

OFFICIAL
DOCUMENTS

CREDIT NUMBER 5694-IN

Financing Agreement

(Andhra Pradesh Disaster Recovery Project)

between

INDIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated *July 16*, 2015

FINANCING AGREEMENT

AGREEMENT dated July 16, 2015, entered into between INDIA ("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 the amount of two hundred fifty million United States Dollars (US\$ 250,000,000) (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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be at a rate equal to the Reference Rate for the Credit Currency plus the Fixed Spread; provided, however, that the Interest Charge payable shall in no event be less than zero percent (0%) per annum.
- 2.05. The Payment Dates are June 15 and December 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 Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives 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 IV of the General Conditions and the 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 — EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.02. 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 V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is any of the following officials, acting severally; the Secretary, Additional Secretary, Joint Secretary, Director, Deputy Secretary, or Under Secretary of the Department of Economic Affairs of the Recipient's Ministry of Finance.
- 5.02. The Recipient's Address is:

Secretary
Department of Economic Affairs
Ministry of Finance
Government of India
North Block
New Delhi 110 001, India

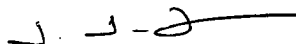
5.03. The Association's Address is:

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

AGREED at New Delhi, India, as of the day and year first above written.

INDIA

By



Authorized Representative

Name: Selva Kumar

Title: Acting Joint Secretary (M1)

INTERNATIONAL DEVELOPMENT
ASSOCIATION

By



Authorized Representative

Name: Onno Ruhl

Title: Country Director, India

SCHEDULE 1

Project Description

The objectives of the Project are to restore, improve, and enhance resilience of public services, environmental facilities, and livelihoods in Targeted Communities, and to enhance the capacity of state entities to respond promptly and effectively to an Eligible Crisis or Emergency.

The Project consists of the following parts:

Component 1: Resilient Electrical Network

Conversion of high and low tension overhead line into an underground electrical cable network, including cables for high-speed data/voice transmission, in the city of Visakhapatnam.

Component 2: Restoration of Connectivity and Shelter Infrastructure

- 2.1 Restoration, reconstruction, strengthening, and/or widening of damaged rural roads in the Affected Districts, including the construction of cross-drainage structures and repair of damaged cyclone shelters.
- 2.2 Restoration, reconstruction, strengthening, and/or widening of damaged major district roads in the Affected Districts, including the construction of cross-drainage structures and pedestrian pathways.

Component 3: Restoration and Protection of Beach Front

- 3.1 Restoration, rehabilitation, and/or construction of appropriate structures to protect the beachfront areas of the city of Visakhapatnam.
- 3.2: Enhancement of urban public spaces and up gradation of the beachfront areas of the city of Visakhapatnam through, *inter alia*, the construction of pedestrian walkways, street furniture, street lighting, public toilets, parking arrangements, and landscaping along the beachfront, and the rehabilitation of key damaged urban infrastructure, such as drainage and sewage treatment plants, selected historic buildings and landmarks, and coastal city roads.

Component 4: Restoration of Environmental Services and Facilities and Livelihood Support

- 4.1 Restoration of damaged environmental services and facilities, including: (i) the Indira Gandhi Zoological Park; and (ii) the Kambalkonda Eco Tourism Park.

- 4.2 Supporting the livelihoods of vulnerable and poor coastal families residing in the Affected Districts through: (i) the rehabilitation of damaged nurseries and construction of state-of-the-art nurseries; and (ii) the restoration of shelter belts and mangroves along the coast, including the carrying out of a study on natural coastal bio shelters.

Component 5: Capacity Building and Technical Support for Disaster Risk Management

- 5.1 Strengthening the Project Implementing Entity's disaster response systems and mechanisms and the capacity of the State Disaster Management Authority in performing its core functions through: (i) the provision of assistance towards the setting up of the State Advisory Committee and the State Resource Centre for Disaster Management; (ii) the up gradation of search and rescue equipment, wireless communication, and the provision of enhanced training to key state agencies; (iii) the development of a curriculum on disaster risk reduction for schools and governmental training institutions; and (iv) the establishment of a community-based disaster risk management program, including risk and vulnerability assessments, community mobilization, and capacity building.
- 5.2 Support for risk reduction and response preparedness through: (i) the preparation of a detailed vulnerability analysis of the coastal cities in Andhra Pradesh for effective mitigation planning and disaster response preparedness; (ii) the development of recommendations for the establishment of an integrated program for risk transfer with emphasis on vulnerable populations based on an in-depth assessment of key insurance schemes, social safety nets, and other similar risk transfer mechanisms; (iii) the update of the guidelines for infrastructure design adopted by key departments of the Project Implementing Entity.

Component 6: Project Implementation Support

Strengthening the institutional capacity of the Line Departments and Agencies responsible for carrying out the Project (including the PMU, and PIUs) in order for them to properly execute their procurement, financial management, safeguard, monitoring and evaluation, and reporting functions set forth in the Operations Manual.

Component 7: Contingency Emergency Response

Providing immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. On-lending Arrangements

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity in accordance with the Recipient's standard arrangements for development assistance to the States of India.
2. Notwithstanding paragraph 1 above, in the event that any provision of this Agreement, including the instructions that the Association shall have specified by notice to the Recipient pursuant to Section IV.A.1 of this Schedule, were to be found inconsistent with the Recipient's standard arrangements for development assistance to the States of India, the provisions of this Agreement and related instructions shall prevail.
3. The Recipient shall at all times protect its own interests and the interests of the Association to accomplish the purposes of the Financing.

B. Anti-Corruption

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

C. CER Component

The Recipient shall ensure that the following have occurred prior to the commencement of any activities under the CER Component: (i) the Recipient and the Project Implementing Entity have determined that an Eligible Crisis or Emergency has occurred; (ii) the Recipient and the Project Implementing Entity have furnished to the Association a request to include said activities in the CER Component in order to respond to said Eligible Crisis or Emergency; (iii) the Association has agreed with such determination, accepted said request and notified the Recipient and the Project Implementation Entity thereof; and (iv) the Project Implementing Entity has prepared and disclosed all safeguards instruments required for said activities in accordance with Section I.G.3 of the Schedule to the Project Agreement.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall cause the Project Implementing Entity to monitor and evaluate the progress of the Project and to prepare Project Reports 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 calendar quarter, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

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 cause the Project Implementing Entity to prepare and furnish to the Recipient and the Association not later than forty five (45) days after the end of each calendar quarter interim unaudited financial reports for the Project covering the quarter, in form and substance agreed with the Association.
3. The Recipient shall cause the Project Implementing Entity to have its Project Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Project Financial Statements shall cover the period of one (1) fiscal year of the Recipient and the Project Implementing Entity, commencing with the fiscal year in which the first withdrawal was made. The audited Project Financial Statements for each such period shall be furnished to the Association not later than nine (9) 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.** 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: (a) Limited International Bidding; (b) National Competitive Bidding, subject to the additional provisions agreed from time to time in the Procurement Plan; (c) Shopping; (d) Direct Contracting; (e) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association; (f) Force Account; and (g) Community Participation as per para 3.19 of the Procurement Guidelines.

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) Least Cost Selection; (c) Selection under a Fixed Budget; and (d) Single-source Selection of consulting firms and Individual Consultants.

D. Procurement of Emergency Expenditures under the CER Component of the Project

Notwithstanding any provision to the contrary in this Section, Emergency Expenditures required for the CER Component of the Project shall be procured in accordance with the procurement methods and procedures set forth in the CER Operations Manual.

E. 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. For avoidance of doubts, the Association shall be entitled to conduct, at any time, independent procurement reviews of all the contracts financed under the Financing.

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:

Category	Amount of the Financing Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants' services, Training and Incremental Operating Costs for the Project (other than the CER Component)	250,000,000	68%
(2) Emergency Expenditures for the CER Component	0	100%
TOTAL AMOUNT	250,000,000	

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, except that withdrawals up to an aggregate amount not to exceed fifty million United States Dollars (US\$ 50,000,000) may be made for payments made prior to this date but on or after October 12, 2014, for Eligible Expenditures under Category (1); or
 - (b) under Category (2), unless and until the Association is satisfied, and has notified the Recipient and the Project Implementing Entity of its satisfaction, that all of the following conditions have been met:
 - (i) the Recipient and the Project Implementing Entity have determined that an Eligible Crisis or Emergency has occurred, have furnished to the Association a request to include certain activities in the CER Component in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request, and notified the Recipient and the Project Implementing Entity thereof;
 - (ii) the Project Implementing Entity has prepared and disclosed all safeguard instruments, agreed with the Association, required for said activities, and has implemented any actions which are required to be taken under said instruments all in accordance with the provisions of Section I.G.1 and 3 of the Schedule to the Project Agreement;
 - (iii) the Project Implementing Entity has provided sufficient evidence satisfactory to the Association, that the Coordinating Authority has adequate staff and resources in accordance with the provision of Section I.G.2 of the Schedule to the Project Agreement, for the purposes of said activities; and
 - (iv) the Project Implementing Entity has adopted a CER Operations Manual in form, substance and manner agreed with the Association and the provisions of the CER Operations Manual remain –or have been updated in accordance with the provisions of Section I.G.1 of the Schedule to the Project Agreement, so as to be– appropriate for the inclusion and implementation of said activities under the CER Component.
2. The Closing Date is September 30, 2020.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit Repayable (expressed as a percentage)*
On each June 15 and December 15 Commencing on December 15, 2020 to and including June 15, 2040	2.5%

* The percentages represent the percentage of the principal amount of the Credit to be repaid.

APPENDIX

Section I. Definitions

1. "Affected Districts" means the Project Implementing Entity's districts of Visakhapatnam, Vizianagaram, Srikakulam, and East Godavari.
2. "Affected Persons" means persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impact on the livelihoods of such persons.
3. "Andhra Pradesh" means the Recipient's State of Andhra Pradesh and any successor thereto.
4. "APFD" means Andhra Pradesh's Forest Department, or any successor or successors thereto.
5. "APRDMD" means Andhra Pradesh Revenue (Disaster Management) Department, or any successor or successors thereto.
6. "Anti-Corruption Guidelines" means 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.
7. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
8. "CER Component" means Component 7 of the Project, as described in Schedule 1 to this Agreement.
9. "CER Operations Manual" means the immediate response mechanism operations manuals referred to in Section I.G.1 of the Schedule to the Project Agreement, agreed with the Association to be adopted by the Project Implementing Entity for the implementation of the CER Component, in accordance with the provision of said Section.
10. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).

11. "Coordinating Authority" means the entity or entities designated by the Project Implementing Entity in the CER Operations Manual, and approved by the Association pursuant to Section I.G.1 of the Schedule to the Project Agreement, to be responsible for coordinating the CER Component.
12. "Credit Currency" means the currency in which the Credit is denominated.
13. "Eligible Crisis or Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Project Implementing Entity, associated with a natural or man-made crisis or disaster.
14. "Emergency Expenditures" means any of the eligible expenditures set forth in the CER Operations Manual, in accordance with the provision of Section I.G.1 of the Schedule to the Project Agreement, and required for the activities described in such manual to be financed under the CER Component.
15. "EMPs" means, collectively, the Project Implementing Entity's plans to be prepared pursuant to Section I.F.1 of the Schedule to the Project Agreements, in accordance with the provisions of the ESMF, setting out mitigation, enhancement, monitoring and institutional measures, including capacity building through training, required to: (i) eliminate adverse environmental impacts of activities to be implemented under the Project; (ii) offset them, or reduce them to acceptable levels; (iii) enhance any positive impacts thereof; as such plans may be revised, updated or supplemented from time to time with the prior written concurrence of the Association; and/or (iv) ensure compliance with Recipient's statutory environmental requirement, as such plans may be revised, updated or supplemented, from time to time, with the prior written concurrence of the Association.
16. "EPDCL" means Eastern Power Distribution Company of Andhra Pradesh Limited, an Andhra Pradesh's fully owned power utility company, established and operating under the Recipient's Companies Act (1956), pursuant to Corporate Identity Number U40109AP2000SGC034117, dated March 31, 2000.
17. "ESMF" means the Project Implementing Entity's environmental and social management framework dated May 7, 2015, agreed with the Association, which includes the RPF, the IPMF, and the GESI Guidelines, and sets forth the guiding principles, standards and procedures for: (a) the screening of Project activities and the identification of any adverse or positive environmental and social impacts caused, or expected to be caused, on account of their implementation, including those related to natural habitats, pest management, chance cultural finds, forestry, land acquisition and Indigenous Peoples; and (b) the preparation of their prescribed EMPs, IPDPs, RAPs, and other plans as necessary; as such framework may be revised, updated or supplemented from time to time with the prior written concurrence of the Association.

18. "Financial Center" means the principal financial center for the Dollar.
19. "Fixed Spread" means the Association's fixed spread for the Credit Currency in effect at 12:01 a.m. Washington, D.C. time, one calendar day prior to the date of this Agreement and expressed as a percentage per annum.
20. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010, with the modifications set forth in Section II of this Appendix.
21. "GESI Guidelines" means Gender Equality and Social Inclusion Guidelines, the guidelines incorporated into, and publically disclosed with, the ESMF, setting out actions to ensure equal participation of women and men beneficiaries without discrimination and better outreach to women, children, and other vulnerable groups.
22. "GRM" means the grievance redress mechanism to be established or strengthened by the Project Implementing Entity pursuant to Section I.F.6 of the Schedule to the Project Agreement.
23. "GVMC" means Greater Visakhapatnam Municipal Corporation, the municipal corporation of the city of Visakhapatnam in the State of Andhra Pradesh, established by the Project Implementing Entity in November 21, 2005 pursuant to Government Order No. 938 of November 21, 2005 of the Municipal Administration and Urban Development Department, Government of Andhra Pradesh.
24. "Incremental Operating Costs" means the reasonable costs of incremental expenditures incurred by the Project Implementing Entity on account of Project implementation, management and monitoring, including, *inter alia*: (i) costs of incremental contractual staff salaries (other than consultants) and civil servants deputed to the Project; (ii) dissemination of Project related information; (iii) office rental and leasing operation and maintenance of equipment; (iv) office supplies and utilities; (v) travel and boarding/lodging allowances; (vi) leasing, operation and maintenance of vehicles; (vii) advertising and communication expenses; and (viii) bank charges.
25. "Indigenous Peoples" means any distinct, vulnerable, social and cultural group within the territory of the Recipient, that: (i) self-identifies as such and claims, and is recognized by others as, having a distinguishable cultural identity; (ii) has collective attachment to geographically distinct habitats or ancestral territories in the Project area, and to the natural resources in these habitats and territories; (iii) has customary cultural, economic, social and political institutions that are separate from those of the dominant society and culture; (iv) has an indigenous language, often different from the official language of the Recipient; and/or (v) as defined by the Constitution of the Recipient.

26. "Indira Gandhi Zoological Park" means the zoological park located in the northern part of the city of Visakhapatnam in the State of Andhra Pradesh.
27. "Interest Period" means the initial period from and including the date of this Agreement to but excluding the first Payment Date occurring thereafter, and after the initial period, each period from and including a Payment Date to but excluding the next following Payment Date.
28. "IPDPs" means, collectively, the Project Implementing Entity's indigenous peoples development plans to be prepared pursuant to Section I.F.1 of the Schedule to the Project Agreement, in accordance with the provisions of the IPF, with the objective of avoiding cultural, social and economic adverse effects on Indigenous Peoples caused or likely to be caused by the Project, and through a process of informed consultation and participation, involving concerned Indigenous Peoples in the design and implementation of relevant Project activities so as to ensure that the benefits received by the Indigenous Peoples under the Project are in harmony with their economic, social and cultural preferences and protect their customary user rights.
29. "IPMF" means the Project Implementing Entity's indigenous peoples management framework, satisfactory to the Association and incorporated into, and publically disclosed with, the ESMF, setting out the mitigation, enhancement, monitoring, and institutional measures to ensure meaningful consultation with, and the informed participation of, Indigenous Peoples within the Project area who are affected by the Project, and guidelines and procedures for the preparation of IPDPs, as such framework may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such framework.
30. "Kambalkonda Eco Tourism Park" means the ecotourism park located in the Kambalakonda Reserve Forest and Wildlife Sanctuary in the district of Visakhapatnam in the State of Andhra Pradesh.
31. "LIBOR" means for any Interest Period, the London interbank offered rate for deposits in the relevant Credit Currency for six months, expressed as a percentage per annum, that appears on the Relevant Rate Page as of 11:00 a.m. London time on the Reference Rate Reset Date for the Interest Period.
32. "Line Departments and Agencies" means, collectively, the EPDCL, GVMC, VUDA, PRD, R&BD, APFD, APRDMD, and the Participating Agency(ies).
33. "NCRMP Financing Agreement" means the financing agreement for a National Cyclone Risk Mitigation Project between the Recipient and the Association, dated January 14, 2011 (Credit No 4772-IN).

34. "Operations Manual" means the Project's operations manual to be prepared by the Project Implementing Entity pursuant to Section I.B of the Schedule to the Project Agreement, which sets forth guidelines, policies, and procedures for the implementation of the Project, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such manual.
35. "Participating Agencies" means Andhra Pradesh's fully-owned companies and other entities, acceptable to the Association, to be identified by APFD pursuant to Section I.E of the Schedule to the Project Agreement; and "Participating Agency" means each of the Participating Agencies individually considered.
36. "PRD" means Andhra Pradesh's Panchayati Raj Department, and any successor thereto.
37. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
38. "Procurement Plan" means the Recipient's procurement plan for the Project, dated May 22, 2015 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.
39. "Project Agreement" means the agreement between the Association and the State of Andhra Pradesh, of even date herewith, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the Project Agreement.
40. "Project Implementation Units" or the acronym "PIUs" mean the units to be established by the Project Implementing Entity pursuant to the Section I.A.3 of the Schedule to the Project Agreement.
41. "Project Implementing Entity" means Andhra Pradesh, including all its public corporations, and decentralized and/or autonomous agencies.
42. "Project Management Unit" or the acronym "PMU" means the unit established pursuant to the NCRMP Financing Agreement and maintained in accordance with I.A.2 of the Schedule to the Project Agreement, for purposes of carrying out the Project.
43. "RAPs" means, collectively, the Project Implementing Entity's resettlement action plans to be prepared pursuant to Section I.F.1 of the Schedule to the Project Agreement, in accordance with the provisions of the RPF, identifying Affected Persons on account of implementation of Project activities, and setting forth the terms and conditions for providing them with resettlement assistance

and/or compensation, as well as the procedures to be applied in the identification, assessment and mitigation of potential Project related social impacts, including the protocols for consultation, the processing of complaints and grievance redress, monitoring and reporting requirements; as such plans may be revised, updated or supplemented, from time to time, with the prior written concurrence of the Association; and "RAP" means any of these plans individually considered.

44. "R&BD" means Andhra Pradesh's Roads & Building Department, and any successor thereto.
45. "Reference Rate" means, for any Interest Period:
 - (a) LIBOR. If such rate does not appear on the Relevant Rate Page, the Association shall request the principal London office of each of four major banks to provide a quotation of the rate at which it offers six-month deposits in Dollar to leading banks in the London interbank market at approximately 11:00 a.m. London time on the Reference Rate Reset Date for the Interest Period. If at least two such quotations are provided, the rate for the Interest Period shall be the arithmetic mean (as determined by the Association) of the quotations. If less than two quotations are provided as requested, the rate for the Interest Period shall be the arithmetic mean (as determined by the Association) of the rates quoted by four major banks selected by the Association in the relevant Financial Center, at approximately 11:00 a.m. in the Financial Center, on the Reference Rate Reset Date for the Interest Period for loans in Dollar to leading banks for six months. If less than two of the banks so selected are quoting such rates, the Reference Rate for Dollar for the Interest Period shall be equal to the Reference Rate in effect for the Interest Period immediately preceding it; and
 - (b) if the Association determines that LIBOR has permanently ceased to be quoted for the Dollar, such other comparable reference rate for the relevant currency as the Association shall reasonably determine.
46. "Reference Rate Reset Date" means the day two London Banking Days prior to the first day of the relevant Interest Period (or in the case of the initial Interest Period, the day two London Banking Days prior to the first or fifteenth day of the month in which this Agreement is signed, whichever day immediately precedes the date of this Agreement; provided that if the date of this Agreement falls on the first or fifteenth day of such month, the Reference Rate Reset Date shall be the day two London Banking Days prior to the date of this Agreement).
47. "Relevant Rate Page" means the display page designated by an established financial market data provider selected by the Association as the page for the purpose of displaying the Reference Rate for deposits in the Credit Currency.

48. "RPF" means the Project Implementing Entity's resettlement policy framework, satisfactory to the Association and incorporated into, and publically disclosed with, the ESMF, for compensation, resettlement, and rehabilitation of Affected Persons and setting forth the guidelines, principles and procedures for mitigating any adverse impact that may arise from resettlement under the Project, as such framework may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such framework.
49. "Safeguards Documents" means collectively, the ESMF (including the RPF and IPMF), the screening reports, the environmental assessments, EMPs, social assessments, social management plans, RAPs, and IPDPs, and any other documents (to be) prepared, disclosed and implemented pursuant to Section I.F of the Schedule to the Project Agreement.
50. "SSC" means the State Steering Committee of Andhra Pradesh constituted on November 17, 2009, also serving as the state steering committee for a National Cyclone Risk Mitigation Project pursuant to the NCRMP Financing Agreement.
51. "State Advisory Committee" means the advisory committee of the State of Andhra Pradesh to be established under Component 5.1(i) of the Project, which shall be responsible for, *inter alia*, advising on the core functions of the SDMA.
52. "SDMA" and "State Disaster Management Authority" mean Andhra Pradesh's State Disaster Management Authority, the authority established by the Project Implementing Entity pursuant to Government Order No. 1436 dated November 14, 2007 issued by APRDMD, or any successor thereto.
53. "State Resource Centre for Disaster Management" means the disaster management center of the State of Andhra Pradesh to be established under Component 5.1(i) of the Project, which shall be responsible for, *inter alia*, training, capacity building, risk and vulnerability assessments and planning and monitoring of risk mitigation measures.
54. "Targeted Communities" means the communities in the coastal areas of the Affected Districts, and any other areas that the Recipient may agree in writing from time to time with the Association.
55. "TPQC" means the third party quality consultant to be selected and retain by the Project Implementing Entity as required in Section I.A.4 of the Project Agreement.
56. "Training" means the reasonable cost of trainings, seminars, workshops, conferences and study tours, conducted in the territory of the Recipient and/or overseas, including: (a) the fees of training institutions and courses; (b) domestic and international travel costs, lodging costs, and subsistence/per diem allowances

both for trainers and trainees; (c) the rental of training facilities; and (d) preparation, purchase or reproduction of training materials.

57. "VUDA" means Visakhapatnam Urban Development Authority, the urban planning agency of the city of Visakhapatnam in the State of Andhra Pradesh, established on June 17, 1978 under the Andhra Pradesh's Urban Areas (Development) Act, 1975.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. The last sentence of Section 3.01 (b) is modified to read as follows:

"The Commitment Charge shall be computed using a day-count convention reasonably determined by the Association".
2. Section 3.02 is modified to read as follows:

"Section 3.02. *Interest Charge*

The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest Charges shall be computed using a day-count convention reasonably determined by the Association."
3. In Section 3.03, paragraph (b) is deleted in its entirety and the resulting paragraph (a) is modified to read as follows:

"Section 3.03. *Repayment of the Credit*

The Recipient shall repay the Withdrawn Credit Balance to the Association in installments as provided in the Financing Agreement."
4. Section 3.04 is modified to read as follows:

"Section 3.04. *Prepayment*

(a) After giving not less than forty-five days' notice to the Association, the Recipient may repay the Association in advance of maturity, as of a date acceptable to the Association, all or any part of the principal amount of one or more maturities of the Credit specified by the Recipient, provided the Recipient has made payments due on the Credit as at such date,

including any prepayment premium calculated pursuant to paragraph (b) of this Section.

- (b) The prepayment premium payable under paragraph (a) of this Section shall be an amount reasonably determined by the Association to represent any gains or losses to the Association arising from the termination of any interest rate risk management transactions undertaken by the Association with respect to the Credit.”

5. A new Section 3.11 is added to read as follows:

“Section 3.11. Cancellation Premia on Payment Failure, Cancellation, Suspension, Acceleration or Refund of the Credit

The Recipient shall pay to, or be entitled to receive from, the Association a cancellation premium that the Association shall reasonably determine represents any losses or gains to the Association arising from the termination of any interest rate risk management transactions undertaken by the Association with respect to the Credit as a result of: (i) the Recipient’s failure to make payment (notwithstanding the fact that such payment may have been made by a third party) of principal, interest, service charges or any other amount due to the Association under this Agreement; (ii) any cancellation, suspension or acceleration of the Credit under Article VI of these General Conditions; or (iii) any refund of the Credit. The Recipient shall pay any cancellation premium due to the Association not later than sixty days after notice shall have been given by the Association.”

6. Paragraph 28 of the Appendix (“Financing Payment”) is modified by substituting the words “the Service Charge” with the words “the Interest Charge”.
7. The Appendix is modified by inserting a new paragraph 32 with the following definition of “Interest Charge”, and renumbering the subsequent paragraphs accordingly:
- “32. “Interest Charge” means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b).”
8. Renumbered paragraph 37 (originally paragraph 36) of the Appendix (“Payment Date”) is modified by substituting the words “Service Charge” with the words “Interest Charges”.
9. Renumbered paragraph 50 (originally paragraph 49) of the Appendix (“Service Charge”) is deleted in its entirety.