



November 23, 2020

Dr. C.S. Mohapatra  
Additional Secretary  
Department of Economic Affairs  
Ministry of Finance  
Government of India  
North Block  
New Delhi

Dear Dr. Mohapatra:

**India: Nagaland Health Project  
Credit Number 5927-IN  
Cancellation and Amendment to Financing Agreement**

We refer to the Financing Agreement between India (“Recipient”) and the International Development Association (“Association”) (“Financing Agreement”), and the Project Agreement between the Association and the State of Nagaland (the “Project Implementing Entity”) (“Project Agreement”), both dated January 16, 2017, pursuant to which the Association has extended the above captioned Credit (“Credit”) for the Nagaland Health Project (“Project”).

**Cancellation**

We also refer to the letter from the Department of Economic Affairs, Ministry of Finance, no. F.No.7/7/2013-FB-V dated September 22, 2020 requesting a cancellation of five million United States Dollars (USD 5,000,000) from the above-captioned 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, and applicable to the Financing Agreement, the Association hereby cancels, as of September 22, 2020, an amount of five million United States Dollars (USD 5,000,000) of the Credit. The commitment charges on the total amount cancelled cease to accrue from September 22, 2020.

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 I*.

**Amendment to Financing Agreement**

We also refer to the letter from the Department of Economic Affairs, Ministry of Finance, no. F.No.7/7/2013-FB-V dated September 28, 2020, for a restructuring of the Project regarding calibration of the Results Framework and expansion of results-based financing beyond community level, which requires certain amendments to the Financing Agreement, and the Project Agreement, as well as changes to the Results Framework for the Project.

We are pleased to inform you that the Association concurs with the above request, and accordingly amends the Financing Agreement as set forth below:

A. Part 1 of Schedule 1 is amended to read as follows:

“Part 1: Community Action for Health and Nutrition

Strengthening the capacity of selected Village Health Committees, **District Hospitals, or District Health Authorities** to oversee, manage and improve health and nutrition services and their utilization through, *inter alia*, the provision of Health and Nutrition Incentives to selected Village Health Committees, **District Hospitals, or District Health Authorities.**”

B. The following new definitions are added in Section I of the Appendix to read as follows:

- (i) “District Hospital” means a hospital at the secondary referral level responsible for providing comprehensive secondary health care services in a district which hospital has been selected to receive a Health and Nutrition Incentive pursuant to the POM; and “District Hospitals” means, collectively, all such District Hospitals.
- (ii) “District Health Authority” means an administrative unit at the district level that provides administrative support in arranging managerial and supportive assistance to the district health administration, including general management, logistic support and supervision of primary health care facilities such as sub-center, primary health center and community health center, which authority has been selected to receive a Health and Nutrition Incentive pursuant to the POM; and “District Health Authorities” means, collectively, all such District Health Authorities.

C. The following definitions in Section I of the Appendix are amended to read as follows:

- (i) “Health and Nutrition Action Plan” means each Village Health Committee’s, **District Hospital’s, or District Health Authority’s** annual action plan designed to attain agreed health and nutrition performance indicators in the community, which plans are subject to an Incentive Agreement and meet the requirements set out in the POM. “Health and Nutrition Action Plans” means more than one such plan.
- (ii) “Health and Nutrition Incentive” means a cash grant made or proposed to be made out of the proceeds of the Financing under Part 1 of the Project to a selected Village Health Committee, **District Hospital, or District Health Authority**, pursuant to an Incentive Agreement meeting the requirements of Section I.C.1(c) of the Project Agreement, in an amount of up to twenty thousand Dollar (\$20,000) equivalent per committee (and/or any other amount agreed from time to time in writing with the Association), per annum, for the carrying out of selected activities aimed at improving health and nutrition-related services and practices, as further elaborated in the POM; and “Health and Nutrition Incentives” means all such incentives.
- (iii) “Incentive Agreement” means each agreement referred to in Section I.C.1(c) of the Schedule to the Project Agreement to be entered into between **either a Village Health Committee, a District Hospital, or a District Health Authority**, on the one hand, and the Project Implementing Entity, through the PMU on the other hand, for the provision of Health and Nutrition Incentives to selected Village Health Committees. “Incentive Agreements” means more than one such agreement.
- (iv) “Project Operational Manual” and “POM” mean the Project Implementing Entity’s Operational Manual, including all annexes thereto, acceptable to the Association, dated February 3, 2015, which

describes detailed Project implementation and institutional arrangements, including, *inter alia*, the procedures and criteria for the selection of the Village Health Committees, **the District Hospitals, or the District Health Authorities**, and the terms and conditions and payment procedures for the Health and Nutrition Incentives, as such manual may be amended from time to time by agreement between the Recipient and the Association.

- D. The Results Framework agreed further to Section II.A of Schedule 2 to the Financing Agreement, and as set out in the Supplemental Letter No.2 (Performance Monitoring Indicators) dated January 16, 2017 is revised accordingly and is set forth in *Annexure II* hereto.

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


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

Please confirm your agreement to the foregoing by signing the form of confirmation set forth below, and returning one fully executed original of this Amendment Letter to us and retaining one original for your records. This Amendment Letter shall become effective as of the date of the last countersignature of any of: (a) this Amendment Letter; and (b) the Project Agreement amendment letter, upon receipt by the Association of the duly countersigned originals of the two amendment letters, other than the cancellation, which shall become effective as of the date of the cancellation.

Yours sincerely,  
INTERNATIONAL DEVELOPMENT ASSOCIATION

By   
\_\_\_\_\_  
Hideki Mori  
Acting Country Director, India

AGREED:  
INDIA

By:   
\_\_\_\_\_  
Authorized Representative

Name: C.S. Mohapatra  
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Title: Additional Secretary, DEA  
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Date: 26-Nov-2020  
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Enclosures

Annexure I – Revised Withdrawal Table

Annexure II – Revised Results Framework

*Annexure I***Nagaland Health Project, Credit No. 5927-IN  
Revised Withdrawal Table**

<b>Category</b>	<b>Amount of the Credit Allocated (Expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (Inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consultants' services, Training and Incremental Operating Costs for the Project	27,000,000	100%
(2) Health and Nutrition Incentives	15,000,000	100% of disbursed amounts
(3) Refund of Preparation Advance	1,000,000	Amount payable pursuant to Section 2.07 of the General Conditions
Amount Cancelled as of September 22, 2020	5,000,000	
<b>Total Amount</b>	<b>48,000,000</b>	

*Annexure II*

**Nagaland Health Project, Credit No. 5927-IN  
Revised Results Framework**

**Project Development Objectives(s)**

To improve health services and increase their utilization by communities in targeted locations in Nagaland.

**Project Development Objective Indicators by Objectives/ Outcomes**

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
<b>Increase utilization of health service by communities in targeted locations.</b>								
Children age under one year registered for immunization in targeted communities whose growth was recorded at least twice in the previous six months (Percentage) (Percentage)		6.00	10.00	15.00	20.00	50.00	60.00	70.00
<b>Action: This indicator has been Revised</b>								
Female children age under one year registered for immunization in targeted communities whose growth was recorded at least twice in the previous six months (Percentage) (Percentage)		6.00	50.00	60.00				70.00

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
<b>Action: This indicator has been Revised</b>								
Children ages 9-11 months registered for immunization in targeted communities who have received all recommended immunizations (Percentage). (Percentage)		40.00	40.00	40.00	45.00	50.00	60.00	70.00
<b>Action: This indicator has been Revised</b>								
Female children ages 9-11 months registered for immunization in targeted communities who have received all recommended immunizations (Percentage). (Percentage)		40.00	50.00	60.00				70.00
<b>Action: This indicator has been Revised</b>								
Mothers who delivered in the previous 6 months in targeted communities who had at least 4 antenatal care check-ups (Percentage) (Number)		21.00	21.00	21.00	30.00	30.00	40.00	50.00
<b>Action: This indicator has been Revised</b>								
People who have received essential health, nutrition, and population (HNP) services (CRI, Number)		0.00						320,000.00

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
<i>Action: This indicator has been Revised</i>								
Number of children immunized (CRI, Number)		0.00	12,000.00	20,000.00	30,000.00	40,000.00	50,000.00	60,000.00
<i>Action: This indicator has been Marked for Deletion</i>								
<b>Improve health services.</b>								
Community health workers (ASHAs) in targeted communities supplied with complete kits (Percentage) (Percentage)		0.00	80.00	90.00				100.00
<i>Action: This indicator has been Revised</i>								
Targeted health facilities with at least one functional handwashing facility with running water (Percentage) (Percentage)		31.00	80.00	90.00				100.00
<i>Action: This indicator has been Revised</i>								

### Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
<b>Community action for health and nutrition</b>								
Target villages where a village health and nutrition		14.00	20.00	30.00	35.00	70.00	80.00	90.00

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
day was organized in the previous month (Percentage)								
<b>Action: This indicator has been Revised</b>								
Births in targeted communities in the previous year for which birth certificates were issued (Percentage)	0.00	10.00	15.00	50.00	55.00	65.00	75.00	
<b>Action: This indicator has been Revised</b>								
2.a. Female births in targeted communities in the previous year for which birth certificates were issued (Percentage)	0.00							75.00
<b>Action: This indicator has been Revised</b>								
Targeted Village Health Committees that have received training (Percentage)	0.00	45.00	50.00	55.00	80.00	90.00	100.00	
<b>Action: This indicator has been Revised</b>								
Targeted Village Health Committees that received Health and Nutrition Incentives in the previous year (Percentage).	0.00	45.00	50.00	55.00	80.00	90.00	100.00	



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
<b>Action: This indicator has been Revised</b>								
Targeted Village Health Committees with a female co-chair (Percentage). (Percentage)		0.00	40.00	50.00	55.00	80.00	90.00	100.00
<b>Action: This indicator has been Revised</b>								
Citizens and/or communities involved in planning/implementation/evaluation of development programs (Yes/No) (Yes/No)		No						Yes
<b>Health system development</b>								
Targeted health facilities with at least one functional flush or pour flush toilet facility (Percentage) (Percentage)		46.00	50.00	50.00	55.00	80.00	90.00	100.00
<b>Action: This indicator has been Revised</b>								
Targeted health facilities with electricity supply improved by the project (Cumulative number) (Number)		0.00	40.00	60.00	70.00	140.00	150.00	188.00
<b>Action: This indicator has been Revised</b>								
A procurement manual based on Government of Nagaland guidelines is adopted by the Department of Health and Family Welfare and staff are trained on its use. (Yes/No)		No						Yes

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
<b>Action: This indicator has been Revised</b>								
Common database, integrated with the Health Management Information System, recording all service delivery data reported by health facilities (Yes/No) (Yes/No)	No							Yes
Health personnel receiving training (number) (Number)	0.00	1,500.00	2,000.00	3,000.00	4,000.00	4,500.00	5,000.00	
Health facilities constructed, renovated, and/or equipped (number) (Number)	0.00	50.00	60.00	70.00	140.00	150.00	188.00	
<b>Action: This indicator has been Revised</b>								
Targeted Health facilities that received all essential medicines, against indented essential medicines from the state. (Percentage)	20.00	50.00	60.00					70.00
<b>Action: This indicator is New</b>								
Target paramedical teaching schools that have achieved improvement of their physical infrastructure as per the standards of the INC and AICTE. (Percentage)	0.00	70.00	80.00					90.00
<b>Action: This indicator is New</b>								
Target Health facilities that have the necessary equipment and supplies for	30.00	80.00	90.00					100.00

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
disinfecting and disposal of biomedical waste. (Percentage)								
<b>Action: This indicator is New</b>								

cc: Mr. Rajesh Khullar, Executive Director (India), World Bank  
Mr. Ritesh Kumar Singh, Senior Advisor to the Executive Director (India), World Bank

Mr. Hanish Chhabra, Director, DEA, Ministry of Finance, Government of India  
Mr. Rajesh Bhushan, Secretary, Ministry of Health & Family Welfare, Government of India  
Mr. Navjot Singh, Under Secretary, Department of Economic Affairs, Ministry of Finance, Government of India  
Mr. Sukhbir Singh, Controller of Aid Accounts & Audit, DEA, Ministry of Finance, Government of India

Mr. Temjen Toy, Chief Secretary, Government of Nagaland  
Mr. Amardeep Singh Bhatia, Principal Secretary, H&FW, Government of Nagaland  
Ms. Ahola Those, Commissioner & Secretary, H&FW, Government of Nagaland  
Mr. V. Kezo, Officer on Special Duty and Secretary, Department of Finance, Government of Nagaland  
Dr. Vizolie Suokhrie, Principal Director, H&FW, Government of Nagaland and Project Director, Nagaland Health Project, H&FW, Government of Nagaland