
LOAN NUMBER 9650-IN

Loan Agreement

(Uttarakhand Climate Responsive Rainfed Farming Project)

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 ninety six million two hundred thousand Dollars (\$96,200,000); as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.
- 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 1 and September 1 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

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

E-mail:

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:

E-mail:

wbindia@worldbank.org

AGREED as of the Signature Date.

INDIA

By Manisha

Authorized Representative

Name: Manisha Sinha

Title: Additional Secretary

Date: 14-Aug-2024

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By Arnab Bandyopadhyay

Authorized Representative

Name: Arnab Bandyopadhyay

Title: Acting Country Director

Date: 08-Aug-2024

SCHEDULE 1

Project Description

The objective of the Project is to improve production system resilience to make mountain farming emission competitive and profitable in Selected Micro-watersheds of Uttarakhand.

The Project consists of the following parts which will be carried out in the Selected Micro-watersheds of Uttarakhand:

Part 1: Developing Resilient and GHG Efficient Production Systems

1.1 Supporting Climate Smart and Diversified Production Protocols

Support farmers to achieve CSA adoption with the support of weather advisory systems through activities such as (i) farm planning, increase in areas under controlled irrigation, promotion of protected cultivation and mobilization of farmers interest groups; (ii) support practices for resilient and GHG efficient farm productivity; (iii) support the adoption of practices to promote water use efficiency,(iv) livestock interventions and crop diversification to encourage resilience and supplementing of farm income and (v) pilot methods to showcase the methane emission reduction in lowland paddy rice and investing in small farm equipment and use of fuel-efficient renewable energy to help offset emissions.

1.2 Building Consortia and Digital Platform for Evidence-based Decision Support

(i) Build consortia for CSA approaches based on key science partnerships to develop knowledge products through co-creation such as resilience protocols to support adoption of improved agricultural production systems, develop technology for reducing post-harvest loss and create district wise agribusiness growth centers; (ii) build a digital data source in the form of advisory and tools, analytics, and data management to support delivery at field (iii) employ digital collaboration and knowledge management tools and (iv) support the development of a robust digital agricultural ecosystem building of existing data systems and GIS which shall include elements such as asset geocoding and building an agri-stack of farmer beneficiaries.

Part 2: Science-based Development of Resilient Springsheds

2.1 Participatory Planning for Springshed Development

(i) Strengthen the capacity of WVMCs for enhanced understanding of science-based springshed hydrology, and for identifying and developing representative locations for project interventions, especially around critical springs in the area; (ii) invest in drawing and analyzing relevant data layers, including hydrology and climate risks, for delineating springsheds and targeting key local land typologies for planning and interventions; and, (iii) engage communities in participatory analysis of trends in water demand and supply, and optimization for farming and livelihoods.

2.2 Enhancing Springshed Hydrology and Water Storage

Support the (i) enhancement of biotic cover in key stream and spring catchment points for aquifer replenishment (ii) implementation of water harvesting and storage structures and build channels for gravity-based farm-level distribution and (iii) carry out a comprehensive water budgeting exercise.

Part 3: Enhancing Income Resilience

3.1 Supporting Agribusiness and Micro-Enterprises

Support the establishment of a select number of ABGCs to address input supply and post-harvest management issues through (i) financing of infrastructure, advisory, and equipment in ABGCs; (ii) mobilization of farmers/ farmer collectives and capacity building support on ABGC management; (iii) support for professional management of the ABGC centers; (iv) value chain and market assessment studies; and (v) build technical capacities of the agribusiness experts to support development of micro-enterprises, brand development activities including standardization, and quality control.

3.2 Income Generation Support for Marginalized Groups

(i) Support small-scale income-generating activities of Marginalized Groups through provision of Sub-Grants and (ii) provide capacity building and market linkage support for Marginalized Groups.

Part 4: Project Management, Monitoring & Evaluation, and Learning

Strengthen the capacity of the PMU and DPMUs to implement the Project through: (i) the staffing and operation of the PMU and DPMUs; (ii) the creation of an institutional learning and sharing mechanism for disseminating of cutting-edge knowledge related to CSA; (iii) the implementation of the ICT, communication and public awareness and outreach related activities; and (v) monitoring and evaluation.

Part 5: Contingent Emergency Response

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

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. **Financing Arrangements.**

1. To facilitate carrying out of the Project, the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity in accordance with the Borrower's standard arrangements for developmental assistance to the states of India. Notwithstanding the foregoing, in the event that any provision of this Agreement, including the instructions that the Bank shall have specified by notice to the Borrower pursuant to Section III.A of this Schedule 2, were to be found inconsistent with the Borrower's standard arrangements for development assistance to the states of India, the provisions of this Agreement and related instructions shall govern.
2. The Borrower shall at all times protect its own interests and the interests of the Bank to accomplish the purposes of the Loan.

B. **Contingent Emergency Response**

1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of the Project ("Contingent Emergency Response Part"), the Borrower and/or the PIE, as the case may be, shall ensure that:
 - (a) a manual ("CERC Manual") is prepared and adopted in form and substance acceptable to the Bank, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
 - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Bank;
 - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and

- (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Bank.
- 2. The Borrower shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to the Bank.
- 3. The Borrower and/or the PIE, as the case may be, shall ensure that:
 - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Bank; and
 - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Bank.
- 4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

Section II. Project Monitoring Reporting and Evaluation

The Borrower shall furnish to the Bank each Project Report not later than [one month] after the end of each [calendar semester], covering the [calendar semester].

Section III. Withdrawal of Loan Proceeds

A. General.

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 Eligible Expenditures; and (b) pay: (i) the Front-end Fee; and (ii) each Interest Rate Cap or Interest Rate Collar premium; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training and Incremental Operating Costs, Sub-Grants under Part 3.2 of the Project for the Project	95,959,500	80
(2) Emergency Expenditures	0	
(3) Front-end Fee	240,500	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(4) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 4.05 (c) of the General Conditions
TOTAL AMOUNT	96,200,000	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$ 9,000,000 may be made for payments made prior to this date but on or after March 1, 2023, for Eligible Expenditures under Category (1); or
 - (b) for Emergency Expenditures under Category (2), unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) (A) the Borrower, and/or the Project Implementing Entity, as the case may be, has/have determined that an Eligible Crisis or Emergency has occurred, and has/have furnished to the Bank a request to withdraw Loan amounts under Category (4); and (B) the Bank has agreed with such determination, accepted said request and notified the Borrower, and the Project Implementing Entity, as the case may be, thereof; and

- (ii) the Borrower, and/or the Project Implementing Entity, as the case may be, has/have adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Bank.

2. The Closing Date is March 31, 2030.

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

Principal Payment Date	Installment Share
On each March 1 and September 1 Beginning March 1, 2029 through September 1, 2034	7.69%
On March 1, 2035	7.72%

APPENDIX

Definitions

1. “Agribusiness Growth Centers” or “ABGCs” means the centers proposed to be established under Part 3.1 of the Project that is *inter alia* responsible for ensuring the availability of seeds and other inputs, aggregating produce, performing primary and secondary processing activities and developing market linkages.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 6 of the Appendix to the 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.
3. “Beneficiary” means each GP or any other person including a Marginalized Group member who is selected in accordance with the criteria specified in the PIP to receive a Sub-Grant under the Project.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “CERC Manual” means the manual referred to in Section B.1(a) of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Bank, and which is an integral part of the Project Implementation Plan.
6. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 5 of the Project to respond to an Eligible Crisis or Emergency.
7. “CSA” means climate smart agriculture.
8. “District Project Management Units (DPMU)” means the units referred to in Section I.A.3 of the Schedule to the Project Agreement, consisting of the WMD’s regional offices to be responsible for implementing and monitoring Project activities in their respective geographic areas.
9. “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 and/or the Project Implementing Entity, associated with a natural or man-made crisis or disaster.
10. “Emergency Action Plan” means the plan referred to in Section B.1(b) of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
11. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section B.1(a) of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
12. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated January 30, 2024, 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.
13. “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.
 14. “Field Implementation Units” means the units referred to in Section I.A3 of the Schedule to the Project Agreement, consisting of the WMD’s existing field offices to be responsible for implementing and monitoring Project activities in their respective geographic areas, and Field Implementation Unit means one of such units.
 15. “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).
 16. “Gram Panchayat” or “GP” means a local self-government established under the Uttar Pradesh Panchayat Raj Act of 1947 duly adopted by the State of Uttarakhand.
 17. “Incremental Operating Costs” means the reasonable expenses incurred by the PMU and DPMUs, on account of the management, implementation, monitoring and evaluation of Project activities, including, but not limited to, per diem and allowances, office rent, office supplies, utilities, conveyance, travel and boarding/lodging allowances, operating and maintenance expenditures of office equipment and vehicles, bank charges, insurance, advertising, media projections, newspaper subscriptions, periodicals, printing and stationary costs, and other costs incurred for purposes of carrying out the Project; but excluding salaries fees, honoraria, bonuses, and any other salary supplements of members of a Project Implementing Entity’s civil servants not deputed to the Project and salaries of contractual staff.
 18. “Marginalized Groups” means landless and marginalized (including women headed) households and/or under GPs as identified in accordance with the criteria specified in the Project Implementation Plan.
 19. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.

20. "Project Implementation Plan" means the manual acceptable to the Bank and adopted by the Project Implementing Entity, setting forth, *inter alia*: (a) the details of the Project activities, including results framework and overall budget; (b) the Project implementation arrangements; (c) the format of the interim unaudited financial reports to be submitted under the Project; (d) the Project's administrative, accounting, auditing, reporting, financial management, (e) the Project's environmental and social management, including the community operations manual (f) procurement requirements (g) the list of Selected Micro-watersheds under the Project and (h) the Project's monitoring and evaluation requirements; as such plan may be amended from time to time with the prior concurrence of the Bank.
21. "Project Implementing Entity" or "PIE" means the Borrower's State of Uttarakhand.
22. "Project Management Unit" or "PMU" means the Project Management Unit in the WMD (as defined below), referred to in Section I.2 of the Schedule to the Project Agreement.
23. "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.
24. "State" means an administrative subdivision of the Borrower.
25. "Sub-Grant" means a sub-grant to be provided to a Beneficiary under Part 3.2 of the Project and "Sub-Grants" means, collectively more than one such Sub-Grant.
26. "Training" 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) training and service fees for community resource professionals; (c) domestic and international travel costs, lodging costs, and subsistence/per diem allowances for both trainers and trainees; (d) rental of training facilities; and (e) preparation, purchase or reproduction of training materials.
27. "Uttarakhand" means the Borrower's State of Uttarakhand, which is the Project Implementing Entity.
28. "Water and Watershed Management Committees" or "WWMCs" means the committees formed in the Project Implementing Entity's Gram Panchayat constituted under the Panchayati Raj Act of Uttarakhand, 2016 (as amended).
29. "Watershed Department" means the Project Implementing Entity's Watershed Department under Rules of Business 1975 (Uttar Pradesh) / 2003 Uttarakhand.
30. "Watershed Management Directorate" or "WMD" means the Project Implementing Entity's directorate responsible for implementing watershed programs in the State of Uttarakhand or any successor thereto.
31. Selected Micro-watersheds means the micro-watersheds identified and set forth in the PIP to form part of the Project as agreed between the PIE and the Bank.