
LOAN NUMBER 9169-IN

Loan Agreement

(Meghalaya Integrated Transport Project)

between

INDIA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN NUMBER 9169-IN

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 twenty million United States Dollars (US\$120,000,000), 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 4 to this Agreement.

- 2.08. (a) If on any given day, the Total Exposure exceeds the Standard Exposure Limit (as said terms are defined in sub-paragraphs (b)(ii) and (b)(iii) of this Section), the Borrower shall pay to the Bank a surcharge at the rate of one half of one percent (0.5%) per annum of the Allocated Excess Exposure Amount (as defined in sub-paragraph (b)(i) of this Section) for each said day (“Exposure Surcharge”). The Exposure Surcharge (if any) shall be payable semi-annually in arrears on each Payment Date.
- (b) For purposes of this Section the following terms have the meanings set forth below:
- (i) “Allocated Excess Exposure Amount” means for each day during which the Total Exposure exceeds the Standard Exposure Limit, the product of: (A) the total amount of said excess; and (B) the ratio of all (or, if the Bank so determines, a portion) of the Loan to the aggregate amount of all (or the equivalent portions) of the loans made by the Bank to the Borrower, and to other borrowers guaranteed by the Borrower that are also subject to an exposure surcharge, as said excess and ratio are reasonably determined from time to time by the Bank.
 - (ii) “Standard Exposure Limit” means the standard limit on the Bank’s financial exposure to the Borrower which, if exceeded, would subject the Loan to the Exposure Surcharge, as determined from time to time by the Bank.
 - (iii) “Total Exposure” means for any given day, the Bank’s total financial exposure to the Borrower, as reasonably determined by the Bank.

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:

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:

Facsimile:
1-202-477-6391

AGREED as of the Signature Date.

INDIA

By



Authorized Representative

C.S. Mohapatra

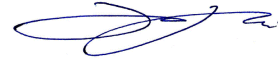
Name: _____

Title: _____ Additional Secretary, DEA

Date: _____ 19-Nov-2020

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

By



Authorized Representative

Hideki Mori

Name: _____

Title: _____ Acting Country Director for India

Date: _____ 19-Nov-2020

SCHEDULE 1

Project Description

The objective of the Project is to improve transport connectivity and efficiency in Project districts and to modernize transport sector management in Meghalaya.

The Project consists of the following components:

Component 1: Effective delivery and maintenance of transport infrastructure

Provision of civil works to: (i) fill critical infrastructure gaps in the Integrated Transport Network Development Plan (“ITNDP”) demonstrating use of innovative, climate-informed, safe, and nature-based solutions; (ii) reduce urban congestion; and (iii) introduce effective delivery of maintenance, through:

Sub-Component 1.1 Improvement, rehabilitation, and heavy periodical maintenance of about 300km of SH, MDRs and urban roads, including missing bridges in strategic corridors under ITNDP to improve regional and national connectivity and reduce urban congestion.

Sub-Component 1.2 Pilots covering:

- (i) last mile connectivity to small and scattered populations involving VECs;
- (ii) last mile connectivity to important tourist destinations;
- (iii) innovative and climate resilient bridges to replace existing timber bridges;
- (iv) ropeways to connect important tourist destinations using PPP/EPC contracts; and
- (v) spot improvement to improve urban mobility such as non-motorized solutions using walkways, flyovers and helipad terminal.

Sub-Component 1.3 Pilots on innovative maintenance contracts (covering about 1000 km roads) including area-based, performance based, and community-based contracts; productive use of in-house maintenance staff; use of low-cost bitumen surface treatments; and off-carriageway maintenance contracts managed by women led groups.

Component 2: Asset Management, Institutional Effectiveness, and Transport Services

Provision of technical assistance to implement the Transport Sector Modernization Plan (“TSMP”) to build on and carry forward the ongoing initiatives in the following areas:

Sub-Component 2.1 Asset Management: Implementing PWD's Asset Management Plan to introduce modern asset management practices including setting-up a simple asset management and information system to prepare district level annual maintenance plans and deliver those using innovative maintenance contracts covering performance/area-based, alliance contracts involving pooling of PWDs and contractors resources, and community contracting through women-based micro-enterprises, and use of cost-effective maintenance techniques such as mobile maintenance units and low-cost bitumen surfacing.

Sub-Component 2.2 Investment Effectiveness

Sub-component 2.2.1: Integrated Transport Network Development Plan ("ITNDP") covering strategic transport network of highways and roads, bridges, last-mile connectivity, and ropeways; and

Sub-Component 2.2.2: Innovative, climate resilient, nature-based design and construction solutions for roads and bridges, least-cost-engineering solutions for local infrastructure; and strategies for "cost-optimization" and advance investment planning in infrastructure delivery, and mainstreaming "climate resilience and green-growth" in road sector including climate vulnerability assessments.

Sub-Component 2.3. Institutional Effectiveness

Sub-component 2.3.1: Development and implementation of suitable plans for operationalization/strengthening of Transport Board, Centre of Excellence, construction industry, MIDFC and PWD including online Project management tools and updating of PWD's codes and technical documents, COVID-19 responsive contract management framework including safe working methods, and framework to deliver local infrastructure using VEC.

Sub-component 2.3.2: (a) Implementation of a human resources professional development strategy through the Centre of Excellence to build capacity and knowledge base of transport agencies and contractors including e-learning, international exposures, and pilots for gender informed employment opportunities; and (b) focused skill enhancement program for: (i) PWD's women staff to improve their on the job performance and career progression; and (ii) unemployed women to enhance their employability for civil works jobs.

Sub-component 2.3.3: Development of an overarching transport sector vision 2030 comprising sub-sector policies, strategies, long-term financing plan, and transport-oriented growth strategies.

Sub-component 2.4. Urban Mobility, Transport Services and Road Safety Management

Sub-Component 2.4.1 Urban Mobility and Transport Services: Strategies to improve urban-mobility, logistics efficiency, passenger and good transport services, enhancing border trade; mobility plan for urbanized locations, and pilot Incentive Schemes to promote private sector led transport services for young women and men by empowering them to become transport operators (by owning a vehicle through provision of viability gap funding, as required) to offer quality transport services under post Covid-19 economic recovery program.

Sub-Component 2.4.2 Road Safety Management: Implementation of a road safety action plan including retrofitting road safety measures on existing network, capacity building programs of related agencies, and road safety awareness programs.

Component 3: Project Management and Implementation

Support for Project preparation, engineering supervision, Project management including equipment, and refurbishing of office infrastructure.

Component 4: Contingent Emergency Response Component (“CERC”)

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

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity (“PIE”) 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 Component

1. In order to ensure the proper implementation of contingent emergency response activities under Component 4 of the Project (“Contingent Emergency Response Component”), the Borrower shall:
 - (a) prepare and furnish to the Bank for its review and approval, a Contingent Emergency Response Implementation Plan (“CERIP”) which shall set forth detailed implementation arrangements for the Contingent Emergency Response Component, including: (i) any special institutional arrangements for coordinating and implementing the Contingent Emergency Response Component; (ii) specific activities which may be included in the Contingent Emergency Response Component, Eligible Expenditures required therefore (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Component; (iv) procurement methods and procedures for the Contingent Emergency Response Component; (v) documentation required for withdrawals of Emergency Expenditures; (vi) application of any relevant safeguard instruments to the Contingent Emergency Response Component; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the Contingent Emergency Response Component;
 - (b) afford the Bank a reasonable opportunity to review the proposed CERIP;
 - (c) promptly adopt the CERIP for the Contingent Emergency Response Component as accepted by the Bank;

- (d) ensure that the Contingent Emergency Response Component is carried out in accordance with the CERIP; provided, however, that in the event of any inconsistency between the provisions of the CERIP and this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive any provision of the CERIP without the prior written approval by the Bank.
2. The Borrower shall ensure that no activities are undertaken under the Contingent Emergency Response Component, unless and until the following conditions have been met in respect of said activities:
- (a) the Borrower has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Bank a request to include said activities in the Contingent Emergency Response Component in order to respond to said Eligible Crisis or Emergency, and the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and
 - (b) the Borrower has ensured the disclosure of all environmental and social instruments/plans required for said activities, the Borrower has approved all such instruments, and the Borrower has ensured the implementation of any actions which are required to be taken under said instruments.
3. Notwithstanding any provision to the contrary in this Section, Emergency Expenditures required for activities included in Component 4 of the Project shall be procured in accordance with the procurement methods and procedures set forth in the CERIP.

Section II. Project Monitoring, Reporting and Evaluation

- 1. The Borrower shall cause the PIE to furnish to the Bank each Project Report, in a format agreed with the Bank, not later than forty-five days after the end of each calendar semester, covering the calendar semester.
- 2. The Borrower shall cause the PIE to prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank no later than thirty-six (36) months from the Effective Date, a consolidated mid-term review report for the Project, in accordance with the provision of paragraph 2 of Section II of the Schedule to the Project Agreement.

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; (b) repay the Preparation Advance; and (c) 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 (expect maintenance pilots under Sub-component 1.3), non-consulting services, consulting services, Incentive Schemes, Incremental Operating Costs, and Training, for Eligible Expenditures for PBCs (EEPBCs) under the Project	60,000,000	80% in accordance with Schedule 3 to this Agreement
(2) Goods, works (expect maintenance pilots under Sub-component 1.3), non-consulting services, consulting services, Incentive Schemes, Incremental Operating Costs, and Training, except for those financed under Category (1), under the Project	59,517,981	80%
(3) Emergency Expenditures under Component 4 of the Project	0	100%
(4) Refund of the Preparation Advance	182,019	Amount payable pursuant to Section 2.07 (a) of the General Conditions
(5) Front-end Fee	300,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(6) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 4.05 (c) of the General Conditions
TOTAL AMOUNT	120,000,000	

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 US\$8,000,000 may be made from Category (2) for payments made prior to this date but on or after November 15, 2019; and
 - b. for Emergency Expenditures under Category (3), unless and until the Bank is satisfied, and has notified the Borrower of its satisfaction, that all of the following conditions have been met in respect of said expenditures:
 - (i) (A) the Borrower has determined that an Eligible Crisis or Emergency has occurred; (B) has furnished to the Bank a request to include said activities in the Contingent Emergency Response Component in order to respond to said crisis or emergency; and (C) the Bank has agreed with such determination, accepted said request and notified the Borrower thereof;
 - (ii) the Borrower has prepared and disclosed all environmental/social documents required for said activities, and the Borrower has ensured that any actions which are required to be taken under said documents have been implemented;
 - (iii) the entities in charge of coordinating and implementing the Contingent Emergency Response Component, have provided sufficient evidence satisfactory to the Bank that they have adequate staff and resources for the purposes of said activities; and
 - (iv) the Borrower has adopted the CERIP, in form and substance acceptable to the Bank, and the provisions of the CERIP remain relevant or have been updated in accordance with the provisions of Section I.B of Schedule 2 to this Agreement so as to be appropriate for the inclusion and implementation of the activities under the Contingent Emergency Response Component.

C. Performance-based Conditions (“PBCs”)

1. With respect to PBCs related to Category (1), the Borrower may request withdrawals of Bank financing for floating PBCs when the relevant expenditures (EEPBCs) have been incurred, but prior to the PBCs having been met, provided that the Borrower shall: (a) meet such PBCs no later than the Closing Date; and (b) submit to the Bank evidence satisfactory to the Bank of such PBCs having been met no later than the Disbursement Deadline Date. If by or before the Disbursement Deadline Date the Borrower has failed to provide the Bank evidence satisfactory to the Bank that the floating PBCs related to Category (1) have been fully met, the Borrower shall, upon notice from the Bank, promptly refund to the Bank the Withdrawn Loan Balance related to such Category (1).

Except as the Bank may otherwise determine, the Bank shall cancel all amounts refunded pursuant to this Section.

2. Notwithstanding the provisions of Section III.C.1 above of this Schedule 2, with respect to time-bound PBCs under Category (1), the Borrower may request withdrawals of Bank financing when the relevant expenditures (EEPBCs) have been incurred and said time-bound PBCs have been met, after furnishing evidence satisfactory to the Bank that the PBCs for which payment is requested have been achieved as set forth in Schedule 3 to this Agreement in form and substance satisfactory to the Bank and in accordance with the verification protocols agreed with the Bank and as verified by the PIE or the Project Management Consultant, as the case maybe, and as set forth in the PIM. If, at any time, the Bank determines that any portion of the amounts disbursed under Category (1) was not in compliance with the provisions of this Section, the Borrower shall promptly refund any such amount to the Bank as the Bank shall specify by notice to the Borrower.
3. Notwithstanding the provisions of Section III.C.2 above of this Schedule 2, if any PBC has not been achieved by the date by which the said PBC is set to be achieved in accordance with the table in Schedule 3 to this Agreement, the Bank may, by notice to the Borrower: (a) reallocate a portion of the proceeds of the Loan then allocated to said PBC not to exceed thirty percent (30%) of the proceeds of the Loan to any other PBC; and/or (b) cancel all or a portion of the proceeds of the Loan then allocated to said PBC. In no case, shall the amount allocated against any PBC be increased by more than 30% through any reallocation.
4. Notwithstanding the provisions of Sections III.C.1 and III.C.2 above of this Schedule 2, the amount of the Loan to be withdrawn upon the verified achievement of any PBC shall not exceed the lesser of: (a) the amount allocated against such PBC; and (b) the amount of the PBC expenditures (EEPBCs) under Category 1, including those incurred but not yet paid by the proceeds of the Loan, at the date of submission of such withdrawal application.

D. Closing Date

The Closing Date is October 31, 2026.

E. Ineligible Expenditures

The following shall not be Eligible Expenditures and the Borrower shall ensure, and cause the Project Implementing Entity to ensure, that the following expenditures are financed exclusively out of the Project Implementing Entity's own resources, as the case may be, and not out of the proceeds of the Loan, namely:

- (a) all land acquisition required for the Project;
- (b) any compensation, resettlement and rehabilitation payment to affected persons in accordance with the provisions of the Safeguard Documents;

- (c) any compensatory afforestation payments;
- (d) any agency charges and/or centage charges collected, or to be collected, by the Project Implementing Entity or other agencies, divisions and/or departments responsible for carrying out the Project;
- (e) any interest during construction;
- (f) retention money/security deposit retained (till the time it is not released);
- (g) expenditures incurred after the Project Closing Date;
- (h) expenditures not in line with the Project description in this Agreement;
- (i) procurement not in line with agreed procurement procedures; and
- (j) expenses disallowed by auditors and not resolved adequately, and expenses found ineligible during Bank review.

Section IV. Other Undertakings

1. The Borrower shall provide or cause the PIE to provide, as needed, the funds, facilities and services and other resources required for the Project.
2. The Borrower shall provide or cause the PIE to provide adequate funds for implementation of maintenance pilots under Sub-component 1.3 of the Project and shall cause the PIE to show the allocated amount in its annual maintenance budget.

SCHEDULE 3

Performance Based Conditions (“PBCs”), Performance Based Results (“PBRs”), and Allocated Amounts Applicable to the Project

PBCs	Total Loan Amount Allocated to PBC	PBRs	Target Achievement Timelines (Indicative)	Allocated Amounts
PBC 1: Asset Preservation: Improved Financing Framework for Road Maintenance	US\$9,000,000	GOM progressively increases its annual funding for maintenance of roads and bridges under PWD to ensure an adequate and reliable stream of maintenance funding.	FY2021 to FY2024	Scalable: US\$3,000,000 upon per INR200,000,000 increase in annual maintenance funding of PWD compared to the FY2020-2021 annual maintenance funding of PWD.
PBC 2: Asset Preservation: Data-based maintenance planning and maintenance budget allocations	US\$12,000,000	PWD establishes an asset information system containing road inventory and condition data for its road network as per IRC procedures and uses that data to prepare district level Annual Maintenance Plans showing road condition, average annual daily traffic, maintenance requirements (routine, periodic, and special) including associated costs and relative priorities, and actual maintenance allocation for each road (including bridges). The Plans are to be publicly disclosed on PWD website.	FY2022 to FY2024	Scalable: (1) US\$6,000,000 upon establishment of asset information system; and (2) US\$1,000,000 upon preparation and disclosure of each district level Annual Maintenance Plan, up to US\$6,000,000.
PBC 3: Asset Preservation: Effective Delivery of Road Maintenance	US\$6,000,000	PWD to introduce maintenance contracts for its road network such as performance-based maintenance contracts, alliance contracts involving pooling of contractors and PWD resources, and community contracting involving VECs and women-based micro-enterprises.	FY2022- FY2024	Scalable: PWD introduced maintenance contracts for maintenance of its road network. US\$1,000,000 upon award of each maintenance contract, up to US\$6,000,000
PBC 4: Investment Effectiveness: Strategic Investment Planning for Capital Works	US\$6,000,000	MIDFC/PWD have prepared an Integrated Transport Network Development Plan (ITNDP) that defines (at least) strategic network of SH, MDR, and UR, required to be developed to meet the transport demands	FY2021 to FY2024	Scalable: (1) US\$3,000,000 on preparation of ITNDP, and (2) US\$1,500,000 per annual, capital work plan prepared using ITNDP, up to US\$3,000,000

PBCs	Total Loan Amount Allocated to PBC	PBRs	Target Achievement Timelines (Indicative)	Allocated Amounts
		of Meghalaya Vision 2030. ITNDP will also define new construction, improvement and rehabilitation needs of each road including standalone bridges, associated financial requirements, and a phase-wise prioritized plan to develop ITNDP. PWD uses ITNDP to prepare annual capital works plans and allocate capital works budget.		
PBC 5: Investment-Effectiveness: Advanced Investment Planning and Use of Innovative, climate-smart, and nature-based design and construction solutions for roads and bridges	US\$ 7,000,000	PWD adopts: (i) a Strategy for Advanced Investment Planning for capital works to facilitate effective delivery of transport programs; and (ii) Guidelines to prepare innovative, climate-smart, and nature-based design and construction solutions for roads and bridges also incorporating value engineering concepts for cost-optimization. Towards implementation of the strategy and the guidelines, PWD establishes an “implementation ready” bank of 200 km of roads and 10 innovate bridge projects and uses these projects for its transport programs.	FY2021 to FY2024	Non-Scalable: (1) US\$3,000,000 on adoption by PWD of the Advanced Investment Strategy and the Guidelines to prepare innovative, climate smart, and nature-based design and construction solutions, (2) US\$3,000,000 on establishing the implementation ready bank of at least 200 km of roads projects, and (3) US\$1,000,000 on establishing implementation ready bank of at least 10 innovative bridge projects.
PBC 6: Institutional Effectiveness: High-Level Policy Guidance and Oversight of Transport Programs	US\$5,000,000	A High-Level Transport Board has been established and it has started to provide high level leadership and political support to empower transport agencies to effectively implement various transport programs including TSMP. The Board has started to monitor the performance of transport agencies, facilitate inter-agency coordination, and provide guidance and support on inter-governmental issues, act east policy and border trade.	FY2021 to FY2024	Non-Scalable: (1) High Level Transport Board is established, and its role, responsibilities, and operating rules have been issued and adopted by GOM, and (2) Board has started to conduct its regular business meetings and to provide guidance and oversight to transport programs including implementation of TSMP.
PBC 7: Institutional Effectiveness:	US\$5,000,000	MIDFC/PWD has adopted a Transport Sector Modernization Plan (TSMP) to	FY2021 to FY2023	Non-Scalable: (1) GOM has adopted TSMP and periodic meetings of TSMP’s Task

PBCs	Total Loan Amount Allocated to PBC	PBRs	Target Achievement Timelines (Indicative)	Allocated Amounts
Modernization of Transport Agencies for High Performance		gradually transform PWD into a modern and high performing institution by infusing smart solutions and best practice examples of sector policies, strategic planning, infrastructure delivery, asset management, and institutional effectiveness. Periodic meetings of TSMP’s Task Force have started to implement TSMP.		Force have started to implement it, and (2) Decisions of the Task Force are under implementation.
PBC8: Institutional Effectiveness: Centre of Excellence to improve capacity and knowledge base of transport agencies	US\$10,000,000	PWD to establish a Centre of Excellence (COE) to build capacity and knowledge base of transport agency staff by acquainting them with innovations, new technologies, new ways of doing business, and emerging issues such as climate resilience using a “Human Resources (HR) Professional Development Strategy”. COE is functional and has started to implement the Strategy and delivered about 700 SW (“Staff Week”) of learning delivered to transport agencies as per the Strategy.	FY2021 to FY2024	US\$1,000,000 per 70 SW of training delivered by COE as per the Human Resources Professional Development Strategy Adopted by PWD.

SCHEDULE 4

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 December 15, 2026 through June 15, 2034	6.25%

APPENDIX

Definitions

1. “Affected Person” means a person or entity who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.
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. “Asset Management Plan” means the asset management plan prepared to introduce modern asset management practices in Meghalaya such as “life-cycle cost planning” asset valuation and asset depreciation, long-term financial planning, data-based planning and investment decisions, and efficient delivery of road maintenance.
4. “Annual Maintenance Plans” means the annual maintenance plans to be prepared by PWD each year for maintenance planning - showing road condition, average annual daily traffic, maintenance requirements (routine, periodic, and special) including associated costs and relative priorities, and actual maintenance allocation for each road (including bridges).
5. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. “Centre of Excellence” or “COE” means the center of excellence to be established under PWD to enhance capacity and knowledge base of transport agencies and promote new research and innovations.
7. “Contingent Emergency Response Implementation Plan” and “CERIP” each means the action plan referred to in Section I.B of Schedule 2 to this Agreement, acceptable to the Bank to be prepared by the Borrower for the implementation of the Contingent Emergency Response Component, in accordance with the provision of said Section.
8. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
9. “C&RD” means the Community and Rural Development Department of the State of Meghalaya or any successor thereto.

10. “Disbursement Deadline Date” means the final date, established by the Bank, for the receipt by the Bank of applications for withdrawal and supporting documentation.
11. “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, associated with a natural or man-made crisis or disaster.
12. “Eligible Expenditures for PBCs” and “EEPBCs” each means the cost of goods, works, non-consulting services, consulting services, Incentive Schemes, Incremental Operating Costs, and Training, for PBCs for the Project procured and implemented in line with agreed procedures acceptable to the Bank and as ascertained in the Interim Financial Report (“IFR”) submitted for disbursement.
13. “Emergency Expenditures” means any of the Eligible Expenditures set forth in the CERIP, in accordance with the provision of paragraph 1(a) of Section I.B of Schedule 2 to this Agreement and required for the activities to be financed under the CERIP.
14. “Environmental Impact Assessments” and “EIAs” each means, the PIE’s: (a) environmental impact assessments prepared and adopted by the PIE, satisfactory to the Bank, and disclosed on the Bank’s website on January 28, 2020; and (b) the environmental impact assessments to be prepared pursuant to Section I.C of the Schedule to the Project Agreement, in accordance with the provisions of the ESMF, in order to assess the likely positive and negative environmental and social impact of Project activities; as such assessments may be revised, updated or supplemented from time to time with the prior written concurrence of the Bank.
15. “Environmental and Social Impact Assessment” and “ESIA” each means the environmental and social impact assessment: (a) prepared and adopted by the PIE, satisfactory to the Bank, disclosed in-country, and the Bank’s website on January 28, 2020; and (b) to be prepared, for any activity under the Project in accordance with the procedures and requirements under the ESMF, satisfactory to the Bank, which details: (a) the measures to be taken during the implementation and operation of such activity to avoid, minimize, mitigate or offset adverse environmental and social impacts (including health and safety issues), or to reduce them to acceptable levels; and (b) the actions needed to implement these measures, as said instrument may be amended from time to time with the Bank’s prior written agreement.
16. “Environmental and Social Management Framework” and “ESMF” each means the framework prepared by the PIE, satisfactory to the Bank, and disclosed on the Bank’s website on January 28, 2020, setting out: (a) the institutional arrangements for environmental and social management; (b) the objectives, principles and approach to be followed in avoiding, minimizing and/or mitigating the adverse environmental and social impacts (including health and safety issues) that are likely to arise as a result of the implementation of construction activities under the Project and enhance positive impacts; (c) the various policies, guidelines and procedures that need to be integrated during the planning, design and implementation cycle of the Project; and (d) the indicative environmental and social management measures required to effectively

- address or deal with the key identified issues, as said instrument may be amended from time to time with the Bank's prior written agreement.
17. "Environmental Management Plans" and "EMPs" each means, collectively, the PIE's plans: (a) prepared and disclosed on the Bank's website on, January 28, 2020; and (b) to be prepared pursuant to Section I.C of the Schedule to the Project Agreement, in accordance with the provisions of the ESMF, in each case setting out avoidance, minimization, mitigation, enhancement, monitoring and institutional measures, including capacity building through training, required to: (i) eliminate adverse environmental impacts of activities to be implemented under the Project; (ii) reduce them to acceptable levels; (iii) enhance any positive impacts thereof; as such plans may be revised, updated or supplemented from time to time with the prior written concurrence of the Bank; and/or (iv) ensure compliance with Borrower's statutory environmental requirements.
 18. "Environmental and Social Cell" means the cell referred to in Section I.A.7 of the Schedule to the Project Agreement.
 19. "EPC Contracts" means the engineering-procurement-construction composite contracts for civil works under the Project, whereby the contractor takes comprehensive responsibility for the design, execution and maintenance of the respective asset, in each case on the basis of the model form of agreement agreed between the PIE and the Bank.
 20. "Fiscal Year" or the acronym "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.
 21. "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).
 22. "GOM" means the government of Meghalaya.
 23. "Guidelines" means the guidelines to prepare innovative, climate-smart, and nature-based design and construction solutions for roads and bridges incorporating value engineering concepts for cost-optimization.
 24. "High-Level Transport Board" and "Board" means a board to provide high level leadership and political support to empower transport agencies to effectively implement various transport programs including TSMP.
 25. "Human Resources Professional Development Strategy" means the human resource professional development strategy to enhance technical capacity and knowledge based of transport agency staff and contractors covering various training modules and the arrangements to deliver the modules.
 26. "Incentive Schemes" means pilot incentive schemes of GOM that cover provision of cash incentive for local unemployed youths to meet the viability gap funding, as required, to own a vehicle to offer quality transport services as part of post Covid-19 economic recovery program as per the guidelines set by MIDFC, in accordance with eligibility criteria and procedures acceptable to the Bank as set forth in the PIM.

27. “Incremental Operating Costs” means the reasonable incremental expenses incurred by the PIE, on account of managing, implementing, monitoring and/or evaluating the Project, which expenditures would not have been incurred absent the Project, including, but not limited to: incremental staff salaries, 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 the purposes of Project activities; but excluding salaries, fees, honoraria, bonuses, and any other salary supplements of members of the PIE’s civil service.
28. “Indian Roads Congress” and “IRC” each means the apex body of highway engineers in India set-up in 1934 and operating since then.
29. “Indigenous Peoples Development Plan” and “IPDP” each means the PIE’s development plan prepared pursuant to the IPPF, setting out the activities selected under the Project in consultation with Meghalaya State communities to create benefit sharing arrangements with communities along the Project roads, which include: (i) construction of market sheds along the road at a convenient location in villages to sell green products; (ii) provision of streetlights and footpaths in habitation areas along the road sections; (iii) development of safe play grounds for cultural and recreation activities; (iv) skill development in backyard poultry and piggery; and (v) organizing capacity building of the community institutions to take up the proposed activities.
30. “Indigenous Peoples Planning Framework” and “IPPF” each means the framework prepared and adopted by the PIE, satisfactory to the Bank, and disclosed on the Bank’s website on January 28, 2020 which sets out the principles, organizational arrangements (including consultation, budget and disclosure), and design criteria to be applied to Project activities which affect indigenous peoples, including the preparation of indigenous peoples plans, as such framework may be amended from time to time with the prior written agreement of the Bank.
31. “INR” means Indian Rupees, the lawful currency of the Borrower.
32. “Integrated Transport Network Development Plan” and “ITNDP” each means the strategic network of highways, roads, and other infrastructure required to address the transport connectivity needs of the State of Meghalaya.
33. “IT” means Information Technology.
34. “Major District Roads” and “MDRs” each means roads interconnecting major towns and economic centers in a district in the State of Meghalaya.
35. “Meghalaya” means the Borrower’s State of Meghalaya (the Project Implementing Entity) or any successor thereto.
36. “Meghalaya Transport Corporation” means the corporation established and operating under the Road Transport Act, 1950, under the Transport Department of the State of Meghalaya.

37. “Meghalaya Vision 2030” means the vision document for the State of Meghalaya 2030 available under the Department of Planning of Meghalaya website through <http://megplanning.gov.in/vision2030.html>.
38. “MIDFC” means the Meghalaya Infrastructure Development Finance Corporation, a corporation established and operating under the Planning Department, Government of Meghalaya.
39. “Performance-based Conditions” and “PBCs” each means, the conditions set forth in the table in Schedule 3 to this Agreement.
40. “Performance-based Results” and “PBRs” each means the results set forth in the table in Schedule 3 to this Agreement.
41. “PPP” means Public Private Partnership.
42. “Preparation Advance” means the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Bank to the Borrower pursuant to the letter agreement signed on behalf of the Bank on April 12, 2019, and on behalf of the Borrower on June 5, 2019.
43. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
44. “Project Core Team” means the team established pursuant to the provisions of Section I.A.3 of the Schedule to the Project Agreement.
45. “Project Implementing Entity” and “PIE” each means the Borrower’s State of Meghalaya.
46. “Project Implementation Manual” and “PIM” each means the manual to be prepared and adopted by the Project Implementing Entity pursuant to the provisions of Section I.B.1 of the Schedule to the Project Agreement, to set forth the implementation arrangements for the Project, including *inter alia*: (i) the details of the Project activities including results framework and overall budget; (ii) the Project implementation arrangements; (iii) the format of the interim unaudited financial reports to be submitted under the Project; (iv) the Project’s administrative, accounting, auditing, reporting, financial management and procurement requirements; (v) the Project’s environmental and social safeguard requirements; and (vi) the Project’s monitoring and evaluation, and reporting requirements; as such plan may be amended from time to time with the prior concurrence of the Bank.
47. “Project Management Consultant” or “PMC” means the consultant (firm or individuals) hired by the PIE to, *inter alia*, verify and certify achievement of certain PBCs in accordance with the agreed verification protocols as set forth in the PIM.
48. “Project Management Unit” and “PMU” each means the MIDFC, the Project management unit responsible for overall planning, budget allocation, coordination, and monitoring of the Project, pursuant to Section I.A.1 of the Schedule to the Project Agreement.

49. “PWD” means the Public Works Department of the State of Meghalaya or any successor thereto.
50. “Resettlement Action Plans” and “RAPs” each means, collectively, the PIE’s resettlement and relocation plans: (a) prepared and disclosed on the Bank’s website on January 28, 2020; and (b) to be prepared pursuant to Section I.C of Schedule 2 to the Project Agreement, in accordance with the provisions of the RPF, in each case identifying Affected Persons on account of implementation of Project activities, and setting forth the terms and conditions for providing them with resettlement assistance and/or compensation, as well as the procedures to be applied in the identification, assessment and mitigation of potential Project related social impacts, including the protocols for consultation, the processing of complaints and grievance redressal, monitoring and reporting requirements, and Affected Persons’ entitlement schedules; as such plans may be revised, updated or supplemented, from time to time, with the prior written concurrence of the Bank.
51. “Resettlement Policy Framework” and “RPF” each means the PIE’s framework, dated January 28, 2020 setting forth the guiding principles, acceptable standards and procedures for: (a) the screening of Project activities and the identification of any Affected Persons on account of their implementation; and (b) the preparation of their prescribed Resettlement Action Plans; as such framework may be revised, updated or supplemented from time to time with the prior written concurrence of the Bank.
52. “Road Safety Cell” means the road safety cell referred to in Section I.A.2 of the Schedule to the Project Agreement.
53. “RR” means Project Implementing Entity’s village roads and other district roads, as defined by the Indian Roads Congress, New Delhi, India.
54. “Road Transport Act, 1950” means the Borrower’s act on road transport of 1950.
55. “SDGs” means the Sustainable Development Goals of the United Nations.
56. “Safeguard Documents” means, collectively, the ESMF, RPF, EIAs, EMPs, ESIA, SIAs, RAPs, IPPF, IPDP, and any other instruments that may be required or prepared in accordance with the ESMF and RPF.
57. “SH” means State Highways in the State of Meghalaya as defined by the Indian Roads Congress, New Delhi, India.
58. “Shillong” means the capital city of the State of Meghalaya.
59. “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.
60. “Social Impact Assessments” and “SIAs” each means the PIE’s: (a) social impact assessments, satisfactory to the Bank, prepared, and disclosed on the Bank’s website on January 28, 2020; and (b) the social impact assessments to be prepared pursuant to Section I.C of the Schedule to the Project Agreement, in accordance with the provisions of

the RPF, in order to assess the likely social impact of Project activities; as such assessments may be revised, updated or supplemented from time to time with the prior written concurrence of the Bank.

61. “Strategy for Advanced Investment Planning” means a strategy for capital works to facilitate effective delivery of transport programs.
62. “TA” means technical assistance.
63. “Task Force” means the task force set up by MIDFC/PWD to implement the Transport Sector Modernization Plan.
64. “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) domestic and international travel costs, lodging costs, and subsistence/per diem allowances for both trainers and trainees; (c) rental of training facilities; and (d) preparation, purchase or reproduction of training materials; but excluding salaries and allowance of the Borrower’s and the Project Implementing Entity’s civil servants or their other regular staff.
65. “Transport Board” means a high-level body to provide guidance and support to transport agencies.
66. “Transport Sector Vision 2030” means the vision of the transport sector of the State of Meghalaya defining the transport demands for the sector and the associated sub-sector policies and strategies.
67. “Transport Sector Modernization Plan” and “TSMP” each means the Transport Sector Modernization Plan prepared by PWD/MIDFC to modernize the transport agencies in the State of Meghalaya and orient them towards high performance.
68. “Tura” means the city of Tura, in the State of Meghalaya.
69. “UR” means urban roads.
70. “VECs” means Village Employment Councils established by the State of Meghalaya.