

Public Disclosure Authorized

OFFICIAL DOCUMENTS

LOAN NUMBER 8780-IN

Loan Agreement

(Assam Agribusiness and Rural Transformation Project)

between

INDIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated OCTOBER 30 , 2017

LOAN AGREEMENT

Agreement dated OCTOBER 30, 2017, 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) constitute an integral 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, on the terms and conditions set forth or referred to in this Agreement, the amount of Two Hundred Million Dollars (\$200,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("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 IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, however, that the interest payable shall in no event be less than zero percent (0%) per annum; and provided furthermore that, upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance

remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

- 2.06. The Payment Dates are February 15 and August 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; and (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.
- 2.09. (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 Borrower's State of Assam (Project Implementing Entity) through ARIAS Society with the assistance of other Participating Implementing Agencies, in accordance with the provisions of Article V of the General Conditions and the Project Agreement.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following, namely that the legal framework for ARIAS Society's and the relevant Departments/Directorates/autonomous bodies' implementing the activities under the Project have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.
- 4.02. The Additional Events of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of thirty (30) days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is any of the following officials, acting severally; the Secretary, or the Additional Secretary, or the Joint Secretary, or any Director, Deputy Secretary, or Under Secretary of the Department of Economic Affairs in the Ministry of Finance of the Borrower.

- 6.02. The Borrower's Address is:

Secretary
Department of Economic Affairs
Ministry of Finance
North Block
New Delhi 110 001, India

Facsimile:

+91-11-2309 2611

6.03. The Bank's Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

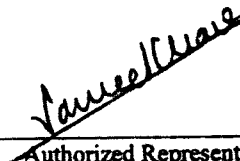
Facsimile:

+1-202-477-6391

AGREED at NEW DELHI, India, as of the day and year first above written.

INDIA

By



Authorized Representative

Name: SAMEER KUMAR KHARE

Title: JOINT SECRETARY, DEA.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

Name: HISHAM A. ABDO KAMIN

Title: ACTING COUNTRY DIRECTOR

SCHEDULE I

Project Description

The objective of the Project is to add value and improve resilience of selected agriculture value chains, focusing on smallholder farmers and agro-entrepreneurs in targeted districts of the State of Assam.

The Project consists of the following parts:

Component A: Enabling Agri-Enterprise Development

A.1. Enhancing state capacity to attract private investments

Strengthening: (i) the Assam Bureau of Investment Promotion (ABIP) to promote private sector investments in the State of Assam, through *inter-alia*: (a) sector scan for prioritization of competitive sectors and agribusiness opportunities; (b) the preparation of state level pitches and disseminating to potential investors; (c) market outreach activities; and (d) the provision of investor services; and (ii) District Industries and Commerce Centers (DICC) to implement investment facilitation related services, through *inter alia*: (a) new business registrations, regulatory compliance assistance, and support to enterprises; (b) upgrading of DICC premises; (c) training of personnel; and (d) outreach to existing and potential enterprises.

A.2. Setting up Enterprise Development and Promotion Facility (EDPF)

Establishing an Enterprise Development and Promotion Facility (EDPF) to foster growth of the agro-processing sector by providing technical assistance support for agri-entrepreneurs, including *inter alia*: (i) market scanning for business opportunities; (ii) conducting market and value chain studies; (iii) mentorship programs; (iv) scouting new technologies; (v) assisting entrepreneurs to prepare business and financial proposals and providing business readiness and planning support; and (vi) organizing agriculture policy seminars.

A.3. Agribusiness Investment Fund

Providing risk capital and technical assistance to agribusiness SMEs including: (i) capital contribution to an Agribusiness Investment Fund (AIF); (ii) analysis of structuring options for the AIF; (iii) contribution to management of the AIF; and (iv) technical assistance to supported SMEs.

A.4. Establishing stewardship councils

Establishing stewardship councils in select value chains as a platform for engaging industry leaders and effective public-private sector dialogue, through *inter alia*: (i) preparation of Value Chain Development Plans (VCDPs) and feasibility studies for each value chain; and (ii) providing Sector Stewardships Grants to finance stewardship councils' business plans.

Component B: Facilitating Agro Cluster Development

B.1. Support establishing cluster level Industry Associations

(i) Mobilizing agro-enterprises across selected geographic clusters into Industries Associations (IAs); (ii) strengthening agro-enterprises' capacity to develop Agro Industrial Development Plans (AIDPs); (iii) providing IA Grants; and (iv) enhancing access of agri-enterprises to technical and Business Development Services (BDSs).

B.2. Supply chain support

Upgrading infrastructure for agricultural trade, through *inter alia*: (i) improving rural access roads using climate resilient construction; (ii) modernizing and upgrading selected Assam State Warehousing Corporation (ASWC) warehouses; (iii) upgrading and modernizing regulated wholesale markets, including markets managed by Agriculture Produce Market Committees (APMCs) and rural periodic markets (*haats*) owned by local bodies; and (iv) piloting e-marketing platforms.

Component C: Fostering Market-led Production and Resilience Enhancement

C.1. Promoting climate resilient technologies and their adoption

(i) Providing CIG Grants to Common Interest Groups through the Agricultural Technology Management Agency (ATMA); and (ii) carrying out key investments, research, marketing and capacity building activities in the production clusters of prioritized value chains, including: (a) horticulture, crop, spices and condiments value chain; (b) milk and pork value chain; (c) fisheries value chain; and (d) sericulture value chain.

C.2. Facilitating market linkages through market intelligence and product aggregation

(i) Organizing CIGs into farmer producer organizations (FPOs); (ii) providing FPO Grants to finance business plans for establishing common service centers (CSCs) to connect targeted value chain products; (iii) developing a market intelligence system, including within Assam State Agriculture Marketing Board (ASAMB); and (iv) connecting demand and supply through market studies identifying business opportunities for FPOs and buyers interested in products generated from the targeted value chain; and (v) facilitating dialogue with stewardship councils.

C.3. Facilitating access to and responsible use of financial services

(i) Supporting data collection and diagnostics on demand and supply of financial services; (ii) testing innovations and scaling-up tested innovations in financial services; and (iii) providing financial education and counseling to producers.

Component D: Project Management, Monitoring and Learning

Providing support for: (i) strengthening the Project Coordination Unit (PCU); (ii) establishing Project Implementation Units (PIUs) in the Participating Implementing Agencies; (iii) setting up a monitoring and evaluation (M&E) system, a management information system, and information and communication technology (ICT) systems; and (iv) capacity strengthening of key personnel of ARIAS Society and other Participating Implementing Agencies.

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 State of Assam, in accordance with the Borrower's standard arrangements for development assistance to the States of India.
2. Notwithstanding paragraph 1 above, 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 IV.A.1 of this Schedule, 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.
3. The Borrower shall protect the interests of the Bank to accomplish the objectives of the Loan.

B. Anti-Corruption

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate the progress of the Project and shall cause the State of Assam to prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators agreed with the Bank. Each Project Report shall cover the period of six months, and shall be furnished to the Bank not later than forty five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain, and shall cause the State of Assam to maintain a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Borrower shall, and shall cause the State of Assam to, prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.
3. The Borrower shall, and shall cause the State of Assam to, have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period shall be furnished to the Bank not later than nine (9) months after the end of such period.

Section III. Procurement

All goods, works, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations and the provisions of the Procurement Plan.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank may specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Investment Project Financing" dated February, 2017 as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

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, Sector Stewardship Council Grants, IA Grants, FPO Grants, CIG Grants, Training, and Operating Costs for the Project	184,500,000	80%
(2) Capital Contribution to the Agribusiness Investment Fund	15,000,000	80%
(3) Front-end Fee	500,000	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 2.08(c) of this Agreement
TOTAL AMOUNT	200,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$40,000,000 (forty million Dollars) may be made for payments made up to twelve months prior to the date of this Agreement for Eligible Expenditures under the Project; and
 - (b) for payments made under Category (2) unless: (i) the AIF Fund Manager has been hired in a manner and under terms of reference, experience and qualifications acceptable to the Bank; (ii) the State of Assam has submitted

evidence, in a manner satisfactory to the Bank, showing that the AIF Operational Manual has been adopted in a manner satisfactory to the Bank; and (iii) the AIF is legally established and fully operational, all in a manner acceptable to the Bank upon the completion of a Technical and Fiduciary Assessment of the AIF, by the State of Assam, certifying *inter alia*, that the governance and management of the AIF are composed of professionals who have qualifications and experience satisfactory to the Bank and have the capacity to exercise satisfactory control over the use of funds.

2. The Closing Date is September 30, 2024.

Section V. Other Undertakings

The Borrower shall provide or cause the State of Assam to provide, as needed, the funds, facilities and services and other resources required for the Project, in particular with respect to the duration of the AIF after the Closing Date of this Project.

SCHEDULE 3

Amortization Schedule

1. 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"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Principal Payment Date	Installment Share (Expressed as a Percentage)
On each February 15, and August 15 Beginning February 15, 2025 through August 15, 2033	5.26%
On February 15, 2034	5.32%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
- (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
 - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such

date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
- (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

APPENDIX

Section I. Definitions

1. "ABIP" means the Assam Bureau of Investment Promotion, established by the State of Assam with the purpose of overall supervision and administration of speedy clearance processes for investment promotion, or any successor thereto.
2. "Affected Person" means a person who, on account of the execution of the Project, experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction to access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; and "Affected Persons" means, collectively, all such Affected Persons.
3. "AIF" or "Agribusiness Investment Fund" means the fund to be established and supported, as the case maybe, under the Project with the purpose of providing financial support to promising agribusiness SMEs in the State of Assam in accordance with the terms and conditions set forth in the AIF Operational Manual.
4. "AIF Beneficiary" means any SME which has: (i) been selected in accordance with the criteria and procedures set forth in the AIF Operational Manual; and (ii) entered into a Sub-Financing Agreement.
5. "AIF Fund Manager" means the manager referred to in Section I.D.2 of the Schedule to the Project Agreement.
6. "AIF Operational Manual" means the manual to be developed by the Project Implementing Entity, setting forth, *inter alia*, the rules and procedures set forth in Section I.D.2(d) of the Schedule to the Project Agreement; as such manual may be amended from time to time with the prior written concurrence of the Bank.
7. "AIDPs" means the Agro-Industrial Development Plans prepared by IAs laying out activities leading to joint actions that can be undertaken by them to enhance competitiveness.
8. "Anti-Corruption Guidelines" means 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.

9. "ARIAS Society" means the State of Assam Rural Infrastructure and Agricultural Services Society, established by the State of Assam (as hereinafter defined), under the Borrower's Societies Registration Act for the purposes of, *inter alia*: implementing, monitoring, supervising, and coordinating the implementation of the Project with other Participating Implementing Agencies, or any successor thereto.
10. "ASAMB" means Assam State Agriculture Marketing Board, or any successor thereto.
11. "Assam" means the Borrower's State of Assam or any successor thereto.
12. "ASWC" means Assam State Warehousing Corporation.
13. "ATMA" means Agricultural Technology Management Agency.
14. "BDS" means Business Development Services.
15. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
16. "Capital Contribution to the Agribusiness Investment Fund" means the portion of the Loan to be provided by the Department of Industries and Commerce as its capital contribution to the AIF for purposes of financing investments in/by AIF Beneficiaries pursuant to signed Sub-Financing Agreements, which capital contribution shall not exceed the amounts actually utilized/dispensed by the AIF under the respective Sub-Financing Agreements up to the Closing Date.
17. "CIG" means a common interest group meeting the eligibility criteria set out in the PIP.
18. "CIG Grants" means a grant made or proposed to be made by the respective Participating Implementing Agency through ATMA to a CIG, out of the proceeds of the Loan, to finance the carrying out of an approved Sub-project in accordance with the criteria and procedures set forth in the PIP.
19. "CSCs" or "Common Service Centers" mean the centers to be established by FPOs with the purpose of undertaking activities such as bulk purchase of inputs for sale to individual members, marketing of produce, grading and quality control.
20. "DICCs" means the District Industries and Commerce Centers.
21. "District" means the State of Assam's administrative geographical unit, headed by the Deputy Commissioner.

22. "DLCCs" means the Project's District Level Coordination Committee vested with the responsibility to ensure coordination and review of the Project progress at the district level.
23. "EDPF" or "Enterprise Development and Promotion Facility" means the facility established by the ARIAS Society with the purpose of fostering and accelerating growth of the agro-processing sector with specific focus on SMEs by providing technical assistance support for agro-entrepreneurs.
24. "EMF" or "Environmental Management Framework" means the environmental management framework of the Project Implementing Entity (which includes a Pest Management Plan) dated April 2017, and disclosed on May 5, 2017, setting forth the policy framework, principles, standards, processes and institutional arrangements to be applied to assess potential adverse environmental impacts associated with Project activities and the ways to avoid, minimize, mitigate or offset them, including public consultation, disclosure and reporting; as such framework may be amended from time to time with the prior written concurrence of the Bank.
25. "EMP" or "Environmental Management Plan" means each environmental management plan to be prepared under the Project in accordance with the EMF, each such plan in form and substance satisfactory to the Bank, and defining details of measures to manage potential environmental risks and mitigate, reduce and/or offset adverse environmental impacts associated with the implementation of Project activities, together with adequate budget, institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms; as each EMP may be amended from time to time with the prior written concurrence of the Bank.
26. "Financial Management Manual" means the manual adopted by ARIAS Society, describing financial management requirements applicable to the Project, including *inter alia*: (i) accounting principles, practices, methods and procedures; (ii) budgeting and planning; (iii) fund flow mechanism, internal control and financing reporting; and (iv) audit arrangements; as such manual may be amended from time to time with the agreement of the Bank.
27. "FPO" or "Farmer Producer Organization" means each of the producer groups organized in clusters according to targeted value chains selected in accordance with the criteria and procedures set forth in the PIP.
28. "FPO Grant" means a grant made or proposed to be made by the respective Participating Implementing Agency through EDPF to a FPO, out of the proceeds

of the Loan to finance the carrying out of an approved Sub-project in accordance with the criteria and procedures set forth in the PIP.

29. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012, with the modifications set forth in Section II of this Appendix.
30. "Grant Beneficiary" means a FPO, an Industry Association, a Sector Stewardship Council or a CIG, whose business proposal has been reviewed and selected and who has received a Sector Stewardship Council Grant, an IA Grant, an FPO Grant or CIG Grant, respectively, after entering into a Sub-Project Agreement.
31. "IAs" mean Industry Associations formed in accordance with the criteria and procedures set forth in the PIP.
32. "IA Grant" means a grant made or proposed to be made by the respective Participating Implementing Agency through EDPF to an IA, out of the proceeds of the Loan to finance the carrying out of an approved Sub-project in accordance with the criteria and procedures set forth in the PIP.
33. "IPDF" or "Indigenous Peoples Development Framework" means the framework included in the SMF, setting forth the guiding principles, acceptable standards and procedures for: (a) the identification of any scheduled castes, scheduled tribes or any other ethnic communities on account of Project implementation; and (b) the preparation of their prescribed IPDPs.
34. "IPDP" or "Indigenous Peoples Development Plan" means each plan to be prepared under the Project in accordance with the IDPF, each such plan in form and substance satisfactory to the Bank, detailing the specific actions, measures and policies designed to address any impact on Tribal or Indigenous Peoples; as such plan may amended from time to time with the prior written concurrence of the Bank.
35. "Operating Costs" means additional costs incurred in the carrying out of the Project: (i) remuneration of individuals appointed under the Project and assigned to positions specifically created for purposes of the Project (including government officials deputed to ARIAS Society); and (ii) the costs of office expenses under the Project, operation, including, hiring and maintenance of vehicles, operation and maintenance of equipment purchased under the Project, operation and maintenance of facilities used by Project, data collection for purposes of the Project, and Project related domestic and international travel including allowances.

36. "Participating Implementing Agencies" means all agencies of the State of Assam responsible for implementation and execution of selected activities under the Project, including, but not limited to the agencies with PIUs (as hereinafter defined).
37. "PCU" or "Project Coordination Unit" means the coordination unit established within ARIAS Society and referred to in Section I.A.1 of the Schedule to the Project Agreement.
38. "Pest Management Plan" or "PMP" means the plan under the EMF, in form and substance satisfactory to the Bank, detailing the pest management tools and techniques, and guidelines regarding pesticides, to be followed during the implementation of the Project.
39. "PIP" means the Project Implementation Plan, which includes the Financial Management Manual, dated July 19, 2017 satisfactory to the Bank, setting forth, *inter alia*, the operating procedures for the carrying out of the Project and the criteria for the selection of Grant Beneficiaries and Sub-projects, as well as the carrying out of Sub-projects; as such plan may be amended from time to time with the prior written concurrence of the Bank.
40. "PIUs" or "Project Implementation Units" means the implementing units established in each of Participating Implementing Agencies (Department of Agriculture, Industries and Commerce, Fishery, Animal Husbandry and Veterinary, Public Works (Roads), Cooperation, Handloom, Textiles and Sericulture, and Panchayat and Rural Development; with the purpose of overseeing the implementation of their specific activities under the Project.
41. "Procurement Plan" means the Borrower's procurement plan for the Project, dated July 19, 2017, and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Bank.
42. "Procurement Regulations" means the "World Bank Procurement Regulations for Borrowers under Investment Project Financing", dated July 1, 2016.
43. "Project Implementing Entity" means the Borrower's State of Assam.
44. "RAP" or "Resettlement Action Plan" means each resettlement action plan to be prepared under the Project in accordance with the RPF, each such plan in form and substance satisfactory to the Bank, and containing, a program of actions, measures and policies for compensation and resettlement of Affected Persons, including the magnitude of displacement, compensation and resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional.

monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with its terms; as each RAP may be amended from time to time with the prior written concurrence of the Bank.

45. "RPF" or "Resettlement Policy Framework" means the framework included in the SMF, setting forth the guiding principles, acceptable standards and procedures for: (a) the identification of any Affected Persons on account of their implementation; and (b) the preparation of their prescribed RAPs.
46. "Safeguards Documents" means the EMF, each EMP, the SMF, the RPF, each RAP and each IPDP, and all annexes and schedules thereto.
47. "Sector Stewardship Council Grant" means a grant made or proposed to be made by the respective Participating Implementing Agency, through EDPF to a selected stewardship council, out of the proceeds of the Loan to finance the carrying out of an approved Sub-project in accordance with the criteria and procedures set forth in the PIP.
48. "SMEs" means Micro, Small and Medium Enterprises.
49. "SMF" or "Social Management Framework" means the social management framework of the Project Implementing Entity dated January 2017, and disclosed on January 5, 2017, which includes a Resettlement Policy Framework, and an Indigenous Peoples Development Framework setting forth social impact assessments and mitigation procedures and arrangements and grievance redress procedures for assessing and addressing any Project social impacts; as such framework may be amended from time to time with the prior concurrence of the Bank.
50. "Sub-financing" means any given investment and equity financing provided to an AIF Beneficiary and referred to in Section I.D.3 of the Schedule to the Project Agreement.
51. "Sub-Financing Agreement" means the agreement to be entered between the AIF and an AIF Beneficiary for the provision of the Sub-financing and referred to in Section I.D.3 of the Schedule to the Project Agreement.
52. "Sub-project" means all the goods, works and services listed in each of the Grant Beneficiaries' business plans to be financed out of a Sector Stewardship Council Grant, an IA Grant, an FPO Grant or a CIG Grant.

53. "Sub-project Agreement" means the agreement to be entered between ARIAS Society or other Participating Implementing Agencies and a Grant Beneficiary and referred to in Section I.C.1 of the Schedule to the Project Agreement.
54. "Technical and Fiduciary Assessment" means the assessment to be carried out as part of due diligence needed prior the operationalization of the new or existing AIF, which assessment shall include analysis of AIF's related constitutive documents, AIF Operations Manual, governance structure and management to ensure adequate compliance with fiduciary obligations, adherence to Safeguard Documents, and Anti-Corruption Guidelines and aiming to achieve a systematic and effective AIF's investment management system.
55. "Training" means non-consultant expenditures incurred in connection with the provision of training, including, study tours and workshops, training institution fees, logistics, materials, and the cost of travel and per diem of trainers and trainees.
56. "Tribal or Indigenous Peoples" means groups in the State of Assam's territory that have a distinct, vulnerable, social and cultural identity, and that: (i) possess the following characteristics in varying degrees: (a) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (b) collective attachment to geographically distinct habitats or ancestral territories in the Project area and to the natural resources in these habitats and territories; (c) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (d) an indigenous language; and/or (ii) are defined as such by the Constitution of India.
57. "VCDPs" means the Value Chain Development Plans prepared by stewardship councils for selected commodities for upgrading the prioritized value chains.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
2. Section 3.01. (*Front-end Fee*) is modified to read as follows:

"Section 3.01. *Front-end Fee; Commitment Charge*

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the "Front-end Fee").

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the "Commitment Charge"). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date."

3. In the Appendix, **Definitions**, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.
4. The Appendix is modified by inserting a new paragraph 19 with the following definition of "Commitment Charge", and renumbering the subsequent paragraphs accordingly:

"19. "Commitment Charge" means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b)."