Dear Mr. Kumar:

INDIA: Capacity Building for Urban Development Project
(Credit Number 4997-IN)
Amendment to Financing Agreement

We refer to the Financing Agreement between India (the Recipient) and the International Development Association (the Association) dated December 8, 2011, as amended (the Financing Agreement), for the Capacity Building for Urban Development Project (the Project). We also refer to the Recipient’s letter dated May 31, 2016, requesting the Association to decentralize procurement arrangements from the Ministry of Urban Development to urban local bodies supported under the Project.

We are pleased to inform you that the Association concurs with the request and it proposes the following changes:

1. A new Section I.D in Schedule 2 to the Financing Agreement shall be read as follows:

   “D. Decentralized Procurement Arrangements

   Prior to transferring any procurement responsibilities under the Project, the Recipient shall: (a) appraise and select urban local bodies in accordance with the criteria and procedures set forth in the Project Operations Manual; and (b) enter into a memorandum of understanding with the selected urban local body on terms and conditions satisfactory the Association, which shall include, inter alia: (i) the urban local body’s obligation to procure the goods and services to be financed out of the Financing in accordance with the provisions set forth in Section III of Schedule 2 to the Financing Agreement, including those set forth in the Project Operational Manual; and (ii) (A) the Recipient’s obligation to exercise its rights under the memorandum of understanding in such manner as to protect the interests of the Association; and (B) the Recipient’s right to terminate the memorandum of understanding upon the urban local bodies’ failure to perform any of its obligations under such memorandum.”

2. A new definition in the Appendix of the Financing Agreement shall be read as follows:
““Project Operations Manual” means the Recipient’s manual dated June 27, 2016, setting forth the principles, rules and procedures for procuring goods and services under the Project, including subsequent amendments made with the Association’s agreement”.

3. The intermediate level indicator “Number of cities having completed GIS mapping and approved by ULB” of the Project results framework shall be deleted as the related activity is no longer undertaken.

Except as specifically amended in this letter, all other terms and conditions of the Financing Agreement shall remain in full force and effect.

Please confirm your agreement to the foregoing on behalf of the Recipient by countersigning and dating the corresponding form of confirmation set forth below, and returning one fully countersigned original of this letter to us. This amendment letter shall become effective as of the date of the countsignature of this amendment letter prepared further to the above-mentioned request, upon receipt by the Association of a duly countersigned original of this letter by the authorized representative of the Recipient.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]
John D. Blomquist
Acting Country Director, India

Confirmed and agreed:

INDIA

[Signature]
Mr. Raj Kumar
Joint Secretary
Ministry of Finance
Government of India

By:

Name: Raj Kumar / RAJ KUMAR
Title: Joint Secretary
Date: 08/16
Mr. Raj Kumar

cc:

Mr. Subhash Chandra Garg, Executive Director (India, World Bank)
Mr. Neeraj Mittal, Sr. Adviser to Executive Director (India, World Bank)

Mr. Bhaskar Dasgupta, Director (MI), Department of Economic Affairs, Ministry of Finance, New Delhi
Mr. S.G. Dastidar, Controller of Aid Accounts & Audit, Department of Economic Affairs, Ministry of Finance, New Delhi

Mr. Rajiv Gauba, Secretary, Ministry of Urban Development, New Delhi
Dr. Sameer Sharma, Additional Secretary, Ministry of Urban Development, Gol
Mr. N. Sajeesh Kumar, Deputy Secretary, Ministry of Urban Development, Gol