
LOAN NUMBER 9181-IN

Loan Agreement

(Second Dam Rehabilitation and Improvement Project)

between

INDIA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between INDIA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of two hundred fifty million United States Dollars (US\$250,000,000), 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 1 and December 1 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 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, through its Central Water Commission, shall, and shall cause the Project Implementing Entities to, carry out its/their Respective Parts of the Project, in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the respective Project Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following, namely that any Corporation’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of such Corporation to perform any of its obligations under its Project Agreement.
- 4.02. The Co-financing Deadline for the effectiveness of the Co-financing Agreement is December 31, 2021.
- 4.03. The Additional Event of Acceleration consists of the following: the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) 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 Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. 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.
- 6.02. 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

Rajat Kumar Mishra

Authorized Representative

Name: Rajat Kumar Mishra

Title: Rajat Kumar Mishra

Date: 04-Aug-2021

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By

JK Ahmad

Authorized Representative

Name: Junaid Kamal Ahmad

Title: Country Director

Date: 04-Aug-2021

SCHEDULE 1

Project Description

The objective of the Project is to increase the safety of selected dams in participating States and to strengthen dam safety management in India.

The Project consists of the following components:

Component 1: Rehabilitation and Management Planning for Dams and Associated Appurtenances

Support to reduce the likelihood and consequences of dam failure by, *inter alia*, improving dam safety planning, management and rehabilitation in selected dams, through management, monitoring, and structural interventions as follows:

- (a) preventative measures to reduce dam safety risk focused on management and monitoring including: (i) requiring every dam under the Project to develop an EAP, an O&M Manual and an instrumentation plan, the O&M Manual to include dam health monitoring and reporting protocols and updated operational protocols as needed to minimize the risk of downstream flooding; (ii) systems for integrated reservoir operations to be developed as needed; and (iii) each rehabilitated dam to have basic instrumentation and, as needed, support for the development of additional systems to detect and respond to risks promptly, such as flood forecasting systems, early warning systems, data management and analysis software, and standardized dam safety instrumentation (“SCADA”); and
- (b) structural interventions to improve dam safety as follows: (i) rehabilitation of dam structures and appurtenances, with attention given to the need to minimize social and environmental impacts, such as access roads, control rooms, living quarters for dam operators, including separate sanitation units and quarters for women, measures for seepage reduction (e.g., grouting, geomembranes), rehabilitating foundation deficiencies, strengthening dam concrete/embankment structures, hydrological and structural safety measures (e.g., strengthening existing spillways, additional fuse plugs, sluice repairs, flush bars), and electrical and mechanical improvements (e.g., gates and hoists, dewatering pumps, generators, electrical work); and (ii) support for sediment management studies and sediment management works as recommended by the DSRP and subject to requisite social and environmental due diligence.

Component 2: Dam Safety Institutional Strengthening

Support for strengthening the capacities and institutional framework for dam owners, operators, and agencies with oversight of dam safety, and policy makers, to, *inter alia*, identify and address dam safety risks and to modernize institutions for dam safety, as follows:

- (a) strengthening dam safety by developing dam safety guidelines and by enabling agencies overseeing dam safety to carry out their regulatory functions through creating or reorganizing Dam Safety Organizations (“DSOs”) and constituting or strengthening Dam Safety Review Panels (“DSRPs”) through hiring multi-disciplinary staff and obtaining necessary equipment and facilities, including with separate sanitation units for women, in

addition to supporting development of guidelines on dam safety, such as guidelines on developing monitoring and reporting protocols;

- (b) strengthening dam safety research and development (“R&D”) capacity and national and international knowledge sharing through the establishment of a Center of Excellence for Dam Safety to address gaps in dam management capacity and in R&D for dam safety through conducting R&D related to dam safety, supporting complex individual dam health assessments, and building the capacity of dam safety professionals; organizing national and international conferences on dam safety and related topics to exchange experience and share best practices in the Indian context and globally;
- (c) supporting a comprehensive dam safety capacity building program for dam owners, operators, and agencies overseeing dam safety, and policy makers, based on a detailed institutional needs assessment, including, *inter alia*, through training programs with provisions for the inclusion of female engineers, a young professionals program for dam safety, internships and study tours, and integration of dam safety curricula into graduate programs, training topics to include, *inter alia*, O&M, development and implementing EAPs, asset management, performing dam inspections, short- and long-term inflow forecasting (including the effects of climate change on seasonal precipitation), routine operation, maintenance and surveillance, and communications;
- (d) addressing recruitment, retention, and advancement issues for women engineers in dam management by supporting specialized training for women engineers and the development of professional networks; and
- (e) supporting dam safety institutions to develop education and communication capacity to raise awareness on dam safety issues and communicate dam safety risks to the public, as well as supporting public consultations for every EAP developed under the Project, safety drills and community disaster preparedness training.

Component 3: Risk-informed Asset Management and Innovative Financing for Sustainable Operation and Maintenance of Dams

Support to increase the financing available for periodic dam safety needs and regular O&M through improving asset management and dam risk assessment by putting in place, *inter alia*: (i) systems to improve the identification of financing needs for dam safety and develop more sustainable sources of funding for dam safety; and (ii) an asset management system and risk assessment to identify long-term funding needs for the sector and trade-offs related to investment decisions, as follows:

- (a) Asset Management System: developing an asset management system and plans that provide for a comprehensive estimate of funds required to meet the regular O&M and rehabilitation requirements of dams over a multi-year period;
- (b) Risk Assessment Framework: support to operationalize a systematic dam safety RACF for assessing dam risk to improve the prioritization of dam rehabilitation needs;
- (c) support for developing more sustainable sources of funding through strengthened financing arrangements and revenue generation;

- (d) (i) improving the efficiency of public financing, starting with the preparation of public expenditure reviews (“PERs”) for all participating States and agencies; (ii) establishing financing arrangements for dam safety (e.g., dedicated budget lines), and exploring and piloting alternative sources for generating revenue streams, such as tourism and water recreational activities, fisheries, and other innovative schemes such as floating solar panels, the selection of dams for such activities to be based on in-depth studies to determine the feasibility, social and environmental impacts of potential alternative revenue-generation initiatives; and (iii) support for studies on repurposing dams; and
- (e) carrying out of a study of potential sources of financing in the sector to inform the activities under this Component and specific interventions under the Project.

Component 4: Project Management

Support for effective implementation of Project activities and monitoring and evaluation of Project implementation progress, outputs and outcomes through support for, *inter alia* : (i) operations of the Central Project Management Unit (“CPMU”), to oversee and coordinate activities of the PIEs of the Project, supported by an Engineering and Management Consultant (“EMC”); (ii) operations of Project Management Units (“PMUs”) within PIEs, which can hire experts in various fields as needed on a contractual basis; (iii) setting up of a monitoring and evaluation system; (iv) establishment of a quality assurance and quality control system; (v) financing of consultancies, related material, office equipment and incremental operating costs; and (vi) provision of investment and technical support for the establishment of a management information system for the Project.

Component 5: 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 part of the proceeds of the Loan available to the Project Implementing Entities (“PIEs”) in accordance with the Borrower’s standard arrangements for developmental assistance to states and agencies 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 states and agencies in India, the provisions of this Agreement and related instructions shall govern.
2. Without limitation upon the provisions of Section 3.01 of this Agreement and except as the Borrower and the Bank may otherwise agree, the Borrower shall carry out its Respective Part of the Project through its Central Water Commission (“CWC”) in accordance with the provisions of the Project Implementation Manual (“PIM”) and this Agreement.

National Level

3. Without limitation upon the provisions of Section 3.01 of this Agreement and except as the Borrower and the Bank may otherwise agree, the Borrower shall:

National-level Steering Committee

- (a) maintain throughout the implementation of the Project, a National level Steering Committee to provide oversight of the Project as a whole and on dam safety assurance and rehabilitation, as well as disaster management, headed by the Ministry of Jal Shakti Secretary and including senior representatives from the CWC and all PIEs in the Project, with composition, resources and terms of reference acceptable to the Bank;

Central Project Management Unit (“CPMU”)

- (b) maintain throughout the implementation of the Project, the CPMU, within the CWC, to be responsible for overall Project management and coordination, headed by the chief engineer of the Dam Safety Organization (“DSO”), with composition, resources and terms of reference acceptable to the Bank, including, inter alia, procurement, financial management, environmental and social development, and monitoring and evaluation specialists, in numbers and with experience and qualifications agreed to between the Borrower and the Bank; and

Subnational Level

4. Without limitation upon the provisions of Section 3.01 of this Agreement and except as the Borrower and the Bank may otherwise agree, the Borrower shall ensure:

- (a) through CWC, that each PIE, shall maintain throughout Project implementation:

Project Management Units (“PMUs”)

- (i) its respective PMU in coordination with the respective Dam Safety Organization (“DSO”), to be responsible for implementation of its Respective Part of the Project, with composition, resources, terms of reference, experience, and qualifications acceptable to the Bank and the Borrower, including government staff, supplemented with consultants, in numbers and with experience and qualifications agreed with the Bank, including, inter alia, technical, environmental and social safeguards, monitoring and evaluation, and fiduciary (procurement and financial management) specialists;

State-level Steering Committee

- (ii) its respective State-level Steering Committee to provide overall coordination and strategic guidance at the PIE level, with composition, resources, terms of reference, experience, and qualifications, acceptable to the Bank;

Dam Safety Review Panels (“DSRPs”)

- (iii) its respective DSRP, with composition, resources, terms of reference, experience, and qualifications acceptable to the Bank; and
- (b) that each PIE shall carry out its Respective Part of the Project in accordance with the provisions of the PIM and its respective Project Agreement.

B. Implementation Arrangements

Project Implementation Manual (“PIM”)

1. (a) The Borrower shall, and shall cause the PIEs to, prepare and adopt within three months of the Effective Date, and thereafter maintain the Project Implementation Manual, acceptable to the Bank, throughout the implementation of the Project.
- (b) The Borrower shall, and shall cause the PIEs, to:
- (i) ensure that the Project is carried out in accordance with the Project Implementation Manual;
- (ii) not amend, delete or waive any provision of the Project Implementation Manual without the prior written agreement between the Borrower and the Bank.

In the event of a conflict between the provisions of the PIM on the one hand, and those of this Agreement on the other hand, the provisions of this Agreement shall govern.

2. Annual Work Plans and Financial Allocations

The Borrower shall, and shall cause the Project Implementing Entities, to:

- (a) prepare and furnish to the Bank for its review by December 1 of each year until Project completion, commencing on April 1, 2022, an annual work plan and financial allocations for implementation of its/their Respective Parts of the Project for the following Fiscal Year and thereafter carry out such annual plan considering the Bank's comments thereon.
- (b) take all necessary steps to ensure all Project activities for which the Project Implementing Entities are responsible pursuant to the terms of their respective Project Agreement, are implemented in accordance with the provisions of said Project Agreement.

C. Environmental and Social Standards

1. The Borrower shall, and shall cause the Project Implementing Entities to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Borrower shall, and shall cause the Project Implementing Entities to, ensure that the Project is implemented in accordance with the respective Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Borrower shall, and shall cause the Project Implementing Entities to, ensure that:
 - (a) the measures and actions specified in the respective ESCP are implemented with due diligence and efficiency, and provided in the respective ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the respective ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the respective ESCP, as provided in the respective ESCP; and
 - (d) the respective ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the respective ESCP, and ensure that the revised respective ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the respective ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Borrower shall, and shall cause the Project Implementing Entities to, ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the respective ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the respective ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (i) the status of implementation of the respective ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the respective ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

- (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, in accordance with the respective ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Borrower shall, and shall cause the Project Implementing Entities to, establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.
 6. The Borrower shall, and shall cause the Project Implementing Entities to, ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of respective ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

D. Contingent Emergency Response Component

1. In order to ensure the proper implementation of contingent emergency response activities under Component 5 of the Project (“CERC”), the Borrower shall:
 - (a) prepare and furnish to the Bank for its review and approval, an Emergency Response Manual (“ERM”) which shall set forth detailed implementation arrangements for the CERC, including: (i) any institutional structures or arrangements for coordinating and implementing the CERC; (ii) specific activities which may be included in the CERC, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the CERC; (iv) procurement methods and procedures for the CERC; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social management arrangements and instruments for the CERC; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the CERC;
 - (b) afford the Bank a reasonable opportunity to review the proposed ERM;
 - (c) promptly adopt the ERM for the CERC as accepted by the Bank and integrate it as an annex to the PIM;
 - (d) ensure that the CERC is carried out in accordance with the ERM; provided, however, that in the event of any inconsistency between the provisions of the ERM and this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive any provision of the ERM without the prior written approval by the Bank.

2. The Borrower shall, throughout the implementation of the CERC, maintain the institutional structures and arrangements referred to in the ERM, with adequate staff and resources satisfactory to the Bank.
3. The Borrower shall undertake no activities under the CERC 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 CERC 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 preparation and disclosure of all environmental and social instruments as may be required for said activities in accordance with the ERM, the Bank has approved all said instruments, and the Borrower has ensured the implementation of any actions which are required to be taken under said instruments.

Section II. Project Monitoring, Reporting and Evaluation

1. The Borrower shall, and shall cause the Project Implementing Entities to, furnish to the Bank each Project Report for its/their Respective Part of the Project, 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, and shall cause the Project Implementing Entities 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 its/their Respective Part of the Project, in accordance with the provisions of the respective 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; and (b) pay: (i) the Front-end Fee; and (ii) each Interest Rate Cap or Interest Rate Collar premium; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Incremental Operating Costs, and Training, for CWC under the Project	12,334,600	Up to 50%

(2) Goods, works, non-consulting services, consulting services, Incremental Operating Costs, and Training, for the States of Manipur and Meghalaya, under the Project	41,911,000	Up to 80%
(3) Goods, works, non-consulting services, consulting services, Incremental Operating Costs, and Training, for the States of Chhattisgarh, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, and Tamil Nadu, under the Project	195,129,400	Up to 70%
(4) Emergency Expenditures under Component 5 of the Project	0	100%
(5) 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
(6) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 4.05 (c) of the General Conditions
TOTAL AMOUNT	250,000,000	

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 fifty million United States Dollars (US\$50,000,000) may be made for payments made prior to this date but on or after January 1, 2020, for Eligible Expenditures under Categories (1), (2), and (3); or
- (b) for Emergency Expenditures under Category (4), unless and until the Bank is satisfied, and notified the Borrower of its satisfaction, that all of the following conditions have been met in respect of said expenditures:
 - (i) the Borrower has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Bank a request to include the proposed activities in the CERC in order to respond to said crisis or emergency, and the Bank has agreed with such determination, accepted said request and notified the Borrower thereof;

- (ii) the Borrower has ensured that all environmental and social instruments required for said activities have been prepared and disclosed, and the Borrower has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Section I.D of this Schedule;
- (iii) the entities in charge of coordinating and implementing the CERC have adequate staff and resources, in accordance with the provisions of Section I.D of this Schedule, for the purposes of said activities; and
- (iv) the Borrower has adopted the ERM, in form and substance acceptable to the Bank, and the provisions of the ERM remain - or have been updated in accordance with the provisions of Section I.D of this Schedule so as to be appropriate for the inclusion and implementation of the CERC.

2. The Closing Date is December 31, 2027.

C. Ineligible Expenditures

The following shall not be Eligible Expenditures and the Borrower shall ensure, and cause the Project Implementing Entities to ensure, that the following expenditures are financed exclusively out of its and the Project Implementing Entities' 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 interest during construction;
- (c) retention money/security deposit retained (till the time it is not released);
- (d) expenditures incurred after the Project Closing Date;
- (e) expenditures not in line with the Project description in this Agreement;
- (f) procurement not in line with agreed procurement procedures; and
- (g) expenses disallowed by auditors and not resolved adequately, and expenses found ineligible during Bank review.

Section IV. Other Undertakings

The Borrower shall provide, and cause each Project Implementing Entity to provide, as needed, the funds, facilities and services and other resources required for the Project.

SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each June 1 and December 1 Beginning June 1, 2027 through June 1, 2033	7.14%
On December 1, 2033	7.18%

APPENDIX

Definitions

1. “Annual Work Plans and Financial Allocations” means each of the plans prepared by CWC and each Project Implementing Entity, on an annual basis and referred to in Section I.B.2 of Schedule 2 to this Agreement, which lists activities to be carried out by CWC and the respective Project Implementing Entity and meets the criteria agreed between the Borrower and the Bank.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “Center of Excellence for Dam Safety” means the center to be established under the Project to address the gaps in dam management capacity and in research and development (“R&D”) for dam safety in India, and to conduct R&D related to dam safety, support complex individual dam health assessments, and provide further capacity building for dam safety professionals.
5. “Central Project Management Unit” and “CPMU” each means the unit referred to in Section I.A.3(b) of Schedule 2 to this Agreement.
6. “Central Water Commission” and “CWC” each means the Borrower’s commission operating under its MoJS entrusted with the responsibility of initiating, coordinating and furthering schemes for the control, conservation and utilization of natural water resources, in consultation with Borrower state government, and the Borrower’s central implementing agency for the Project, or any successor thereto.
7. “Co-financier” means the Asian Infrastructure Investment Bank, a multilateral financial institution whose purpose is to foster sustainable economic development, create wealth and improve infrastructure connectivity in Asia by investing in infrastructure and other productive sectors.
8. “Co-financing Agreement” means the agreement to be entered into between the Borrower and the Co-financier providing for the Co-financing.
9. “Co-financing” means, for purposes of paragraph 16 of the Appendix to the General Conditions, an amount of two hundred fifty million United States Dollars (USD 250,000,000) to be provided by the Co-financier to assist in financing the Project.
10. “Companies Act, 1956” means the Companies Act, 1956 (No. 1 of 1956) of the Borrower.

11. “Contingent Emergency Response Component” and “CERC” each means a specific activity or activities to be carried out in the event of an Eligible Crisis or Emergency under Component 5 of the Project.
12. “Corporation’s Legislation” means each of the following: (a) the MePGCL’s Memorandum of Association and Certificate of Incorporation under the Companies Act, 1956 (No. 1 of 1956), under which MePGCL was established and incorporated, dated December 18, 2009; and (b) the TANGEDCO’s Articles of Association under the Companies Act, 1956 (No. 1 of 1956), under which TANGEDCO was established and incorporated, dated November 23, 2009.
13. “Corporation” means each of the Meghalaya Power Generation Corporation Limited (“MePGCL”), or any successor thereto, the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO), or any successor thereto, and any other corporation which, at a later date, may be determined by the Borrower and the Bank to be eligible to participate in the Project.
14. “Dam Safety Organization” and “DSO” each means the organization established/to be established by each PIE to handle dam safety.
15. “Dam Safety Review Panel” and “DSRP” each means the panel constituted by the respective PIE whose responsibilities include inspecting dams, carrying out related inspection analysis, preparing reports, issuing recommendations regarding the safety status of dams and proposing remedial measures to be undertaken to improve their safety.
16. “EAP” means an emergency action plan to be developed by every dam under the Project.
17. “Electric Supply Act of 1948” means the Electric Supply Act of 1948 of the Borrower.
18. “Electricity Board” means the Kerala State Electricity Board and any other electricity board which at a later date may be determined by the Borrower and the Bank to be eligible to participate in the Project.
19. “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.
20. “Emergency Expenditure” means any of the eligible expenditures set forth in the Emergency Response Manual in accordance with the provisions of Section I.D of Schedule 2 to this Agreement, and required for the CERC.
21. “Emergency Response Manual” and “ERM” each means the manual referred to in Section I.D of Schedule 2 to this Agreement, to be adopted by the Borrower for the CERC and form part of the PIM in accordance with the provisions of said Section.
22. “Engineering and Management Consultant” and “EMC” each means the consultant referred to in Component 4 of Schedule 1 to this Agreement;
23. “Environmental and Social Commitment Plan” and “ESCP” each means the environmental and social commitment plan for the Project, dated November 10, 2020,

- as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
24. “Environmental and Social Standards” and “ESSs” each means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
 25. “Fiscal Year” 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.
 26. “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).
 27. “Incremental Operating Costs” means the reasonable costs of incremental expenditures incurred by the Borrower and the Project Implementing Entities on account of Project implementation, management and monitoring, which expenditures would not have been incurred absent the Project, including, but no limited to: incremental staff salaries, per diem and allowances, office rent, office supplies, utilities, conveyance, travel and boarding/lodging allowances, operating and maintenance expenditures, 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 Borrower’s and the Project Implementing Entities’ civil service.
 28. “Kerala State Electricity Board” and “KSEB” each means the electricity board of the Borrower’s State of Kerala, established pursuant to Electric Supply Act of 1948 (as amended to the date of this Agreement), or any successor thereto.
 29. “Meghalaya Power Generation Corporation Limited” and “MePGCL” each means the power generation corporation of the State of Meghalaya established and operating pursuant to the Corporation’s Legislation.
 30. “MoJS” means the Borrower’s Ministry of Jal Shakti, or any successor thereto.

31. “National-level Steering Committee” means the committee referred to in Section I.A.3(a) of Schedule 2 to this Agreement.
32. “O&M Manual” means the operations and maintenance manual to be developed by every dam under the Project.
33. “O&M” means operations and maintenance.
34. “PERs” means public expenditure reviews.
35. “Procurement Plan” means Annual Work Plan with activity-wise budget and procurement procedure details prepared by PIEs for their Respective Part of the Project.
36. “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.
37. “Project Implementation Manual” and “PIM” each means the plan to be adopted by the Borrower and the Project Implementing Entities, pursuant to the provisions of Section I.B of Schedule 2 to this Agreement, which plan includes 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 and manuals as annexes; (v) criteria for the identification, selection and planning of dam rehabilitation and improvement activities under Component 1 of the Project; (vi) readiness conditions for entry of PIEs into the Project; (vii) the Project’s environmental and social safeguard requirements; (viii) the Project’s monitoring and evaluation, and reporting requirements; and (ix) the ERM as an annex; as such plan may be amended from time to time with the prior concurrence of the Bank..
38. “Project Implementing Entities” and “PIEs” each means the States of Chhattisgarh, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Odisha, Rajasthan, and Tamil Nadu, acting through their Water Resources Departments, and the Kerala State Electricity Board (KSEB), the Meghalaya Power Generation Corporation Limited (MePGCL), and the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO), or any successors thereto, or any other Indian State and any other Electricity Board and/or Corporation (as the case may be) which, at a later date, may be determined by the Borrower and the Bank to be eligible to participate in the Project, and which for the purposes of the General Conditions are the Project Implementing Entities.
39. “Project Management Units” and “PMUs” each means the Project management units referred to in Section I.A.4(a) of Schedule 2 to this Agreement.
40. “Project Screening Template” and “PST” each means the dam rehabilitation plan approved by CWC for at least one dam to be supported under the Project for a PIE, which provides the technical basis for the preparation of bid documents.
41. “RACF” means risk assessment and classification framework.

42. "SCADA" means Supervisory Control and Data Acquisition, a standardized dam safety instrumentation.
43. "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.
44. "State-level Steering Committee" means the committee referred to in Section I.A.4(a) of Schedule 2 to this Agreement.
45. "States" and "State" each means any of the Borrower's states or state ("Indian States" or "Indian State").
46. "Tamil Nadu Generation and Distribution Corporation Limited" and "TANGEDCO" each means the Corporation established and operating pursuant to said Corporation's Legislation.
47. "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 PIEs' civil servants or their other regular staff.
48. "Water Resources Departments" means the water resources departments of the Indian States participating in the Project responsible for the construction and operation and maintenance of public water resources projects.