Loan Agreement

(Jharkhand Opportunities for Harnessing Rural Growth Project)

between

INDIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated July 28, 2017
LOAN AGREEMENT

Agreement dated July 28, 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 million Dollars ($100,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("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; provided, however, that the interest payable shall in no event be less than zero percent (0%) per annum; and provided furthermore that, upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty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 December 15, and June 15, in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with the provisions of Schedule 3 to this Agreement.

2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwritten, to an Approved Currency; and (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

(c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

2.09. (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, the Guarantor and to other borrowers guaranteed by the Guarantor 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 Guarantor 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 Guarantor, 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 shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article V of the General Conditions and the Project Agreement.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.
ARTICLE IV — REMEDIES OF THE BANK

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

ARTICLE V — TERMINATION

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

ARTICLE VI — REPRESENTATIVE; ADDRESSES

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

6.02. The Borrower's Address is:

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

Facsimile:
91-11-23092883

6.03. The Bank's Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391
AGREED at NEW DELHI, India, as of the day and year first above written.

INDIA

By [Signature]

Authorized Representative

Name: SAMEER KUMAR KHARE
Title: JOINT SECRETARY

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By [Signature]

Authorized Representative

Name: CHAKIS JENA
Title: ACTING COUNTRY DIRECTOR, INDIA
SCHEDULE 1

Project Description

The objective of the Project is to enhance and diversify household income in select farm and non-farm sectors for Targeted Beneficiaries in the Project Areas.

The Project consists of the following parts:

**Component 1: Diversified and Resilient Production and Value Addition**

(a) Rural Producer Collectives: (i) provision of PG/PO Sub-grants for Producer Groups' (PGs) formation and capacity building; (ii) development of Community Service Providers who will form and build capacity of the PGs, provide grassroots level extension services, facilitate linkages with markets and financial institutions, and assist in data management; and (iii) capacity building of project staff, PGs and the Producer Organization (PO).

(b) High-Value Agriculture Development: (i) facilitation of participatory planning for high value agriculture crop selection and production by farmers; (ii) provision of PG/PO Sub-grants to assist PGs' input costs of the high-value agriculture crop cultivation; (iii) provision of PG/PO Sub-grants to PGs for demonstration of high value agriculture crop cultivation; (iv) capacity building and provision of technical support to farmers; (v) provision of PG/PO Sub-grants to PGs for the establishment of the Village Resource Centers to provide need-based services and products to farmers; (vi) provision of PG/PO Sub-grants to POs for the establishment of the Rural Business Hubs to provide need-based facilities and services, enabling higher-order value addition; (vii) facilitation of partnerships among JSLPS, technical support agencies and POs for technical and training support; and (viii) provision of Innovation Marketplace Sub-grants for the Innovative Pilots.

(c) Livestock Development: (i) provision of PG/PO Sub-grants to support PGs' procurement of improved stock for establishment of pig and goat breeding villages; (ii) provision of PG/PO Sub-grants to PGs for their demonstration units on livestock housing and improved breeds; (iii) provision of PG/PO Sub-grants to PGs for financing input and service costs of livestock rearing; (iv) facilitation of establishment of livestock service centers that support access to inputs, services and market through aggregation; (v) capacity building and provision of technical support to livestock producers; and (vi) facilitation of partnerships with technical support agencies for training and implementation support.
Fishery Development: (i) provision of PG/PO Sub-grants to PGs for demonstrations and pilots on improved technologies; (ii) provision of PG/PO Sub-grants to PGs for financing of pond improvements, equipment and input costs; (iii) provision of PG/PO Sub-grants to POs for establishment and operation of the Rural Business Hubs for primary and advanced harvesting and marketing; (iv) capacity building and provision of technical support to fish farmers; (v) augmentation of state hatchery infrastructure; (vi) studies on governance and policy reforms; and (vii) development and deployment of the ICT-applications for communication, extension and marketing.

NTFP Development: (i) value chain studies on selected NTFPs; (ii) provision of PG/PO Sub-grants to PGs for production inputs; (iii) provision of PG/PO Sub-grants to POs for establishment and operation of Rural Business Hubs for primary and advanced processing; (iv) provision of PG/PO Sub-grants to POs for establishment and operation of centers for quality control of NTFPs; (v) provision of Training and capacity building of producers; and (vi) provision of PG/PO Sub-grants to PGs for pilot interventions on artisanal products.

Irrigation System Development: (i) provision of technical assistance for preparation of community irrigation plans; (ii) provision of PG/PO Sub-grants to PGs for creation of micro-scale irrigation infrastructure and demonstration of efficient on-farm water management technologies and practices; (iii) formation and strengthening of Water User Groups for the planning, development and oversight of irrigation systems; and (iv) support to micro-scale irrigation operators on operation, repair and maintenance of irrigation equipment.

Component 2: Promoting Market Access, Skill Development and Pro-Poor Finance

Market Access and Private Sector Participation: (i) support to the product-based market assessment studies; (ii) development of technology-based market information platform and related training for potential subscribers; (iii) facilitation of partnerships with select private sector agencies for implementing turnkey projects on linking markets with producers; (iv) capacity building of community service professionals as market champions to promote linkages of PGs and POs with markets; and (v) establishment of the Farmer Producer Organization Incubation and Support Cell.

Skill Development and Entrepreneurship in Focus Value Chains: (i) technical evaluations of focus value chains to identify skill gaps and opportunities for skills up-gradation; (ii) development of curricula for skill training; (iii) development of training delivery systems and roster of master trainers; (iv) development of training programs for community service professionals and entrepreneurs in the areas of high value agriculture, livestock, fisheries, NTFP and entrepreneurship; (v)
provision of Training for entrepreneurs; and (vi) facilitation of accreditation to training providers and certification of trainees.

(c) Pro-poor Agricultural Finance Systems: (i) Support to demand-and supply-side-assessments and studies; (ii) financial education campaign for producers; (iii) provision of technical assistance and capacity building of formal financial institutions to enable service delivery; (iv) support to develop demand-driven credit and insurance products; (v) facilitation for formal financial institutions to deliver financial services to PGs and POs; and (vi) provision of PG/PO Sub-grants for POs' formation and capacity building.

Component 3: Project and Knowledge Management

(a) Project Management: Support for the Project implementation, including operating costs of the SMMUs, DMMUs, and BMMUs, within the JSLPS.

(b) Knowledge Management: (i) support to project monitoring, learning, and evaluation systems; and (ii) development of policy papers and organizing knowledge-exchange seminars.
SCHEDULE 2
Project Execution

Section I. Implementation Arrangements

A. On-lending

1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity in accordance with the Borrower’s standard arrangements for development assistance to the State of India.

2. Notwithstanding paragraph 1 above, in the event that any provision of this Agreement, including the instructions that the Bank shall have specified by notice to the Borrower pursuant to Section IV.A.1 of this Schedule, were to be found inconsistent with the Borrower’s standard arrangements for development assistance to the State of India, the provision of this Agreement and related instructions shall govern.

3. The Borrower shall at all times protect its own interests and the interests of the Bank to accomplish the purpose of the Loan.

B. Anti-Corruption

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

C. Sub-grants

The Borrower shall cause the Project Implementing Entity to ensure that the Sub-grants are made exclusively in accordance with the eligibility criteria and procedures detailed in the PIP and the Operational Manuals.

D. Safeguards

1. The Borrower shall cause the Project Implementing Entity to ensure that its government departments and agencies implementing the Project, including JSLPS, SMMU, DMMUs, BMMUs, WUGs and Sub-grant Recipients:

(a) carry out the Project in accordance in accordance with: (i) the EMF and SMF/TDF, and (ii) the EMP(s) and/or the TDP(s) to be prepared, in accordance with the objectives, policies, procedures, time schedules and other provisions set forth in the EMF, SMF/TDF (the EMF, SMF/TDF, PMP, EMP(s) and TDP(s), collectively referred to as the "Safeguards"
(b) refrain from taking any action which would prevent or interfere with the implementation of the Safeguards Documents, including any amendment, suspension, waiver, and/or voidance of any provision of the Safeguards Documents, whether in whole or in part, without the prior written concurrence of the Bank.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower shall cause the Project Implementing Entity to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the 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 and 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 shall cause the Project Implementing Entity to prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.

3. The Borrower shall have, and shall cause the Project Implementing Entity to have the Project's Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Project's Financial Statements shall cover the period of one fiscal year of the Borrower and the Project Implementing Entity, commencing with the fiscal year in which the first withdrawal was made under the Loan. The audited 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 procedures, subject to the additional provisions agreed upon from time to time between the Borrower and the Bank and 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) Direct Contracting; (f) Force Account; (g) Procurement from UN Agency; and (h) Community Participation procedures which have been found acceptable to the Bank.
C. Particular Methods of Procurement of Consultants' Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. Other Methods of Procurement of Consultants' Services. The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures 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.

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, Training and Operating Costs under the Project</td>
<td>53,630,000</td>
<td>70%</td>
</tr>
<tr>
<td>(2) Sub-grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) PG/PO Sub-grants</td>
<td>44,620,000</td>
<td>70%</td>
</tr>
<tr>
<td>(b) Innovation Marketplace Sub-grants</td>
<td>1,500,000</td>
<td></td>
</tr>
<tr>
<td>(3) Front-end Fee</td>
<td>250,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(4) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 2.08(c) of this Agreement</td>
</tr>
</tbody>
</table>

**TOTAL AMOUNT** 100,000,000

### 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 this Agreement, except that withdrawals up to an aggregate amount not to exceed $5,000,000 may be made for payments made prior to this date but on or after August 1, 2016, for Eligible Expenditures under Category (1);

   (b) for PG/PO Sub-grants under Category (2)(a), unless and until the Project Implementing Entity approves the PG/PO Sub-grants Operational Manual, in form and substance satisfactory to the Bank; or
(c) for Innovation Marketplace Sub-Grants under Category (2)(b), unless and until the Project Implementing Entity approves the Innovation Marketplace Sub-grants Operational Manual, in form and substance satisfactory to the Bank.

2. The Closing Date is June 30, 2023.
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, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each December 15 and June 15</td>
<td></td>
</tr>
<tr>
<td>Beginning on June 15, 2023, through June 15, 2034</td>
<td>4.17%</td>
</tr>
<tr>
<td>On December 15, 2034</td>
<td>4.09%</td>
</tr>
</tbody>
</table>

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, such amounts repayable to be adjusted, as necessary, to deduct any
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.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.
APPENDIX

Section I. Definitions


3. "Block" means the administrative sub-division of the Borrower's territories.

4. "BMMU" means the Block Mission Management Unit, established and to be maintained until the completion of the Project, to assist the Project Implementing Entity in carrying out the Project.

5. "Business Plan" means a plan prepared by a PO in accordance with the procedures and formats prescribed in the PG/PO Sub-grants Operational Manual and approved by the JSLPS.

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

7. "Community Plan" means the plan prepared by the PGs in accordance with the procedures and formats prescribed in the PG/PO Sub-grants Operational Manual and approved by the JSLPS.

8. "Community Service Providers" or "CSP" means the individuals identified, trained and mandated to form and support the Producer Groups, provide grassroots level extension services, facilitate linkages with markets and financial institutions, and assist in data management.


10. "Displaced Person" means a person who, on account of the execution of an activity under the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or
loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; "Displaced Persons" means all such persons.

11. "DMMU" means each District Mission Management Unit, established and to be maintained until completion of the Project, whose responsibilities shall include: (a) obtaining all Project-related administrative, financial and technical approvals at the district level; (b) the management of the execution of project activities and the procurement of goods and services; (c) quality assurance; and (d) working closely with communities to achieve the Project’s development objectives.

12. "EMF" means the environmental management framework of the Project, dated February 28, 2017, acceptable to the Bank, as amended from time to time, governing all environmental aspects of the Project implementation, including screening, appraisal, preparation of Environment Management Plans, and the Pest Management Plan, as such plans may be amended from time to time with the prior written concurrence of the Bank.

13. "Environmental Management Plan" or "EMP" means each of the environmental management plans prepared or to be prepared pursuant to Section I.D of the Schedule 2 to this Agreement and Section I.F of the Schedule to the Project Agreement, in accordance with the provisions of the EMF, in each case setting out mitigation, enhancement, monitoring and institutional measures, including capacity building through training, required to: (i) eliminate adverse environmental impacts of activities to be implemented under the Project; (ii) offset them, or reduce them to acceptable levels; and (iii) enhance any positive impacts thereof, as such plans may be revised/updated, from time to time, with the prior written agreement of the Bank.

14. "Farmer Producer Organization Incubation and Support Cell" means a cell established within the JSLPS for (a) facilitation of capacity building of POs; (b) preparation of bankable business plans for the POs; (c) provision of advisory to entrepreneurs in establishing enterprises (proof of concept and scale-up models); (d) facilitation of private sector investment; (e) facilitation to formalize private sector partnerships; (f) dissemination of market information and intelligence; (g) establishment of market linkages; and (h) management of information to ensure coordination with the stakeholders.

15. "Financial Management Manual" or "FM Manual" means the manual adopted by JSLPS, describing financial management requirements applicable to the Project, including inter-alia: (i) accounting principles, practices, methods and procedures;
(ii) budgeting and planning; (iii) fund flow mechanism, internal control and financing reporting; and (iv) audit arrangements; as such manual may be amended from time to time with the agreement of the Bank.


17. “ICT” means the information, communication and technology.

18. “Innovation Marketplace” means a competitive event organized by the JSLPS for the purpose of identifying innovations that can be piloted and/or further scaled up through the Project, in accordance with the eligibility criteria, evaluation criteria and procedures detailed in the Innovation Marketplace Sub-grants Operational Manual.

19. “Innovation Marketplace Sub-grant” means a grant under Component 1(h)(viii) of the Project made by JSLPS to an entity selected through the Innovation Marketplace in accordance with the eligibility criteria and procedures in the Innovation Marketplace Sub-grants Operational Manual.

20. “Innovation Marketplace Sub-grant Agreement” means an agreement to be entered into between the Project Implementing Entity and a recipient of the Innovation Marketplace Sub-grants, which shall include the terms and conditions set forth in the Innovation Marketplace Sub-grants Operational Manual, as may be amended from time to time, and such term includes any schedule or addendum to the Innovation Marketplace Sub-grant Agreement.

21. “Innovation Marketplace Sub-grants Operational Manual” means the operational manual referred to in Section IV.B.1(c) of Schedule 2 to this Agreement and acceptable to the Bank, setting forth the institutional arrangements, procedures and criteria for selection, appraisal and implementation of the Innovation Marketplace Sub-grants, and as may be amended from time to time in a manner satisfactory to the Bank.

22. “Innovative Pilots” means interventions on production, value-addition, marketing in the areas of high value agriculture, livestock, fisheries, NTFP, irrigation that are carried out in selected Blocks for the purpose of testing and learning before being scaled up to other Blocks.

23. “International Waterways” means waterways that are defined to be international waterways for the purpose of the Bank’s Safeguard Policies on Projects on International Waterways (OP/BP 7.50), as revised from time to time.
24. "JSLPS" means the Jharkhand State Livelihood Promotion Society established by the Rural Development Department of the Government of Jharkhand and registered under the Society Registration Act, 1860, as amended to date, as operating according to its Memorandum of Association and by-laws which are included in the PIP (as this term is hereinafter defined).


26. "NTFP" means the non-timber forest produce.

27. "Operating Costs" means reasonable and necessary expenditures incurred by the JSLPS including costs of operation, rent and maintenance of offices, communication costs, salaries of contractual staff, salaries of government staff on deputation to the Project, the costs of training staff, and travel allowances of Project staff incurred with respect to Project implementation, coordination, and monitoring but excluding the salaries of civil servants of the Borrower.


29. "Pest Management Plan" and the acronym "PMP" mean the pest management plan for the Project, included in the EMF.

30. "PG/PO Sub-grant" means a grant made to a PG or PO under Components 1(a)(iv), 1(b)(ii), (iv) and (v), 1(c)(i), (ii) and (iii), 1(d)(i) and (ii), 1(e)(ii), (iii), (iv) and (vi), 1(f)(i) and (iii) and 3(b)(iii) in accordance with the eligibility criteria and procedures in the PG/PO Sub-grant Operational Manual.

31. "PG/PO Sub-grants Operational Manual" means the operational manual referred to in Section IV.B.1(b) of Schedule 2 to this Agreement and acceptable to the Bank, setting forth institutional arrangements, procedures and criteria for selection, appraisal and implementation of PG/PO Sub-grants, and as may be amended from time to time in a manner satisfactory to the Bank.

32. "PIP" means the Project Implementation Plan, dated April 19, 2017, prepared by the Project Implementing Entity and acceptable to the Bank, containing procedures for the carrying out of the Project and including, inter alia, details and procedures for the Project's grievance redress mechanism, and agreed Project monitoring indicators, and as may be amended from time to time in a manner satisfactory to the Bank.

34. "Procurement Manual" means the manual adopted by JSLPS, acceptable to the Bank, describing inter-alia: (i) methods of procurement for goods, non-consulting services, and works; (ii) procurement of services and selection of consultants, e-procurement; and (iii) guidelines for community based procurement, as such manual may be amended from time to time with the agreement of the Bank.

35. "Procurement Plan" means the Borrower's procurement plan for the Project, dated February 16, 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.

36. "Producer Group" and the acronym "PG" mean a group of individuals organized around a common economic activity, formed for purposes of enhancing sustainable agricultural production and access to services and markets; and "PGs" means more than one such Producer Group.

37. "Producer Organization" and the acronym "PO" mean a group of individuals organized around a common economic activity, a cooperative thereof and/or a registered company operating under the laws of the Borrower and the Project Implementing Entity, formed or established for purposes of enhancing agri-, agri-allied, and non-farm business production and access to services and markets; and "POs" means more than one such Producer Organization.

38. "Production Models" means a scalable approach to strengthening the production systems in the farm and non-farm sectors.

39. "Project Areas" means the Blocks identified by JSLPS in consultation with the Bank for the purpose of the Project implementation, which are listed in the PIP.

40. "Project Implementing Entity" means the State of Jharkhand.

41. "Rural Business Hubs" means the facilities established by POs to provide need-based facilities and services to a group of villages to enable value addition.

42. "Rural Producer Collectives" means the Producer Groups and Producer Organizations.

43. "Safeguards Documents" means, collectively, the EMF, EMP(s), PMP, SMF/TDF and TDPs.
44. “SMF/TDF” means the social management framework and tribal development framework of the Project, dated February 28, 2017, which set forth the principles and procedures, including mitigation and adaptive measures to offset, reduce to acceptable levels, or eliminate, any adverse social impact under the Project, including measures designed to ensure meaningful consultation with, and informed participation of, Tribal Groups and their communities in the design and implementation of the Project activities, as well as their participation in the envisioned culturally appropriate and socially inclusive benefits thereof; as such plans may be amended from time to time with the prior written concurrence of the Bank.

45. “SMMU” means the State Mission Management Unit, established and to be maintained until the completion of the Project within the JSLPS, to assist the Project Implementing Entity in carrying out the Project.

46. “Sub-grant” means a PG/PO Sub-grant or an Innovation Marketplace Sub-grant, each in accordance with the eligibility criteria and procedures set forth in the Operational Manuals.

47. “Sub-grant Recipient” means the recipient of the PG/PO Sub-grant or the Innovation Marketplace Sub-grant, in each case which has met the eligibility requirements set out in the Operational Manuals.

48. “TDP” means each tribal people’s development plan to be prepared pursuant to Section I.D of the Schedule 2 to this Agreement and Sections I.F of the Schedule to the Project Agreement and in accordance with the provisions of the TDF/SMF, which set forth the principles and procedures designed to ensure meaningful consultation with, and informed participation of, Tribal Groups and their communities in the design and implementation of the Project activities, as well as their participation in the envisioned culturally appropriate and socially inclusive benefits thereof, as such plans may be amended from time to time with the prior concurrence of the Bank.

49. “Targeted Beneficiaries” means the households identified for inclusion in the Project as beneficiaries, as per the eligibility criteria detailed in the PIP and in the Operational Manual on Producer Groups and Producer Organizations.

50. “Training” means reasonable costs of trainings, seminars, workshops, conferences, study tours, conducted in the territory of the Borrower and/or overseas, including: (a) fees of training institutions and courses; (b) domestic and international travel costs, lodging costs, and subsistence/per diem allowances for both trainers and trainees; (c) rental of training facilities; and (d) preparation, purchase or
reproduction of training materials; but excluding salaries and allowance of the Borrower’s and the Project Implementing Entity’s civil servants or their other regular staff.

51. "Tribal Groups" means any distinct, vulnerable, social and cultural group within the territory of the Project Implementing Entity, that: (i) self-identifies as such and claims, and is recognized by others as, having a distinguishable cultural identity; (ii) has collective attachment to geographically distinct habits or ancestral territories in the Project area, and to the natural resources in these habitat and territories; (iii) has customary cultural, economic, social and political institutions that are separate from those of the dominant society and culture; and (iv) has an indigenous language, often different from the official language of the Borrower and/or the Project Implementing Entity.

52. "Value Chain Initiative" means the activity carried out by a PG or PO for the development of agricultural value chains under the Project.

53. "Village Resource Centers" means the Gram Panchayat Resource Centers established by the PG or PO for a group of villages to provide need-based inputs and services to producers.

54. "Water User Group" and its acronym "WUG" mean a group of individuals organized around a common irrigation infrastructure, formed for purposes of enhancing irrigation access and efficiency.

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)."