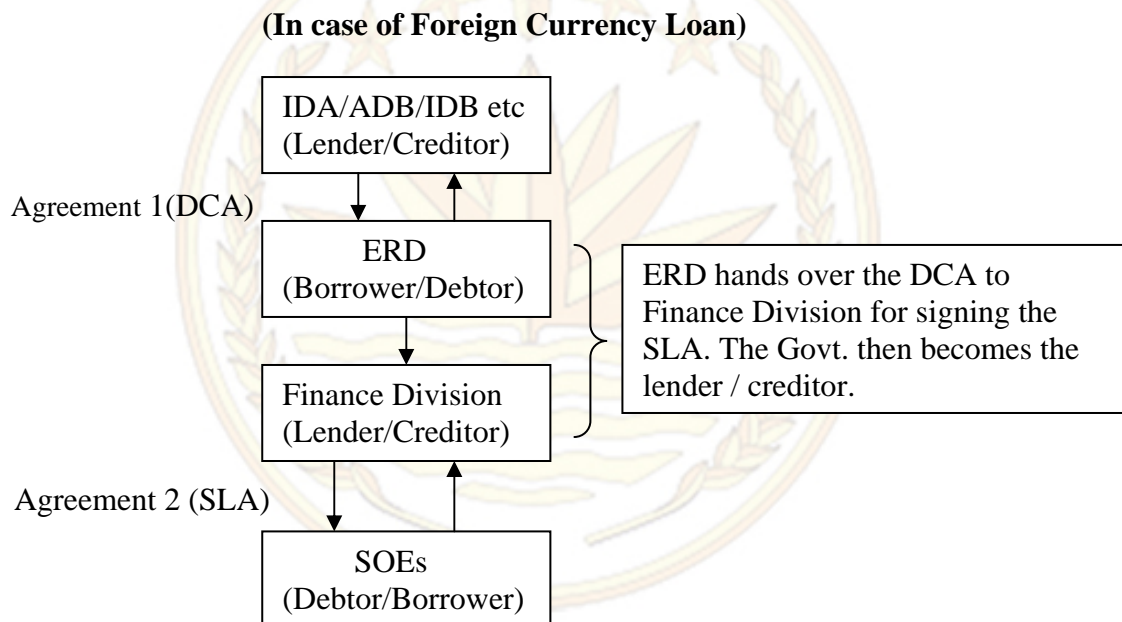


own fund on some terms and conditions. In both the cases, the Ministry of Finance plays the important role.

**On-lending means involvement of two agreements:**

- A Development Credit Agreement (DCA) between a foreign lender/creditor and the government (Economic Relations Division, ERD, for a direct loan, where the government is the debtor/borrower and obligated to service the debt, and
- A Subsidiary Loan Agreement (SLA) between the government (Finance Division) and an SOE, where the government is the creditor/lender and the SOE is the debtor/borrower and obligated to service the debt. The relationship is shown below in a diagram:

Example:



**(In case of Local Currency Loan from ADP)**

