



CREDIT NUMBER 5705-IN

Financing Agreement

(Citizen Access to Responsive Services Project)

between

INDIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated MARCH 17 , 2016

FINANCING AGREEMENT

AGREEMENT dated MARCH 17, 2016, 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 thirty five million Dollars (\$35,000,000) (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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be at a rate equal to the Reference Rate for the Credit Currency plus the Fixed Spread; provided, however, that the Interest Charge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 January 1 and July 1 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 — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following: Project Implementing Entity's Legislation 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 Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.02. 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 VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is any of the following: Secretary, Additional Secretary, Joint Secretary, Director, Deputy Secretary or Under Secretary of the Department of Economic Affairs in the Ministry of Finance of the Recipient.

6.02. The Recipient's Address is:

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

Facsimile:

91-11-2309 2247

6.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423 (MCI)

1-202-477-6391

AGREED at NEW DELHI, India, as of the day and year first above written.

INDIA

By 17/03/2012

Authorized Representative

Name: RAJ KUMAR

Title: JOINT SECRETARY

INTERNATIONAL DEVELOPMENT
ASSOCIATION

By

Authorized Representative

Name: ONNO RUHL

Title: COUNTRY DIRECTOR, INDIA

SCHEDULE 1

Project Description

The objective of the Project is to improve access to PSGA Services by citizens of Madhya Pradesh, and in particular by under-represented groups.

The Project consists of the following parts:

Part 1: Results-based Financing

1. Access to Services and Citizen Outreach

Facilitate access to public services through: (a) the expansion of the LSK network at the sub-block level; (b) the improvement of public services provided by LSK; and (c) the design and implementation of citizen awareness and outreach campaigns, including, *inter alia*: (i) expanding the LSK network and integrating public services' delivery platforms into the LSK network; (ii) review of the existing public-private partnership framework for the LSK network and the promotion of public private partnerships in the LSK network; (iii) the improvement of LSK centers' efficiency and citizen friendliness; and (iv) the carrying out of citizen awareness campaigns targeted to under-represented groups.

2. Simplification of Government Services

(a) Enhancement of the range of public services offered to citizens; and (b) streamlining of government internal processes, though, *inter alia*: (i) the improvement of the coverage of public services provided by LSK; (ii) the establishment of multiple delivery platforms to allow access to public services through different channels; (iii) the improvement and automation of back-end procedures of line-departments including the carrying out of integration processes with selected delivery channels; (iv) the development of a framework and state-wide citizen database aimed at sharing data across the LSK network and line-departments; (v) the carrying out of capacity building activities on the above-mentioned administrative reforms and reengineering processes; and (vi) the carrying out of strategic activities aimed at gathering support from stakeholders during Project implementation.

3. Performance Management

(a) Strengthening of monitoring and evaluation systems aimed at incorporating citizen's feedback on public services delivery; and (b) promotion of the use of service delivery data for evidence-based decision making including, *inter alia*: (i) the establishment of a data analysis cell within PSMD; (ii) the strengthening of monitoring and evaluation capacities of selected

government entities and the improvement of PSGA monitoring and evaluation tools; (iii) the development of feedback modules aimed at using gathered information in policy-making; and (iv) the development of new and strengthening of existing grievance redress mechanisms.

Part 2: Technical Assistance

1. Supporting Government Re-engineering Processes

Provision of support to carry out government simplification and re-engineering processes aimed at supporting the implementation of the PSGA through, *inter alia*: (a) the mapping of citizen-government interaction points; (b) the identification of additional services to be notified under the PSGA; and (c) the provision of advisory services to entities involved in the above-mentioned processes.

2. Enhancing ICT Infrastructure and Strengthening ICT Capacity

(a) Provision of ICT equipment (software and hardware) for delivering improved public services; (b) strengthening of ICT capacity of entities responsible for delivering such public services; and (c) provision of advisory services in associated areas such as software and hardware architecture, software development services and ICT systems.

3. Strengthening Project Management

Support the carrying out of Project management activities including: (a) the carrying out of Project technical coordination, management planning, budgeting, monitoring and evaluation, and communication activities; and (b) the carrying out of verification activities related to the compliance of the DLIs.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional 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 developmental assistance to the States of India.
2. The Recipient shall protect the interests of the Recipient and 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. Safeguards

1. The Recipient shall, and shall cause the Project Implementing Entity to:
 - (a) carry out the Project in accordance/compliance with the Tribal Development Plan, and pursuant to the objectives, policies, procedures and other provisions set forth therein, in a manner and substance agreed with the Association; and
 - (b) refrain from taking any action, or consenting to an action to be taken, which would prevent or interfere with the implementation of the Tribal Development Plan, including any amendment, suspension, waiver, and/or voidance of any provision thereof, whether in whole or in part, without the prior written concurrence of the Association.
2. In the event of any conflict between the provisions of the Tribal Development Plan, and the provisions of this Agreement, on the other hand, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and shall cause the Project Implementing Entity to prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of

the indicators acceptable to the Association. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than one (1) month after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain, and cause the Project Implementing Entity to, maintain 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, and shall cause the Project Implementing Entity to, prepare and furnish to the Association not later than forty-five (45) days after the end of each fiscal semester, interim unaudited financial reports for the Project covering the semester, in form and substance agreed with the Association.
3. The Recipient shall, and shall cause the Project Implementing Entity to, have the Project's Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made under the Project. The audited 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 procedures.
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 to from time to time between the Recipient and the Association and referred to in the Procurement Plan; (c) Shopping; (d) Direct Contracting; (e) Force Account; (f) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association; (g) Performance Based Procurement; and (h) Public-Private Partnership Arrangements.

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) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. 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.

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 Loan Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Eligible Expenditures Program ("EPP") under Part 1 of the Project	25,000,000	70%
(2) Goods, works, non-consulting services, consultants' services, and Incremental Operating Costs under Part 2 of the Project	10,000,000	70%
TOTAL AMOUNT	35,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for:
- (a) payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$6,000,000 may be made for payments made not more than twelve (12) months prior to the date of this Agreement, for EEP expenditures under Category (1), subject to the requirements referred to in paragraph (b); or
 - (b) EEP expenditures under Category (1) unless the Recipient shall have: (i) complied with the additional instructions referred to in Section IV.A.1 of this Schedule, including submission to the Association of the applicable financial reports evidencing the incurrence of EPP expenditures during the respective DLI Period(s) up to the date for which payment is requested; and (ii) furnished evidence agreed with the Association, in

accordance with the DLI Verification Protocol, that the DLI Targets for the respective DLI Period(s) for which payment is requested have been achieved.

2. Notwithstanding the foregoing: (a) the Association may authorize partial withdrawal for EEP expenditures under Category (1) when the Recipient shall have furnished evidence agreed with the Association, in accordance with the DLI Verification Protocol, that Scalable DLI Targets for the respective DLI Period have been partially achieved; and (b) in the event that the DLI Value allocated to a Scalable DLI Target was not fully disbursed at the end of the respective DLI Period, the Association may, at any time by written notice to the Recipient, decide, in its sole discretion, to roll over the undisbursed amount to a subsequent DLI Period for release if and when the Association is satisfied that the respective Scalable DLI Target has been achieved.
3. The Closing Date is March 31, 2021.

ANNEX to SCHEDULE 2

Disbursement Linked Indicators

DLI	Amount of the Credit Allocated to DLI (\$ '000)	Year 0 (2014-15) Baseline to be achieved	Indicative DLI Period for DLI achievement				
			Year 1 (2015-16)	Year 2 (2016-17)	Year 3 (2017-18)	Year 4 (2018-19)	Year 5 (2019-20 until Closing Date)
DLI 1: Citizens accessing PSGA Services		At least 5.4% of citizens accessed PSGA Services	Awareness campaign conducted	400 per each 1 percentage point increase over year 1 achievement	400 per each 1 percentage point increase over year 2 achievement	400 per each 1 percentage point increase over year 3 achievement	400 per each 1 percentage point increase over year 4 achievement
DLI Value:	5,000	1,000	800	800	800	800	800
DLI 2: Women and Schedule Caste (SC)/ and Schedule Tribes (ST) citizens accessing PSGA Services		Outreach strategy targeted to women approved	Outreach strategy targeted to women conducted	200 per each 1 percentage point increase over year 1 achievement	200 per each 1 percentage point increase over year 2 achievement	200 per each 1 percentage point increase over year 3 achievement	200 per each 1 percentage point increase over year 4 achievement
		500	600	600	600	600	600
		Outreach strategy targeted to ST/SC approved	Outreach strategy targeted to ST/SC conducted	200 per each 1 percentage point increase over year 1 achievement	200 per each 1 percentage point increase over year 2 achievement	200 per each 1 percentage point increase over year 3 achievement	200 per each 1 percentage point increase over year 4 achievement
		500	600	600	600	600	600
DLI Value:	7,000	1,000	1,200	1,200	1,200	1,200	1,200
DLI 3: PSGA points of presence fully operational to receive and process on-line PSGA Services applications		At least 336 PSGA points of presence fully operational	Implementation strategy approved and rolled out	10 per each additional PSGA point of presence over year 0 baseline	10 per each additional PSGA point of presence over year 2 achievement	10 per each additional PSGA point of presence over year 3 achievement	10 per each additional PSGA point of presence over year 4 achievement

DLI	Amount of the Credit Allocated to DLI (\$ '000)	Year 0 (2014-15) Baseline to be achieved	Indicative DLI Period for DLI achievement				
			Year 1 (2015-16)	Year 2 (2016-17)	Year 3 (2017-18)	Year 4 (2018-19)	Year 5 (2019-20 until Closing Date)
DLI Value:	5,000	1,500	1,500	500	500	500	500
DLI 4: PSGA Services available on-line		At least 47 PSGA Services available on-line and HPC established	60 per each 1 additional PSGA Service over year 0 baseline	60 per each additional PSGA Service over year 1 achievement	60 per each additional PSGA Service over year 2 achievement	60 per each additional PSGA Service over year 3 achievement	60 per each additional PSGA Services over year 4 achievement
DLI Value:	5,000	2,000	600	600	600	600	600
DLI 5: Beneficiary's feedback for decision making		Feedback collected through annual survey conducted	Methodology for gathering beneficiary feedback approved	Feedback module fully operational and first feedback report available on-line following approved methodology	Second feedback report available on-line following approved methodology	Third feedback report available on-line following approved methodology	Fourth feedback report available on-line following approved methodology
DLI Value:	3,000	500	1000	500	500	500	0
Total Credit Allocated:	25,000	6,000	5,100	3,600	3,600	3,600	3,100

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit Repayable (expressed as a percentage)*
On each January 1 and July 1 Commencing on July 1, 2021 to and including January 1, 2041	2.5%

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

APPENDIX

Section I. Definitions

1. “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.
2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “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).
4. “Credit Currency” means the currency in which the Credit is denominated.
5. “DLI” means the disbursement-linked indicators set forth in the Annex to Schedule 2 to this Agreement; and “DLIs” means two or more DLIs.
6. “DLI Period” means the Recipient’s fiscal period specified in the Annex to Schedule 2 to this Agreement, during which each DLI Target (as defined herein) is set to be achieved; and “DLI Periods” means two or more DLI Periods.
7. “DLI Target” means the target specified in the Annex to Schedule 2 to this Agreement set to be achieved under the applicable DLI during the respective DLI Period.
8. “DLI Value” means the amount of the Credit allocated in the Annex to Schedule 2 to each respective DLI Target; or other amount as the Association may establish from time to time by notice to the Recipient.
9. “DLI Verification Protocol” means the set and procedures dated June 10, 2015, prepared for the Project and acceptable to the Association, to verify the achievement of DLI Targets, which sets out, *inter alia*, the description of the evidence required; as the same may be amended from time to time with the prior written agreement of the Association.
10. “Eligible Expenditures Program” and “EPP” mean identified budget lines of the Project Implementing Entity, agreed with the Association, which include non-procurable items such as stipends, grants and salaries, each of which are defined expenditures incurred by the Project Implementing Entity under Part 1 of the Project in accordance with administrative grants No. 21 and 46.
11. “Financial Center” means the principal financial center for the Dollar.

12. "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.
13. "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.
14. "High Power Committee" and "HPC" mean the Project's steering committee referred to in Section I.A.1 of the Schedule to the Project Agreement.
15. "ICT" means information, communications and technology.
16. "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*: (a) costs of incremental contractual staff salaries (other than consultants) and civil servants deputed to the Project; (b) dissemination of Project related information; (c) office rental, office maintenance and repair, leasing, operation and maintenance of equipment; (d) office supplies and utilities; (e) travel and boarding/lodging allowances, office consumables, vehicles rental, operation and maintenance costs, printing and/or publication expenses, staff *per diems*, and field allowances; (f) leasing, operation and maintenance of vehicles; (g) advertising and communication expenses; (h) bank charges; (i) Training and Workshops; and (j) insurance *premia*.
17. "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.
18. "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.
19. "LSK" means *Lok Sewa Kendras*, which are the kiosks responsible for providing PSGA Services to the citizens of Madhya Pradesh in accordance with the PSGA.
20. "MAPIT" means the Madhya Pradesh Agency for Promotion of Information Technology; or any other successor(s) acceptable to the Association.
21. "MPSAPS" means the Madhya Pradesh Agency for Public Services; or any other successor(s) acceptable to the Association.
22. "MPSEDC" means the Madhya Pradesh State Electronics Development Corporation, or any other successor(s) acceptable to the Association.

23. “Operations Manual” means the manual, agreed to by the Association, which shall contain, *inter alia*, specific provisions on detailed arrangements for the carrying out of the Project, including, *inter alia*: (a) for Part 1 of the Project: the detailed arrangements for disbursements and compliance of DLIs; and (b) for Part 2 of the Project: the Project procurement, financial management and audit requirements and procedures; as the same may be amended from time to time with the prior written agreement of the Association.
24. “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).
25. “Procurement Plan” means the Project Implementing Entity’s procurement plan for the Project, dated June 10, 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.
26. “Project Agreement” means the agreement entered into between the Association and the Project Implementing Entity of the same date of this Agreement for purposes of carrying out the implementation of the Project.
27. “Project Implementing Entity” means the State of Madhya Pradesh (also named Madhya Pradesh in this Agreement); or any other successor(s) agreed to between the Recipient and the Association.
28. “Project Implementation Unit” or “PIU” means the unit referred to in Section I.A.2 of the Schedule to the Project Agreement.
29. “PSGA” means the Public Service Guarantee Act, 2010, adopted by Madhya Pradesh in 2010, which: (a) sets deadlines for the public service delivery; (b) creates an appellate structure in the event that government officials fail to meet those deadlines; and (c) allows the imposition of penalties for delays in the public service delivery.
30. “PSGA Services” means the public services notified under the PSGA which are available on-line as of the day of signing of this Agreement (including those public services available in real-time at a single repository in Madhya Pradesh), as the same may be amended from time to time ; and “PSGA Service” means one of the PSGA Services.
31. “PSMD” means the Public Services Management Department of the State of Madhya Pradesh; or any other successor(s) acceptable to the Association.
32. “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 Dollar, such other comparable reference rate for the relevant currency as the Association shall reasonably determine.
- 33. “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).
- 34. “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.
- 35. “Scalable DLI Targets” means DLI 1, DLI 2 and DLI 3 to be achieved under the applicable DLI Period (i.e. years 2,3,4 and 5) specified in the Annex to Schedule 2 to this Agreement; and “Scalable DLI Target” means any of the Scalable DLI Targets.
- 36. “State of Madhya Pradesh’s Legislation” means the PSGA.
- 37. “Training and Workshops” means, in respect of Part 2 of the Project: (a) reasonable travel, room board, and *per diem* expenditures incurred by the trainers and trainees in connection with their training, including workshops and study tours; (b) course fees; (c) training facility rentals; and (d) training material preparation, acquisition, reproduction and distribution expenses.

38. “Tribal Development Plan” means the plan acceptable to the Association, disclosed on December 11, 2014, detailing the specific actions, measures and policies designed to address any impact on scheduled casts, scheduled tribes or any other ethnic communities; as said plan and any annexes or schedules to such plan, may be revised from time to time with the prior written approval of the Association.

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.”

8. Renumbered paragraph 37 (originally paragraph 36) of the Appendix (“Payment Date”) is modified by substituting the words “Service Charges” with the words “Interest Charges”.

9. Renumbered paragraph 50 (originally paragraph 49) of the Appendix (“Service Charge”) is deleted in its entirety.