

Public Disclosure Authorized

OFFICIAL DOCUMENTS

LOAN NUMBER 8746-IN

Public Disclosure Authorized

Loan Agreement

(Madhya Pradesh Urban Development Project)

between

INDIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated *JUNE 12*, 2017

LOAN AGREEMENT

Agreement dated JUNE 12, 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 one hundred and sixteen million two hundred thousand Dollars (\$116,200,000) 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, 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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; (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 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 Guarantor 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 Madhya Pradesh to carry out its respective activities under the Project, and shall cause Madhya Pradesh to ensure that MPUDC shall carry out its respective activities under the Project, in accordance with the provisions of Article V of the General Conditions, the Project Agreement, and the Operations Manual.
- 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: A situation has arisen which shall make it improbable that the MPUDC will be able to carry out its obligations under the Project.

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: Secretary, Additional Secretary, Joint Secretary, Director, Deputy Secretary or Under Secretary of the Department of Economic Affairs in the Ministry of Finance of the Recipient.
- 6.02. The Borrower's Address is:

Secretary
Department of Economic Affairs
Ministry of Finance, Government of India
North Block
New Delhi 110001, India

Facsimile:
91-11-23092039

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

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

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

INDIA

By Uman
Authorized Representative
Name: RAS KUMAR
Title: JOINT SECRETARY

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By JK Ahmad
Authorized Representative
Name: SUNATD KAMAL AHMAD
Title: COUNTRY DIRECTOR, INDIA

SCHEDULE 1

Project Description

The objective of the Project is to enhance the capacity of MPUDC to improve coverage of key urban services and increase the revenue of Participating Urban Local Bodies.

The Project consists of the following parts:

Part A. Institutional Development

1. Strengthening the Municipal Reforms Cell to support urban policy reforms linked to the implementation and sustainability of municipal investments.
2. Technical and project management assistance to MPUDC to strengthen its institutional capacity; build management capacity for Project implementation; and develop a regional urban and economic development plan and related investment proposals for the BISCO region.

Part B. Urban Investments

1. Financing Sub Projects in Participating ULBs covering a range of urban services.

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 Madhya Pradesh 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 or the Project 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, the Project Agreement and related instructions shall govern.
2. The Borrower shall cause Madhya Pradesh to, or shall cause Madhya Pradesh to ensure that MPUDC, its ULBs, SPVs, and the Project Operators, take all necessary steps to ensure that all Project activities are implemented in accordance with the Schedule to the Project Agreement, the Operations Manual, the applicable TPIAs, and the Safeguards Documents. The Borrower shall cause Madhya Pradesh to refrain, or shall cause Madhya Pradesh to ensure that MPUDC refrains from taking any action which would prevent or interfere with its, any ULB's, any SPV's or any Project Operator's implementation of the foregoing documents, including any amendment, suspension, waiver, annulment and/or voidance of any provision of such documents, whether in whole or in part, without the prior written concurrence of the Bank.
3. The Borrower shall cause Madhya Pradesh to make available the Loan proceeds and adequate resources from its own funds to MPUDC in accordance with the Project Agreement and the Operations Manual and the TPIAs.
4. The Borrower shall cause Madhya Pradesh to ensure that MPUDC is adequately capitalized and operates with such resources, powers, functions, staffing, and expertise acceptable to the Bank, as required to carry out the Project and shall cause Madhya Pradesh to exercise the general oversight of the implementation of Project activities.
5. The Borrower shall cause Madhya Pradesh to ensure that MPUDC enters into a TPIA with each Participating ULB before MPUDC shall award any contract for any Sub Project relating to that ULB. The Borrower shall cause Madhya Pradesh to ensure that each TPIA shall set out the roles and responsibilities of each agency concerning Project implementation and authorize Madhya Pradesh to reimburse MPUDC from the Participating ULB's allocated resources if such ULB defaults in paying its agreed capital, operational, or maintenance contributions for any Sub Project. The Borrower shall cause Madhya Pradesh to ensure that neither MPUDC nor any Participating ULB shall amend, obviate or waive its respective TPIA, in whole or in part, without the prior written agreement of the Bank.

B. Sub Projects

1. The Borrower shall cause Madhya Pradesh to ensure, through MPUDC, that Loan proceeds are utilized exclusively for Sub Projects, which are selected in accordance with eligibility criteria and procedures acceptable to the Bank and set out in the Operations Manual.
2. The Borrower shall cause Madhya Pradesh to ensure, through MPUDC, that financing for Sub Projects are provided on terms and conditions acceptable to the Bank, which shall include rights adequate to protect Madhya Pradesh's and MPUDC's interests and those of the Borrower and the Bank as required by the Operations Manual and Section I.B of the Schedule to the Project Agreement.

C. Anti-Corruption

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

D. Safeguards

1. The Borrower shall cause Madhya Pradesh to ensure that its departments and agencies, including MPUDC, each Participating ULB, each SPV and each Project Operator shall:
 - (a) carry out the Project in accordance with the Operations Manual, the Environmental and Social Management Framework, the Environmental Management Plans, the Resettlement Policy Framework, the Indigenous Peoples Management Framework, the Resettlement Action Plans, and each additional Safeguards Assessment or Plan, collectively referred to as the Safeguards Documents, in each case in a manner and in substance satisfactory to the Bank; and
 - (b) refrain from taking any action which would prevent or interfere with the implementation of the Safeguard Documents, including any amendment, suspension, waiver, and/or avoidance of any provision of the Safeguard Documents, whether in whole or in part, without the prior written concurrence of the Bank.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower, together with Madhya Pradesh, as the case may be, shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators agreed with the Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than one month after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained 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 or shall cause Madhya Pradesh to ensure that MPUDC prepares and furnishes to the Bank not later than 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 or shall cause Madhya Pradesh to ensure that MPUDC has the Financial Statements for the Project 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 Madhya Pradesh, commencing with the fiscal year in which the first withdrawal was made under the Project. 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

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works, and non-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 Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' 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 Sections I and IV of the Consultant Guidelines and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works, and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding procedures.

Other Methods of Procurement of Goods, Works, and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding, subject to additional provisions agreed upon from time to time between the Borrower and the Bank and set forth in the Procurement Plan; (c) Shopping; (d)

procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Bank; (e) Direct Contracting; (f) Force Account; (g) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Bank; (h) Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the Bank; and (i) Community Participation procedures which have been found acceptable to the Bank.

C. Particular Methods of Procurement of Consultants' Services

Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection, subject to the following additional procedures, namely, that Standard Request for Proposal and Procedures approved by the Bank shall be used. The Procurement Plan shall specify the circumstances under which such method may be used.

Other Methods of Procurement of Consultants' Services. The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

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 shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, 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, Consultants' Services, Training, Operating Costs.	115,909,500	70%
(2) Front-end Fee	290,500	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(3) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.08(c) of this Agreement
TOTAL AMOUNT	116,200,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$23,200,000 may be made for payments made prior to this date but on or after June 1, 2016 for Eligible Expenditures.
2. The Closing Date is December 31, 2022.

SCHEDULE 3

Amortization Schedule

1. Subject to the provisions of paragraph 2 of this Schedule, the Borrower shall repay each Disbursed Amount in semiannual installments payable on each February 15 and August 15, the first installment to be payable on the eleventh (11th) Payment Date following the Maturity Fixing Date for the Disbursed Amount and the last installment to be payable on the fiftieth (50th) Payment Date following the Maturity Fixing Date for the Disbursed Amount. The following table sets forth the percentage of the Disbursed Amount payable on each Principal Payment Date.

Principal Payment Date	Installment Share (Expressed as a Percentage)
First	1.48%
Second	1.52%
Third	1.56%
Fourth	1.59%
Fifth	1.63%
Sixth	1.67%
Seventh	1.72%
Eighth	1.76%
Ninth	1.8%
Tenth	1.85%
Eleventh	1.89%
Twelfth	1.94%
Thirteenth	1.99%
Fourteenth	2.04%
Fifteenth	2.09%
Sixteenth	2.14%
Seventeenth	2.20%
Eighteenth	2.25%
Nineteenth	2.31%
Twentieth	2.37%
Twenty-first	2.43%
Twenty-second	2.49%
Twenty-third	2.55%
Twenty-fourth	2.61%
Twenty-fifth	2.68%
Twenty-sixth	2.74%
Twenty-seventh	2.81%
Twenty-eight	2.88%
Twenty-ninth	2.95%
Thirtieth	3.03%
Thirty-first	3.10%
Thirty-second	3.18%

Principal Payment Date	Installment Share (Expressed as a Percentage)
Thirty-third	3.26%
Thirty-fourth	3.34%
Thirty-fifth	3.43%
Thirty-sixth	3.51%
Thirty-seventh	3.60%
Thirty-eighth	3.69%
Thirty-ninth	3.78%
Fortieth	4.14%

2. If any one or more installments of principal of the Disbursed Amount would, pursuant to the provisions of paragraph 1 of this Schedule, be payable after August 15, 2047, the Borrower shall also pay on such date the aggregate amount of all such installments.
3. The Bank shall notify the Loan Parties of the amortization schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.
4. Notwithstanding the provisions of paragraphs 1 through 3 of this Schedule, in the event of a Currency Conversion of all or any portion of a Disbursed Amount 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.

APPENDIX

Section I. Definitions

1. "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.
2. "BISCO" means the Bhopal-Indore Super Corridor region of Madhya Pradesh.
3. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
5. "Empowered and Executive Committee" means the committee comprising senior government officials from various departments that is constituted by the Government of Madhya Pradesh with terms of reference agreed with the Bank and outlined in the Operations Manual for the purpose of, among other things, approving Sub Projects whose value exceeds applicable thresholds indicated in the Operations Manual.
6. "Environmental and Social Management Framework" means the framework adopted by MPUDC for the Project and disclosed in the Bank's Infoshop on October 21, 2016, respectively and incorporated into MPUDC Operations Manual, which addresses environmental and social impacts resulting, or likely to result from, the carrying out of the Project and as such a framework may be revised, updated or supplemented, from time to time, with the prior written concurrence of the Bank.
7. "Environmental Management Plans" means the plans prepared for Sub Projects under the Environmental and Social Management Framework including the plan dated July 19, 2016 for the Khargone Water Supply; the plan dated July 19, 2016 for the Burhanpur Water Supply; and the plan dated July 19, 2016 for the Chhindwara Sewarage Sub Projects that were each disclosed in the Bank's Infoshop on October 21, 2016 and any additional such plans to be prepared for other Sub Projects under the Environmental and Social Management Framework and comprising measures to mitigate and minimize environmental impacts and protect environmental, community and cultural properties, as such plans may be amended from time to time with the Bank's prior written agreement.
8. "Fiscal Year" or "FY" means the Borrower's and Madhya Pradesh's fiscal year, beginning on April 1 of any calendar year and ending on March 31 of the following calendar year.
9. "GRM" means the grievance redress mechanism to be established or strengthened by the Madhya Pradesh under the Project Agreement.

10. "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.
11. "Incremental Operating Costs" means the incremental costs incurred by Madhya Pradesh, MPUDC, or MRC for carrying out the Project including salaries of contractual staff appointed and staff deputed to the Project, office rent and utilities, office and equipment maintenance and repair, vehicle operating and maintenance costs, communication and travel, and other incidental and necessary expenditures in connection with the Project.
12. "Indigenous Peoples Management Framework" means the framework prepared as part of the Environmental and Social Management Framework to promote the effective participation of indigenous peoples in the Project.
13. "Madhya Pradesh" means the Borrower's State of Madhya Pradesh or any successor(s) thereto.
14. "Madhya Pradesh Urban Development Co. Limited" and the acronym "MPUDC" mean Madhya Pradesh Urban Development Co. Limited, a state-owned corporation registered and operating under the Borrower's Companies Act of 2013, or any successor thereto.
15. "Municipal Reforms Cell" means the cell constituted in Madhya Pradesh's Urban Administration and Development Directorate.
16. "Operations Manual" means MPUDC's manual dated March 9, 2017 with protocols, policies, and procedures that will be applied to carry out the Project including any amendments or modifications thereto with the prior written concurrence of the Bank.
17. "Operator Contract" means each contract between MPUDC and a Project Operator, in form and substance satisfactory to the Bank and meeting the requirements set out in the Operations Manual, for carrying out Project activities.
18. "Participating Urban Local Body" and "Participating ULB" mean each city or urban area in Madhya Pradesh that has been found eligible by the Bank and Madhya Pradesh or MPUDC, as the case may be, to participate in the implementation of a Sub Project under Part B.1 of the Project in accordance with eligibility criteria set out in the Operations Manual.
19. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
20. "Procurement Plan" means Madhya Pradesh's procurement plan for the Project, dated March 8, 2017 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

21. "Project Agreement" means the agreement between the Bank, Madhya Pradesh, and MPUDC of even date herewith, as the same may be amended from time to time; and such term includes all schedules and agreements supplemental to the Project Agreement.
22. "Project Implementing Entity" means Madhya Pradesh or MPUDC as the case may be.
23. "Project Operator" means a contractor appointed under an Operator Contract to carry out Project activities in accordance with the Operations Manual, and the term "Project Operators" means the plural thereof.
24. "Resettlement Policy Framework" means the framework, dated October 21, 2016, prepared as part of the Environmental and Social Management Framework to handle any potential resettlement and rehabilitation of Project affected persons, the processing of complaints and grievance redress and other related matters, as may be amended from time to time with the Bank's prior written consent.
25. "Resettlement Action Plan" means plans prepared for Sub Projects, where necessary, under the Resettlement Policy Framework to handle any resettlement and rehabilitation of Project affected persons, the processing of complaints and grievance redress and other related matters, as may be amended from time to time with the Bank's prior written agreement.
26. "Safeguards Assessment or Plan" means each Environmental and Social Assessment or plan or other ancillary document required to be prepared in for Sub Projects or any other Project activity in accordance with the Environmental and Social Management Framework.
27. "Safeguards Document" means, collectively, the Environmental and Social Management Framework, each Environmental and Social Assessment, Environmental Management Plan, the Resettlement Policy Framework, the Indigenous Peoples Management Framework, each Resettlement Action Plan, and each additional Safeguards Assessment or Plan required thereunder.
28. "Sub Project" means an activity under Part B.1 of the Project that is carried out or implemented in a Participating ULB in accordance with the Operations Manual.
29. "ULB" means an urban local body established pursuant to the Madhya Pradesh Municipalities Act 1961 or the Madhya Pradesh Municipal Corporations Act 1956 including Participating ULBs involved with Sub Projects under Part B.1 of the Project and other ULBs involved with Project activities.
30. "Technical Clearance and Tender Committee" means the committee comprising senior government officials from various departments that is constituted by the Government of Madhya Pradesh with terms of reference agreed with the Bank and outlined in the Operations Manual for the purpose of, among other things, approving Sub Projects whose value is below applicable thresholds indicated in the Operations Manual.
31. "TPIA" means each Tripartite Project Implementation Agreement among Madhya Pradesh, MPUDC, and a Participating ULB that sets out the roles and responsibilities of each agency

concerning Project implementation and authorizes Madhya Pradesh to reimburse MPUDC from the ULB's allocated resources if the Participating ULB defaults in paying its agreed capital or operational or maintenance contributions for the Sub Project.

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*

(b) 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").

(c) 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)."
5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of "Front-end Fee" is modified by replacing the reference to Section 3.01 with Section 3.01 (a).
6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term "Loan Payment" is modified to read as follows in order to include "surcharge":
"68. 'Loan Payment' means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, interest at the Default Interest Rate (if any), the Commitment Charge, any surcharge, any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of

an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”

7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of “Payment Date” is modified by deleting the word “is” and inserting the words “and Commitment Charge are” after the word “interest”.