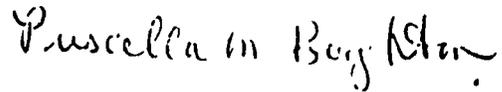
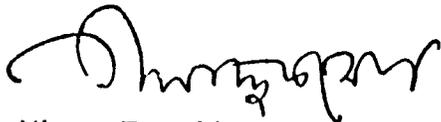
IN WITNESS WHEREOF, the People's Republic of Bangladesh and the United States of America, each acting through its respective duly authorized representative, have caused this Amendment No. 2 to be signed in their names and delivered as of the day and date first written above.

FOR THE PEOPLE'S REPUBLIC OF
BANGLADESH

FOR THE UNITED STATES OF
AMERICA

BY:

BY:



Name: Mirza Tasadduq Hussain Beg
Title: Deputy Secretary
External Resources Division
Ministry of Planning

Name: Priscilla M. Boughton
Title: Mission Director
USAID/Bangladesh

Date: August 31, 1988

Date: August 31, 1988

REVISED ILLUSTRATIVE PROJECT FINANCIAL PLAN: ATTACHMENT A

SUMMARY OF A. I. D. OBLIGATIONS

(U.S. Dols.)

<u>Item Description</u>	<u>Obligations Through Amendment Number 1</u>	<u>Obligations Under Amendment Number 2</u>	<u>Total Obligations</u>
I. Technical Assistance	439,583	0	439,583
II. Participant Training	0	40,000	40,000
III. Equipment, vehicles and commodities	0	33,000	33,000
IV. Research and study	0	0	0
V. Credit and credit guarantee	1,228,022	107,000	1,335,022
VI. Evaluation	<u>0</u>	<u>20,000</u>	<u>20,000</u>
Total	<u>1,667,605</u>	<u>200,000</u>	<u>1,867,605</u>

BDG CONTRIBUTION:

Counterpart staff and overhead, divisional
office set-up and staffing, travel, per
diem and other project support

Tk. 8,240,000

4