
LOAN NUMBER 9543-IN

Loan Agreement

(West Bengal Accelerated Development of Minor Irrigation Project - Phase II)

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 one hundred forty-eight million Dollars (\$148,000,000), 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 June 15 and December 15 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, through DWRID, in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement, and the Project Agreement.

ARTICLE IV — EFFECTIVENESS

- 4.01. The Effectiveness Deadline is 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:	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: K. Manicka Raj

Title: Joint Secretary, FB&ADB

Date: 18-Sep-2023

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

Name: Auguste Tano Kouame

Title: Country Director

Date: 13-Sep-2023

SCHEDULE 1

Project Description

The objective of the Project is to augment water availability and strengthen water user associations for improved irrigated agriculture in Project Areas of West Bengal.

The Project consists of the following parts:

Part 1: Strengthening community-based institutions

- (a) Developing WUAs for new schemes through, *inter alia*, sensitizing, mobilizing, and establishing new WUAs and supporting them to develop their skills and competencies to plan, operate, and manage irrigation schemes, including establishing governance procedures and social accountability mechanisms, developing equitable and sustainable water sharing and utilization systems, and developing as well as implementing their respective scheme cluster development management plans.
- (b) Strengthening WUAs for existing schemes through, *inter alia*: (i) mapping and assessing WUAs' performance and recommending as well as implementing organizational strengthening activities, including capacity building activities on, *inter alia*, governance, operation and maintenance of irrigation services, systems building for accounting and record keeping, social accountability, and sustainable water sharing and utilization; and (ii) designing and delivery of core training modules on operationalizing women's representation, leadership skills, and decision-making in WUAs, and social audits tools.
- (c) Establishing internal and external links for WUAs through, *inter alia*: (i) facilitating their vertical integration to function as collective; (ii) building their capacity on management and entrepreneurship through exposure visits, trade affairs, and structured training; (iii) providing targeted training and capacity building to strengthen management capabilities of women members in WUAs; and (iv) formalizing links between WUAs and farmer producer organizations.

Part 2: Minor irrigation services

Improving access to water for irrigation, fisheries, and other livelihood activities through:

- (a) development of minor irrigation scheme clusters, including check dams, small-scale storage structures, creek rehabilitation, open dug wells, and tube wells; and
- (b) scaling up water efficiency technologies, including improved conveyance and application systems and irrigation scheduling informed by soil moisture measurements.

Part 3: Agricultural support services

- (a) Providing agricultural advisory services for field crops that are demand driven, including promoting water management, high-yielding crop varieties, better agronomic practices, integrated soil fertility and nutrient management, and integrated pest management and organic farming techniques.
- (b) Supporting farmers to participate in fruit, vegetable, and floriculture supply chains through, *inter alia*: (i) carrying out farmers risk profiling and provision of advisory services on good agricultural practices and innovative technologies, including managing soil fertility and pest and formulating buyback arrangements; and (ii) supporting WUAs to pilot post-harvest facilities for grading, packing, branding, storing, and transporting produce, including procuring critical inputs.
- (c) Promoting aquaculture through, *inter alia*: (i) demonstrating and distributing modern technology practices, including use of fish feed formulated with locally available ingredients, fingerling production and supply, cage fish culture, and culture-cum-capture models; and (ii) promoting fish storage, transportation, and marketing, including procuring input materials such as fingerling.

Part 4: Project management and technical support

- (a) Provision of technical assistance, carrying out of Training, acquisition of equipment, including survey drones, and financing of Incremental Operating Costs to strengthen the capacity of the SPMU and DPMUs to implement the Project, including the provision of modern facilities for advanced planning and execution of the Project.
- (b) Provision of technical assistance to DWRID to institutionalize the best practices in implementation arrangements, processes, and design standards, including by establishing: (i) the WUA Cell; and (ii) an administrative unit for planning and monitoring.

SCHEDULE 2

Project Execution

Section I. Project Implementation

A. Financial 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.

Section II. Project Monitoring Reporting and Evaluation

The Borrower shall cause West Bengal to furnish to the Bank each Project Report not later than forty-five (45) days after the end of each project report period, covering the calendar semester.

Section III. 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 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, Incremental Operating Costs, and Training for the Project	147,630,000	70%

(2) Front-end Fee	370,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(3) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 4.05 (c) of the General Conditions
TOTAL AMOUNT	148,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed USD 15,000,000 may be made for payments made prior to this date but on or after July 1, 2022, for Eligible Expenditures, following an environmental and social audit and implementation of corrective action plan(s), as applicable, both satisfactory to the Bank, showing that the pertinent obligations set forth in this Agreement and the Project Agreement, as applicable to each Eligible Expenditure, have been complied with.
2. The Closing Date is June 29, 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

Principal Payment Date	Installment Share
On each June 15 and December 15 Beginning June 15, 2027 through December 15, 2033	6.67%
On June 15, 2034	6.62%

APPENDIX

1. “Annual Work Plan and Budget” means the work plan and budget (including related cash forecasts) for the implementation of the Project accepted by the Bank, referred to in Section I.C.1 of the Schedule to the Project Agreement; and “Annual Work Plans and Budgets” means, collectively, all such plans and budgets.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 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. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “District Level Implementation Committee” or “DLIC” means the District Level Implementation Committee referred to in Section I.B.2(c) of the Schedule to the Project Agreement to be maintained at the district level, for the purpose of overseeing Project implementation at the district level throughout Project implementation period; and “DLICs” means more than one such DLIC.
5. “DPMU” means the District Project Management Unit referred to in Section I.B.2(d) of the Schedule to the Project Agreement to be maintained at the district level, for the purpose of providing Project management and support, throughout Project implementation.
6. “DWRID” means the Project Implementing Entity’s Department of Water Resources Investigation and Development, or any successor thereto.
7. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project dated May 12, 2023, as 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.
8. “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.
9. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022).
 10. “Incremental Operating Costs” means the reasonable expenses incurred by the Project Implementing Entity on account of the management, implementation, monitoring and evaluation of Project activities, including, but no 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, and printing and stationary costs incurred for purposes of carrying out the Project; but excluding salaries, fees, honoraria, bonuses, and any other salary supplements of members of Project Implementing Entity’s civil servants.
 11. “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.
 12. “Project Areas” means the total area of the Borrower’s state of West Bengal cultivated under new and existing irrigation schemes, which meet the criteria and technical guidelines set forth in the Project Operations Manual.
 13. “Project Implementing Entity” means the Borrower’s state of West Bengal or any successor thereto acceptable to the Bank.
 14. “Project Operations Manual” means the operations 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, and procurement requirements; and (f) the Project’s monitoring and evaluation requirements; as such plan may be amended from time to time with the prior concurrence of the Bank.
 15. “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.
 16. “SLTSC” means the State-level Technical Steering Committee referred to in Section I.B.2(e) of the Schedule to the Project agreement, to be maintained for the purpose of providing overall guidance and policy direction for the Project throughout Project implementation.

17. “SPMU” means the State Project Management Unit referred to in Section I.B.2(a) of the Schedule to the Project Agreement, to be maintained for the purpose of providing Project management and support throughout Project implementation.
18. “Training” means the reasonable cost of trainings, seminars, workshops, conferences and study tours, conducted in the territory of the Borrower and/or overseas, including: (a) the fees of training institutions and courses; (b) domestic and international travel costs, lodging costs, and subsistence/per diem allowances both for trainers and trainees; (c) the rental of training facilities; and (d) preparation, purchase or reproduction of training materials, but excluding salaries and allowance of the Borrower's and Project Implementing Entity's civil servants or their other regular staff.
19. “WUA Cell” means the administrative unit referred to under Part 4(b)(i) of the Project to be established by the Project Implementing Entity within its DWRID pursuant to the provisions of Section I.B.2(g) of the Schedule to the Project Agreement for promoting and involving water user associations for operation and maintenance of minor irrigation infrastructure.
20. “WUA” means Water User Association.