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**OFFICIAL
DOCUMENTS**

CREDIT NUMBER 5867-IN

Financing Agreement

(Bihar Transformative Development Project "JEEViKA II")

between

INDIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated *July 8* **, 2016**

FINANCING AGREEMENT

AGREEMENT dated July 8, 2016, entered into between INDIA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association 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 — CREDIT

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in the amount of two hundred ninety million United States dollars (USD 290,000,000) ("Credit"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Recipient may withdraw the proceeds of the Credit in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Credit Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Interest Charge payable by the Recipient for each Interest Period shall be at a rate equal to the Reference Rate for the Credit Currency plus the Fixed Spread; provided, however, that the Interest Charge payable shall in no event be less than zero percent (0%) per annum.
- 2.05. The Payment Dates are June 15 and December 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

- 2.07. The Payment Currency is United States dollars.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article IV 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 Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following: BRLPS' Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of BRLPS to perform any of the Project Implementing Entity's obligations under the Project Agreement.

ARTICLE V — TERMINATION

- 5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.02. For the purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is Secretary, Additional Secretary, Joint Secretary, Director, Deputy Secretary or Under Secretary of the Department of Economic Affairs in the Recipient's Ministry of Finance.

6.02. The Recipient's Address is:

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

Facsimile:

+91 (11) 23094075

6.03. The Association's Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex:

248423 (MCI)

Facsimile:

1-202-477-6391

AGREED at New Delhi, India, as of the day and year first above written.

INDIA

By Uman 8/7/16

Authorized Representative

Name: Raj Kumar

Title: Joint Secretary (MI)

INTERNATIONAL DEVELOPMENT
ASSOCIATION

By John P. Blomquist
Authorized Representative

Name: John Blomquist

Title: Acting Country Director, India

SCHEDULE 1

Project Description

The objective of the Project is to diversify and enhance household level incomes and improve access to and use of nutrition and sanitation services among targeted households.

The Project consists of the following parts:

Component 1: Community Institution Development

- (a) Formation, development and strengthening of Community Based Organizations (“CBOs”) including through the development and institutionalization of robust financial systems, the development of Micro Investment Plans (“MIPs”), the development and adoption of quality monitoring protocols, and building the capacity of CBOs to deliver productivity enhancement activities in the agricultural and livestock sectors; and
- (b) formation, development and strengthening of Producer Organizations (“POs”) in specific commodity clusters.

Component 2: Community Investment Fund (“CIF”)

Designing and establishing the CIF to provide financial and technical resources to CBOs on a demand driven basis, including: (a) (i) SHG Grants to Self Help Groups (“SHGs”) to catalyze investments; (ii) Grants to VOs and CLFs based on appraised MIPs; and (iii) technical assistance to support activities related to insurance and pensions; (b) Grants to CBOs and POs to implement Business Plans and Value Chain Initiatives; and (c) provision of skills training to youth and development of entrepreneurial skills.

Component 3: Access to Nutrition and Sanitation Services

- (a) Developing and implementing behavior change communication strategies to increase the knowledge and uptake of nutrition and sanitation services and practices for improved maternal and child health and nutrition outcomes; and
- (b) capacity and institution building of CBOs for convergence efforts relating to nutrition and sanitation services, including supporting Village Organizations (“VOs”) and Cluster-Level Federations (“CLFs”) towards specific activities related to health, food security and sanitation.

Component 4: Innovations, Partnerships and Technical Assistance

- (a) Provision of technical assistance and Grants to CBOs to identify, develop and pilot innovative intervention models on financial inclusion, livelihoods, skills-

training, entrepreneurship development, health and sanitation and nutrition; and (b) provision of technical assistance and development of partnerships between CBOs and technical support organizations.

Component 5: Project Management

(i) Establishment and support to the State Project Management Unit (“SPMU”) and District Project Coordination Units (“DPCUs”), through the provision of technical assistance and the financing of Operating Costs, to assist in the implementation, coordination, monitoring, and evaluation of the Project; and (ii) establishment of monitoring and evaluation systems.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional and Other Arrangements

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity, in accordance with the Recipient'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 Association shall have specified by notice to the Recipient pursuant to Section IV.A.1 of this Schedule, were to be found inconsistent with the Recipient's standard arrangements for development assistance to the States of India, the provisions of this Agreement and related instructions shall govern.
3. The Recipient shall protect its own interests and the interest of the Association to accomplish the purposes of the Financing.

B. Anti-Corruption

The Recipient 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 Recipient shall monitor and evaluate the progress of the Project and prepare, or cause the project Implementing Entity to prepare, through BRLPS, Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association 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 Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall cause the Project Implementing Entity, through BRLPS, to prepare and furnish to the Association 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 Association.
3. The Recipient shall have, and shall cause the Project Implementing Entity, through BRLPS, to have the Project's Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Project's Financial Statements shall cover the period of one fiscal year of the Recipient, Project Implementing Entity and BRLPS, commencing with the fiscal year in which the first withdrawal was made under the Credit. The audited Financial Statements for each such period shall be furnished to the Association not later than nine 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 Credit 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 Credit 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 Association 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

1. **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.
2. **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 the additional provisions agreed to from time to time between the Recipient and the Association and referred to in the Procurement Plan; (c) Shopping; (d) Procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association; (e) Direct Contracting; (f) Procurement from UN agencies, subject to the mutual agreement with the Association; (g) Force Account; and (h) Community Participation procedures which have been found acceptable to the Association.

C. Particular Methods of Procurement of Consultants' Services

1. **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.
2. **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) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (g) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (h) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

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

Section IV. Withdrawal of the Proceeds of the Credit

A. General

1. The Recipient may withdraw the proceeds of the Credit in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association 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 Credit ("Category"), the allocations of the amounts of the Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants' services, Operating Costs, SHG Grants and Grants under the Project	290,000,000	70%
TOTAL AMOUNT	290,000,000	

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 twenty five million United States dollars (USD 25,000,000) may be made for payments made prior to this date but on or after April 15, 2016, for Eligible Expenditures under Category (1).
2. The Closing Date is October 31, 2022.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit Repayable (expressed as a percentage)*
On each June 15 and December 15 Commencing December 15, 2021 to and including June 15, 2041.	2.5%

* The percentages represent the percentage of the principal amount of the Credit to be repaid.

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. "Beneficiary" means a CBO or PO meeting the eligibility requirements set out in the COM and PIP, and which is a recipient of a Grant.
3. "Beneficiary Agreement" means an agreement to be entered into between the Project Implementing Entity and a Beneficiary for financing a MIP, Business Plan, Value Chain Initiative or Intervention Model, and which shall include the terms and conditions set forth in the COM and PIP, as these may be amended from time to time consistent with the COM and PIP, and such term includes any schedule or addendum to the Beneficiary Agreement.
4. "BPIU" means each of the Block Project Implementation Units, to be established and maintained in each of the Project's approximately 300 blocks and responsible for Project implementation activities and the facilitation of Project implementation by CBOs.
5. "BRLPS" means the Bihar Rural Livelihoods Promotion Society established and registered under the Society Registration Act, 1860, as amended to date, and operating according to its Memorandum of Association and by-laws which are included in the PIP (as this term is hereinafter defined).
6. "BRLPS' Legislation" means the Memorandum and Articles of Association of BRLPS, dated December 19, 2005, and any of its by-laws.
7. "Business Plan" means a plan prepared by POs under Component 2(b) of the Project, meeting the requirements set out in the COM and PIP; and "Business Plans" means more than one such Business Plan.
8. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
9. "Community Based Organizations" and the acronym "CBO" mean a community-based organization and includes, *inter alia*, SHGs, VOs, and CLFs; and CBOs means more than one such CBO.
10. "Community Investment Fund" and the acronym "CIF" mean the Community Investment Fund which will be established by the Project Implementing Entity

under the provisions of Section I, Part C, paragraph 1 of the Schedule to the Project Agreement, to finance activities under Component 2 of the Project.

11. "CLFs" means the grouping of VOs into federations at the Cluster-level.
12. "Community Operations Manual" and the acronym "COM" mean the Community Operations Manual, dated April 28, 2016, prepared by the Project Implementing Entity and acceptable to the Association, containing, *inter alia*, the operating procedures for carrying out the Project, the community level institutional arrangements, procedures and criteria for selection, appraisal and implementation of SHG Grants, MIPs, Business Plans, Value Chain Initiatives and Intervention Models, and as may be amended from time to time in a manner satisfactory to the Association.
13. "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).
14. "Credit Currency" means the currency in which the Credit is denominated.
15. "Displaced Persons" means persons who, on account of the execution of the Project, have 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 persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impact on the livelihoods of such persons.
16. "DPCUs" means the District Project Coordination Units responsible for: (a) obtaining approvals of all Project-related administrative, financial and technical approvals at the district level; (b) the management of the execution of works and the procurement of goods and services; (c) quality assurance; and (d) working closely with communities to achieve the Project's development objectives.
17. "EMF" means the Project Implementing Entity's environmental management framework, disclosed in Infoshop on April 14, 2016, and acceptable to the Association, setting out the guiding principles, acceptable standards and procedures for: (a) the screening of Project activities and the identification of any adverse or positive environmental impacts caused, or expected to be caused, on account of their implementation; and (b) for the preparation of their prescribed EMPs; as such framework may be amended from time to time with the prior concurrence of the Association.

18. "EMP" means each of the BRLPS's, CBO's or PO's environmental management plans, as the case may be, (to be) prepared pursuant Section I.D.2 of the Schedule to the Project Agreement, in accordance with the provisions of the EMF, in each case setting out mitigation, enhancement, monitoring and institutional measures, including capacity building through training, required to: (i) eliminate adverse environmental impacts of activities to be implemented under the Project; (ii) offset them, or reduce them to acceptable levels; (iii) enhance any positive impacts thereof; as such plans may be revised, updated or supplemented from time to time with the prior written mutual consent of the Association; and/or (iv) ensure compliance with the Recipient's statutory environmental requirement, as such plans may be amended, from time to time, with the prior written mutual concurrence of the Association.
19. "Financial Center" means the principal financial center for the United States dollar.
20. "Financial Management Manual" means the manual dated April 28, 2016, adopted by the Project Implementing Entity and BRLPS for the purposes of the Project, which sets out the overall Project financial management arrangements in respect of the Project's flow of funds, accounting policies and procedures, chart/book of accounts, financial reporting and internal controls, as the same may be revised from time to time with the prior written concurrence of the Association.
21. "Fiscal Year" means the Recipient's fiscal year beginning April 1 and ending March 31 the following year.
22. "Fixed Spread" means the Association's fixed spread for the Credit Currency in effect at 12:01 a.m. Washington, D.C. time, one calendar day prior to the date of this Agreement and expressed as a percentage per annum.
23. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010, with the modifications set forth in Section II of this Appendix.
24. "Grant" means a grant made or proposed to be made by the Project Implementing Entity to a Beneficiary, out of the proceeds of the Credit allocated from time to time to Components 2(a)(ii), 2(b) or 4(a) of the Project, to finance the carrying out of an MIP, Business Plan, Value Chain Initiative or Innovation Model, in accordance with the criteria and procedures set forth in the COM and the PIP and consistent with the Project Agreement.
25. "HR Manual" means the human resources manual, dated April 28, 2016, adopted by the Project Implementing Entity and BRLPS for the purposes of the Project, which sets out the human resource policies and procedures to be followed by

BRLPS for the recruitment, performance management and assessment, and payment of compensation and benefits for its staff.

26. "Interest Period" means the initial period from and including the date of this Agreement to but excluding the first Payment Date occurring thereafter, and after the initial period, each period from and including a Payment Date to but excluding the next following Payment Date.
27. "Intervention Model" means a pilot intervention activity that has been developed to enhance, among other things, financial inclusion, livelihoods, skills training, entrepreneurship development, health and sanitation or nutrition, under Component 4(a) of the Project; and "Intervention Models" means more than one such Intervention Model.
28. "LIBOR" means for any Interest Period, the London interbank offered rate for deposits in the relevant Credit Currency for six months, expressed as a percentage per annum, that appears on the Relevant Rate Page as of 11:00 a.m. London time on the Reference Rate Reset Date for the Interest Period.
29. "Micro Investment Plan" and the acronym "MIP" mean a micro investment plan, including those developed by a CBO under Component 1 of the Project, which meets the criteria set forth in the COM and PIP (as this term is hereinafter defined); and "MIPs" means more than one such MIP.
30. "Operating Costs" means reasonable and necessary expenditures incurred by the BRLPS including costs of operation, rent and maintenance of offices, communication costs, salaries of contractual staff, salaries of government staff on deputation to the project, the costs of training staff, and travel allowances of Project staff incurred with respect to Project implementation, coordination, and monitoring.
31. "PIP" means the Project Implementation Plan, dated April 28, 2016, prepared by the Project Implementing Entity and acceptable to the Association, containing, procedures for the carrying out of the Project, together with the EMF and SMF/TDF, and including *inter alia*, details and procedures for the project's grievance redress mechanism, the criteria for the eligibility and selection of Beneficiaries under Components 2(a)(ii), 2(b) and 4(a) of the Project, the eligibility criteria and procedures governing SHG Grants under Component 2(a)(i) of the Project, agreed project monitoring indicators, and as may be amended from time to time in a manner satisfactory to the Association.
32. "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).

33. "Procurement Management Manual" means the procurement manual, dated April 28, 2016, adopted by the Project Implementing Entity and BRLPS, which sets out the principles and policies of procurement for the Project, as such manual may be revised from time to time with the prior written concurrence of the Association.
34. "Procurement Plan" means the Recipient's procurement plan for the Project, dated April 28, 2016 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.
35. "Producer Organization" or the acronym "PO" means a group of individuals organized around a common economic activity, a cooperative thereof and/or a registered company operating under the laws of the Recipient and the Project Implementing Entity, formed or established for purposes of enhancing sustainable agri-business production and access to services and markets; and "POs" means more than one such Producer Organization.
36. "Project Implementing Entity" means the State of Bihar.
37. "Reference Rate" means, for any Interest Period:
 - (a) LIBOR. If such rate does not appear on the Relevant Rate Page, the Association shall request the principal London office of each of four major banks to provide a quotation of the rate at which it offers six-month deposits in Dollar to leading banks in the London interbank market at approximately 11:00 a.m. London time on the Reference Rate Reset Date for the Interest Period. If at least two such quotations are provided, the rate for the Interest Period shall be the arithmetic mean (as determined by the Association) of the quotations. If less than two quotations are provided as requested, the rate for the Interest Period shall be the arithmetic mean (as determined by the Association) of the rates quoted by four major banks selected by the Association in the relevant Financial Center, at approximately 11:00 a.m. in the Financial Center, on the Reference Rate Reset Date for the Interest Period for loans in Dollar to leading banks for six months. If less than two of the banks so selected are quoting such rates, the Reference Rate for Dollar for the Interest Period shall be equal to the Reference Rate in effect for the Interest Period immediately preceding it; and
 - (b) if the Association determines that LIBOR has permanently ceased to be quoted for United States dollars, such other comparable reference rate for the relevant currency as the Association shall reasonably determine.
38. "Reference Rate Reset Date" means the day two London Banking Days prior to the first day of the relevant Interest Period (or in the case of the initial Interest

Period, the day two London Banking Days prior to the first or fifteenth day of the month in which this Agreement is signed, whichever day immediately precedes the date of this Agreement; provided that if the date of this Agreement falls on the first or fifteenth day of such month, the Reference Rate Reset Date shall be the day two London Banking Days prior to the date of this Agreement).

39. "Relevant Rate Page" means the display page designated by an established financial market data provider selected by the Association as the page for the purpose of displaying the Reference Rate for deposits in the Credit Currency.
40. "Safeguard Documents" means, collectively, the EMF, EMP(s), SMF/TDF and TDPs.
41. "Self-Help Group" or the acronym "SHG" means a community group engaged in, *inter alia*, thrift, credit and economic activities; and "SHGs" means more than one such SHG.
42. "SHG Grant" means a small grant made to an eligible SHG under Component 2(a)(i) of the Project pursuant to a demand sheet and in accordance with eligibility criteria set out in the PIP and the COM.
43. "SHG Investment" means and investment financed under an SHG Grant under Component 2(a)(i) of the Project, pursuant to a demand sheet and in accordance with eligibility criteria set out in the PIP and the COM.
44. "SMF/TDF" means Project Implementing Entity's/BRLPS's combined social management framework and tribal development framework, disclosed in Infoshop on April 14, 2016, which set forth the principles and procedures, including mitigation and adaptive measures to offset, reduce to acceptable levels, or eliminate, any adverse social impact under the Project, including measures designed to ensure meaningful consultation with, and informed participation of, Tribal Groups and their communities in the design and implementation of the Project activities, as well as their participation in the envisioned culturally appropriate and socially inclusive benefits thereof; as such plan may be amended from time to time with the prior written concurrence of the Association.
45. "SPMU" means the State Project Management Unit within the BRLPS for assisting the Project Implementing Entity in carrying out the Project.
46. "TDP" means a Tribal Development Plan, to be prepared by the Project Implementing Entity and/or BRLPS and acceptable to the Association for a tribal area as set out in the SMF/TDF; and "TDPs" means more than one such TDP.
47. "Tribal Groups" means any distinct, vulnerable, social and cultural group within the territory of the Project Implementing Entity, that: (i) self-identifies as such

and claims, and is recognized by others as, having a distinguishable cultural identity; (ii) has collective attachment to geographically distinct habitats or ancestral territories in the Project area, and to the natural resources in these habitat and territories; (iii) has customary cultural, economic, social and political institutions that are separate from those of the dominant society and culture; and (iv) has an indigenous language, often different from the official language of the Recipient and/or the Project Implementing Entity.

48. "Value Chain Initiative" means an activity carried out by a PO for the development of farm and non-farm value chains under Component 2(b) of the Project.
49. "VO" means a village organization, a self-managed organization of common interest groups and/or SHGs at habitations/village level with legal personality and standing pursuant to the laws of the Project Implementing Entity.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. The last sentence of Section 3.01 (b) is modified to read as follows:
"The Commitment Charge shall be computed using a day-count convention reasonably determined by the Association".
2. Section 3.02 is modified to read as follows:
"Section 3.02. *Interest Charge*

The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest Charges shall be computed using a day-count convention reasonably determined by the Association."
3. Section 3.03 is modified by deleting paragraph (b) in its entirety and amending the remaining provision to read as follows:
"Section 3.03. *Repayment of the Credit*

The Recipient shall repay the Withdrawn Credit Balance to the Association in installments as provided in the Financing Agreement."

4. Section 3.04 is modified to read as follows:

“Section 3.04. *Prepayment*

(a) After giving not less than forty-five days' notice to the Association, the Recipient may repay the Association in advance of maturity, as of a date acceptable to the Association, all or any part of the principal amount of one or more maturities of the Credit specified by the Recipient, provided the Recipient has made payments due on the Credit as at such date, including any prepayment premium calculated pursuant to paragraph (b) of this Section.

(b) The prepayment premium payable under paragraph (a) of this Section shall be an amount reasonably determined by the Association to represent any gains or losses to the Association arising from the termination of any interest rate risk management transactions undertaken by the Association with respect to the Credit.”

5. A new Section 3.11 is added to read as follows:

“Section 3.11. *Cancellation Premia on Payment Failure, Cancellation, Suspension, Acceleration or Refund of the Credit*

The Recipient shall pay to, or be entitled to receive from, the Association a cancellation premium that the Association shall reasonably determine represents any losses or gains to the Association arising from the termination of any interest rate risk management transactions undertaken by the Association with respect to the Credit as a result of: (i) the Recipient's failure to make payment (notwithstanding the fact that such payment may have been made by a third party) of principal, interest, service charges or any other amount due to the Association under this Agreement; (ii) any cancellation, suspension or acceleration of the Credit under Article VI of these General Conditions; or (iii) any refund of the Credit. The Recipient shall pay any cancellation premium due to the Association not later than sixty days after notice shall have been given by the Association.”

6. Paragraph 28 of the Appendix (“Financing Payment”) is modified by substituting the words “the Service Charge” with the words “the Interest Charge”.
7. The Appendix is modified by inserting a new paragraph 32 with the following definition of “Interest Charge”, and renumbering the subsequent paragraphs accordingly:
- “32. “Interest Charge” means the charge specified in the Financing Agreement for the purpose of Section 3.02.”
8. Renumbered paragraph 37 (originally paragraph 36) of the Appendix (“Payment

Date”) is modified by substituting the words “Service Charges” with the words “Interest Charges”.

9. Renumbered paragraph 50 (originally paragraph 49) of the Appendix (“Service Charge”) is deleted in its entirety.