



December 16, 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: Loan Number 8854-IN
National Rural Economic Transformation Project -
Additional Financing for the National Rural Livelihoods Project
Cancellation and Revisions to Results Framework**

We refer to the Loan Agreement (“Loan Agreement”) between India (“Borrower”) and the International Bank for Reconstruction and Development (“Bank”), dated March 5, 2019, pursuant to which the Bank has extended the above captioned loan (“Loan”) for the National Rural Economic Transformation Project - Additional Financing for the National Rural Livelihoods Project (“Project”).

Cancellation

We also refer to the letter no. F. No.7/4/2017-FB.VII dated October 19, 2020 from the Department of Economic Affairs (DEA), Ministry of Finance, requesting a cancellation of twenty-seven million five hundred thousand United States Dollars (USD 27,500,000) from the above-captioned Loan.

In view of the foregoing, and in accordance with the provision of Section 7.01 of the Bank’s General Conditions for IBRD Financing, Investment Project Financing, dated July 14, 2017, and applicable to the Loan Agreement, the Bank hereby cancels, as of October 19, 2020, an amount of twenty-seven million five hundred thousand United States Dollars (USD 27,500,000) of the Loan. The commitment charges on the amount cancelled cease to accrue from October 19, 2020.

The withdrawal table set forth in Section III.A.1 of Schedule 2 to the Loan Agreement has been revised accordingly and the revised withdrawal table is attached to this letter as *Annexure I*.

Revisions to Results Framework

We also refer to the Ministry of Rural Development’s letter no.J-11060/15/2020-RL (E-372455) dated October 6, 2020 enclosed to the above-referenced letter from DEA, referring to the discussion of the Tripartite Portfolio Review Meeting held on September 23, 2020 to include modalities and innovations/pilot projects to make the project more COVID resilient/supportive, and adjusting the physical and financial

targets for FY 2020-21. Consequently, the Results Framework of the Project is revised and is set forth in *Annexure II*.

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


The Bank 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 Borrower 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 countersignature of this Amendment Letter and upon receipt by the Bank of the duly countersigned original of this Amendment Letter, other than the cancellation, which shall become effective as of the date of the cancellation.

Yours sincerely,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Sumila Gulyani
By _____
Sumila Gulyani
Acting Country Director, India

AGREED:
INDIA

By:  _____
Authorized Representative
C.S. Mohapatra
Name: _____
Title: Additional Secretary, DEA
Date: 22-Dec-2020

Enclosures

Annexure I – Revised Withdrawal Table
Annexure II – Revised Results Framework

Annexure I

INDIA: Loan Number 8854-IN
National Rural Economic Transformation Project -
Additional Financing for the National Rural Livelihoods Project
Revised Withdrawal Table

Category	Amount of the Financing Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants' services, and operating costs incurred under Parts 1, 3 and 4 of the Project	60,375,000	100%
(2) Goods, works, non-consulting services, consultants' services, operating costs and investment support incurred under Part 2 of the Project	161,500,000	42%
(3) Front-end Fee	625,000	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
Amount cancelled as of October 19, 2020	27,500,000	
TOTAL AMOUNT	250,000,000	

Annexure II

INDIA: Loan Number 8854-IN
National Rural Economic Transformation Project -
Additional Financing for the National Rural Livelihoods Project

Revised Results Framework

Project Development Objective Indicators by Objectives/ Outcomes		
Indicator Name	Baseline	Project End Target
% increase in Income of households that have accessed technical and financial services (Percentage)	0	20
% of SHGs federated into Village Level federations (Percentage)	0	90
% of SHG members reporting 30% increase in assets (Percentage)	0	50
% of SHG members report reduction in high-cost debt (Percentage)	0	50
Intermediate Results Indicators by Components		
Indicator Name	Baseline	Project End Target
Component 1. Institutional and Human Capacity Development		
State Rural Livelihoods Missions functioning with strengthened capacity for new economic initiatives (Number)	4	13
Component 2. State Livelihood Support		
% of enterprises (individual and collective) functioning after two years of project support (Percentage)	0	40
Beneficiaries of job-focused interventions (CRI, Number)	0	100,000
Beneficiaries of job-focused interventions - Female (CRI, Number)	0	50,000.00
% of Enterprises (individual and collective) supported by the Project that have accessed funds from Financial Institutions (Percentage)	0	50
Enterprises (Individual and Collective) supported (Number)	0	80,000
Enterprises (Individual and Collective) supported - Women-owned/Women-led (Number)	0	64,000
% of SC, ST and Minority households among the total members mobilized into producer collectives (Percentage)	0	50
Farmers adopting improved agricultural technology (CRI, Number)	0	500,000

Farmers adopting improved agricultural technology - Female (CRI, Number)	0	400,000
Farmers adopting improved agricultural technology - male (CRI, Number)	0	100,000
Direct investments in SHG households including revolving funds, group savings and bank credits (USD Million)	0	2,000
SHG members mobilized into producer collectives (Number)	50,000	500,000
% of SHG households with at least one additional or enhanced source of income (Percentage)	0	40
% of SHGs achieved quality and sustainability parameters as per agreed standards/rating systems (Percentage)	0	80
Number of SHG members deployed as Business Correspondent Agents or BC Sakhis (Number)	438	5,000
Number of SHG members covered under life insurance (Number)	253,215	2,400,000
% of SHG BC agents reporting more than 250 financial transactions per month (Percentage)	0	60
Component 3. Innovation and Partnership Support		
Innovative initiatives funded and implemented (Number)	0	15
Component 4. Project Implementation Support:		
Key learning from NRLP and NRETP (NRLP AF) replicated in other states (Number)	0	10
% of Grievances registered related to delivery of project benefits that are actually addressed across the 13 states (Percentage)	0	80

Cc:

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

Ministry of Finance

Mr. Hanish Chhabra, Director (MI), Department of Economic Affairs, Government of India

Ministry of Rural Development

Ms. Alka Upadhyay, Additional Secretary, Government of India
Ms. Leena Johari, Joint Secretary, Government of India
Ms. Nita Kejriwal, Joint Secretary, Government of India
Ms. Anita Baghel, Director, Government of India
Mr. Charanjit Singh, Joint Secretary, Skills, Government of India