Amended and Restated Financing Agreement

(ICDS Systems Strengthening and Nutrition Improvement Project)

between

INDIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Originally Dated November 5, 2012
(Amended and Restated on September 29, 2015)
AMENDED AND RESTATED
FINANCING AGREEMENT

AGREEMENT originally dated November 5, 2012, amended and restated on September 29, 2015 entered into between INDIA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

WHEREAS (A) the Association has received a letter from the Recipient dated June 17, 2009, which describes the Recipient’s strategies and objectives with respect to the ICDS Program and declares the Recipient’s commitment to the execution of such program;

(B) the Recipient has requested that the Association support the Recipient’s execution of the ICDS Program;

(C) under an agreement dated November 5, 2012 between the Recipient and the Association ("Original Financing Agreement"), the Association agreed to provide the Recipient with a credit in an amount equivalent to sixty six million three hundred thousand Special Drawing Rights (SDR 66,300,000) to assist in financing the project described in Schedule 1 to the Original Financing Agreement ("Original Project"); and

(D) the Recipient has requested the Association to make specific amendments to the Original Project.

NOW THEREFORE the Recipient and the Association hereby agree to amend and restate the Original Financing Agreement, with effect as of the Effective Date of this Amended and Restated Agreement ("Agreement"), 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 — FINANCING

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 an amount equivalent to sixty six million three hundred thousand Special Drawing Rights (SDR 66,300,000) (variously, “Credit” and “Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

2.02. The Recipient may withdraw the proceeds of the Financing 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 Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The interest payable by the Recipient on the Withdrawn Credit Balance shall be equal to 1.25% per annum.

2.06. The Payment Dates are February 15 and August 15 in each year.

2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.08. The Payment Currency is Dollars.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through MWCD in accordance with the provisions of Article IV of the General Conditions.

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 — 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 Recipient’s Representative is any of the following: the Secretary, Additional Secretary, Joint Secretary, Director, Deputy Secretary or Under Secretary of the Department of Economic Affairs in the Ministry of Finance.

5.02. The Recipient’s Address is:

Secretary to the Government of India
Department of Economic Affairs
Ministry of Finance
New Delhi, India

Facsimile:

91-11-23092039

5.02. The Association’s Address is:

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

Cable: INDEVAS
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391
Washington, D.C.
AGREED at New Delhi, India, as of the day and year first above written.

INDIA

By

(raj kumar, joint secretary (mi))

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

(onnoruhl, country director, ind)

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to support the Recipient and the Participating States to strengthen: (a) the ICDS policy framework, systems and capacities, and facilitate community engagement, to ensure greater focus on children under three years old; and (b) convergent actions for improved nutrition outcomes.

The Project consists of the following parts, subject to such modifications thereof as the Recipient and the Association may agree upon from time to time to achieve such objectives:

Part A: ICDS Institutional and Systems Strengthening

1. Developing and implementing an ICT-enabled real time monitoring and service improvement system; and

2. Capacity building of, and providing training, workshops, and continued knowledge and learning exchange activities for, ICDS Program staff and Anganwadi Workers responsible for delivery and monitoring of the ICDS Program at the central, state, district, block and village levels.

Part B: Community Mobilization and Behavioral Change Communication

Promoting and strengthening processes for community engagement and action, empowerment of beneficiaries, and increased social accountability of the ICDS Program through, inter alia, outreach interventions to priority households and community-based counselling and public education events.

Part C: Convergent Nutrition Action

Provision of support at the central and state levels to develop and implement pilots and innovations to improve nutrition outcomes.

Part D: Project Management, Monitoring & Evaluation

Provision of support to strengthen the capacity of the CPMU and the Directorates of Integrated Child Development Services to comply with their Project management and implementation responsibilities.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

At the Central Level

1. Without limitation upon the provisions of Section 3.01 of this Agreement, the Recipient, through MWCD, shall, and shall cause each Participating State to:

   (a) carry out the Project in accordance with the Operations Manual; and
   
   (b) not amend or waive any provision of the Operations Manual without the prior written agreement of the Association. In the event of a conflict between the provisions of the Operations Manual and those of this Agreement, the provisions of the latter shall prevail.

2. The Recipient shall protect the interests of the Association to accomplish the purposes of the Financing.

3. The Recipient, through MWCD, shall:

   (a) maintain at all times during Project implementation a central project management unit ("CPMU"), with adequate functions, responsibilities, staff and resources to ensure the smooth implementation of the Project at the central level, including, *inter alia*, the responsibility to coordinate and monitor the carrying out of the Project; and
   
   (b) ensure that at all times during Project implementation a Project Director is maintained within the CPMU, who shall be responsible for leading the implementation of Project activities at the central level.

At the State Level

4. The Recipient, through MWCD, shall cause each Participating State to:

   (a) maintain at all times during Project implementation the respective Participating State’s Directorate for Integrated Child Development Services, with adequate functions, responsibilities, staff and resources to ensure the smooth implementation of the Project at the state level, including, *inter alia*, the responsibility to coordinate and monitor the carrying out of the Project within the respective Participating State; and
(b) ensure that at all times during Project implementation a state Project
director is maintained within the respective Participating State’s
Directorate for Integrated Child Development Services, who shall be
responsible for leading the implementation of Project activities within the
respective Participating State.

B. Memoranda of Understanding

1. To facilitate the carrying out of Project activities at the state level in the
Participating States, the Recipient, through MWCD, shall enter into a
memorandum of understanding with each Participating State, under terms and
conditions satisfactory to the Association (“Memorandum of Understanding”),
each of which shall include, inter alia, the following:

(a) the DLIs, DLI Targets, DLI Values and DLI Target Achievement Dates
for the respective Participating State, including baseline data;

(b) the respective Participating State’s obligation to comply with the relevant
provisions of the Operations Manual, including the verification protocol
containing the technical standards and arrangements and procedures for
the monitoring, reporting and verification of DLIs; and

(c) the Recipient’s obligation to provide all such resources as may be
necessary for the respective Participating State to carry out aforesaid
responsibilities,

all in accordance with the provisions of this Agreement.

2. The Recipient shall exercise its rights under the Memoranda of Understanding in
such manner as to protect the interests of the Recipient and the Association and to
accomplish the purposes of the Financing. Except as the Association shall
otherwise agree, the Recipient shall not assign, amend, abrogate or waive any of
the Memoranda of Understanding or any of their provisions.

C. 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, through MWCD, shall monitor and evaluate the progress of the
Project and prepare Project Reports in accordance with the provisions of
Section 4.08 of the General Conditions and on the basis of the Key Performance
Indicators. Each Project Report shall cover the period of six (6) months of Project implementation, and shall be furnished to the Association not later than three (3) months after the end of the period covered by such report.

2. Without limitation on its other reporting obligations under this Agreement, the Recipient shall, not later than the end of each quarter of the Recipient’s fiscal year, furnish reports to the Association on the status of achievement of the relevant DLI Targets, all in accordance with the verification protocol and procedures set out in the Operations Manual.

3. For purposes of Section 4.08(c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than March 31, 2018.

B. Financial Management, Financial Reports and Audits

1. The Recipient, through MWCD, shall maintain, and shall cause each Participating State to maintain, 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, through MWCD, shall, and shall cause each Participating State to, prepare and furnish to the Association, not later than forty five (45) days after the end of each semester of the Recipient’s fiscal year, interim unaudited financial reports to report expenditures incurred under the Eligible Expenditure Program for the semester, in form and substance satisfactory to the Association.

3. The Recipient, through MWCD, shall, and shall cause each Participating State to, have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Project was made. The audited Financial Statements for each such period shall be furnished to the Association not later than twelve (12) months after the end of such period.

Section III. Procurement

A. General

1. Goods and Non-consulting Services. All goods and non-consulting services required for the Project and to be financed out of the proceeds of the Financing
2. **Consultants’ Services.** All consultants’ services required for the Project and to be financed out of the proceeds of the Financing 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, 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 and Non-consulting Services**

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

2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding (subject to the additional provisions agreed upon from time to time between the Recipient and the Association and set forth in the Procurement Plan)</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
</tbody>
</table>

**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 table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.
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 Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing 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 Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants’ services, training and operating costs for Parts A, B and C of the Project</td>
<td>3,021,008</td>
<td>70%</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consultants’ services, training and operating costs for Part D of the Project</td>
<td>1,662,983</td>
<td>70%</td>
</tr>
</tbody>
</table>
For purposes of this Section IV:

(a) the term ‘training’ means non-consultant expenditures incurred in connection with the provision of training, including training institution fees, logistics, materials, and the cost of travel and per diem of trainers and trainees; and

(b) the term ‘operating costs’ means incremental costs incurred by the CPMU and the SPMUs for the purposes of carrying out the Project, including, *inter alia*, office rent, utilities and supplies, office and equipment maintenance and repair, vehicle rent and maintenance, travel costs for supervision missions, salaries and related incentives of Project staff deputed to the CPMU and SPMUs, communication and other administrative costs directly associated with, and necessary under, the Project.

B. **Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

(a) for payments made prior to the date of the Original Financing Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 13,000,000 equivalent may be made for payments made prior to this date but on or after January 1, 2011, for Eligible Expenditures under Categories (1), (2) and (3); and

(b) under Category (4), unless and until the Recipient has:

(i) prepared and adopted the Operations Manual including, *inter alia*, the verification protocol for achievement of the DLI Targets, in form and substance satisfactory to the Association;

(ii) furnished evidence satisfactory to the Association in accordance with the verification protocol set forth in the Operations Manual that the Recipient and/or the Participating State(s) (as the case
may be) has/have achieved the respective DLI Targets set forth in Schedule 4 to this Agreement against which withdrawal is requested; and

(iii) complied with the additional instructions referred to in Section IV.A.1 of this Schedule, including furnished to the Association the applicable interim unaudited financial reports documenting the incurrence of EEP expenditures during the respective DLI Period up to the date against which withdrawal is requested.

2. Notwithstanding the provisions of Parts A and B.1(b) of this Section, the amount of the Financing to be withdrawn upon the verified achievement of any DLI Target shall correspond to the DLI Value of such DLI Target as set forth in Schedule 4 to this Agreement.

3. Notwithstanding the provisions of Part B.1(b) of this Section, if the Association shall determine, based on the evidence furnished by the Recipient under Part B.1 of this Section, that any DLI Target has not been fully achieved by its DLI Target Achievement Date and/or the DLI Value of such DLI Target has not been fully withdrawn, the Association may in its sole discretion, by notice to the Recipient:

(a) withhold in whole or in part the proceeds of the Financing allocated to said DLI Target;

(b) reallocate in whole or in part any withheld amount of the proceeds of the Financing allocated to said DLI Target to any other DLI Target(s); and/or

(c) cancel in whole or in part any withheld amount of the proceeds of the Financing allocated to said DLI Target.

2. The Closing Date is December 30, 2017.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each February 15 and August 15:</td>
<td></td>
</tr>
<tr>
<td>commencing February 15, 2018 to and including August 15, 2027</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing February 15, 2028 to and including August 15, 2037</td>
<td>3.35%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.
### SCHEDULE 4

#### Disbursement Linked Indicators

<table>
<thead>
<tr>
<th>DLI</th>
<th>Year 0.5 (April 1, 2015 – December 31, 2015)</th>
<th>Year 1.0 (ending June 30, 2016)</th>
<th>Year 1.5 (ending December 31, 2016)</th>
<th>Year 2.0 (ending June 30, 2017)</th>
<th>Year 2.5 (ending December 30, 2017)</th>
</tr>
</thead>
</table>
| DLI 1: ICT based management and monitoring for improved service delivery | DLI Target: none | DLI Target: Standardized operating procedures /specifications for ICT monitoring and service management system issued by MWCD | DLI Target: Contracts for ICT hardware and supporting consulting services signed by each Participating State in accordance with guidelines set forth in the Operations Manual | DLI Target: none | DLI Target (a): At least 70% of AWWs in Project Districts in each Participating State trained in the ICT-based management, monitoring and communication system in accordance with the Training Plan.  
DLI Target (b): National workshop held by MWCD on state nutrition and ICDS Program reporting using ICT. |
<p>| <strong>DLI Value for DLI 1</strong> | 0 | SDR 2,116,000 | (i) SDR 176,400 for each of the first three Participating States that achieves the DLI Target, up to a | 0 | For (a): (i) SDR 176,400 for each of the first three Participating States that achieves the DLI |</p>
<table>
<thead>
<tr>
<th>DLI</th>
<th>DLI Period</th>
<th>DLI Target: none</th>
<th>DLI Target: none</th>
<th>DLI Target: none</th>
<th>DLI Target: none</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year 0.5</td>
<td>maximum total DLI</td>
<td>maximum total DLI</td>
<td>maximum total DLI</td>
<td>maximum total DLI</td>
</tr>
<tr>
<td></td>
<td>April 1, 2015 – December 31, 2015</td>
<td>Value of SDR 529,200; and</td>
<td>Value of SDR 8,040,800</td>
<td>Value of SDR 2,539,200</td>
<td>Value of SDR 705,300</td>
</tr>
<tr>
<td></td>
<td>Year 1.0</td>
<td>(ii) SDR 1,005,100</td>
<td>(ii) SDR 1,005,100</td>
<td>(ii) SDR 317,400</td>
<td>For (b): SDR 705,300</td>
</tr>
<tr>
<td></td>
<td>(ending June 30, 2016)</td>
<td>for each Participating</td>
<td>for each Participating</td>
<td>for each Participating</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Year 1.5</td>
<td>State that achieves the</td>
<td>State that achieves the</td>
<td>State that achieves the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(ending December</td>
<td>DLI Target, up to a</td>
<td>DLI Target, up to a</td>
<td>DLI Target, up to a</td>
<td></td>
</tr>
<tr>
<td></td>
<td>31, 2016)</td>
<td>maximum total DLI</td>
<td>maximum total DLI</td>
<td>maximum total DLI</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Year 2.0</td>
<td>Value of SDR 8,040,800</td>
<td>Value of SDR 2,539,200</td>
<td>Value of SDR 2,539,200</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(ending June 30, 2017)</td>
<td>for each Participating</td>
<td>for each Participating</td>
<td>for each Participating</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Year 2.5</td>
<td>State that achieves the</td>
<td>State that achieves the</td>
<td>State that achieves the</td>
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<tr>
<td></td>
<td>(ending December</td>
<td>DLI Target, up to a</td>
<td>DLI Target, up to a</td>
<td>DLI Target, up to a</td>
<td></td>
</tr>
<tr>
<td></td>
<td>30, 2017)</td>
<td>maximum total DLI</td>
<td>maximum total DLI</td>
<td>maximum total DLI</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Value of SDR 529,200; and</td>
<td>Value of SDR 2,539,200</td>
<td>Value of SDR 2,539,200</td>
<td></td>
</tr>
<tr>
<td>DLI 2: Incremental capacity building for improved knowledge, skills, convergence and motivation of ICDS Program field functionaries</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>DLI Target: none</td>
<td>DLI Target: At least 60% of District Resource Groups and 60% of Block Resource Groups in Project Districts in each Participating State are trained in 3 thematic modules for incremental learning</td>
<td>DLI Target: 10 thematic training modules for incremental learning developed in accordance with the Communications Plan</td>
<td>DLI Target: At least 80% of District Resource Groups and 80% of Block Resource Groups in Project Districts in each Participating State are trained in another 3 thematic modules for incremental learning</td>
<td>DLI Target: none</td>
<td></td>
</tr>
<tr>
<td>DLI</td>
<td>DLI Period</td>
<td>DLI Period</td>
<td>DLI Period</td>
<td>DLI Period</td>
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<td></td>
<td>Year 0.5</td>
<td>Year 1.0</td>
<td>Year 1.5</td>
<td>Year 2.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>in accordance with the Training Plan</td>
<td>over Year 1.0 in accordance with the Training Plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>DLI Value for DLI 2</strong></td>
<td>0</td>
<td>(i) SDR 176,400 for each of the first three Participating States that achieves the DLI Target, up to a maximum total DLI Value of SDR 529,200; and</td>
<td>SDR 705,300</td>
<td>(i) SDR 176,400 for each of the first three Participating States that achieves the DLI Target, up to a maximum total DLI Value of SDR 529,200; and</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ii) SDR 573,050 for each Participating State that achieves the DLI Target, up to a maximum total DLI Value of SDR 4,584,400</td>
<td></td>
<td>(ii) SDR 648,025 for each Participating State that achieves the DLI Target, up to a maximum total DLI Value of SDR 5,184,200</td>
<td></td>
</tr>
<tr>
<td><strong>DLI 3: Communication for social and behavior change</strong></td>
<td>DLI Target: none</td>
<td>DLI Target: 80% of AWCs in Project Districts in each Participating State have conducted at least 5 community</td>
<td>DLI Target: Content for TV and radio spots for mass media campaign finalized and approved by MWCD</td>
<td>DLI Target: none</td>
<td></td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>DLI</th>
<th>DLI Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year 0.5</td>
</tr>
<tr>
<td></td>
<td>processes in the previous 6 months</td>
</tr>
<tr>
<td>DLI Value for DLI 3</td>
<td>0</td>
</tr>
<tr>
<td>DLI 4: Innovations</td>
<td>DLI Target: none</td>
</tr>
<tr>
<td>DLI</td>
<td>DLI Period</td>
</tr>
<tr>
<td>-----</td>
<td>------------</td>
</tr>
<tr>
<td></td>
<td>Year 0.5</td>
</tr>
<tr>
<td></td>
<td>Year 0.5</td>
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<td></td>
<td>Year 1.0</td>
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<tr>
<td></td>
<td>Year 1.5</td>
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<tr>
<td></td>
<td>Year 2.0</td>
</tr>
<tr>
<td></td>
<td>Year 2.5</td>
</tr>
</tbody>
</table>

- **DLI Period**:
  - Year 0.5: April 1, 2015 – December 31, 2015
  - Year 1.0: ending June 30, 2016
  - Year 1.5: ending December 31, 2016
  - Year 2.0: ending June 30, 2017
  - Year 2.5: ending December 30, 2017

- **DLI Value for DLI 4**
  - Year 0.5: 0
  - Year 1.0: 0
  - Year 1.5: SDR 705,300
  - Year 2.0: 0

- **DLI 5: Program Management**
  - DLI Target: none

- **Agreement**
  - Project approved by MWCD
  - Memorandum of Understanding signed between MWCD and Participating States

- **Value**
  - (i) SDR 176,400 for each of the first three Participating States that achieves the DLI Target, up to a maximum total DLI Value of SDR 529,200; and
  - (ii) SDR 70,530 for each Participating State that achieves the DLI Target, up to a maximum total DLI Value of SDR 564,240
<table>
<thead>
<tr>
<th>DLI</th>
<th>DLI Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year 0.5 April 1, 2015 – December 31, 2015</td>
</tr>
<tr>
<td>each Participating State</td>
<td>Year 1.0 (ending June 30, 2016)</td>
</tr>
<tr>
<td>DLI Value for DLI 5</td>
<td>Year 1.5 (ending December 31, 2016)</td>
</tr>
<tr>
<td>SDR 837,590 per Memorandum of Understanding signed with a Participating State, up to a maximum total DLI Value of SDR 6,700,720</td>
<td>Year 2.0 (ending June 30, 2017)</td>
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<td>Year 2.5 (ending December 30, 2017)</td>
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APPENDIX

Section I. Definitions


2. "Anganwadi Center" and the acronym "AWC" means a government-sponsored center at the village level which provides supplementary nutrition, informal pre-school education, nutrition and health education, immunization, health check-up and referral services to children aged 0-6 years, pregnant and lactating mothers, and adolescent girls.

3. "Anganwadi Worker" and the acronym "AWW" means a female worker who delivers and monitors services at an Anganwadi Center.

4. "Block Resource Group" means an informal group constituted at the block level in a Participating State and comprising child development project officers, supervisors, block public health nurses and other members of the block for the purpose of capacity building of ICDS Program staff and Anganwadi Workers.

5. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

6. "Communications Plan" means the plan, developed by MWCD under the ICDS Program and approved by the Association, for communicating key messages of the ICDS Program, including for promoting optimal infant and young child feeding and caring practices amongst pregnant and lactating mothers, families and communities.


8. "CPMU" means the central project management unit, referred to in Section I.A.3 of Schedule 2 to this Agreement, to be maintained by MWCD for the purpose of providing Project management and support throughout Project implementation.

9. "Directorate of Integrated Child Development Services" means, in respect of each Participating State, its Directorate of Integrated Child Development Services, which is responsible for implementation of the ICDS Program in the respective Participating State, or any successor thereto; and "Directorates of Integrated Child
Development Services” means, collectively, all such entities in all Participating States.

10. “District Resource Group” means an informal group constituted at the district level in a Participating State and comprising district ICDS Program officers, child development project officers, district public health nurses and other members and officials of the district for the purpose of capacity building of ICDS Program staff and Anganwadi Workers.

11. “DLI” means any one of the disbursement linked indicators set out in the table in Schedule 4 to this Agreement; and “DLIs” means, collectively, all such DLIs.

12. “DLI Period” means the period specified in Schedule 4 to this Agreement during which each DLI Target is set to be achieved.

13. “DLI Target” means the target specified in Schedule 4 to this Agreement set to be achieved by the Recipient during the respective DLI Period.

14. “DLI Target Achievement Date” means, with regard to each DLI Target, the end date of the DLI Period during which the relevant DLI Target is set to be achieved as set forth in the table in Schedule 4 to this Agreement.

15. “DLI Value” means the amount of the Financing allocated to each DLI Target as set forth in the table in Schedule 4 to this Agreement, as such amount may be reallocated in whole or in part among the DLI Targets or among the Categories by notice by the Association from time to time.

16. “Eligible Expenditure Program” and the acronym “EEP” means the reasonable costs required for the implementation of the Project from and including April 1, 2015, comprising salaries and allowances of staff of the Directorates of Integrated Child Development Services, as further detailed in the Operations Manual.

17. “Financial Management Manual” means the financial management manual, acceptable to the Association, dated August 8, 2011, and included as an Annex to the Operations Manual, which provides for the financial management and institutional arrangements and obligations under the Project, as such manual may be amended from time to time by written agreement between the Recipient and the Association.


19. “ICDS Program” means the Recipient’s Integrated Child Development Scheme, officially launched on October 2, 1975, with the objective to, inter alia, improve nutritional outcomes of children in India.
20. "ICT" means information and communications technology.

21. "Key Performance Indicators" means the indicators for monitoring and evaluating progress towards the attainment of Project objectives, as set forth in the Operations Manual.

22. "Memorandum of Understanding" means a memorandum of understanding to be entered into between the Recipient, through MWCD, and a Participating State, and referred to in Section B of Schedule 2 to this Agreement, for the purpose of carrying out Project activities in the respective Participating State, as such memorandum of understanding may be revised from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such memorandum of understanding; and "Memoranda of Understanding" means, collectively, all such Memorandum of Understanding between the Recipient and the Participating States.

23. "MWCD" means the Recipient’s Ministry of Women and Child Development; or any successor thereto.

24. "Operations Manual" means the Recipient’s operations manual for the Project, including all annexes or schedules thereto, acceptable to the Association, which describes the Project implementation and institutional arrangements and procedures, including: (a) state level guidance in respect of the Project, including procedures and criteria for the selection, appraisal, implementation and evaluation of pilots and innovations under Part C of the Project; (b) audit requirements for each of the Participating States; (c) the Financial Management Manual; (d) the Key Performance Indicators; (e) the Procurement Manual; (f) a verification protocol containing the technical standards and arrangements and procedures for the monitoring, reporting and verification of DLIs; (g) details of the Eligible Expenditure Program; and (h) such other administrative, financial management, technical and organizational arrangements and procedures as shall be required for the Project; as said manual may be amended from time to time with the prior written agreement of the Association.

25. "Original Financing Agreement" has the meaning ascribed to that term in the preamble to this Agreement.

26. "Original Project" has the meaning ascribed to that term in the preamble to this Agreement.

27. "Participating State" means each of the Recipient’s states of Andhra Pradesh, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh, which states have been selected on the basis of criteria set forth in the Operations Manual to assist the Recipient in the implementation of the Project; and "Participating States" means, collectively, all such states.

29. "Procurement Manual" means the Recipient's manual dated August 8, 2011, agreed with Association, which sets out the procurement arrangements, policies and procedures for the Project, as well as the internal controls thereof, as such manual may be amended from time to time by written agreement between the Recipient and the Association.

30. "Procurement Plan" means the Recipient's procurement plan for the Project, dated August 8, 2011 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.

31. "Project District" means a district of a Participating State in which Project activities will be implemented.

32. "SPMU" means a state project management unit maintained by a Participating State within its Directorate of Integrated Child Development Services for the purpose of providing Project management and support at the state level; and "SPMUs" means all such units.

33. "Training Plan" means the plan, developed by MWCD under the ICDS Program and approved by the Association, setting out the content (including modules and themes), quality standards, participant information, schedules and timelines for the training of ICDS Program staff and AWWs.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Section 3.02 is modified to read as follows:

"Section 3.02. Service Charge and Interest Charge

(a) Service Charge. The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge 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. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

(b) 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 shall be computed on the basis of a 360-day year of twelve 30-day months.”

2. Paragraph 28 of the Appendix (“Financing Payment”) is modified by inserting the words “the Interest Charge” between the words “the Service Charge” and “the Commitment Charge”.

3. The Appendix is modified by inserting a new paragraph 32 with the following definition of “Interest Charge”, and renumbering the remaining paragraphs accordingly:

“32. “Interest Charge” means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b).”

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix (“Payment Date”) is modified by inserting the words “Interest Charges” between the words “Service Charges” and “Commitment Charges”.

5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix (“Service Charge”) is modified by replacing the reference to Section 3.02 with Section 3.02 (a).