
LOAN NUMBER 9101-IN

Loan Agreement

(Strengthening Teaching-Learning and Results for States Operation)

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"). 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 five hundred million Dollars (US\$ 500,000,000), as such amount may be converted from time to time through a Currency Conversion ("Loan"), to assist in financing:
 - (a) the program as described in Part 1 ("Program") of Schedule 1 to this Agreement; and
 - (b) the project as described in Part 2 ("Project") of Schedule 1 to this Agreement,(the Program and the Project hereinafter jointly referred to as the "Operation").
- 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 to which the amount of the Loan allocated to the Program is credited 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 March 15 and September 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 4 to this Agreement.
- 2.08. (a) If on any given day, the Total Exposure exceeds the Standard Exposure Limit (as said terms are defined in sub-paragraphs (b)(ii) and (b)(iii) of this Section), the Borrower shall pay to the Bank a surcharge at the rate of one half of one percent (0.5%) per annum

of the Allocated Excess Exposure Amount (as defined in sub-paragraph (b)(i) of this Section) for each said day ("Exposure Surcharge"). The Exposure Surcharge (if any) shall be payable semi-annually in arrears on each Payment Date.

(b) For purposes of this Section the following terms have the meanings set forth below:

(i) "Allocated Excess Exposure Amount" means for each day during which the Total Exposure exceeds the Standard Exposure Limit, the product of: (A) the total amount of said excess; and (B) the ratio of all (or, if the Bank so determines, a portion) of the Loan to the aggregate amount of all (or the equivalent portions) of the loans made by the Bank to the Borrower, and to other borrowers guaranteed by the Borrower that are also subject to an exposure surcharge, as said excess and ratio are reasonably determined from time to time by the Bank.

(ii) "Standard Exposure Limit" means the standard limit on the Bank's financial exposure to the Borrower which, if exceeded, would subject the Loan to the Exposure Surcharge, as determined from time to time by the Bank.

(iii) "Total Exposure" means for any given day, the Bank's total financial exposure to the Borrower, as reasonably determined by the Bank.

ARTICLE III — OPERATION

3.01. The Borrower declares its commitment to the objectives of the Operation. To this end, the Borrower shall carry out the Program with the assistance of the Selected States, in accordance with the provisions of Article V of the Program General Conditions and Schedule 2 to this Agreement, and shall carry out the Project in accordance with Article V of the Project General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

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

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower'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 Borrower's Ministry of Finance.

5.02. 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 110 001, India; and

(b) the Borrower's Electronic Address is:

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

5.03. 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:

248423(MCI) or 1-202-477-6391
64145(MCI)

AGREED as of the Signature Date.

INDIA

By



Authorized Representative

Name: C.S. MOHAPATRA

Title: ADDITIONAL SECRETARY

Date: JANUARY 28, 2021

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

Name: JUNAID KAMAL AHMAD

Title: COUNTRY DIRECTOR, INDIA

Date: JANUARY 28, 2021

SCHEDULE 1

Operation Description

The objective of the Operation is to improve the quality and governance of school education in Selected States.

The Operation consists of the Program and the Project as follows:

Part A: The Program

The Program consists of the following activities:

Results Area 1: National Component

- (a) Strengthening national data systems on school education, and incentivizing Selected States to undertake reforms on quality and governance of school education and improve their performance grading through the provision of competitive State Incentive Grants (SIG) linked to performance of Selected States;
- (b) Strengthening of learning assessment systems, including through support for India's participation in Programme for International Student Assessment (PISA) 2021; and
- (c) Designating an institution to facilitate sharing of best practices of Selected States.

Results Area 2: State Component

2.1 Strengthening Early Years' Education

Support to Selected States for early childhood development activities, including through enhancement of classroom layouts; development of curricula and teaching and learning materials; promotion of in-service professional development opportunities for state, district, sub-district, and school-level education functionaries; development of parental engagement strategies; and development and use of administrative and academic monitoring tools and platforms to track progress and support continuous improvement in early childhood education.

2.2 Improving Learning Assessment Systems

Support to Selected States for: creation of assessment cells/centres to support the national centre for assessment; enhancement of teacher capacity to use data from classroom-based assessment activities; creation of online item banks to support teachers' assessment activities; development of technology-enabled assessment platform to allow teachers to create assessments and manage, analyze, and use data from assessments; improvement of quality and utility of various assessments for identifying students in need of learning enhancement activities and for measuring effectiveness of such activities; and provision of support to state education boards to review and reform their assessment systems.

2.3 Improving Teacher Performance and Classroom Practice

- (a) Support to Selected States for development of ICT-enabled approaches to enhance teachers' access to trainings, including through: strengthening of infrastructure and facilities at DIETs and BITEs/BRCs, including for the development of DIETs into centres for academic leadership and experiential learning; facilitation of peer learning using social media and other technology-enabled platforms and face to-face interactions; and support for assessment of digital competencies of teachers and teacher educators and development of operational guidelines to enhance such competencies.
- (b) Support to Selected States for improvement of quality of classroom instruction, development of non-state actor partnerships in learning enhancement programs and provision of technical inputs for enhancing the quality of programs.
- (c) Support to Selected States to revive their nodal institute of education planning and management to provide in-service capacity building support to head teachers and school principals.
- (d) Use of technology portals and platforms to improve teacher management and education in Selected States, including by creating capabilities for delivering content, tracking usage, supporting teachers to collect, manage and use student learning data and to conduct remedial exercises.
- (e) Monitoring of Selected States' progress in improving teacher development and classroom practice.

2.4 Strengthening School to Work Transition

- (a) Support to Selected States to deliver career counselling at the secondary and senior secondary levels.
- (b) Support for in-school vocational education in Selected States, including through promotion of work benches and multi-skilling centres in schools linked to SSCs, training of vocational education instructors and trainers and development of systems of evaluation, equivalence, institutional accreditation and apprenticeship.

2.5 Governance and Decentralized Management for Improved Service Delivery

- (a) Support for reinforcing the district as the unit of education planning and management.
- (b) Strengthening of sub-district level institutions, including through supporting BEOs to work in collaboration with BRCs and CRCs, supporting CRCs in undertaking monitoring and evaluation of schools; and piloting decentralized management strengthening plan for CRCs.
- (c) Support to Selected States for increased transparency of teacher management processes, including through development of technology-based systems of maintaining teacher records, transparent recruitment and transfer of teachers, and development and deployment of teacher performance evaluation standards.

- (d) Support for creation of national framework for partnership between Selected States and non-state actors; support to Selected States to develop such partnerships; and support to Selected States to undertake innovative pilots and programs for quality improvement and service delivery enhancement in school education, including pilots related to whole school approach, outsourcing of specific activities, taking support services from management firms and non-government organizations, and direct benefit transfers for school choice.

Part B: The Project

The Project consists of the following:

Component 1: Technical Assistance

Providing technical assistance for, *inter alia*: (i) establishing the MoE's Program Management Unit (PMU) to strengthen existing capacities in financial management, planning, and program coordination; support the improvement of MoE's and Selected States' program design and pilots; and support monitoring and evaluation; (ii) hiring the Independent Verification Agent (IVA) in charge of verifying all Program's DLRs and DLIs; (iii) providing support for pilot studies, initiatives and impact evaluation on areas including early childhood education, teacher reform, learning assessments, decentralized management, and partnerships with non-state actors; and (iv) supporting knowledge sharing and national and international exposure visits for identification of best practices in key Program areas.

Component 2: Contingent Emergency Response

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

SCHEDULE 2

Operation Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Borrower shall:

- (a) vest the overall responsibility for the implementation of the Operation's activities in the MoE;
- (b) maintain, through the period of implementation of the Operation, the institutional governance mechanism for the Program at the national level including the Governing Council (chaired by the Minister of MoE), the Project Approval Board (chaired by the Secretary of MoE), and the Bureau of School Education (chaired by the Additional/Joint Secretary of MoE);
- (c) cause the Selected States to maintain, throughout the period of implementation of the Operation, the institutional governance mechanism for the Program at the state level including the State Governing Council (chaired by the Chief Minister or State Education Minister), the Executive Committee (chaired by the Chief Secretary/Commissioner/Education Secretary of the state), and the State Implementation Society (headed by the State Project Director);
- (d) cause the Selected States to maintain, throughout the period of implementation of the Operation, the institutional governance mechanism for the Program at the district level including the District Project Office (headed by the District Education Officer); and
- (e) by no later than nine (9) months after the Effective Date, establish and maintain, throughout the period of implementation of the Operation, a national Program Management Unit ("PMU") within the MoE, which unit shall be provided with competent, experienced and qualified staff, in sufficient numbers and under terms of reference acceptable to the Bank, and vested with powers, financial resources, functions and competences, acceptable to the Bank, to serve as the focal unit in the carrying out of the day-to-day implementation of the Operation.

B. Independent Verification Agent

The Borrower shall:

- (a) appoint and thereafter maintain, at all times during the implementation of the Program, independent verification agent under terms of reference acceptable to the Bank ("Independent Verification Agent"), to verify the data and other evidence supporting the achievement of one or more DLRs as set forth in the table in

Schedule 3 to this Agreement and recommend corresponding payments to be made, as applicable;

- (b) (i) ensure that the Independent Verification Agent carries out verification and process(es) in accordance with the Verification Protocol; and (ii) submits to the Bank the corresponding verification reports in a timely manner and in form and substance satisfactory to the Bank; and
- (c) in the event there is a need for verification services prior to the appointment of the Independent Verification Agent in accordance with sub-paragraph (a) above, put in place adequate interim arrangement satisfactory to the Bank and approved in writing by the Bank for verification of the DLRs.
- (d) in the event of an Eligible Crisis or Emergency which adversely affects the ability of the Independent Verification Agent to verify data and evidence in accordance with paragraphs (a) and (b) above, put in place adequate interim arrangement satisfactory to the Bank and approved in writing by the Bank for verification of the DLRs.

C. Program Action Plan

- 1. The Borrower shall:
 - (a) implement the Program Action Plan agreed with the Bank, in a manner and substance satisfactory to the Bank; and
 - (b) refrain from amending, revising, waiving, voiding, suspending or abrogating, any provision of the Program Action Plan, whether in whole or in part, without the prior written concurrence of the Bank.
- 2. In the event of any inconsistency between the provision of the Program Action Plan and those of this Agreement, the provision of this Agreement shall govern.

D. State Incentive Grants (SIG)

- 1. The Borrower shall produce, approve and adopt the State Incentive Grant Manual ("SIG Manual") in form and substance acceptable to the Bank. The Borrower shall thereafter implement and cause each Selected State to implement the Program in accordance with the SIG Manual.
- 2. The Borrower, acting through MoE, shall enter into a written agreement ("Letter of Undertaking/Consent") with each Selected State for the provision of State Incentive Grants (SIGs), under terms and conditions acceptable to the Bank and in accordance with the SIG Manual, which may include, *inter alia*, that:
 - (a) the Selected State commits to the objective of the Program; and undertakes to carry out any activities under the Program in accordance with sound technical, financial, procurement, managerial, social and environmental and labor standards, consistent with the minimum requirements set forth in the SIG Manual and the ESSA, and acceptable to the Bank;

- (b) the SIGs shall: (i) be used to undertake activities and finance eligible expenditures as set forth in the SIG Manual; (ii) not be used to finance any ineligible expenditures (including the exclusions set forth in Section II of this Schedule) as may be laid down in the SIG Manual; (iii) be disbursed upon the Selected State's achievement against the SIG Scorecard as set forth in the SIG Manual; and (iv) have a closing date (end of disbursement period) not to exceed the date set forth in Section IV.D of this Schedule 2;
- (c) the Selected State shall implement its respective activities under the Program, in compliance with the Anti-Corruption Guidelines for the Program;
- (d) the Selected State shall: (i) establish and/or maintain policies and procedures that would allow the Borrower and/or the Bank to carry out supervision and monitoring the implementation of the Selected State's activities under the Program; (ii) prepare and furnish to the Borrower and/or the Bank, all such information that the Borrower, and/or the Bank shall reasonably request in relation to the Program; and (iii) accept the carrying out of inspections by the Borrower and/or the Bank for the monitoring of, and in relation to, the carrying out of the activities under the Program;
- (e) the Selected State shall prepare progress reports based on standard reporting templates prepared by the MoE on Program activities and submit said reports to the Borrower for consolidation and further submission to the Bank;
- (f) the Selected State shall: (i) maintain records and accounts adequate to reflect, in accordance with sound accounting practices, the operations, resources and expenditures incurred in the implementation of its respective activities under the Program; and (ii) have such records and accounts audited in accordance with appropriate auditing principles consistently applied by an independent auditor;
- (g) the Borrower shall have the right to suspend or terminate the right of the Selected State to withdraw and use the proceeds of the SIG upon any failure of the Selected State to perform its obligations under the Letter of Undertaking/Consent; and
- (h) the Selected State acknowledges and consents to the Borrower's right of restitution of any amounts disbursed under the SIG with respect to which fraud and corruption has occurred, or with which an ineligible expenditure, as may be laid down in the SIG Manual, has been paid.

E. Fiduciary, Environmental and Social Systems for the Program

Without limitation on the provisions of Article V of the Program General Conditions, the Borrower shall, and shall cause the Selected States to, carry out the Program in accordance with financial management, procurement and environmental and social management systems acceptable to the Bank, including those set out in the ESSA, the FMP Manual and the Program Action Plan ("Program Fiduciary, Environmental and Social Systems") which are designed to ensure that:

- (a) the Loan proceeds are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability; and
- (b) the actual and potential adverse environmental and social impacts of the Program are identified, avoided, minimized, or mitigated, as the case may be, all through an informed decision-making process.

F. Contingent Emergency Response Mechanism

1. In order to ensure proper implementation of Component 2 of the Project ("CER Component"), the Borrower shall:
 - (a) prepare and furnish to the Bank for its review and approval, a Contingent Emergency Response Component Manual ("CERCM") which shall set forth detailed implementation arrangements for the CER Component, including: (i) designation of, terms of reference for and resources to be allocated to, the entity to be responsible for the coordination and implementation of the CER Component ("Coordinating Authority"); (ii) specific activities which may be included in the CER Component, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the CER Component; (iv) procurement methods and procedures for Emergency Expenditures to be financed under the CER Component; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard instruments, including management frameworks, assessments and/or plans for the CER Component consistent with the Bank's policies on the matter; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the CER Component;
 - (b) afford the Bank a reasonable opportunity to review said proposed CERCM;
 - (c) promptly adopt the CERCM for the CER Component as shall have been approved by the Bank;
 - (d) ensure that the CER Component is carried out in accordance with the CERCM, provided however that in the event of any inconsistency between any of the provisions of the CERCM and those of this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive, whether in whole or in part, any provision of the CERCM without the prior approval by the Bank.
2. After the Borrower has determined that an Eligible Crisis or Emergency has occurred, it shall prepare and furnish to the Bank for its review and approval, in accordance with the provisions set forth in the CERCM, a Contingent Emergency Response Implementation Plan ("CERIP") which shall set forth detailed arrangements for the activation of CERCM, including: (i) specific activities to be financed out of the Emergency Expenditures; (ii) itemized costs for each expenditure item; (iii) implementation arrangements for the CER Component, as defined in the CERCM or with proposed amendments; (iv) procurement plan for the CER Component; (v) details regarding compliance with environmental and

social safeguard instruments; and (vi) any other arrangements necessary to ensure proper implementation of the CER Component.

3. The Borrower shall, throughout the period of implementation of the CER Component, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Association.
4. The Borrower shall undertake no activities under the CER Component (and no activities shall be included in the CER Component) unless and until the following conditions have been met in respect of said activities:
 - (a) (i) the Borrower has determined that an Eligible Crisis or Emergency has occurred; (ii) the Borrower has furnished to the Bank a request to include said activities in the CER Component in order to respond to said Eligible Crisis or Emergency; and (iii) the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and
 - (b) (i) the Borrower has prepared and disclosed all safeguard instruments required for said activities, in accordance with the CERCM; (ii) the Bank has approved all such instruments; and (iii) the Borrower has implemented all actions which are required to be taken under said instruments prior to the commencement of such activities.

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 (US \$ 75,000,000) equivalent or more per contract; (2) goods or non-consulting services estimated to cost fifty million Dollars (US\$ 50,000,000) equivalent or more per contract; or (3) consulting services, estimated to cost twenty million Dollars (US\$ 20,000,000) equivalent or more per contract.

Section III. Operation Monitoring, Reporting and Evaluation

The Borrower shall furnish to the Bank each Program Report and Project Report not later than two months after the end of each calendar semester, covering the calendar semester.

Section IV. Withdrawal of Loan Proceeds

A. General

1. Without limitation upon the provisions of Article II of the Program General Conditions and Article II of the Project General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to: (a) pay the Front-end Fee; (b) pay each Interest Rate Cap or Interest Rate Collar premium; (c) with respect to the Program, finance Program Expenditures, on the basis of the results ("Disbursement Linked Results" or "DLRs") achieved by the Borrower, as measured

against specific indicators (“Disbursement Linked Indicators” or “DLIs”); all as set forth in Schedule 3 to this Agreement and the table below; and (d) with respect to the Project, finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against Categories (2) and (3) of the table below.

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Eligible Expenditures to be Financed (inclusive of Taxes)
(1) Disbursements under the Program for: (a) DLI # 1: Increase in students achieving minimum proficiency in grade 3 language in Selected States (b) DLI #2: Improvement in secondary school completion rate in Selected States (c) DLI #3: Improvement in governance index scores in Selected States (d) DLI #4: Strengthened learning assessment systems (e) DLI # 5: Partnerships developed to facilitate cross-learning between states (f) DLI #6: State level improved service delivery	50,000,000 30,000,000 20,000,000 25,000,000 10,000,000 340,000,000	N/A
(2) Eligible Expenditures under the Project for goods, non-consulting services, consulting services, Training and Workshops and Incremental Operating Costs for the Project	23,750,000	100%
(3) Emergency Expenditures for the CER Component	0	100%
(4) Front-end Fee	1,250,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Eligible Expenditures to be Financed (inclusive of Taxes)
		with Section 2.05(b) of the Program General Conditions and Section 2.07 (b) of the Project General Conditions
(5) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.08(c) of this Agreement in accordance with Section 4.05 of the Program General Conditions and Section 4.05 of the Project General Conditions
TOTAL AMOUNT	500,000,000	

B. Withdrawal Conditions for the Program

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made under Category (1):
 - (a) on the basis of DLRs achieved prior to the Signature Date; or
 - (b) for any DLR 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, the Borrower may withdraw an amount not to exceed US\$ 118,750,000 as an advance; provided, however, that if the DLRs in the opinion of the Bank, are not achieved (or only partially achieved) by the Closing Date, the Borrower shall refund such advance (or portion of such advance as determined by the Bank in accordance with the formula for allocated amounts for the DLRs set forth in the table in Schedule 3 to the Agreement) to the Bank promptly upon notice thereof by the Bank. Except as otherwise agreed with the Borrower, the Bank shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the Bank shall specify by notice to the Borrower.

3. Notwithstanding the provisions of Part B.1(b) of this Section, if any DLR has not been achieved by the date by which the said DLR is set to be achieved in accordance with the table in Schedule 3 to this Agreement, the Bank may, by notice to the Borrower: (a) reallocate all or a portion of the proceeds of the Loan then allocated to said DLR to any

other DLR; and/or (b) cancel all or a portion of the proceeds of the Loan then allocated to said DLR.

C. Withdrawal Conditions for the Project

Notwithstanding the provisions of Section IV.A of this Schedule, no withdrawal shall be made:

- (a) under Categories (2) and (3), for payments made in respect of the Project prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed US\$ 4,750,000 may be made for payments made prior to this date but on or after July 31, 2019;
- (b) under Category (3), unless and until the Bank is satisfied, and has notified the Borrower of its satisfaction, that all of the following conditions have been met:
 - (i) the Borrower has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Bank a request to include certain activities in the CER Component in order to respond to said Eligible Crisis or Emergency, and the Bank has agreed with such determination, accepted said request, and notified the Borrower thereof;
 - (ii) the Borrower has prepared and disclosed all safeguard instruments, acceptable to the Bank, 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.F.1(a)(vi) of this Schedule 2 to this Agreement;
 - (iii) the Borrower has provided sufficient evidence satisfactory to the Bank that the Coordinating Authority has adequate staff and resources, in accordance with the provision of Section I.F.3 of this Schedule 2 to this Agreement, for the purposes of said activities;
 - (iv) the Borrower has adopted a CERCM, in form, substance and manner acceptable to the Bank and the provisions of said CERCM remain, or have been updated in accordance with the provisions of Section I.F.1(a) of this Schedule 2 to this Agreement, so as to be appropriate for the inclusion and implementation of said activities under the respective CER Component; and
 - (iv) the Borrower has prepared and submitted to the Bank a CERIP, in form, substance and manner acceptable to the Association, in accordance with the provisions of Section I.F.2 of this Schedule 2 to this Agreement, and the Bank has reviewed and approved the CERIP.

D. Operation Withdrawal Period

The Closing Date is December 31, 2025.

SCHEDULE 3

Disbursement Linked Indicators, Disbursement Linked Results and Allocated Amounts Applicable to the Program

Disbursement Linked Indicator	DLI Baseline		Target Expected to be Achieved in FY 20/21	Target Expected to be Achieved in FY 21/22	Target Expected to be Achieved in FY 22/23	Target Expected to be Achieved in FY 23/24	Target Expected to be Achieved in FY 24/25
DLI 1: Increase in students achieving minimum proficiency in grade 3 language in Selected States	Baseline not available		National report for India's National Achievement Survey 2017 with state and subject wise scaled scores for grade 3 published by NCERT.	First administration of national standardized assessment for grade 3 in language completed by MoE and baseline established for percentage of students achieving minimum proficiency in language in each Selected State	Assessment results analyzed and published by MoE, and findings used to prepare a timebound action plan for each Selected State		Second administration of national standardized assessment for grade 3 completed by MoE and at least 2 percentage points increase in students achieving minimum proficiency in language over baseline in each Selected State.
	Total financial allocated to DLI:	US\$ 50,000,000	Amount allocated: US\$ 7,000,000	Amount allocated: US\$ 7,000,000	Amount allocated: US\$ 6,000,000		Amount allocated: US\$ 2,500,000 per Selected State per percentage point increase
DLI 2: Improvement in secondary school completion rate in Selected States	Himachal Pradesh 81.1%; Kerala 87.3%; Madhya Pradesh 61.9%; Maharashtra 81.7%; Odisha 74.2% and Rajasthan 77.5%		(i) UDISE (Unified District Information System for Education) flash statistics for 2017-18 with latest data on secondary school completion		1.1 percentage point improvement over baseline in each Selected State		2.0 percentage point improvement over baseline in each Selected State

Disbursement Linked Indicator	DLI Baseline		Target Expected to be Achieved in FY 20/21	Target Expected to be Achieved in FY 21/22	Target Expected to be Achieved in FY 22/23	Target Expected to be Achieved in FY 23/24	Target Expected to be Achieved in FY 24/25
			rate published by MoE and made available for public access; and (ii) 0.4 percentage point improvement over baseline in each Selected State				
	Total financial allocated to DLI:	US\$ 30,000,000	Amount allocated: (a) US\$ 6,000,000 for DLR(i) above; and (b) Upon achieving at least 0.4 percentage point improvement over the baseline in secondary school completion rate, US\$ 200,000 for every 0.1 percentage point improvement per Selected State	Amount allocated: Upon achieving at least 0.4 percentage point improvement over the baseline in secondary school completion rate, US\$ 200,000 for every 0.1 percentage point improvement per Selected State			
DLI 3: Improvement in governance index scores in Selected States	Himachal Pradesh: 55/123 Kerala: 76/123 Madhya Pradesh: 51/123 Maharashtra: 8/123 Odisha: 42/123 Rajasthan: 55/123		State performance measurement index developed, state performance assessed, and report released by	Governance index score improved by 4 points over baseline in each Selected State		Governance index score improved by 8 points over baseline in each Selected State	Governance index score improved by 10 points over baseline in each Selected State

Disbursement Linked Indicator	DLI Baseline		Target Expected to be Achieved in FY 20/21	Target Expected to be Achieved in FY 21/22	Target Expected to be Achieved in FY 22/23	Target Expected to be Achieved in FY 23/24	Target Expected to be Achieved in FY 24/25
			MoE for academic year 2018-19				
	Total financial allocated to DLI:	US\$ 20,000,000	Amount allocated: US\$ 2,000,000	Amount allocated: Upon achieving at least 2-point improvement over the baseline, US\$ 300,000 for every one-point increase over baseline in governance index score per Selected State			
DLI 4: Strengthened learning assessment systems	<ul style="list-style-type: none"> No recent internationally comparable data on student learning levels in India No independent national assessment centre conducting a standardized national level assessment 		(i) Completion of PISA 2021 field trial and submission of India's field trial report for PISA 2021; and (ii) Independent national assessment centre notified by MoE	Completion of PISA 2021 main survey	Public release of national report for India for PISA 2021 by MoE	(i) Detailed analysis of national results for PISA 2020 completed by MoE and report published highlighting proposed policy actions for India; and (ii) Set up of national assessment centre completed by MoE	
	Total financial allocated to DLI:	US\$ 25,000,000	Amount allocated: US\$ 4,000,000 for each of the two DLRs above	Amount allocated: US\$ 4,500,000	Amount allocated: US\$ 4,500,000	Amount allocated: US\$ 4,000,000 for each of the two DLRs above	
DLI 5: Partnerships developed to facilitate cross-learning	Channels yet to be initiated to facilitate inter-states learning		MoE identifies and establishes inter-state learning partnerships by	At least one knowledge sharing workshop held under each inter-state learning	At least one knowledge sharing workshop held under each inter-state learning	At least one knowledge sharing workshop held under each inter-state learning	At least one knowledge sharing workshop held under each inter-state learning

Disbursement Linked Indicator	DLI Baseline		Target Expected to be Achieved in FY 20/21	Target Expected to be Achieved in FY 21/22	Target Expected to be Achieved in FY 22/23	Target Expected to be Achieved in FY 23/24	Target Expected to be Achieved in FY 24/25
between states			connecting each Selected State with at least two non-Selected States	partnership	partnership	partnership	partnership
	Total financial allocated to DLI:	US\$ 10,000,000	Amount allocated: US\$ 2,000,000	Amount allocated: US\$ 2,000,000	Amount allocated: US\$ 2,000,000	Amount allocated: US\$ 2,000,000	Amount allocated: US\$ 2,000,000
DLI 6: State level improved service delivery	Baseline not available		(i) SIG Manual prepared, approved and adopted by MoE; and (ii) Selected State scores 20 percent on at least the 'strengthened service delivery' (SSD) SIG component in accordance with the terms of the SIG Manual	Selected State scores 40 percent on at least the 'strengthened service delivery' SIG component in accordance with the terms of the SIG Manual	Selected State scores 60 percent on at least the 'strengthened service delivery' SIG component in accordance with the terms of the SIG Manual	Selected State scores 80 percent on at least the 'strengthened service delivery' SIG component in accordance with the terms of the SIG Manual	Selected State scores 100 percent on at least the 'strengthened service delivery' SIG component in accordance with the terms of the SIG Manual
	Total financial allocated to DLI:	US\$ 340,000,000	Amount allocated: (a) US\$ 10,000,000 for achievement of DLR (i) above; and (b) US\$ 5,000,000 upon achieving 20	Amount allocated: US\$ 5,000,000 upon achieving 40 percent score on the SSD component, and US\$ 3,000,000 per SIG component (other than SSD) in	Amount allocated: US\$ 5,000,000 upon achieving 60 percent score on the SSD component, and US\$ 3,000,000 per SIG component	Amount allocated: US\$ 5,000,000 upon achieving 80 percent score on the SSD component, and US\$ 3,000,000 per SIG component	Amount allocated: US\$ 5,000,000 upon achieving 100 percent score on the SSD component, and US\$ 3,000,000 per SIG component (other than SSD) in

Disbursement Linked Indicator	DLI Baseline		Target Expected to be Achieved in FY 20/21	Target Expected to be Achieved in FY 21/22	Target Expected to be Achieved in FY 22/23	Target Expected to be Achieved in FY 23/24	Target Expected to be Achieved in FY 24/25
			percent score on the SSD component, and US\$ 3,000,000 per SIG component (other than SSD) in which 20 percent score is achieved, by and for each Selected State	which 40 percent score is achieved, by and for each Selected State	(other than SSD) in which 60 percent score is achieved, by and for each Selected State	(other than SSD) in which 80 percent score is achieved, by and for each Selected State	which 100 percent score is achieved, by each Selected State

* The FYs in which the DLRs are expected to be achieved are for indicative purposes, as the DLRs can be met at any time up to the Closing Date.

SCHEDULE 4

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").

Level Principal Repayments

Principal Payment Date	Installment Share
On each March 15 and September 15 Beginning September 15, 2026 through March 15, 2037	4.35%
On September 15, 2037	4.3%

APPENDIX

Definitions

1. "Allocated Amount(s)" means the amount allocated to each individual DLR, or determined for each DLR pursuant to Schedule 3 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 of Schedule 2 to this Agreement.
2. "Anti-corruption Guidelines for the Program" means for purposes of paragraph 5 of the Appendix to the Program 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. "Anti-Corruption Guidelines for the Project" means, for purposes of paragraph 5 of the Appendix to the Project General Conditions, 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 and as of July 1, 2016.
4. "Anti-corruption Guidelines" means the Anti-corruption Guidelines for the Program and the Anti-corruption Guidelines for the Project.
5. "BEO" means a Block Education Office set up at the sub-district level and which has the administrative responsibility of schools within such sub-district.
6. "BITE" means Block Institute of Teacher Education set up at block level by state governments in areas with high concentration of minority groups and/or marginalized groups, to function as pre-service elementary teacher education institution.
7. "BRC" means a Block Resource Centre set up at the block level by state governments to function as a resource centre for providing on-site academic support to elementary school teachers within the area, including serving as venue for teacher training, material development, community mobilization, action research works, organization of different activities and competitions among teachers and students, and storing data on primary school education.
8. "Category" means a category set forth in the table in Section IV.A.1 of Schedule 2 to this Agreement.
9. "CER Component" means Component 2 of the Project, as described in Schedule 1 to this Agreement.
10. "CERCM" means the manual referred to in Section I.F.1 of Schedule 2 to this Agreement, acceptable to the Bank, to be adopted by the Borrower for the implementation of the CER Component, in accordance with the provisions of said Section.
11. "Contingent Emergency Response Implementation Plan" or the acronym "CERIP" means the action plan referred to in Section I.F.2 of Schedule 2 to this Agreement, acceptable to

the Bank to be prepared by the Borrower for the implementation of the CER Component, in accordance with the provision of said Section.

12. "Coordinating Authority" means the entity or entities designated by the Borrower in the CERCM, and approved by the Bank pursuant to Section I.F.1(a) of Schedule 2 to this Agreement, to be responsible for coordinating the CER Component.
13. "CRC" means a Cluster Resource Centre set up at the sub-block/cluster level by state governments to function as a resource centre for providing on-site academic support to elementary school teachers within the area.
14. "DIET" means District Institute of Education and Training, set up at the district level by state governments to support coordination and implementation of central and state policies and programs on education at the district level.
15. "Disbursement Linked Indicator" or "DLI" means in respect of Category (1), the indicator related to said Category as set forth in the table in Schedule 3 to this Agreement.
16. "Disbursement Linked Result" or "DLR" means in respect of Category (1), the result under said Category as set forth in the table in Schedule 3 to this Agreement, on the basis of the achievement of which, the Allocated Amount for such result may be withdrawn in accordance with the provisions of Section IV of Schedule 2 to this Agreement.
17. "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 Borrower, associated with a natural or man-made crisis or disaster.
18. "Emergency Expenditures" means any of the Eligible Expenditures set forth in the CERCM, in accordance with the provision of Section I.F of Schedule 2 to this Agreement, and required for the activities described in such manual to be financed under the CER Part.
19. "ESSA" means the Environmental and Social Systems Assessment, dated April 8, 2020 setting forth the description of the Program's activities, assessing the Borrower's and Selected States' environmental and social management systems, detailing the Program's environmental and social benefits, risks and impacts, and recommending remedial measures to strengthen the social and environmental systems performance.
20. "FMP Manual" means the Borrower's Financial Management and Procurement Manual dated August 2018, which provides the financial management and procurement arrangements applicable to the Borrower's Samagra Shiksha program, as may be amended from time to time with prior concurrence of the Bank.
21. "FY" means the Borrower's fiscal year, which begins on April 1 of each calendar year and ends on March 31 of the next calendar year.
22. "General Conditions" means the Program General Conditions and the Project General Conditions. In such cases, capitalized definitions are the same in both sets of General Conditions. In cases where the capitalized definitions differ, the term will be defined in this Appendix.

23. "ICT" means information and communications technology.
24. "Incremental Operating Costs" means reasonable and necessary expenditures incurred by the Borrower including costs of operation, rent and maintenance of offices, communication costs, salaries of contractual staff, salaries of government staff on deputation to the Operation, the costs of training staff, and travel allowances of staff incurred with respect to the implementation, coordination, and monitoring of the Operation, but excluding the salaries of civil servants.
25. "Independent Verification Agent" means independent entity to be engaged by the Borrower for the purposes of certifying the achievement of the DLRs as referred to in Section I.B of Schedule 2 to this Agreement.
26. "Letter of Undertaking/Consent" means the agreement with or letter to MoE indicating the willingness of a Selected State to take part in the Program pursuant to Section I.D.2 of Schedule 2 to this Agreement.
27. "MoE" means the Borrower's Ministry of Education, or any successor thereto.
28. "NCERT" means the National Council of Educational Research and Training registered under the Borrower's Societies Registration Act, 1860, with the primary objective of assisting and advising central and state governments on policies and programs for qualitative improvement in school education.
29. "Procurement Regulations" means, for purposes of paragraph 85 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.
30. "Program Action Plan" means the Borrower's plan dated April 16, 2020 and referred to in Section I.C of Schedule 2 to this Agreement, as may be amended from time to time with the agreement of the Bank.
31. "Program Expenditures" means those expenditures incurred by MoE and Selected States for the following budget heads: Early Years Education, Learning Assessment Systems, Teacher Education, Quality Intervention, Vocational Education and Training, and National-Level Quality Intervention, or such other budget head(s) as may be agreed from time to time with the Bank.
32. "Program General Conditions" means the "International Bank for Reconstruction and Development General Conditions for IBRD Financing, Program-for-Results Financing", dated December 14, 2018.
33. "Programme for International Student Assessment" or "PISA" means the Programme for International Student Assessment, wherein students from different countries are assessed every three years in reading, math and science, conducted by the Organisation for Economic Co-operation and Development's (OECD).
34. "Project General Conditions" means the "International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing", dated December 14, 2018.

35. "Project Management Unit" or "PMU" means the unit to be established and maintained in accordance with Section I.A(e) of Schedule 2 to this Agreement.
36. "Selected State" means any of the Borrower's states of Himachal Pradesh, Kerala, Madhya Pradesh, Maharashtra, Odisha and Rajasthan, which list may be amended from time to time with the prior concurrence of the Bank.
37. "SIG Scorecard" means the components and criteria against which SIG performance will be measured as set out in the SIG Manual.
38. "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.
39. "SSC" means a Sector Skills Council, established as an autonomous industry-led body by the Borrower's National Skills Development Corporation.
40. "State Incentive Grant Manual" or "SIG Manual" means the manual prepared, approved and adopted by the MoE, satisfactory to the Bank, for purposes of carrying out the activities related to the State Incentive Grants, which manual shall comprise, *inter alia*: (i) the SIG implementation arrangements, (ii) the components and targets based on which the grant funding shall be provided to a Selected State, (iii) the environmental, social, labor and safety, financial management and procurement standards to be followed by MoE and the selected States in the implementation of their respective activities in relation to SIGs, (iv) the terms and conditions applicable to SIGs, (v) the templates for the Letter of Undertaking/Consent; and (vi) the SIG monitoring and evaluation, and reporting requirements, as the same might be amended from time to time with the prior written concurrence of the Bank.
41. "State Incentive Grant" or "SIG" means the performance-based grant funding to be provided by MoE to a Selected State, in the amounts and under the terms and conditions set forth in the respective Letter of Undertaking/Consent and in accordance with the SIG Manual.
42. "Training and Workshops" means reasonable costs of trainings, seminars, workshops, conferences, study tours, conducted in the territory of the Borrower and/or overseas, including: (a) fees of training institutions and courses; (b) domestic and international travel costs, lodging costs, and subsistence/per diem allowances for both trainers and trainees; (c) rental of training facilities; and (d) preparation, purchase or reproduction of training materials; but excluding salaries and allowance of the Borrower's civil servants or their other regular staff.
43. "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.