
LOAN NUMBER 9247-IN

Loan Agreement

(Chennai City Partnership: Sustainable Urban Services Program)

between

INDIA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between INDIA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”).

A. WHEREAS, the Borrower has requested of (i) the Bank and (ii) the Asian Infrastructure Investment Bank as the Co-financier, to each contribute an amount of \$150,000,000 to support the financing of a program as described in Schedule 1 to this Agreement (the “Program”) to be implemented by the Program Implementing Entity (as defined in the Appendix to this Agreement), which overall cost is estimated at \$701,000,000 as of the Signature Date; and

B. The Program Implementing Entity has agreed to contribute an amount of \$401,000,000 from its own resources to contribute to the financing of the Program.

NOW, THEREFORE, the Borrower and the Bank 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 — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of one hundred and fifty million Dollars, (US\$150,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the Program.
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Loan Account shall be deposited by the Bank into an account specified by the Borrower and acceptable to the Bank.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread; or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are June 15 and December 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROGRAM

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

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Co-financing Deadline for the effectiveness of the Co-financing Agreement is six (6) months after the Effective Date.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is Secretary, Additional Secretary, Joint Secretary, Director, Deputy Secretary or Under Secretary of the Department of Economic Affairs of the Ministry of Finance of the Borrower.

- 6.02. For purposes of Section 10.01 of the General Conditions: (a) the Borrower's address is:

Secretary
Department of Economic Affairs
Ministry of Finance, Government of India
North Block
New Delhi 110001, India; and

(b) the Borrower's Electronic Address is:

Facsimile:	E-mail:
+91-11-23094075	secy-dea@nic.in

- 6.03. For purposes of Section 10.01 of the General Conditions: (a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423(MCI) or 64145(MCI)	1-202-477-6391	wbindia@worldbank.org

AGREED as of the Signature Date.

INDIA

By

Rajat Kumar Mishra

Authorized Representative

Name: Rajat Kumar Mishra

Title: Rajat Kumar Mishra

Date: 06-Dec-2021

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By

JK Ahmad

Authorized Representative

Name: Junaid Kamal Ahmad

Title: Country Director

Date: 23-Nov-2021

SCHEDULE 1

Program Description

The objective of the Program is to strengthen institutions and improve quality and financial sustainability of selected urban services in the Chennai Metropolitan Area.

The Program consists of the following activities:

Results Area 1: Strengthening institutions

- (i) Strengthening the human resource capacity of GCC through revision of its staffing norms and cadre structure, strengthening of its recruitment process, and enhancement of opportunities for women.
- (ii) Operationalizing and strengthening the CUMTA as the key coordinating agency for urban mobility services across bus, metro, rail, road, and pedestrian services and infrastructure through the provision of the resources needed (such as staff, assistance to develop a strategic vision plan (i.e., the Comprehensive Mobility Plan))for its implementation, oversight and budgetary allocation.
- (iii) Supporting the establishment of a water regulatory authority with powers to coordinate water resource planning and management as well as improve water security.
- (iv) Enabling the adoption of an e-procurement system by GCC and CMWSSB, though the preparation of e-procurement roadmaps, contract management modules and public disclosure of contract awards.

Results Area 2: Enhancing the quality of urban services

- (i) Improving the quality of and access to public health services with a focus on comprehensive primary health care through provision of support to GCC in the development and implementation of a comprehensive strategy and operational plan, expansion of access to comprehensive primary health care services in UPHCs, the strengthening of disease surveillance systems and development of a comprehensive digital health system in GCC.
- (ii) Strengthening the planning and management of municipal solid waste services and reducing waste generation through improved recycling and resource recovery from dry waste.
- (iii) Supporting the integrated planning and delivery of safe streets, urban space and utility infrastructure lines including through the setting up of a gender lab.
- (iv) Implementing performance-based contracts for the expansion and/or improvement in delivery of bus services in CMA and WSS services in GCC area.

- (v) Improving efficiency, quality, inclusiveness and sustainability of WSS services through measures that include bulk water metering, establishing baseline on non-revenue water, increasing water-supply connections and institutional strengthening of CMWSSB.

Results Area 3: Improving financial sustainability of service agencies

- (i) Strengthening GCC's financial resource base to meet its service delivery expenditures in solid waste, public health and other key municipal services through the development and implementation of an action plan to enhance own-source revenue that includes improvements in administration of property tax and fees for services such as solid waste management and parking.
- (ii) Improving O&M cost recovery of WSS services delivered by CMWSSB through policy reforms for WSS services, adoption of energy efficiency measures and improvements in the billing, collection and financial management systems.
- (iii) Improving revenues and establishing transparent viability gap funding mechanisms for MTC through improvements in its cost recovery ratio and non-fare revenue streams as well as adoption of a transparent approach by the government to deliver financing to cover service delivery costs.

SCHEDULE 2

Program Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. To facilitate the carrying out of the Program, the Borrower shall make the proceeds of the Loan available to the Program Implementing Entity in accordance with the Borrower's standard arrangements for developmental assistance to the states of India. Notwithstanding the foregoing, in the event that any provision of this Agreement, including the instructions that the Bank shall have specified by notice to the Borrower pursuant to Section IV.A of this Schedule 2, were to be found inconsistent with the Borrower's standard arrangements for development assistance to the states of India, the provisions of this Agreement and related instructions shall govern.
2. The Borrower shall at all times protect its own interests and the interests of the Bank to accomplish the purposes of the Loan.

B. Program Action Plan

The Borrower shall cause the Program Implementing Entity to implement the Program Action Plan, in accordance with the provisions of Section I.C of the Schedule 1 to the Program Agreement.

Section II. Excluded Activities

The Borrower shall ensure that the Program excludes any activities which:

- A. in the opinion of the Bank, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
- B. involve the procurement of: (1) works, estimated to cost seventy five million Dollars (\$75,000,000) equivalent or more per contract; (2) goods, estimated to cost fifty million Dollars (US\$50,000,000) equivalent or more per contract; (3) non-consulting services, estimated to cost fifty million Dollars (US\$ 50,000,000) equivalent or more per contract; or (4) consulting services, estimated to cost twenty million Dollars (US\$ 20,000,000) equivalent or more per contract.

Section III. Program Monitoring, Reporting and Evaluation

- A. The Borrower shall cause the Program Implementing Entity to furnish to the Bank each Program Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.
- B. The Borrower shall cause the Program Implementing Entity to:

- (a) maintain, at all times during the implementation of the Program, one or more independent verification agents under terms of reference, qualifications and experience acceptable to the Bank (“Independent Verification Agent”), as needed to verify the evidence supporting the achievement of all DLRs and certify the fulfillment of such DLRs as set forth in Schedule 4 to this Agreement; and
- (b) ensure that the Independent Verification Agent carries out the verification process in accordance with the Verification Protocol and furnishes to the Bank corresponding verification report(s), in a timely manner and in a form and substance agreed with the Bank.

Section IV. Withdrawal of Loan Proceeds

A. General

- 1. Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to: (a) finance Program Expenditures (inclusive of Taxes), on the basis of the results (“Disbursement Linked Results” or “DLRs”) achieved by the Program Implementing Entity, as measured against specific indicators (“Disbursement Linked Indicators” or “DLIs”); (b) pay: (i) the Front-end Fee; and ii) each Interest Rate Cap or Interest Rate Collar premium; all as set forth in the table in paragraph 2 of this Part A.
- 2. The following table specifies each category of withdrawal of the proceeds of the Loan (including the Disbursement Linked Indicators as applicable) (“Category”), and the allocation of the amounts of the Loan to each Category. The Disbursement Linked Results for each Category (as applicable) are described in Schedule 4 to this Agreement:

Category (including Disbursement Linked Indicator as applicable)	Amount of the Loan Allocated (expressed in USD)
(1) DLI #1: Reduction in vacancy rates of Group A&B cadre of GCC to enhance professional capability	7,500,000
(2) DLI #2: Operationalization of CUMTA with enhanced capacity and control over sector budget allocation to oversee urban mobility in the metropolitan areas	4,000,000
(3) DLI #3: Strengthened institutions for coordinated water management and security	14,625,000

(4) DLI #4: Enhance efficiency and transparency of public procurement in GCC and CMWSSB	5,000,000
(5) DLI #5: GCC's health system strengthened through improved access to services and quality of care	20,000,000
(6) DLI #6: Performance-based contracts for bus service delivery to enhance quantity and quality of bus services	41,000,000
(7) DLI #7: Improved operational efficiency in water supply	17,500,000
(8) DLI #8: Improved access to water supply	10,000,000
(9) DLI #9: Percentage increase in GCC annual own-source-revenues	15,000,000
(10) DLI # 10: Improved financial sustainability and operational efficiency of WSS services	15,000,000
(11) Front-end Fee to be paid pursuant to Section 2.03 of this Agreement in accordance with Section 2.05 (b) of the General Conditions	375,000
(12) Interest Rate Cap or Interest Rate Collar premium to be paid pursuant to Section 4.05 (c) of the General Conditions	0
TOTAL AMOUNT	150,000,000

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) on the basis of DLRs achieved prior to the Signature Date; and
 - (b) for any DLR under Categories (1) to (10) above, until and unless the Borrower has furnished evidence satisfactory to the Bank that said DLR has been achieved.

2. Notwithstanding the provisions of Part B.1(b) of this Section, if any of the DLRs under Category (1) to (10) has not been achieved by the date by which the said DLR is set to be achieved, the Bank may, by notice to the Borrower: (a) authorize, the withdrawal of such lesser amount of the unwithdrawn proceeds of the Loan then allocated to said Category which, in the opinion of the Bank, corresponds to the extent of achievement of said DLR,

said lesser amount to be calculated in accordance with the formula for Allocated Amounts set out in table in Schedule 4 to this Agreement; (b) reallocate all or a portion of the proceeds of the Loan then allocated to said DLR to any other DLR; (c) cancel all or a portion of the proceeds of the Loan then allocated to said DLR; and/or (d) authorize the withdrawal of such portion of the Allocated Amount which has not been disbursed with respect to a DLR at a later date than expected in the table in Schedule 4, upon achievement of said DLR, provided that achievement occurs not later than the Closing Date.

3. The Closing Date is December 31, 2026.

SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”).

Principal Payment Date	Installment Share
On each June 15 and December 15 Beginning June 15, 2027 through December 15, 2027	2.5%
On June 15, 2028 through December 15, 2030	3.0%
On June 15, 2031 through December 15, 2031	4.5%
On June 15, 2032 through December 15, 2033	6.5%
On June 15, 2034 through December 15, 2035	5.0%
On June 15, 2036 through December 15, 2036	6.0%
On June 15, 2037 through December 15, 2037	5.0%

SCHEDULE 4

Disbursement-Linked Indicators, Disbursement-Linked Results and Allocated Amount(s) *

DISBURSEMENT LINKED INDICATORS (DLIs)	DISBURSEMENT-LINKED RESULTS (DLRS)				
	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 1)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 2)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 3)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 4)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 5)
<i>DLI #1: Reduction in vacancy rates of Group A&B cadre of GCC to enhance professional capability</i>	GoTN issues a government order that provides for: (i) an updated recruitment policy for GCC Group A & B cadre; (ii) revised staffing positions at GCC for Group A & B cadre	Percentage decrease in vacancies in Group A & B as per revised staffing position			
Total Allocated Amounts: 7,500,000.00	Allocated Amount: \$2,500,000 (i) 1,250,000 (ii) 1,250,000 Scalability: No	Allocated Amount: \$5,000,000 Scalability: Yes Disbursement Formula: \$275,000 for every percentage reduction in vacancies from baseline of 23% upto a maximum of \$ 5,000,000			
<i>DLI #2: Operationalization of CUMTA with enhanced capacity and control over sector budget allocation to oversee urban mobility in the metropolitan areas</i>	Hiring or deputation of 10 CUMTA staff has been completed as provided for in the CUMTA Operational Manual	(i) CMP adopted by CUMTA; (ii) Stage 2 staffing in place (20 staff) as provided for in the CUMTA Operational Manual		(i) Stage 3 staffing in place (40 staff) as provided for in the CUMTA Operational Manual; (ii) CUMTA approves overall sector funding allocation annually	

DISBURSEMENT LINKED INDICATORS (DLIs)	DISBURSEMENT-LINKED RESULTS (DLRs)				
	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 1)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 2)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 3)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 4)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 5)
<i>Total Allocated Amounts: 4,000,000.00</i>	Allocated Amount: \$ 250,000 Scalability: No	Allocated Amount: \$1,750,000 (i) \$1,000,000 (ii) \$750,000 Scalability: No	0	Allocated Amount: \$2,000,000 (i) \$1,000,000 (ii) \$1,000,000 Scalability: No	0
DLI #3: <i>Strengthened institutions for coordinated water management and security</i>	The draft Water Act, including establishment of a water regulatory authority and groundwater regulation, submitted to the GoTN Cabinet	(i) The Water Regulatory Authority established and operationalized (ii) Water Security Plan is completed and adopted through a Government Order		Cascade decision support system including optimization and enhanced monitoring system is established and made operational through a Government Order	
<i>Total Allocated Amounts: 14,625,000.00</i>	Allocated Amount: \$3,750,000 Scalability: No	Allocated Amount: \$8,375,000 (i) \$5,875,000 (ii) \$2,500,000 Scalability: No	0	Allocated Amount: \$2,500,000 Scalability: No	0
DLI #4: <i>Enhance efficiency and transparency of public procurement in GCC and CMWSSB</i>	GCC and CMWSSB each (i) prepare and adopt an e-procurement roadmap and standard bidding documents;	(i) Percentage increase of tenders (by value) that are evaluated online (ii) Percentage increase of tenders (by value) that are managed via modules of e-procurement system			

DISBURSEMENT LINKED INDICATORS (DLIs)	DISBURSEMENT-LINKED RESULTS (DLRs)				
	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 1)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 2)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 3)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 4)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 5)
	and complete training of all their procurement staff				
Total Allocated Amounts: 5,000,000.00	Allocated Amount: \$500,000 (i) \$250,000 for GCC (ii) \$250,000 for CMWSSB each on completion of all the actions in the DLR Scalability: No	Allocated Amount for (i) and (ii): \$4,000,000.00 (i) \$1,000,000 each for GCC and CMWSSB Scalability: Yes <u>Disbursement Formula for (i)-</u> \$13,333.33 for every percentage increase over the baseline upto \$1,000,000 for GCC and \$1,000,000 for CMWSSB respectively. <u>Disbursement Trigger</u> -when at least 25% of tenders (by value) are awarded using the online-procurement system (ii) \$1,000,000 each for GCC and CMWSSB <u>Disbursement Formula for (ii)-</u>			

DISBURSEMENT LINKED INDICATORS (DLIs)	DISBURSEMENT-LINKED RESULTS (DLRs)				
	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 1)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 2)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 3)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 4)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 5)
		\$20,000 for every percentage increase over the baseline upto \$1,000,000 for GCC and \$1,000,000 for CMWSSB respectively. <u>Disbursement Trigger</u> – when at least 10% of tenders (by value) are managed via modules of e-procurement system			
					Allocated Amount for (iii): \$ 500,000 (i) \$250,000 for GCC (ii) \$250,000 for CMWSSB Scalability: No
DLI #5: <i>GCC's health system strengthened through improved access to services and quality of care</i>	Development and adoption of Quality of Care Strategy and Operational Plan by GCC through issuance of a Government Order	(i) Increase in number of UPHCs providing at least 7 out of 12 CPHC service packages (ii) Increase in the percentage of public and selected private health facilities contributing to disease surveillance by submitting P-forms reports to GCC for at least 42 out of 52 weeks in a given FY. (iii) Increase in number of UPHCs/UHCs with NQAS full certification			
Total Allocated Amounts: \$ 20,000,000	Allocated Amount: \$1,800,000 Scalability: No Timebound- Yes, to be achieved by June 30, 2022	Allocated Amount: 18,200,000 (i):\$8,750,000 (ii): \$4,200,000 (iii) \$5,250,000 Scalability for (i), (ii) and (iii): Yes Disbursement Formula for (i) \$125,000 for every additional UPHC over the baseline providing the CPHC service package (up to an aggregate amount \$8,750,000.)			

DISBURSEMENT LINKED INDICATORS (DLIs)	DISBURSEMENT-LINKED RESULTS (DLRs)				
	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 1)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 2)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 3)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 4)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 5)
		<p><u>Disbursement Trigger</u> - At least 5 UPHCs provides at least 7 out of 12 CPHC service package.</p> <p>Disbursement Formula for (ii) \$70,000 for every percentage increase over the previous year (up to an aggregate amount \$4,200,000.)</p> <p><u>Disbursement Trigger-</u> At least 20% of public and selected private health facilities contribute to disease surveillance by submitting P-forms reports for at least 42 out of 52 weeks in a given FY.</p>			
		<p>Disbursement Formula for (iii) \$87,500 for every additional UPHC/UHC over the previous year (upto an aggregate amount of \$5,250,000)</p> <p><u>Disbursement Trigger -</u> At least 5 UPHCs/UHCs with NQAS certification.</p>			
DLI #6: Performance-based contracts for bus service delivery to enhance quantity and quality of bus services		(i) Contract signed between DoT and MTC (for at least five-years and 10 percent of MTC fleet) and viability gap funding mechanism established by DoT		Bus services contracted (equivalent to 500 additional buses to Year 2 and inclusive of viability gap funding for 1000 buses)	

DISBURSEMENT LINKED INDICATORS (DLIs)	DISBURSEMENT-LINKED RESULTS (DLRs)				
	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 1)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 2)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 3)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 4)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 5)
		through a Government Order; (ii) Bus services contracted (equivalent to service capacity of 500 buses and inclusive of viability gap funding)			
<i>Total Allocated Amounts: 41,000,000.00</i>	0	<p>Allocated Amount: \$16,000,000 (i) \$4,250,000; (ii) \$11,750,000</p> <p>Scalability: (i) No and (ii) Yes</p> <p><u>Disbursement Formula for (ii):</u> \$23,500 for every bus that is part of the service contract/s (up to an aggregate amount of \$11,750,000)</p>	0	<p>Allocated Amount \$25,000,000</p> <p>Scalability: Yes</p> <p><u>Disbursement Formula:</u> \$50,000 for every bus that is part of the service contract (or contracts) in addition to those included in the DLR for the previous FY(up to an aggregate amount of \$25,000,000)</p>	0

DISBURSEMENT LINKED INDICATORS (DLIs)	DISBURSEMENT-LINKED RESULTS (DLRs)				
	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 1)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 2)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 3)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 4)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 5)
DLI #7: <i>Improved operational efficiency in water supply</i>	(i) Policy for customer metering adopted by CMWSSB’s Board (ii) Bulk water metering completed	(i) Metering of 90% high-rise and commercial connections completed. (ii) CMWSSB awards performance-based contract for water supply distribution in the water supply distribution zones 10 and 13	(i) Increase in metering of low-rise (Ground +2 and below) domestic connections. (ii) Reduction in NRW or unaccounted for water		
Total Allocated Amounts: <i>17,500,000.00</i>	Allocated Amount: \$1,500,000 (i) \$750,000 (ii) \$750,000 Scalability: No Timebound- (i) Yes, to be achieved within one year from Effective Date.	Allocated Amount: \$8,000,000 (i) \$500,000 (ii) \$7,500,000 Scalability: No	Allocated Amount: \$8,000,000 Scalability: Yes (i) Disbursement Formula for (i): \$52,632 for every percentage increase in domestic metering over the baseline not exceeding \$4,000,000 in the aggregate . (ii) Disbursement Formula for (ii): \$266,667 for every percentage reduction in NRW over the baseline not exceeding \$4,000,000 in the aggregate.		

DISBURSEMENT LINKED INDICATORS (DLIs)	DISBURSEMENT-LINKED RESULTS (DLRs)				
	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 1)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 2)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 3)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 4)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 5)
DLI #8: <i>Improved access to water supply services</i>	(i) Establish service level benchmark baseline through survey including baseline household connections and hours of supply (ii) Service performance agreement between CMWSSB and GoTN's Departments of Municipal Administration and Water Supply	At least 5% additional households over the previous year are connected and receiving assured 1 hour of water supply daily in the added areas, while maintaining the 1 hour of assured daily supply for households from the previous year.			
Total Allocated Amount: <i>\$10,000,000</i>	Allocated Amount: \$1,500,000.00 (i) \$500,000, (ii) \$1,000,000 Scalability: No Timebound- (i) Yes, to be achieved within nine months from the Effective Date.	Allocated Amount: \$8,500,000 Scalability: Yes Disbursement Formula: \$425,000 for every percentage increase in household connections (upto an aggregate amount of \$8,500,000)			
DLI #9: <i>Percentage increase in GCC annual own-source-revenues (OSR)</i>	Preparation and adoption of OSR improvement action plan by designated/special officer in GCC.	Year-on year percentage increase in OSR over baseline			

DISBURSEMENT LINKED INDICATORS (DLIs)	DISBURSEMENT-LINKED RESULTS (DLRs)				
	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 1)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 2)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 3)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 4)	RESULTS TARGETED TO BE ACHIEVED IN FY (YEAR 5)
<i>Total Allocated Amounts: \$15,000,000</i>	Allocated Amount: \$1,500,000.00 Scalability: No Timebound- Yes, to be achieved by March 31, 2022.	Allocated Amount: \$13,500,000.00 Scalability: Yes Disbursement Formula: \$300,000 for every percentage increase in OSR over the baseline (upto an aggregate amount of \$13,500,000)			
DLI #10: <i>Improved financial sustainability of WSS services</i>		Percentage increase in O&M costs covered by user charges			
<i>Total Allocated Amounts: \$15,000,000</i>	0	Allocated Amount: 15,000,000 Scalability: Yes Disbursement Formula: \$375,000 for every percentage increase over the baseline of 50% (upto an aggregate amount of \$15,000,000)			

*The periods (Fiscal Years) in which DLRs are expected to be achieved as per this Schedule are for indicative purposes except when otherwise specified. Achievement of DLRs (except in the case of time-bound DLRs) can be obtained earlier or later than said periods up and until the Closing Date; provided that if any DLR is met prior to the period in which such DLR is indicated for, the Borrower may, with prior agreement of the Bank, withdraw the amount corresponding to the extent of achievement of said DLR prior to that Fiscal Year indicated in this Schedule.

APPENDIX

Section I. Definitions

1. “Allocated Amounts” means the amount allocated to each individual DLR, or determined for each DLR pursuant to the formula detailed, in the table in Schedule 4 to this Agreement, as such amount might be increased, reallocated and/or cancelled (whether partially or in its entirety) by the Bank, from time to time, as the case may be, in accordance with the provisions of Section IV.B.2 of Schedule 2 and Schedule 4 to this Agreement.
2. “Anti-corruption Guidelines” means, for purposes of paragraph 6 of the Appendix to the General Conditions, the Bank’s “Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing,” dated February 1, 2012, and revised July 10, 2015.
3. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
4. “Chennai Metropolitan Area” or “CMA” means the metropolitan area established in accordance with the Tamil Nadu Town and Country Planning Act, 1971 (Tamil Nadu Act 35 of 1972), comprising the city of Chennai and parts of the Kancheepuram District and Thiruvallur District and such contiguous area of such city as the Project Implementing Entity may, from time to time, specify by notification in the Tamil Nadu government gazette.
5. “Chennai Metropolitan Water Supply and Sewerage Board” or “CMWSSB” means the statutory board set up on June 14, 1978 under the authority of the Program Implementing Entity’s Ministry for Municipal Administration and Rural Development and Implementation of Special Program responsible for the provision of water supply and sewerage treatment to the city of Chennai and areas around it.
6. “Chennai Unified Metropolitan Transport Authority” or “CUMTA” means the authority set up under the Chennai Unified Metropolitan Transport Authority Act (2011) (as amended), or its successor thereto.
7. “Co-financier” means the Asian Infrastructure Investment Bank (“AIIB”).
8. “Co-financing Agreement” means the agreement to be entered into between the Borrower and the Co-financier providing for the Co-financing.
9. “Co-financing” means, for purposes of paragraph 17 of the Appendix to the General Conditions, an amount of one hundred and fifty million Dollars (\$150,000,000) to be provided by the Co-financier to assist in financing the Program.
10. “Comprehensive Mobility Plan” or “CMP” means the citizen-centric strategic plan to be adopted by CUMTA to address urban mobility issues such as congestion, enhanced access to public transport etc.

11. “CPHC” means the comprehensive primary healthcare program under the Borrower’s Ministry of Health and Family Welfare.
12. “Disbursement Linked Indicator” or “DLI” means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 and Schedule 4 to this Agreement.
13. “Disbursement Linked Result” or “DLR” means in respect of a given Category, the result under said Category as referred to in the table in Section IV.A.2 of Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the Loan allocated to said result may be withdrawn in accordance with the provisions of said Section IV.
14. “DoT” means the Program Implementing Entity’s Department of Transportation, or its successor thereto.
15. “ESSA” means the Environment and Social Systems Assessment, dated April 16, and disclosed on April 16, 2021 setting forth the description of the Program’s activities, assessing the Program Implementing Entity’s environmental and social management systems, detailing the Program’s environmental and social benefit, risks and impacts, and recommending remedial measures to strengthen the social and environmental systems performance.
16. “Fiscal Year” or “FY” means the Borrower’s fiscal year, which begins on April 1 of each calendar year and ends of March 31 of the next calendar year.
17. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Program-for-Results Financing”, dated December 14, 2018 (revised on August 1, 2020, December 21, 2020 and April 1, 2021).
18. “Greater Chennai Corporation” or “GCC” means the municipal body for the city of Chennai governed under the Madras Municipal Corporation Act, 1919, as amended from time to time.
19. “Implementing Agencies” or “IAs” means collectively, CMWSSB, CUMTA GCC, MTC and WRD and individually, any of these entities/agencies or their successors thereto.
20. “Independent Verification Agent” or “IVA” means the agent or agents appointed, or to be appointed, by the Program Implementing Entity for the purpose of verifying achievement of DLRs in accordance with Section I.D of the Schedule 1 to the Program Agreement.
21. “Metropolitan Transport Corporation” or “MTC” means the Metropolitan Transport Corporation (Chennai) Limited, a company established under the provisions of the Companies Act, 2013 or any successor thereto.
22. “NQAS” means the National Quality Assurance Standards, a quality certification program developed by the Borrower’s National Health Systems Resource Centre for public health facilities.
23. “NRW” means non-revenue water.

24. “O&M” means operations and maintenance.
25. “Program Action Plan” means the Borrower’s plan referred to in Section I.C of the Schedule 1 to the Program Agreement and attached as the Schedule 2 to the Program Agreement.
26. “Program Implementing Entity” means the Borrower’s State of Tamil Nadu (also referred to as Tamil Nadu), or any successor thereto.
27. “Program Management Unit” or “PMU” means the unit established within TNIDB under the authority of its Chief Executive Officer and referred to in Section I.B.2 of the Schedule 1 to the Program Agreement.
28. “Program Operations Manual” means the manual to be prepared by TNIDB in a manner and substance satisfactory to the Bank for the purposes of carrying out the Program, which manual shall comprise of, *inter alia*: (i) the scope of the Program activities; (b) the Program implementation arrangements; (c) the Program’s monitoring and evaluation, and reporting requirements; and (d) actions required in order to operationalize the implementation of the Anti-corruption Guidelines.
29. “Program Steering Committee” or “PSC” means the committee to be established for the Program in accordance with the provisions of Section I.B.1 of the Schedule 1 to the Program Agreement.
30. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
31. “Tamil Nadu Infrastructure Development Board” or “TNIDB” means the board set up under the Tamil Nadu Infrastructure Development Act (TNID Act) 2012 to be the nodal agency for the coordination of infrastructure projects in Tamil Nadu.
32. “UCHCs” means the urban community health centers of the Program Implementing Entity.
33. “UPHCs” means the urban primary health centers of the Program Implementing Entity.
34. “Verification Protocol” means the Borrower’s protocol, acceptable to the Bank, setting forth the means by which the achievement of DLRs will be verified under the Program, as such Verification Protocol may be amended from time to time with the prior written agreement of the Bank.
35. “WRD” means the Program Implementing Entity’s Water Resources Department, or its successor thereto.
36. “WSS” means water supply and sanitation.