

May 28, 2020

**OFFICIAL
DOCUMENTS**

Mr. Sameer Kumar Khare
Additional Secretary
Department of Economic Affairs (DEA)
Ministry of Finance
Government of India
North Block
New Delhi 110 001

Dear Mr. Khare:

**Re: Credit Number 5696-IN
Bihar Kosi Basin Development Project
Cancellation - Amendment to the Financing Agreement**

We refer to the Financing Agreement between India (“Recipient”) and the International Development Association (“World Bank”) dated January 20, 2016 (“Financing Agreement”), and to the Project Agreement between the World Bank and the State of Bihar (“Project Implementing Entity”) (“Project Agreement”), of the same date, pursuant to which the World Bank has extended the above captioned Credit (“Credit”) for the Bihar Kosi Basin Development Project (“Project”).

We also refer to the letter from the Department of Economic Affairs, Ministry of Finance F.No.12/4/2018-FB.V, dated March 14, 2020, requesting the cancellation of forty four million United States Dollars (USD 44,000,000) of the Credit.

In view of the foregoing, and in accordance with the provisions of Section 6.01 of the Association’s General Conditions for Credits and Grants dated July 31, 2010, as modified, applicable to the Financing Agreement, the World Bank hereby cancels as of March 14, 2020, forty four million United States Dollars (USD 44,000,000) of the Credit.

Said cancellation necessitates certain revisions to the withdrawal table set forth in the Financing Agreement. Therefore, the withdrawal table set forth in Section IV.A.2 of Schedule 2 to the Financing Agreement has been revised accordingly and the revised withdrawal table is attached to this letter as Annexure 1.

The commitment charges on the total amount cancelled cease to accrue from March 14, 2020.

In addition, said cancellation necessitates certain changes to Sub-Component 2.1, 2.2 and 2.3 of Component 2 of the Project, as agreed in the Aide Memoire of the Mid-Term Mission dated November 18-22, 2019. As a result, the Project Development Objective (“PDO”), the Financing and Project Agreements, and the Results Framework, need to be revised.

We are pleased to inform you that the World Bank concurs with the above, and accordingly the Financing Agreement is amended as set forth below:

1. The PDO in Schedule 1 is amended to read as follows:

“The objective of the Project is to enhance resilience and connectivity to minimize impacts from floods in the Targeted Districts in the Kosi River Basin and to enhance Bihar’s capacity to respond promptly and effectively to an Eligible Crisis or Emergency.”

2. Component 2 of Schedule 1 is amended to read as follows:

“Component 2: Enhancing Agricultural Productivity and Competitiveness

Increase the agricultural production and productivity by expanding farmers’ access to, and adoption of, innovative farm technologies and practices, and extending their linkages to market infrastructure, through:

1. *Intensification and Diversification of Agricultural Production Systems*: Providing Matching Grants to Farmer Interest Groups for financing their Business Plans for increased agricultural productivity, intensification, diversification and competitiveness, through: (a) demonstration and dissemination of use of new technologies; and (b) improved agricultural inputs and practices.
2. *Strengthening of Agricultural Value Chain*: (a) Mobilizing Farmer Interest Groups to form Producer Organizations; and (b) providing Matching Grants to Producer Organizations for establishing Agricultural Business Centers, including financing the respective ABC Business Plans for produce aggregation and the development of value-added activities.
3. *Institutional Development and Market-led Extension*: Strengthening the institutional capacity of the AFRD in the Targeted Districts in order to promote the: (a) convergence among state- and centrally-sponsored interventions in the agricultural sector; (b) inter-departmental coordination at district, block and village levels; (c) sectoral transformations from production-centered extension systems to market-oriented ones; (d) field-tests and scale-up of climate-resilient agricultural practices; (e) analysis of value chains, market conducts and farmers’ commercial options; and (f) establishment of partnerships with allied services such as financial institutions and insurance providers”.
3. Sections I.4 “ATMA” and I.19 “DOA” of the Appendix to the Financing Agreement are deleted and the remaining Sections are renumbered accordingly.
4. Existing Section I.29 of the Appendix to the Financing Agreement is amended to read as follows:

“29. “Implementing Agencies” means, collectively, the AFRD, BRPNNL, RWD and WRD, and/or their respective successors.”
5. Existing Section I.35 of the Appendix to the Financing Agreement is amended to read as follows:

“35. “Matching Grant Agreement” means the written agreement to be entered into by the AFRD and the individual FIGs or POs, as the case may be, for the provision of a Matching Grant for the financing of a Business Plan or an ABC Business Plan, pursuant to Section I.D.2 of the Schedule to the Project Agreement and the Operations Manual.”

6. The Results Framework of the Project is revised accordingly and is set forth in Annexure II.

Except as specifically amended by this Amendment Letter, all other provisions of the Financing Agreement shall remain unchanged and in full force and effect.

The World Bank will disclose this Amendment Letter and related information in accordance with the World Bank's Policy on Access to Information. By agreeing to this Amendment Letter, the Recipient consents to disclosure of this Amendment Letter and related information.

Please confirm your agreement to the foregoing by signing and dating two originals, retaining one original for your records and returning the other original to the World Bank. This Amendment Letter shall become effective as of the date of the last countersignature of any of: (a) this Amendment Letter; or (b) the Project Agreement Amendment Letter, upon receipt by the World Bank of the duly countersigned originals of the Amendment Letters, other than the cancellation, which shall become effective as of the date of the cancellation.

Yours sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION


By 

Junaid Kamal Ahmad
Country Director, India

AGREED:

INDIA

By: 

Authorized Representative  Sameer Kumar Khare, IAS

Name: 

समीर कुमार खरे, आई. ए. एस. / Sameer Kumar Khare, IAS
अपर सचिव / Addl. Secretary
वित्त मंत्रालय / Ministry of Finance
आर्थिक कार्य विभाग / Department of Economic Affairs
भारत सरकार / Government of India
नई दिल्ली / New Delhi

Title: 

Date: MAY 29, 2020

Enclosures:

Annexure I – Revised Withdrawal Schedule

Annexure II - Revised Results Framework

cc:

Ms. Aparna S., Executive Director (India), the World Bank

Mr. Santosh Dattatraya Vaidya, Senior Advisor to Executive Director, the World Bank

Government of India

Mr. Hanish Chhabra, Deputy Director, Department of Economic Affairs, Government of India

Mr. Sukhbir, Controller of Aid Accounts and Audit, Department of Economic Affairs, Ministry of Finance, Government of India

Mr. Sanjeev Kumar Jindal, Joint Secretary (Disaster Management), Ministry of Home Affairs, Government of India

Government of Bihar

Mr. Arun Kumar Singh, Development Commissioner, Government of Bihar

Mr. Manish Kumar Verma, Principal Secretary, Department of Planning and Development and Project Director, Bihar Apada Punarwas Evam Punarnirman Society

Mr. Sunil Kumar, Dy. Project Director, Bihar Apada Punarwas Evam Punarnirman Society

Mr. Tripurari Sharan, Additional Chief Secretary, Water Resources Department, Government of Bihar

Mr. S. Sidharth, Principal Secretary, Department of Finance, Government of Bihar

Mr. Vinay Kumar, Secretary, Rural Works Department, Government of Bihar

Mr. Amrit Lal Meena, Principal Secretary, Road Construction Department, Government of Bihar

Mr. Jitendra Srivastav, Chairman, Bihar Rajya Pul Nirman Nigam Limited

Mr. Sudhir Kumar, Principal Secretary, Department of Agriculture, Government of Bihar

Mr. K. K. Pathak, Principal Secretary, Minor Water Resources Department, Government of Bihar

Ms. N. Vijayalakshmi, Secretary, Department of Animal and Fish Resources Department, Government of Bihar

Mr. Adesh Titarmare, Director, Department of Agriculture, Government of Bihar

Cleared with: Zoe Kolovou, LEGES and Victor Ordonez, WFACS

bcc: SARVP Core Front Office Team; India CMU General; John A. Roome; Sameh Naguib Wahba; Christoph Pusch; Deepak Singh; Keisuke Iyadomi; Anup Karanth; Mehul Jain; Peeyush Ramawtar Sekhsaria; India DRM; Stephanie H. Tam; Harjot Kaur; Anindo Kumar Chatterjee; Rumita Chowdhury; Satya Priya; Manzoor Ul Haque Khan; Edward William Bresnyan; Shouvik Moitra; Obaidullah Hidayat; Heenaben Yatin Doshi; Puneet Kapoor; prabirjoardar@gmail.com; murahariv64@hotmail.com; Radha Raju; Sumit Gulati; Heather Sophia Fernandes

Annexure I
Attachment to the World Bank's Letter dated May 28, 2020

Credit Number 5696-IN

Revised Withdrawal Table

Category	Amount of the Credit Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants' services, Matching Grants, Operating Costs, and Training under Components 1, 2, 3 and 5 of the Project	206,000,000	67%
(2) Emergency Expenditures under Component 4 of the Project	0	
(3) Cancelled as of March 14, 2020	44,000,000	
TOTAL AMOUNT	250,000,000	

Annexure II

Attachment to the World Bank's Letter dated May 28, 2020

Credit Number 5696-IN

Revised Results Framework

Project Development Objective Indicators

Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
Area protected by improved flood protection measures (Hectare(Ha))		0.00	0.00	0.00	500.00	1,000.00	2,000.00	3,000.00	4,500.00	4,500.00
Increased access of the population, to markets by roads and bridges in good and fair condition by 20 percent (Percentage)		100.00	103.00	107.00	110.00	115.00	120.00	120.00	120.00	120.00
Of which female farmers/excluded farmers (Number)		46.00	52.00	53.00	55.00	57.00	60.00	60.00	60.00	60.00

Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
Improving Flood Risk Management										

Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
Km of embankment strengthened (Kilometers)	0.00	0.00	0.00	0.00	0.00	10.00	20.00	30.00	45.00	45.00
Enhancing Agricultural Productivity and Competitiveness										
Direct project beneficiaries (Number)	0.00	0.00	0.00	2.00	3.00	5.00	7.00	10.00		7,000,000.00
Female beneficiaries (Percentage)	46.00									46.00
Farmers organized in FIGs (Percentage)	10.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	35.00
Female FIG Farmers (Percentage)	2.00									10.00
Farmers who have adopted an improved agriculture technology promoted by the project (Number)	0.00	0.00	100.00	500.00	1,500.00					3,000.00
Farmers who have adopted an improved agriculture technology promoted by the project - female (Number)	0.00	0.00	50.00	300.00	1,000.00					1,500.00
Augmenting Connectivity										
New bridges constructed (Number)	0.00	5.00	10.00	30.00	50.00	55.00	58.00	58.00	58.00	58.00
Roads constructed, Rural (Kilometers)	0.00	20.00	70.00	150.00	350.00	380.00	400.00	400.00	400.00	400.00
People with access to linking roads and bridges in good and fair condition (Number)	0.00	50,000.00	120,000.00	3,000,000.00	5,000,000.00	650,000.00	7,000,000.00	7,000,000.00	7,000,000.00	7,000,000.00

Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
Share of rural population, women farmers and socially excluded farmers, with access to an all-season road (Percentage)	0.00	0.00	2.00	4.00	8.00	12.00	20.00	22.00	25.00	25.00
Contingent Emergency Response										
WRD staff trained to use flood management technologies (Number)	0.00	0.00	0.00	0.00	100.00	150.00	200.00	200.00	200.00	200.00