

July 27, 2021

Mr. Rajat Kumar Mishra
Additional Secretary (MBC)
Department of Economic Affairs
Ministry of Finance
Government of India
North Block
New Delhi 110 001

Mr. Jishnu Barua
Chief Secretary
Government of Assam
Secretariat
Dispur 781 006

Dear Mr. Mishra and Mr. Barua:

**Re: Assam Agribusiness and Rural Transformation Project
Credit Number 8780-IN
Amendment to the Loan Agreement and Project Agreement**

We refer to the Loan Agreement between India (“Borrower”) and the International Bank for Reconstruction and Development (“World Bank”) dated October 30, 2017, as amended (“Loan Agreement”), and to the Project Agreement between the World Bank and the State of Assam (“Project Implementing Entity”), as amended (“Project Agreement”), of the same date, pursuant to which the World Bank has extended the above captioned Loan (“Loan”) for the Assam Agribusiness and Rural Transformation Project (“Project”).

We also refer to the letter from the Department of Economic Affairs (DEA), Ministry of Finance, F. No. 4/3/2015-FB.VII dated January 18, 2021, and our discussion with the Government of Assam and DEA during the mid-term review mission from December 14, 2020 to December 21, 2020, requesting a restructuring of the Project.

We are pleased to inform you that the Bank concurs with the above, and accordingly the Loan Agreement and the Project Agreement are amended as set forth below:

I. Amendment to the Loan Agreement

1. Section 3.01 is amended to read as follows:

“The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause: (a) Parts A.1, A.2, A.3, A.4(i), A.4(ii), A.4(iii), B, C.1(i), C.1(ii), C.2, C.3 and D of the Project to be carried out by the ARIAS Society with the assistance of other Participating Implementing Agencies; and (b) and Part C.1(iii) to be carried out by State Health Society (SHS), in accordance with the provisions of Article V of the General Conditions and the Project Agreement.”

2. The objective of the Project set forth in Schedule 1 is amended to read as follows:

“The objective of the Project is to add value and improve resilience of selected agriculture value chains, focusing on smallholder farmers and agro-entrepreneurs and to advance Assam’s COVID-19 response”.

3. Component A.4 is amended to read as follows:

“Establishing stewardship councils in select value chains as a platform for engaging industry leaders and effective public-private sector dialogue, through *inter alia*: (i) preparation of Value Chain Development Plans (VCDPs) and feasibility studies for each value chain; (ii) providing Sector Stewardships Grants to finance stewardship councils’ business plans; and (iii) strengthening Department of Agriculture’s evidence-based agriculture policy analysis and formulation systems and capacity.”

4. Component C.1 is amended to read as follows:

“(i) Providing CIG Grants to Common Interest Groups through the Agricultural Technology Management Agency (ATMA); and (ii) carrying out key investments, research, marketing and capacity building activities in the production clusters of prioritized value chains, including: (a) horticulture, crop, spices and condiments value chain; (b) milk and pork value chain; (c) fisheries value chain; and (d) sericulture value chain; and (iii) advancing COVID-19 response in Assam, including: (a) supporting implementation of relevant surveillance plans; (b) supporting operation of isolation quarantine facilities and COVID-19 care centers; (c) providing support to frontline workers and healthcare staff; (d) supplying personal protective equipment to the population groups deemed to be at a high risk of infection; (e) strengthening of health services delivery for pandemic response, including strengthening disease surveillance, creating systems of community engagement and routine health services, and developing plans for future pandemic preparedness; and (f) strengthening the responsiveness of the health system to future health emergencies.

5. The table under Section IV.A.2 is amended to read as follows:

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Sector Stewardship Council Grants, IA Grants, FPO Grants, CIG Grants, Training, and Operating Costs for the Project (except sub-Component C.1(iii))	164,500,000	80%
(2) Capital Contribution to the Agribusiness Investment Fund	15,000,000	80%
(3) Front-end Fee	500,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions

(4) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.08(c) of this Agreement
(5) Goods, works, consulting services, non-consulting services, Food Expenditure and COVID-Related Operating Costs for sub-Component C.1(iii)	20,000,000	80% on or after April 1, 2020
TOTAL AMOUNT	200,000,000	

6. (i) The following definitions are added to Section I of the Appendix and the terms renumbered accordingly:

“COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).

“COVID-Related Operating Costs” means costs incurred towards recurring operational activities, including: (i) the cost of consumables and small value procurements for health facility-level COVID-19 response, including infection prevention, control, and sanitization, regular consumables of medical supplies (excluding vaccines), stationeries, vehicle hiring, and training in response to COVID-19; (ii) communication expenses including COVID-19 helplines and call centers; (iii) preparation and deployment of information, education and communication activities for prevention, treatment and management of COVID-19; (iv) monitoring and tracking of COVID-19 patients at community level by community health workers, and other support provisions to community health workers, including uniform, stationery, mobility and travel support; and (v) other operating expenditures for implementation, management, monitoring and reporting for purposes of Component C.1(iii) of the Project, but excluding: (i) costs for procurement and/or deployment of vaccines, (ii) procurement of assets for healthy facility or state inventory; and (iii) costs of procurement of goods or services that exceed USD 4,000 or more per contract.

“EMF” or “Environmental Management Framework” means the environmental management framework of the Project Implementing Entity (which includes a Pest Management Plan) dated April 2017, and disclosed on May 5, 2017, to be revised, updated, supplemented and redisclosed with the prior written concurrence of the Bank no later than August 1, 2021 or such later date as may be agreed in writing between the Borrower and the Bank, setting forth the policy framework, principles, standards, processes and institutional arrangements to be applied to assess potential adverse environmental impacts associated with Project activities and the ways to avoid, minimize, mitigate or offset them, including public consultation, disclosure and reporting; as such framework may be amended from time to time with the prior written concurrence of the Bank.

“Food Expenditure” means the costs incurred by SHS on provision of meals for COVID-19 patients in COVID-19 care centres and for isolated individuals in government-approved quarantine centers.

“Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.

“SHS” means the State Health Society of the Project Implementing Entity’s Department of Health and Family Welfare, or any successor thereto.”

(ii) The following definition under Section I of the Appendix is amended to read as follows:

“PIP” means the Project Implementation Plan, which includes the Financial Management Manual, dated July 19, 2017 satisfactory to the Bank, setting forth, *inter alia*, the operating procedures for the carrying out of the Project and the criteria for the selection of Grant Beneficiaries and Sub-projects, as well as the carrying out of Sub-projects; and guidelines for Personal Data collection and processing in accordance with applicable national law and good international practice, as such plan may be amended from time to time with the prior written concurrence of the Bank.

II. Amendment to the Project Agreement

7. Section 2.01 is amended to read as follows:

“The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out: (a) Components A.1, A.2, A.3, A.4(i), A.4(ii), A.4(iii), B, C.1(i), C.1(ii), C.2, C.3 and D of the Project through the ARIAS Society; and (b) Component C.1(iii) of the Project through the SHS, in accordance with the provisions of Article V of the General Conditions, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.”

8. Section I.D of the Schedule is amended to include SHS and is accordingly amended to read as follows:

“D. Safeguards

1. The State of Assam shall ensure, and cause ARIAS Society, the Participating Implementing Agencies, **SHS**, the Grant Beneficiaries, and the AIF Beneficiaries to ensure, that:

a. Project activities are carried out in accordance with: (i) the EMF; (ii) the EMP(s); (iii) the SMF (which includes the RPF and the IPDF); (iv) the RAP(s); and/or the (v) the IPDP(s) (collectively referred to as the “Safeguard Documents”); prepared in accordance with the objectives, policies, procedures, time schedules and other provisions set forth in the Safeguard Documents 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 voidance of any provision of the Safeguard Documents, whether in whole or in part, without the prior written concurrence of the Bank.

2. The State of Assam shall ensure that ARIAS Society, **SHS** and the Participating Implementing Agencies maintain, throughout the period of implementation of the Project, qualified and experienced environment and social specialists under terms of reference agreed with the Bank, to be responsible for, *inter alia*: (a) reviewing and/or clearing the environmental screenings/assessments of Project activities, the EMP(s), the RAP(s) and the IPDP(s) and the monitoring reports (submitted by ARIAS Society, the Participating Implementing

- Agencies, the Grant Beneficiaries and the AIF Beneficiaries) for compliance with the Safeguard Documents; (b) carrying out regular field visits to Project sites, to review ARIAS Society's, **SHS**, the Participating Implementing Agencies', the Grant Beneficiaries', the AIF Beneficiaries' and contractors' compliance with the Safeguard Documents; and (c) providing EMF and SMF training and orientation to ARIAS Society, **SHS**, the Participating Implementing Agencies, the Grant Beneficiaries and the AIF Beneficiaries, on environmental and social queries and issues arising under the Project.
3. The State of Assam shall ensure that, prior to ARIAS Society's, **SHS**, the Participating Implementing Agencies', Grant Beneficiaries' and the AIF Beneficiaries': (a) tendering any bids for civil works; or (b) selecting any Sub-Projects; or (c) requesting expressions of interest for the provision of technical services under the Project; ARIAS Society and/or **SHS** and/or the Grant Beneficiaries and/or the AIF Beneficiaries, as the case may be, shall have:
 - i. carried out an environmental and social screening/assessment of said civil works, Sub-Projects, or proposed technical services, as the case may be, in accordance with the principles, standards and procedures set forth in the Safeguard Documents;
 - ii. whenever required under the EMF and/or SMF pursuant to the screening process set forth in sub-paragraph 3(i) above: (A) prepared and adopted an EMP, a RAP and/or a IPDP in a manner and substance agreed with the Bank; and
 - iii. publicly disclosed the foregoing Safeguard Documents, in local language(s) at the relevant Project sites prior to tendering the respective contracts for such civil works or technical services, or the award of the grants and/or Sub-financing provided under the Project or other financing, as the case may be.
 4. The State of Assam shall ensure, and cause ARIAS Society, **SHS**, the Participating Implementing Agencies, the Grant Beneficiaries and/or the AIF Beneficiaries to ensure that, prior to commencing any activity under the Project, or their respective Sub-Projects, as the case may be:
 - a. all necessary governmental permits and clearances for such activity shall have been obtained from the competent governmental authority/ies; and
 - b. all pre-conditions imposed by the governmental authority/ies under such permit(s) or clearance(s) shall have been complied with/fulfilled.
 5. The State of Assam shall cause ARIAS Society, **SHS**, the Participating Implementing Agencies, the Grant Beneficiaries and/or the AIF Beneficiaries, as the case may be, to ensure that each contract for civil works under the Project includes the obligation of the relevant contractor to comply with the relevant labor laws, and Safeguard Documents applicable to such civil works commissioned/awarded pursuant to said contract.
 6. The State of Assam shall cause ARIAS Society, **SHS** and the Participating Implementing Agencies, to maintain and operate throughout the period of Project implementation, grievance redressal committee and grievance processing protocol for the handling of any stakeholder complaints/grievances arising out of the implementation of Project activities, in a manner and substance agreed with the Bank.

7. The State of Assam shall ensure, and cause ARIAS Society, **SHS**, the Participating Implementing Agencies, the Grant Beneficiaries and/or the AIF Beneficiaries to ensure, that: (a) any land required for the Project (including under any Sub-Project) shall be procured on a willing-buyer/willing-seller basis or obtained as a voluntary donation/bequest, or through voluntary lease deeds, or pursuant to agreements reached with local authorities (for publicly owned land) or through inter-departmental transfers; (b) any expenditures associated with such acquisition be financed exclusively out of the Project Implementing Entity's, the Grant Beneficiaries and/or the AIF Beneficiaries' own resources, as the case may be; and (c) all resettlement measures set forth in the applicable RAP or IPDP (if any), shall have been fully executed, including the full payment of compensation prior to displacement and/or the provision of relocation assistance to all Affected Persons, as per the entitlements provided in the SMF and/or the applicable RAP and IPDP.
8. The State of Assam shall, throughout the period of implementation of the Project: (a) maintain, and/or cause ARIAS Society, **SHS**, the Participating Implementing Agencies, the Grant Beneficiaries and/or the AIF Beneficiaries to maintain record keeping procedures acceptable to the Bank and adequate to enable the Bank, **SHS** and ARIAS Society to supervise and assess, on an on-going basis, the implementation of/compliance with the Safeguards Documents, as well as the achievement of the objectives thereof; and (b) furnish to the Bank as part of the Project Reports an assessment of the general compliance with the Safeguard Documents, the social and environmental impact of Project activities, and the results of the mitigation or benefit-enhancing measures applied thereto, during the period preceding the date of each such report.
9. In the event of any conflict between the provisions of any of the Safeguard Documents, on the one hand, and the provisions of this Agreement and/or the Loan Agreement, on the other hand, the provisions of this Agreement and the Loan Agreement shall prevail.
9. Section II.A.1 of the Schedule is amended to read as follows:

“The State of Assam shall, and shall cause ARIAS Society and **SHS** to, monitor and evaluate the progress of the Project and prepare Project Reports in accordance in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of indicators agreed with the Bank. Each such Project Report shall cover the period of six month, and shall be furnished to the Borrower not later forty-five (45) days after the end of the period covered by such report for incorporation and forwarding by the Borrower to the Bank of the overall Project Report. Except as may otherwise be explicitly required or permitted under this Agreement and/or the Loan Agreement or as may be explicitly requested by the Bank, in sharing any information, report or document related to the activities described in Schedule 1 of the Loan Agreement, the Project Implementing Entity shall ensure that such information, report or document does not include Personal Data.”
10. Section II.B of the Schedule is amended to read as follows:

“B. Financial Management, Financial Reports and Audits

 1. The State of Assam shall, and shall cause ARIAS Society and **SHS** to, maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.

2. Without limitation on the provision of Part A of this Section, the State of Assam shall cause ARIAS Society and **SHS** to prepare and furnish to the Bank not later than forty-five (45) days after the end of each fiscal quarter interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.
3. The State of Assam shall, and shall cause ARIAS Society and **SHS** to, have its financial statements referred to above audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one fiscal year. The State of Assam shall ensure that the audited financial statements for each period shall be: (a) furnished to the Borrower and the Bank not later than nine (9) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Bank.

11. The following Section is added to the Schedule:

“Section IV. Other Undertakings

1. SHS shall ensure that all activities under Component C.1(iii) of Project shall be carried out in accordance with the guidelines for Personal Data collection and processing as set forth in the PIP.”

III. Amendment to the Results Framework

The Results Framework of the Project is revised accordingly and is set forth in Annexure I to this Amendment Letter.

Except as specifically amended by this Amendment Letter, all other provisions of the Loan Agreement and Project Agreement shall remain unchanged and in full force and effect.

The World Bank will disclose this Amendment Letter and related information in accordance with the World Bank’s Policy on Access to Information. By agreeing to this Amendment Letter, the Borrower consents to disclosure of this Amendment Letter and related information.

Please confirm your agreement to the foregoing by signing and dating two originals, retaining one original for your records and returning the other original to the World Bank. This Amendment Letter shall become effective as of April 1, 2020 upon receipt by the World Bank of the duly countersigned original of this Amendment Letter.

Yours sincerely,
INTERNATIONAL DEVELOPMENT ASSOCIATION

By 

Junaid Kamal Ahmad
Country Director, India

Attachment I Revised Results Framework

Results framework								
Assam Agribusiness and Rural Transformation Project								
The objective of the Project is to add value and improve resilience of selected agriculture value chains, focusing on smallholder farmers and agro-entrepreneurs and to advance Assam's COVID-19 response.								
Project Development Objective Indicators by Objectives/ Outcomes								
Indicator Name	Baseline	Intermediate Targets						End Target
		1	2	3	4	5	6	
Add Value								
Increase in price premium of commodities sold by beneficiaries in the selected value chains (Percentage)	0	0	5	10	15	20	20	25
Share of selected commodities sold through new marketing channels (Percentage)	0	0	5	10	15	20	20	25
Improve resilience								
Farmers reached with agricultural assets or services (CRI) (Number)	0	50,000	100,000	200,000	300,000	400,000	500,000	500,000
Of which female beneficiaries (Number)	0	15,000	30,000	60,000	90,000	120,000	150,000	150,000
Farmers adopting improved agricultural technology (CRI) (Number)	0	0	30,000	80,000	108,000	240,000	360,000	360,000
Of which female beneficiaries (Number)	0	0	9,000	24,000	32,400	72,000	108,000	108,000
Advance Assam's COVID-19 response								
Satisfactory implementation of Assam Community Surveillance and Assam Targeted Surveillance Plans (Yes/No)	No							Yes
Intermediate Results Indicators by Components								
Indicator Name	Baseline	Intermediate Targets						End Target
		1	2	3	4	5	6	
Component A: Enabling Agri Enterprise Development								
Agribusiness investments leads facilitated through the Assam Bureau of Investment Promotion (ABIP) (number) (Number)	0	0	20	60	100	200	250	300
Enterprises set up with the support of Enterprise	0	0	0	200	400	800	1,000	1,500

Indicator Name	Baseline	Intermediate Targets						End Target
		1	2	3	4	5	6	
Development and Promotion Facility (EDPF) (Number)								
Investment made and leveraged by the Agribusiness Fund (Amount(USD))	0	0	0	5,000,000	10,000,000	15,000,000	20,000,000	30,000,000
Component B: Facilitating Agro Cluster Development								
Joint actions undertaken by firms in a cluster (Number)	0	0	28	96	164	232	300	300
Agri-industrial development plans developed (Number)	0	0	7	17	17	17	17	17
Firms mobilized into industry associations (Number)	0	0	700	1,700	1,700	1,700	1,700	1,700
Negotiable warehouse receipts issued to project beneficiaries (Number)	15	15	1,000	5,000	10,000	15,000	20,000	25,000
Trading volume through improved markets (Percentage)	0	5	5	10	15	15	20	20
Rural roads upgraded with climate resilient technologies (KM) (Kilometers)	0	0	50	100	100	100	100	100
Component C: Fostering Market-led Production and Resilience Enhancement								
Climate resilient technologies demonstrated in the project areas (Number)	0	7	15	25	25	25	25	25
Farmer Producer Organizations(FPOs) supported by the Project (Number)								
FPOs (Number)	0	0	0	30	50	90	100	100
Members (Number)	0	0	0	12,000	20,000	36,000	40,000	40,000
Volume throughput of the Common Service Centers (CSCs) (Tones/year)								
Pork (Tones/year)	0	0	700	3,200	6,300	9,700	12,750	12,850
Fish (Tones/year)	0	0	0	2,000	3,500	5,500	6,000	10,000
Milk (Tones/year)	22	30	45	90	175	315	500	790
Agricultural Commodities (Tones/year)	0	0	0	40,000	45,000	53,000	60,000	70,000
Producers provided financial education / counselling (Number)	0	2,500	10,000	30,000	70,000	150,000	200,000	250,000

Indicator Name	Baseline	Intermediate Targets						End Target
		1	2	3	4	5	6	
Producers with increased access to financial services (number), of which at least 30% are female (Number)	0	0	5,000	15,000	35,000	75,000	100,000	125,000
Quarantine and COVID care centers in Assam are operational (Yes/No)	No							Yes
Component D: Project Management, Monitoring and Learning								
Grievances registered related to delivery of project benefits that are actually addressed (CRI) (Percentage)	0	70	80	80	100	100	100	100

cc:

Mr. Rajesh Khullar, Executive Director (India), The World Bank
Mr. Ritesh Kumar Singh, Senior Advisor (India), The World Bank

Government of India

Mr. Hanish Chhabra, Director, Department of Economic Affairs, Ministry of Finance
Mr. Sukhbir Singh, CAA&A, Department of Economic Affairs, Ministry of Finance
Mr. P. K. Kataria, Director General (SMU & PPG), C&AG's Office

Mr. P.K. Swain, Joint Secretary, Marketing cum Agriculture Marketing, Ministry of Agriculture and Farmers Welfare

Government of Assam

Mr. Ravi S. Prasad, Additional Chief Secretary (Agriculture)
Mr. Samir Sinha, Principal Secretary, Finance Department
Mr. Vinod Seshan, State Project Director - ARIAS Society