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**LOAN NUMBER 9629-IN**

# **Loan Agreement**

**(Sikkim: Integrated Service Provision and Innovation for Reviving Economies Operation)**

**between**

**INDIA**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

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## **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 one hundred million Dollars (\$100,000,000), 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 A (“Program”) of Schedule 1 to this Agreement;  
and
  - (b) the project as described in Part B (“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 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 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

**ARTICLE III — OPERATION**

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

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

AGREED as of the Signature Date.

**INDIA**

**By**



**Authorized Representative**

**Name:** Vikas Sheel

**Title:** AS (FB&ADB) DEA

**Date:** 06-Feb-2024

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

**By**



**Authorized Representative**

**Name:** Auguste Tano Kouame

**Title:** Country Director

**Date:** 15-Jan-2024

## SCHEDULE 1

### Operation Description

The objective of the Operation is to promote economic inclusion opportunities for women and youth in non-farm sectors.

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: Strengthened State Systems to Deliver Inclusive Growth**

- (i) Development of Inclusive Growth Strategy.
- (ii) Creation of Employment and Entrepreneurship Promotion Facility to, *inter alia*: (a) promote inclusive growth within governments, private sector and non-state actors; (b) provide policy support to Planning and Development Department (PDD) to accelerate employment and entrepreneurship outcomes for women and youth.
- (iii) Design and development of the Centralized Beneficiary Platform.
- (iv) Creation and adoption of integrated management information system at PDD for, *inter alia*, identification of women and youth for economic inclusion programs.

##### **Results Area 2: Improved Employment Linkages for Women and Youth in Priority Sectors**

- (i) Delivery of high-quality short duration skilling course in priority sectors, and strengthening of employment placement of graduated trainees.
- (ii) Strengthening of State Skill Development Institutions to, *inter alia*, meet national accreditation and recognition requirements, run new courses in priority sectors, enhance digital monitoring systems, strengthen post-training follow-up with trainees, adopt digital technology, deliver refresher training programs, and strengthen infrastructure.
- (iii) Support for transition of women and youth entrepreneurs towards non-farm and priority sectors, including by, *inter alia*: (a) promoting entrepreneurship; (b) enabling easy and affordable access to finance; (c) training in technical, business development and socio-economic skills; (d) support for government of Sikkim's homestay schemes, which includes construction of homestays and building of management capacities of homestay owners/managers; (e) enabling networking with industry experts and peers; (f) enabling market linkages; and (g) setting up one-stop virtual shops to provide registration support, technical assistance and linkages with local small and medium enterprises.

- (iv) Creation of innovation hub to offer incubation and acceleration services for early-stage enterprises in priority sectors.

**Results Area 3: Enhanced Delivery of Enabling Services for Economic Inclusion of Women and Youth**

- (i) Development and implementation of district-level Integrated Economic Inclusion Action Plans (IEIAPs) to promote employment and entrepreneurship among women and youth.
- (ii) Strengthening of capacity for boosting internet connectivity and digital readiness, including by, *inter alia*, aligning plans for improved connectivity for employment opportunities; and carrying out identification and pilot testing of various options to improve connectivity.
- (iii) Strengthening of capacities on enabling services, including, *inter alia*: (a) capacity building of health care professionals on mental health; (b) training of teachers and community health workers on identification of mental health issues; (c) strengthening of tele-helpline services for mental health promotion and suicide prevention; (d) pilot on community mental health promotion and outreach of mental health treatment services; (e) introduction of life skills education courses in schools, colleges and skill training centers; (f) training and certification of care service providers specializing in early childhood care and geriatric care; and (g) creation of an integrated platform for delivery of services to enable vulnerable beneficiaries to access employment opportunities.

**Part B: The Project**

The Project consists of the following:

- (i) Engagement of technical support agencies for implementation of the Program.
- (ii) Monitoring of Program implementation, including through specific impact evaluation studies.
- (iii) Support for building procurement capacity of Priority Departments.

## **SCHEDULE 2**

### **Operation Execution**

#### **Section I. Implementation Arrangements**

##### **A. Financial Arrangements**

1. To facilitate the carrying out of the Operation, the Borrower shall make the proceeds of the Loan available to the Implementing Entity in accordance with the Borrower's standard arrangements for developmental assistance to the states of India.
2. Notwithstanding the provisions of the immediately preceding paragraph, in the event of a conflict between the Borrower's standard arrangements for developmental assistance to the states of India and the provisions of or referred to in this Agreement, the provisions of or referred to in this Agreement shall govern.
3. The Borrower shall exercise its rights under its standard arrangements for developmental assistance to the states of India in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive its rights or obligations under said arrangements.

#### **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 \$75,000,000 equivalent or more per contract; (2) goods, estimated to cost \$50,000,000 equivalent or more per contract; (3) non-consulting services, estimated to cost \$50,000,000 equivalent or more per contract; or (4) consulting services, estimated to cost \$20,000,000 equivalent or more per contract.

#### **Section III. Operation Monitoring, Reporting and Evaluation**

The Borrower shall cause the Implementing Entity to furnish to the Bank each Program Report and Project Report not later than forty-five days 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 General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to: (a) finance Program Expenditures (inclusive of Taxes), on the basis of the results ("Disbursement Linked Results" or "DLRs") achieved by the Implementing Entity, as measured against specific indicators ("Disbursement

Linked Indicators” or “DLIs”) all as set forth in Schedule 4 to this Agreement and the table in paragraph 2 of this Part A; (b) with respect to the Project, finance Eligible Expenditures in the amount allocated and, if applicable, up the percentage set forth against Category (9) of the table below; and (c) pay: (i) the Front-end Fee; and (ii) pay each Interest Rate Cap or Interest Rate Collar premium, as set forth against Categories (10) and (11) of the table in paragraph 2 of this Part A.

2. The following table specifies each category of withdrawal of the proceeds of the Loan (including the Disbursement Linked Indicators as applicable) (“Category”), the Disbursement Linked Results for each Category (as applicable), and the allocation of the amounts of the Loan to each Category:

<b>Category (including Disbursement Linked Indicator as applicable)</b>	<b>Amount of the Loan Allocated (expressed in USD)</b>	<b>Percentage of Eligible Expenditures to be Financed (inclusive of Taxes)</b>
(1) DLI #1: Strengthened state systems to support employment outcomes for women and youth	15,000,000	NA
(2) DLI#2: Enhanced entrepreneurship in priority sectors for women and youth (18-35 years)	12,000,000	NA
(3) DLI#3: Improved management and operational capacities in the tourism sector	12,000,000	NA
(4) DLI#4: Improved training to placement linkages in priority sectors	12,000,000	NA
(5) DLI #5: Increased investments at district-level for integrated results on economic inclusion	15,000,000	NA
(6) DLI #6: Enhanced digital readiness for promoting economic inclusion	12,000,000	NA
(7) DLI #7: Strengthened first respondent capacities on mental health management	5,000,000	NA
(8) DLI #8: Creation of a comprehensive care and workplace safety system	9,000,000	NA
(9) Eligible Expenditures under the Project for goods, non-consulting services, consulting services, and Training and Workshops for the Project	7,750,000	100%



(10) Front-end Fee to be paid pursuant to Section 2.03 of this Agreement in accordance with Section 2.05 (b) of the General Conditions	250,000	
(11) Interest Rate Cap or Interest Rate Collar premium to be paid pursuant to Section 4.05 (c) of the General Conditions		
<b>TOTAL AMOUNT</b>	<b>100,000,000</b>	

**B. Withdrawal Conditions for the Program**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made under Categories (1) to (8):
  - (a) on the basis of DLRs achieved prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$11,190,000 may be made on the basis of DLRs achieved prior to this date but on or after March 31, 2023; or/and
  - (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, if any of the DLR(s) under Category (1) to (8) has not been achieved by the date by which the said DLR is set to be achieved, the Bank may, by notice to the Borrower:
  - (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Loan then allocated to said Category which, in the opinion of the Bank, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the formula set out in the table in Schedule 4 to this Agreement;
  - (b) reallocate all or a portion of the proceeds of the Loan then allocated to said DLR to any other DLR; and/or
  - (c) 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 under Category (9) for payments made in respect of the Project prior to the Signature Date.

**D. Closing Date**

1. The Closing Date is April 30, 2029.

### SCHEDULE 3

#### Commitment-Linked Amortization Repayment Schedule

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

#### Level Principal Repayments

<b>Principal Payment Date</b>	<b>Installment Share</b>
On each March 15 and September 15	
Beginning September 15, 2029 through September 15, 2037	5.56%
On March 15, 2038	5.48%

**SCHEDULE 4**

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

Disbursement Linked Indicator (DLI)	Baseline	Disbursement-Linked Results (DLRs)						Total Allocated Amount
		DLRs Expected to be Achieved in Year 0 (April 2023 to March 2024) (Prior Results)	DLRs Expected to be Achieved in Year 1 (April 2024 to March 2025)	DLRs Expected to be Achieved in Year 2 (April 2025 to March 2026)	DLRs Expected to be Achieved in Year 3 (April 2026 to March 2027)	DLRs Expected to be Achieved in Year 4 (April 2027 to March 2028)	DLRs Expected to be Achieved in Year 5 (April 2028 to March 2029)	
<b>DLI 1: Strengthened state systems to support employment outcomes for women and youth</b>	Limited coordination mechanism for economic inclusion policymaking; Limited active partnership with the private sector on economic inclusion; there are no work-readiness programs/bootcamps in partnership with employers	State Cabinet issued a Government Order establishing the Employment and Entrepreneurship Promotion Facility			(i) 2 partnerships formulated between the PDD and private sector, social enterprises and/or technical partners.  (ii) PDD has created Centralized Beneficiary Platform (CBP) for planning and monitoring delivery of	CBP is functional with integration of at least three schemes	(i) 5 partnerships formulated between the PDD and private sector, social enterprises and/or technical partners (cumulative)  (ii) 6 work-readiness programs/bootcamps launched by PDD in priority sectors  (iii) 60% of youth who participated in work readiness programs are work ready in priority sectors	

					benefits and services for economic inclusion of women and youth			
<b>Allocated Amount</b>		<b>\$5,000,000</b>	NA	NA	<b>\$3,000,000</b>	<b>\$ 2,950,000</b>	<b>\$4,050,000</b>	<b>\$15,000,000</b>
<b>Formulae</b>		\$5,000,000 on target achievement			(i) \$500,000 per partnership between the PDD and private sector, social enterprises and/or technical partners, up to a maximum of \$1,000,000 for DLR (i) above; and  (ii) \$2,00,000 on target achievement for DLR (ii) above.	\$2,950,000 on target achievement	(i) US\$250,000 per additional partnership between the PDD and private sector, social enterprises and/or technical partners, up to a maximum of US\$750,000 for DLR (i) above;  (ii) \$250,000 per work readiness program/bootcamp launched in priority sector, up to a maximum of US\$1,500,000 for DLR (ii) above; and  (iii) US\$30,000 per percentage point of youth who participated in work readiness programs and are work ready in priority sectors, up to a maximum of US\$1,800,000 for DLR (iii) above.	

<p><b>DLI 2: Enhanced entrepreneurship in priority sectors for women and youth (18-35 years)</b></p>	<p>Weak eco-system for entrepreneurship promotion in non-farm sectors. Skilled Youth Start-up Scheme (SYSS) has supported 1651 micro and small enterprises between 2020-2023. This support did not include business support services.</p>	<p>Sikkim Industrial and Services Sector Development &amp; Investment Policy 2023 approved, notified and disclosed on the Government of Sikkim's website</p>		<p>(i) C&amp;ID has created an innovation hub  (ii) 2 incubation or acceleration services established by C&amp;ID for women-led and/or youth-led enterprises in non-farm sectors</p>		<p>(i) 4 incubation or acceleration services established by C&amp;ID for women-led and/or youth-led enterprises in non-farm sectors (cumulative)  (ii) 5% of women-led and/or youth-led enterprises supported under SYSS also secured commercial loans in non-farm sectors</p>	<p>8% of women-led and/or youth-led enterprises supported under SYSS also secured commercial loans in non-farm sectors (cumulative)</p>	
<p><b>Allocated Amount</b></p>		<p><b>1,000,000</b></p>	<p>NA</p>	<p><b>\$3,000,000</b></p>	<p>NA</p>	<p><b>\$5,000,000</b></p>	<p><b>\$3,000,000</b></p>	<p><b>\$12,000,000</b></p>
<p><b>Formulae</b></p>		<p>\$1,000,000 on target achievement</p>		<p>(i) \$1,000,000 on target achievement for DLR (i) above; and  (ii) US\$1,000,000 for each incubation or acceleration</p>		<p>(i) US\$1,000,000 for each additional incubation or acceleration service established for women-led and/or youth-led</p>	<p>\$1,000,000 for each additional percentage point of women-led and/or youth-led enterprises supported under SYSS securing commercial loans in non-farm sectors achieving the target,</p>	

				service established for women-led and/or youth-led enterprises in non-farm sectors, up to a maximum of US\$2,000,000 for DLR (ii) above		enterprises in non-farm sectors, up to a maximum of US\$2,000,000 for DLR (i) above; and  (ii) \$600,000 for each percentage point of women-led and/or youth-led enterprises supported under SYSS securing commercial loans in non-farm sectors, up to a maximum of \$3,000,000 for DLR (ii) above	up to a maximum of \$3,000,000	
<b>DLI 3: Improved management and operational capacities in the tourism sector</b>	(i) Gaps in institutional capacities and governance in IHM and IHCAE  (ii) Limited business management and digital capacities of	(i) IMF completes inspection of IHCAE for granting recognition  (ii) IHCAE receives		(i) T&CAD has established the gender-disaggregated baseline of homestay owners	20% of women-led homestays received training in business management and digital marketing		60% of trained women-led homestays have adopted digital marketing and/or digital payment tools	

	women homestay owners/managers (there are 384 women owned homestays).	recognition from IMF		(ii) 10% of women-led homestays received training in business management and digital marketing skills by T&CAD	skills by T&CAD (cumulative)			
<b>Allocated Amount</b>		<b>\$2,000,000</b>	NA	<b>\$3,000,000</b>	<b>\$2,800,000</b>	NA	<b>\$4,200,000</b>	<b>\$12,000,000</b>
<b>Formulae</b>		(i) \$1,000,000 on target achievement for DLR (i) above; and  (ii) \$1,000,000 on target achievement for DLR (ii) above.		(i) \$1,000,000 on target achievement for DLR (i) above; and  (ii) \$200,000 per percentage point of women-led homestays completing the target, up to a maximum of \$2,000,000 for DLR (ii) above	\$280,000 per additional percentage point of women-led homestays who received training in business management and digital marketing skills, up to a maximum of \$2,800,000		\$70,000 per percentage point of women-led homestays that have adopted digital marketing and/or digital payment tools, up to a maximum of \$4,200,000	
<b>DLI 4: Improved training to placement linkages in priority sectors</b>	(i) Short-term skills training delivered in only two non-farm sectors with limited job roles  (ii) Low placement rates of trainees in		4 training providers/partners empaneled by SICB/SDD to deliver both technical and non-cognitive	Virtual and blended career counselling and placement support services launched by SICB /	3 new NSQF compliant training programs conducted by SICB / SDD in	6 new NSQF compliant training programs conducted by SICB / SDD in priority	Placement rate for trainees in priority sectors has reached 50%	

	priority sectors – with an average placement rate of 38%		skill training in priority sectors	Niyukti Kendra / SDD	priority sectors	sectors (cumulative)		
<b>Allocated Amount</b>		NA	<b>\$2,000,000</b>	<b>\$2,200,000</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$1,800,000</b>	<b>\$12,000,000</b>
<b>Formulae</b>			\$500,000 per empaneled training provider/partner, up to a maximum of \$2,000,000	\$2,200,000 on target achievement	\$1,000,000 per new NSQF compliant training program conducted by SICB/SDD in priority sectors, up to a maximum of \$3,000,000	\$1,000,000 per additional new NSQF compliant training program in priority sectors, up to a maximum of \$3,000,000	(i) \$150,000 per percentage point (over and above the baseline of 38%) of placement rate, up to a maximum of \$1,800,000	
<b>DLI 5: Increased investments at the district-level for integrated results on economic inclusion</b>	Fragmented delivery of government programs at the district level		(i) District-level IEIAPs, that reflect investment priorities and financial allocations on economic inclusion in non-farm sectors, approved by the PGC  (ii) District-level IEIAPs are available in the public domain in 6 districts	20% financing disbursed in each district as per the district-level IEIAPs	40% financing disbursed in each district as per the district-level IEIAPs (cumulative)	50% financing disbursed in each district as per the district-level IEIAPs (cumulative)	60% financing disbursed in each district as per the district-level IEIAPs (cumulative)	



Allocated Amount			\$3,000,000	\$3,600,000	\$3,600,000	\$2,400,000	\$2,400,000	\$15,000,000
<b>Formulae</b>			<p>(i) \$250,000 per district-level IEIAP reflecting investment priorities and financial allocations on economic inclusion in non-farm sectors approved by the PGC, up to a maximum of \$1,500,000 for DLR (i) above; and</p> <p>(ii) \$250,000 for each district-level IEIAP available in the public domain in 6 districts, up to a maximum of \$1,500,000 for DLR (ii) above</p>	<p>For each district: \$300,000 for disbursement of the first 10% of the financing, and thereafter \$300,000 for disbursement of the next 10% of the financing, up to a maximum of \$600,000 for each district; and up to a maximum of \$3,600,000 in the aggregate for the DLR</p>	<p>For each district: \$300,000 for disbursement of the first additional 10% of the financing, and thereafter \$300,000 for disbursement of the next 10% of the financing, up to a maximum of \$600,000 for each district; and up to a maximum of \$3,600,000 in the aggregate for the DLR</p>	<p>For each district: \$200,000 for disbursement of the first additional 5% of the financing, and thereafter \$200,000 for disbursement of the next 5% of the financing, up to a maximum of \$400,000 for each district; and up to a maximum of \$2,400,000 in the aggregate for the DLR</p>	<p>For each district: \$200,000 for disbursement of the first additional 5% of the financing, and thereafter \$200,000 for disbursement of the next 5% of the financing, up to a maximum of \$400,000 for each district; and up to a maximum of \$2,400,000 in the aggregate for the DLR</p>	
<b>DLI 6: Enhanced digital readiness for promoting economic inclusion</b>	Lack of a state-wide framework on digital connectivity		Feasibility study conducted by ITD for establishing connectivity across the state	<p>(i) ITD has prepared the state data policy and compliance plan</p> <p>(ii) Secretary ITD and PGC have approved</p>	Internet connectivity pilot completed by ITD in one district based on feasibility study findings		Study on linkages between digital connectivity and economic activity completed and dissemination workshop organized by ITD	

				the state data policy				
<b>Allocated Amount</b>		NA	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$4,000,000</b>	NA	<b>\$2,000,000</b>	<b>\$12,000,000</b>
<b>Formulae</b>			(i) \$3,000,000 on target achievement	(i) \$1,500,000 on target achievement for DLR(i) above; and  (ii) \$1,500,000 on target achievement for DLR(ii) above.	\$4,000,000 on target achievement		\$2,000,000 on target achievement.	
<b>DLI 7: Strengthened capacities of frontline personnel on mental health management</b>	Limited and fragmented delivery of enabling services (mental health, de-addiction, and care). 4909 individuals have utilized out-patient and in-patient drug control services over the last 5 years (2018-2023) in the state.	Mobile application on mental health awareness and service delivery linkages launched by H&FWD		850 schoolteachers trained in life skills education and in undertaking preliminary screening for mental health related concerns	(i) 665 health workers and counsellors upskilled on mental health - including focus on suicide prevention, substance abuse management  (ii) Update to mobile app on mental health launched by H&FWD	1140 community-based mental health promotion, screening and outreach activities conducted	(i) 5% increase over baseline in the footfall of adolescents (10-18 years) and/or youth (18-35 years) at PHCs and/or AFHCs for mental health management and/or de-addiction services  (ii) 70% of adolescents and/or youth participating in life skills education in schools and in community-based outreach activities are screened for mental	

							health related concerns	
<b>Allocated Amount</b>		<b>\$1,390,000</b>	NA	<b>\$425,000</b>	<b>\$1,165,000</b>	<b>\$570,000</b>	<b>\$1,450,000</b>	<b>\$5,000,000</b>
<b>Formulae</b>		\$1,390,000 on target achievement		\$500 per teacher trained, up to a maximum of \$425,000	(i) \$1,000 per health worker or counsellor upskilled, up to a maximum of \$ 665,000 for DLR (i) above; and  (ii) \$500,000 on target achievement for DLR (ii) above.	\$500 per community-based mental health promotion, screening and outreach activities conducted, up to a maximum of \$570,000	(i) \$150,000 per percentage point increase in the footfall of adolescents and/or youth at PHCs and/or AFHCs for mental health management and/or de-addiction services over baseline, up to a maximum of \$750,000 for DLR (i) above; and  (ii) \$10,000 per percentage point of adolescents and/or youth screened for mental health management in community-based outreach activities, up to a maximum of \$700,000 for DLR (ii) above	
<b>DLI 8: Creation of a comprehensive care and workplace safety system</b>	Limited state capacities on childcare, reproductive health and geriatric care	Expert group meeting organized by PDD in collaboration with H&FWD, on identifying	3 Partnerships established by PDD (in coordination with SDD, H&FWD and WCDD) on childcare,	(i) Integrated case management system established for vulnerable women	(i) 200 trainees receive training and certification in childcare, geriatric	400 trainees receive training and certification in childcare, geriatric care, reproductive	20% of trainees trained and certified in childcare, geriatric care, reproductive health, or early childhood development placed	

		research priorities and roadmap for understanding socio-economic aspects of declining fertility rates in Sikkim	reproductive health, and geriatric care	beneficiaries by WCDD  (ii) Violence prevention and safety at workplace orientation launched for women entrepreneurs and women-led homestays by WCDD	care, reproductive health, or early childhood development by PDD (in coordination with SDD, H&FWD and WCDD)  (ii) Migration support services launched by PDD to enable migration for jobs in national and international markets	health, or early childhood development by PDD (in coordination with SDD, H&FWD and WCDD) (cumulative)	in national and/or international locations	
<b>Allocated Amount</b>		<b>\$1,800,000</b>	<b>\$1,000,000</b>	<b>\$1,200,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$1,000,000</b>	<b>\$9,000,000</b>
<b>Formulae</b>		\$1,800,000 on target achievement	\$400,000 on the first partnership established by PDD; \$300,000 on each additional partnerships established by PDD; up to a maximum of \$1,000,000	(i) \$600,000 on target achievement for DLR(i) above; and  (ii) \$600,000 on target achievement for DLR(ii) above.	(i) \$7,500 per trainee receiving training and certification, up to a maximum of \$1,500,000 for DLR (i) above; and	\$10,000 for each additional trainee receiving training and certification , up to a maximum of \$2,000,000	\$50,000 for each percentage point of trainees placed, up to a maximum of \$1,000,000	

					(ii) \$500,000 on target achievement for DLR(ii) above			
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\* The periods in which DLRs are expected to be achieved as per this Schedule are for indicative purposes. Achievement of DLRs can be obtained earlier or later than said periods up and until the Closing Date; provided that if any DLR is met prior to the period in which such DLR is indicated for, the Borrower may, with prior agreement of the Bank, withdraw the amount corresponding to the extent of achievement of said DLR prior to that period indicated in this Schedule.

## APPENDIX

### Definitions

1. “Anti-corruption Guidelines” means, for purposes of paragraph 6 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; and for purposes of paragraph 6 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.
2. “C&ID” means the Implementing Entity’s Commerce and Industries Department, or any successor thereto.
3. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
4. “Centralized Beneficiary Platform” or “CBP” means a social protection delivery platform to be designed and developed by PDD, to enable transition to a more pro-active governance and delivery of scheme benefits and services.
5. “DET” means the Directorate of Eco-Tourism under the aegis of F&ED.
6. “Disbursement Linked Indicator” or “DLI” means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
7. “Disbursement Linked Result” or “DLR” means in respect of a given Category, the result under said Category as set forth in the table in Schedule 4 to this Agreement, on the basis of the achievement of which, the amount of the Loan allocated to said result may be withdrawn in accordance with the provisions of Section IV of Schedule 2 and Schedule 4 to this Agreement.
8. “District Industries Center” means a district industries center established by the Recipient’s Ministry of Micro, Small & Medium Enterprises, with the purpose of promoting micro, small and medium enterprises and employment opportunities by implementation of various schemes and programs of central and state governments.
9. “Employment and Entrepreneurship Promotion Facility” means the cell to be established by the PDD in order to implement the Inclusive Growth Strategy, including by promoting agile governance and practices and private sector partnerships to drive economic inclusion.
10. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated November 17, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower shall carry out or cause to be carried out

- to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
11. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
  12. “F&ED” means the Implementing Entity’s Forest and Environment Department, or any successor thereto.
  13. “Fiscal Year” or “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.
  14. “General Conditions” means the Program General Conditions and the Project General Conditions. In some cases, capitalized definitions are the same in both sets of General Conditions. In cases where the same capitalized term has a different definition in the Program General Conditions and the Project General Conditions, the definition provided in the Program General Conditions will be apply if the term relates to the Program, whereas the definition provided in the Project General Conditions will be apply if the term relates to the Project, as the context may require. In other cases when where the same capitalized term has a different definition in the Program General Conditions and the Project General Conditions, and the term is used in this Agreement to refer to the overall Operation, the term will be defined in this Appendix to this Agreement.
  15. “H&FWD” means the Implementing Entity’s Health and Family Welfare Department, or any successor thereto.
  16. “IHCAE” means the Indian Himalayan Centre for Adventure and Eco-tourism, which was established by the Recipient in 2009 to deliver high standard eco-tourism and adventure related training courses that are cognizant to environmental degradation.
  17. “IHM” means the Institute of Hotel Management, set up in 1990 by the Recipient’s Ministry of Tourism and the Implementing Entity’s Department of Tourism, with the objective of providing job-oriented and professional hospitality education to all the students of any stream from any part of the country.
  18. “IMF” means the Indian Mountaineering Foundation, set up by the Recipient in 1961, as the apex national body for mountaineering and allied sports in India.

19. “Implementing Entity” means the Borrower’s state of Sikkim, which is also referred to as the Project Implementing Entity in connection with the Project and the Program Implementing Entity in connection with the Program in the General Conditions.
20. “Inclusive Growth Strategy” means the strategy to be developed by PDD for Sikkim for the years 2025-35, which provides mechanisms to attract private sector investments, identifies priority areas for work, and provides ways to address barrier to employment, especially for women.
21. “Independent Verification Agent” means the independent entity to be engaged by the Implementing Entity for the purposes of certifying the achievement of the DLRs as referred to in Section III.B of the Schedule to the Operation Agreement.
22. “Integrated Economic Inclusion Action Plan” or “IEIAP” means the plan to be prepared, adopted and implemented at the district-level, based on the Inclusive Growth Strategy, consisting of actions to, *inter alia*: promote locally-drive tourism and entrepreneurship, promote ecotourism, strengthen forest management, provide business support to women-led and managed businesses and youth entrepreneurs and collectives in non-farm sectors, enhance transport options for women and youth, upgrade and maintain community-level infrastructure.
23. “ITD” means the Implementing Entity’s Information and Technology Department, or any successor thereto.
24. “Livelihood School” means training centers operated by the SDD for short-term skills training and capacity building of unemployed youth.
25. “Niyukti Kendra” means a career counselling and placement support cell.
26. “NSQF” means the Borrower’s National Skills Qualifications Framework established by the Government of India.
27. “Operation Agreement” means the agreement between the Bank and the Implementing Entity, which is referred to as the Project Agreement in the Project General Conditions and the Program Agreement in the Program General Conditions.
28. “Operation” means, collectively, the Program and the Project.
29. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
30. “Planning and Development Department” or “PDD” means the Implementing Entity’s Planning and Development Department, or any successor thereto.



31. “Priority Department” means any of the following departments, namely, RDD, C&ID, SDD, T&CAD, ITD, WCDD, H&FWD and DET.
32. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
33. “Program Action Plan” means the Implementing Entity’s plan dated November 17, 2023, and referred to in Section I.C of the Schedule to the Operation Agreement, as may be amended from time to time with the agreement of the Bank.
34. “Program Coordination Committee” or “PCC” means the committee to be established and maintained pursuant to Section I.B.1(f) of the Schedule to the Operation Agreement.
35. “Program General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Program-for-Results Financing”, dated December 14, 2018 (Last revised on July 15, 2023).
36. “Program Governing Committee” or “PGC” means the committee established by PDD, via notification no. 07/PDD dated October 21, 2023, and to be maintained pursuant to Section I.B.1(e) of the Schedule to the Operation Agreement.
37. “Program Implementation Unit” or “PIU” means the unit to be established and maintained pursuant to Section I.B.1(d) of the Schedule to the Operation Agreement.
38. “Program Management Consultant” or “PMC” means the consultant to be recruited and maintained pursuant to Section I.B.1(c) of the Schedule to the Operation Agreement.
39. “Program Management Unit” or unit established via the following orders: Order no. 3303/G/DOP of the Department of Personnel of the Government of Sikkim dated July 15, 2022; Order no. 1176/G/DOP of the Department of Personnel of the Government of Sikkim dated March 3, 2023; and Order no. 25/P&DD/47/CS/SKM/2022 of PDD dated March 9, 2023; and to be maintained pursuant to Section I.B.1(b) of the Schedule to the Operation Agreement.
40. “Program” means the program described in Part A of the Schedule 1 to this Agreement.
41. “Project General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (Last revised on July 15, 2023).
42. “Project” means the program described in Part B of Schedule 1 to this Agreement.
43. “RDD” means the Implementing Entity’s Rural Development Department, or any successor thereto.
44. “SDD” means the Implementing Entity’s Skills Development Department, or any successor thereto.

45. “Sector Skills Council” or “SSC” means a Sector Skills Council, established as an autonomous industry-led body by the Borrower’s National Skills Development Corporation.
46. “SICB” means the Implementing Entity’s State Institute of Capacity Building, established to deliver short-term skills training and develop the state’s labor force.
47. “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.
48. “Sikkim Industrial and Services Sector Development & Investment Policy 2023” means the investment policy for Sikkim to be issued by C&ID.
49. “SIRD” means the State Institute of Rural Development, which is the apex training institute of the RDD, and is responsible for undertaking various training and research activities pertaining to local self-governance and rural development.
50. “Skilled Youth Start-up Scheme” or “SYSS” means the Skilled Youth Start-up Scheme launched in 2019 by the Recipient’s Department of Industries and Commerce to create self-employment opportunities for youth in Sikkim.
51. “State Skill Development Institution” means any of the following institutions, namely, SICB, a Livelihood School, SIRD, IHM, IHCAE, and a District Industries Center.
52. “T&CAD” means the Implementing Entity’s Tourism & Civil Aviation Department, or any successor thereto.
53. “Training and Workshops” means the training, study tours, conferences and workshops conducted and/or attended by staff from the Implementing Entity and/or other stakeholders, in the territory of the Borrower or, subject to the Bank’s prior no objection, overseas, including the purchase and publication of materials, rental of facilities, course fees, and lodging, travel expenses and per diems for trainers and/or trainees.
54. “WCDD” means the Implementing Entity’s Women & Child Development Department, or any successor thereto.
55. “Year 0” means the Borrower’s Fiscal Year 2023-24.
56. “Year 1” means the first year of implementation of activities of the Operation, which have taken place in the Borrower’s Fiscal Year 2024-25.
57. “Year 2” means the second year of implementation of activities of the Operation, which have taken place in the Borrower’s Fiscal Year 2025-26.
58. “Year 3” means the third year of implementation of activities of the Operation, which have taken place in the Borrower’s Fiscal Year 2026-27.
59. “Year 4” means the fifth year of implementation of activities of the Operation, which have taken place in the Borrower’s Fiscal Year 2027-28.

60. "Year 5" means the sixth year of implementation of activities of the Operation, which have taken place in the Borrower's Fiscal Year 2028-29.