

Public Disclosure Authorized

OFFICIAL DOCUMENTS

LOAN NUMBER 8725-IN

Loan Agreement

(National Hydrology Project)

between

INDIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated *APRIL 18*, 2017

LOAN AGREEMENT

Agreement dated _____, 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 seventy-five million United States dollars (USD 175,000,000) ("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. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 June 15 and December 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) If on any given day, the Total Exposure exceeds the Standard Exposure Limit (as said terms are defined in sub-paragraphs (b)(ii) and (b)(iii) of this Section), the Borrower shall pay to the Bank a surcharge at the rate of one half of one percent (0.5%) per annum of the Allocated Excess Exposure Amount (as defined in sub-paragraph (b)(i) of this Section) for each said day ("Exposure Surcharge"). The Exposure Surcharge (if any) shall be payable semi-annually in arrears on each Payment Date.
- (b) For purposes of this Section the following terms have the meanings set forth below:
- (i) "Allocated Excess Exposure Amount" means for each day during which the Total exposure exceeds the Standard Exposure Limit, the product of: (A) the total amount of said excess; and (B) the ratio of all (or, if the Bank so determines, a portion) of the Loan to the aggregate amount of all (or the equivalent portions) of the loans made by the Bank to the Borrower and to other borrowers guaranteed by the Borrower that are also subject to an exposure surcharge, as said excess and ratio are reasonably determined from time to time by the Bank.
 - (ii) "Standard Exposure Limit" means the standard limit on the Bank's financial exposure to the Borrower which, if exceeded, would subject the Loan to the Exposure Surcharge, as determined from time to time by the Bank.
 - (iii) "Total Exposure" means for any given day, the Bank's total financial exposure to the Borrower, as reasonably determined by the Bank.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower through MoWR, RD&GR shall carry out the Project with the participation of the Project Implementing Entities in accordance with the provisions of Article V of the General Conditions and the Memoranda of Agreement.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower through MoWR, RD&GR shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

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

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower's Representative is any of the following officials: Secretary, Additional Secretary, Joint Secretary, Director, Deputy Secretary, or Under Secretary of the Department of Economic Affairs of the Ministry of Finance.

5.02. The Borrower's Address is:

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

Facsimile:

91-11-23094075

5.03. 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




Authorized Representative

Name: RAJ KUMAR

Title: JOINT SECRETARY

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

Name: GENEVIEVE CONNORS

Title: ACTING COUNTRY DIRECTOR, INDIA

SCHEDULE 1

Project Description

The objective of the Project is to improve the extent, quality, and accessibility of water resources information and to strengthen the capacity of targeted water resources management institutions in India.

The Project consists of the following parts:

Part A: Water Resources Monitoring Systems

1. **Hydromet Observation Networks.** Establishing and/or modernizing new and existing hydrometeorological data acquisition networks with automated/digitized and real-time communication systems including, *inter alia*, placing sensors; installing and operationalizing hydrometeorological systems for meteorology, streamflow and water storage measurements; and providing portable and laboratory equipment for water quality testing.
2. **Supervisory Control and Data acquisition ("SCADA") Systems for Water Infrastructure.** Installing and operationalizing SCADA in selected reservoirs, canals and ground water operation systems for allowing remote control of gates and operation from a control room, as well as responses on a real-time basis during floods and other emergencies.
3. **Establishment of Hydro-informatics Centers.** (a) Constructing and/or upgrading national and state hydro-informatics (data) centers to serve as hubs for real-time and long-term data management and operational control systems; (b) Providing information technology equipment and software to receive and process the aforementioned data; (c) Establishing services to digitalize historical data and records; (d) Constructing facilities to test hydrometeorological instrumentation and design and provide quality control over installations; and (e) Setting up data storage services, including cloud servers.

Part B: Water Resources Information Systems ("WRIS")

1. **National WRIS.** Strengthening the web-based India-WRIS by integrating observation data systems and including state-level data and multidisciplinary national level information systems including, *inter alia*, standardizing software and protocols for database management; providing national product/services through collaborative initiatives with selected centers/organizations; providing remote sensing-based products and high-resolution digital terrain models.
2. **Regional/Sub National WRIS.** Developing and/or strengthening centers for web-based WRIS at regional, river basin and state level including, *inter alia*, introducing data

sharing and data synchronization capabilities with regional data systems along with the provision of region-based WRIS views; and customizing tools and applications to serve and exchange among state departments and relevant entities.

Part C: Water Resources Operations and Planning Systems

1. **Development of Analytical Tools and Decision-support Platforms.** Developing of an interactive platform for various water resources management applications and software applications and setting-up a decision-making platform for actual operations and investments including, *inter alia*: (a) developing a river basin management platform to support river basin planning and water resources assessments; (b) developing streamflow forecasting and reservoir operation systems to integrate real-time data, weather forecast, and hydrological models; and (c) supporting the improvement of irrigation management and operation systems to improve the efficiency of hydraulic structures.
2. **Purpose-driven Support.** Carrying out studies, social and environmental impact assessments and analytical tools to fill water resources knowledge gaps including associated dissemination, discussion and publication activities.
3. **Piloting Innovative Knowledge Products.** Testing innovative applications developed under the Project including, *inter alia*, operationalizing irrigation rosters in canal systems, piloting community based water resources management in canal water and groundwater irrigation systems, and benchmarking performance of water user associations.

Part D: Institutional Capacity Enhancement

1. **Water Resources Knowledge Centers.** Establishing and/or strengthening selected centers of excellence at a national, river basin and state levels including the provision of building capacity activities.
2. **Professional Development.** Carrying out professional training and networking activities among water professionals including, *inter alia*, facilitating knowledge exchange, management and communication, carrying out assessments of needs, developing partnerships with national and international institutes and establishing community practices among water practitioners, internships and visiting expert programs.
3. **Project Management.** Carrying out Project management activities at national and state levels including providing technical assistance and operational support for running the Project and carrying out procurement, financial management, safeguards, training, communications, monitoring, learning and evaluation activities.
4. **Operational Support.** Carrying out of operational support activities.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

National Level

1. The Borrower through MoWR,RD&GR shall maintain, throughout the period of implementation of the Project, with functions, terms of reference and composition satisfactory to the Bank, the following bodies: (a) the National Steering Committee to be responsible for, *inter alia*, providing strategic guidance and policy direction on all activities under the Project; and (b) the National Project Monitoring Unit within the MoWR, RD&GR to be responsible for, *inter alia*, providing overall planning, management and coordination of all activities under the Project and relevant technical support to the Project Management Units.
2. The Borrower through MoWR,RD&GR shall maintain, throughout the period of implementation of the Project, with functions, terms of reference and composition satisfactory to the Bank, the Central Project Management Units established in each of the Central Implementing Agencies to be responsible for, *inter alia*, providing relevant technical support to the Project Management Units and carrying out the obligations set forth in their Memoranda of Agreement.
3. By no later than two (2) month after the Effective Date, the Borrower through MoWR,RD&GR shall engage under terms of reference satisfactory to the Bank, and thereafter maintain throughout the period of implementation of the Project, a technical assistance and management support consultant to assist the National Project Monitoring Unit in the implementation of the Project.
4. By no later than six (6) months after the Effective Date, the Borrower through MoWR,RD&GR shall establish, and thereafter maintain throughout the period of implementation of the Project, an independent National Water Informatics Center under terms of reference satisfactory to the Bank to operate and maintain the web-based India-WRIS referred to in Part B.1 of the Project.

Subnational Level

5. The Borrower through MoWR,RD&GR shall cause each of the Participating States to establish as per the terms and conditions of its relevant Memorandum of Understanding, and thereafter maintain, through the period of implementation of the Project, with functions, terms of reference and composition satisfactory to the Bank: (a) the State Project Steering Committee to be responsible for, *inter alia*, providing strategic guidance and

policy direction on relevant activities under the Project to the Project Monitoring Units; and (b) the Project Management Unit to be responsible for, *inter alia*, carrying out the obligations set forth in its relevant Memorandum of Agreement.

6. The Borrower through MoWR, RD&GR shall cause each of the River Based Organizations to establish, and thereafter maintain, through the period of implementation of the Project, with functions, terms of reference and composition satisfactory to the Bank, the Project Management Unit to be responsible for, *inter alia*, carrying out the obligations set forth in its relevant Memorandum of Agreement.

B. Project Implementation Plan

By no later than one (1) month after the Effective Date, the Borrower through MoWR, RD&GR shall, and shall cause each of the Project Implementing Entities to, adopt and thereafter maintain, throughout the period of implementation of the Project, the Project Implementation Plan in form and substance satisfactory to the Bank. The Borrower through MoWR, RD&GR shall, and shall cause each of the Project Implementing Entities to, ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Implementation Plan, provided, however, that in the case of any conflict between the arrangements and procedures set out in the Project Implementation Plan and the provisions of this Agreement, the provisions of this Agreement shall prevail. Except as the Bank shall otherwise agree in writing, the Borrower through MoWR, RD&GR shall not amend, abrogate or waive any provisions of the Project Implementation Plan.

C. Annual Reviews, Mid-Term reviews, and Annual Work Plans

1. By no later than October 31st of each year during the period of implementation of the Project, the Borrower through MoWR, RD&GR shall carry out, with the participation of the Project Implementing Entities, an annual review of the Project.
2. Without limitation on the provisions of the above-mentioned paragraph 1 of this Section, by no later than June 30, 2019 and June 30, 2022, the Borrower through MoWR, RD&GR shall carry out two (2) mid-term reviews of the Project, and shall incorporate the findings of such reviews in the work programs of subsequent years adjusting the Project outlay for the Project Implementing Entities based on their performance in agreement with the Bank.
3. The Borrower through MoWR, RD&GR shall: (a) by no later than January 31st of each year during the period of implementation of the Project, and with the participation of the Project Implementing Entities, furnish to the Bank for its review and comments a proposed Annual Work Plan and budget for the following fiscal year, giving details of the proposed work Project activities, cost estimates and budget proposals for the Project for the forthcoming fiscal year; and (b) proceed thereafter to implement such annual work plan and budget, with the participation of the Project Implementing Entities, taking into account such comments as may have been made thereon by the Bank.

D. Memoranda of Agreement

Prior to financing any Project activities by any Project Implementing Entity out of the proceeds of the Loan, the Borrower through MoWR,RD&GR shall enter into, and thereafter maintain throughout Project implementation, a Memorandum of Agreement with each such Project Implementing Entity under terms and conditions acceptable to the Bank, which shall include, *inter alia*, the obligation of each Project Implementing Entity to: (a) carry out its activities under the Project in accordance with the Project Implementation Plan, the Anti-Corruption Guidelines and the Environmental Assessment; (b) establish and thereafter maintain, throughout the period of Project implementation, a Project Management Unit, with staff in adequate numbers and with qualifications, functions and resources; (c) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to its activities; and (2) have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (d) prepare and furnish to the Recipient and the Bank all such information as the Recipient or the Association shall reasonably request relating to the foregoing; and (e) enable the Recipient and the Association to inspect its activities, operations and any relevant records and documents.

E. Anti-Corruption

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

F. Safeguards

The Borrower through MoWR,RD&GR shall, and shall cause each Project Implementing Entity to:

1. carry out the Project in accordance with the agreed Environmental Assessment in a manner satisfactory to the Association; and
2. include as part of the report referred to in Section II.A of this Schedule progress reports on compliance with environmental safeguard measures under the Project, detailing measures taken in furtherance of the Environmental Assessment, and of conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Environmental Assessment, and remedial measures taken or required to be taken to address such conditions.

G. Data Sharing; Financial Management; Funds

1. By no later than twelve (12) months after the Effective Date, the Borrower through MoWR,RD&GR shall adopt and thereafter notify to the Project Implementing Entities a data sharing policy, which shall include an adequate provision ensuring data sharing among all Project Implementing Entities, in order to assist the integration of data and information.
2. By no later than six (6) months after the Effective Date, the Borrower through MoWR,RD&GR shall establish and thereafter maintain, with the assistance of the Project Implementing Entities through the period of implementation of the Project, a computerized financial management system.
3. The Borrower through MoWR,RD&GR shall make its best efforts to: (a) provide sufficient budgetary provisions to implement the Annual Work Plans referred to Section I.C of this Schedule, starting from fiscal year 2017-18; and (b) ensure the release of funds for each subsequent fiscal year to all the Project Implementation Entities as mutually agreed between the Borrower through MoWR,RD&GR and the Bank.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower through MoWR,RD&GR shall monitor and evaluate the progress of the Project and, shall cause each Project Implementing Entity to prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators agreed with the Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain 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 through MoWR,RD&GR shall, and shall cause each Project Implementing Entity to, prepare and furnish to the Bank not later than sixty (60) days after the end of each half fiscal year, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.
3. The Borrower through MoWR,RD&GR shall, and shall cause each Project implementing Entity to, have the Project Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Project Financial Statements shall cover the period of one fiscal year of the Borrower and each Project Implementing Entity, commencing with the fiscal year in which the first withdrawal was

made. The audited Project 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

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 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) Force Account; and (f) Direct Contracting.

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; and (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines 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. For the avoidance of doubts, the Bank shall be entitled to conduct, at any time, independent procurement reviews of all the contracts financed under the Loan.

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 "Disbursement Guidelines for Investment Project Financing" dated February 2017 as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

| Category | Amount of the Loan Allocated (expressed in USD) | Percentage of Expenditures to be Financed (inclusive of Taxes) |
|---|--|---|
| (1) Works, goods, non-consulting services, consultants' services, Incremental Operating Costs, and Workshops and Training under the Project | 174,562,500 | 50% |
| (2) Front-end Fee | 437,500 | Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions |
| TOTAL AMOUNT | 175,000,000 | |

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 thirty four million United States Dollars (USD 34,000,000) may be made for payments made prior to this date but on or after April 6, 2016, for Eligible Expenditures under Category (1).
2. The Closing Date is March 31, 2025.

SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date.

| Principal Payment Date | Installment Share (Expressed as a Percentage) |
|---|--|
| On each June 15 and December 15 Beginning June 15, 2023 through June 15, 2039 | 2.94 % |
| On December 15, 2039 | 2.98 % |

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

be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

- (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

APPENDIX

Section I. Definitions

1. "Annual Work Plan" means each of the plans prepared by each Project Implementing Entity, approved by MoWR, RD&GR on an annual basis and referred to in Section I.C.3 of Schedule 2 to this Agreement, which lists activities to be carried out by the Project Implementing Entity and meets the criteria agreed between the Recipient and the Association.
2. "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.
3. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. "Central Implementing Agencies" means the following Borrower's agencies: (a) MoWR, RD&GR; (b) the Central Groundwater Board; (c) the Central Pollution Control Board; (d) the Central Water Commission; (e) the Central Water and Power Research Station; (f) the National Institute of Hydrology; (g) the National Remote Sensitive Center; and (h) the Survey of India; or any successor to any of the foregoing; and "Central Implementing Agency" means any of those agencies.
5. "Central Project Management Units" means the units established in each of the Central Implementing Agencies referred to in Section I.A.2 of Schedule 2 of this Agreement.
6. "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).
7. "Environmental Assessment" means the Borrower's assessment dated May 2016 and disclosed at MoWR, RD&GR's website, setting forth the guiding principles, 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; (b) the preparation of their prescribed environmental impact assessments and environmental management plans; and (c) the Borrower's capacity building strategy for the Project Implementing Entities; as such assessment may be revised, updated or supplemented from time to time with the prior agreement between the Borrower and the Bank.
8. "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.

9. "Incremental Operating Costs" means the reasonable costs of incremental operating expenditures incurred during the implementation of the Project, which expenditures would not have been incurred absent the Project, including, *inter alia*: office space rental and utilities; office maintenance and repair; office consumables, vehicles rental, operation and maintenance; communication, printing and/or publication expenses; staff per diems, field allowances, travel expenses; bank charges; insurance premia; contractual staff and salaries of civil servants on full-time deputation.
10. "Memorandum of Agreement" means each agreement to be entered between the Borrower and each Project Implementing Entity in relation to the implementation of the Project in its respective area of jurisdiction and referred to in Section I.D of Schedule 2 to this Agreement, as such memorandum may be amended from time to time with the prior concurrence of all the parties thereto and the Bank; and "Memoranda of Agreement" means all such agreements.
11. "MoWR,RD&GR" means the Ministry of Water Resources, River Development and Ganga Rejuvenation of the Borrower, or any successor thereto.
12. "National Project Monitoring Unit" means the unit referred to in Section I.A.1(b) of Schedule 2 to this Agreement.
13. "National Steering Committee" means the committee referred to in Section I.A.1(a) of Schedule 2 to this Agreement.
14. "Participating States" means each of the political subdivisions of the Borrower, acknowledged in the Borrower's States Reorganization Act of 1956 and/or subsequent complementary legislation and treaties, which is participating in the implementation of the Project and has entered into a Memorandum of Agreement; and "Participating State" means any of those political subdivisions.
15. "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).
16. "Procurement Plan" means the Borrower's procurement plan for the Project, dated February 10, 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.
17. "Project Implementing Entities" means the Participating States, the Central Implementing Agencies and the River Based Organizations participating in the implementation of the Project through the signing of its respective Memorandum of Agreement with the Borrower; and "Project Implementing Entity" means any of those entities.

18. "Project Implementation Plan" means the plan for the Project acceptable to the Bank and referred to in Section I.B of Schedule 2 to this Agreement, which sets out, *inter alia*: (i) the detailed allocation of responsibilities, protocols and procedures among Project Implementing Entities for the carrying out of the Project; (ii) the protocols and procedures for managing, procuring, monitoring and evaluating Project activities; and (iii) the model Memorandum of Agreement; as such manual may be revised from time to time with the prior concurrence of the Association.
19. "Project Management Units" means the units to be established in the Participating States referred to in Section I.A.5(b) of Schedule 2 to this Agreement and the units to be established in the River Basin Organizations referred to in Section I.A.6 of Schedule 2 to this Agreement.
20. "River Based Organizations" means Bhakra Beas Management Board and Damodar Valley Corporation or any successor thereto.
21. "State Project Steering Committees" means the committees referred to in Section I.A.5(a) of Schedule 2 to this Agreement.
22. "Workshops and Training" means the reasonable costs of training, workshops and conferences conducted in the territory of the Recipient and/or overseas, subject to the Bank's prior agreement, which costs include, *inter alia*, training institutions' and courses' fees, logistics expenses, rental of training facilities, purchase and publication of training materials, and travel and subsistence allowances for trainers and/or trainees.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

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

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

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

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

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

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