Mr. Nilaya Mitash  
Joint Secretary (MI)  
Department of Economic Affairs  
Ministry of Finance  
Government of India  
Room # 40-B, North Block  
New Delhi.

Dear Mr. Mitash:

IN: PMGSY Rural Roads Project (Cr. 4848-IN, 4849-IN & Ln. 7995-IN)

Project Restructuring in order to authorize Interim Disbursements on account of Disbursement Linked Indicators, Letter of Amendment to the Financing Agreement

I refer to: (a) the financing agreement dated January 14, 2011, (the “Financing Agreement”); Cr. 4848-IN/4849-IN), between India and the International Development Association (the “Association”); and (b) the loan agreement of the same date (the Loan Agreement; Ln. 7995-IN) between India and the International Bank for Reconstruction and Development (the “Bank”); both these financings extended for the purpose of supporting the implementation of the PMGSY Rural Roads Project (the “Project”).

I also refer to the letter from the Department of Economic Affairs, Ministry of Finance, on behalf of India, dated March 4, 2014, requesting the Association and the Bank to facilitate interim disbursements under the Project for the financing of expenditures incurred (or to be incurred) on account of the prospective achievement of Disbursement-Linked Indicators (“DLIs”) soon to be documented.

I am pleased to inform you that, after due consideration, the Association and Bank concur with the aforementioned request to increase the frequency of disbursement in order to facilitate the achievement of DLIs. Accordingly, the Association and the Bank propose that, in order to implement the agreed changes to the Project’s disbursement profile, the Financing Agreement be hereby amended as follows:

1. A new Section V is hereby added to Schedule 2 to the Financing Agreement which reads:

“Section V Interim Disbursement Authorization

Notwithstanding the provisions of sub-paragraph 1(b) of sub-Section IV.B of this Schedule, and subject to the prior concurrence from the Association, the Recipient may withdraw from Category (1), either as Project advance or Interim Documented Eligible Expenditures, an amount not to exceed twenty five percent (25%) of the overall Project financing; provided however that in the event that the DLIs corresponding to the immediately subsequent Scheduled Disbursement is/are not met (or only partially met), the Recipient shall, upon the Association’s discretionary request, refund any such amounts disbursed as advances or Interim Documented Eligible Expenditures in excess of the Recipient’s withdrawal entitlements calculated as per the formula agreed between the Recipient and the Association under the Additional Instructions.”

Headquarter/LJ Washington DC LJ USA
2. The new definition for “Interim Documented Eligible Expenditures” is hereby added as paragraph 24 in Section I of the Appendix to the Financing Agreement, which reads

"24. ‘Interim Documented Eligible Expenditures’ means civil works under Part A of the Project which have been incurred during the interim period between Scheduled Disbursements on account of progress made in the achievement of DL1Is, which are pending the certification of the independent performance auditor as required pursuant to subparagraph 1(b) of Section IV.B of Schedule 2 to this Agreement, which expenditures shall have been recorded in the receipt and payment module of the Online Monitoring Management and Accounting System (OMMAS) of the Recipient."

As the foregoing changes affect the disbursement protocols agreed in the disbursement letter issued by the Association and the Bank on January 14, 2011 (the “Additional Instructions”), pursuant to Section IV.A.1 of Schedule 2 to the Financing Agreement, I attach to this letter a revised version of such letter.

Please kindly confirm the Government of India's agreement to the amendments/revision to the Financing Agreement provided above, and the revised disbursement protocols of the new Additional Instructions, by countersigning and dating the corresponding form of confirmation set forth below, and returning one fully signed original of this amendment letter to us.

Except as specifically amended hereby, all other provisions of the Financing Agreement shall remain in full force and effect.

The above amendments to the Financing Agreement and the new Additional Instructions shall be deemed effective as of the latest date of countersignature of a copy of this letter of amendment by the duly authorized representative of India, and upon receipt by the Association and the Bank of such fully countersigned original.

Yours sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION &
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[Signature]
Onno Ruhl
Country Director, India

Attachment: Revised Disbursement Letter

SIGNED and AGREED
on behalf of INDIA

By: 

Name: 

Title: 

Date: 19.05.2014
cc: Mr. Mukesh Nandan Prasad, Executive Director (India), World Bank
Mr. Manoj Pant, Senior Adviser to Executive Director (India), World Bank
Ms. Sigy T. Vaidhyan, Director, DEA, Ministry of Finance, Government of India
Mr. S. G. Dastidar, Controller of Aid Accounts & Audit, DEA, Ministry of Finance, Government of India
Mr. Rajesh Bhusan, Joint Secretary, Department of Rural Development, Ministry of Rural Development, Government of India
Ms. Manju Rajpal, Director, Department of Rural Development, Ministry of Rural Development, Government of India
Mr. P. C. Aujla, Secretary, Public Works Department, Government of Punjab
Mr. Narender Chauhan, Secretary, Public Works Department, Government of Himachal Pradesh
Mr. S. K. Satpathy, Rural Works Department, Government of Jharkhand
Mr. Vinod Fonka, Secretary, Department of Rural Development, Government of Uttarakhand
Mr. S. B. Chyrmang, Secretary, Public Works Department (R&B), Government of Meghalaya
Mr. B. Rajender, Secretary Rural Works Department, Government of Bihar
Ms. Anjana Devi, Technical Secretary-cum-Consultant, JSRRDA, Jharkhand
Mr. Manish Mittal, Nodal Officer, Uttarakhand SRRDA, Dehradun
Mr. A. K. Sanghi, Nodal Officer & Chief Engineer, RRRDA, Rajasthan
Mr. K. K. Gupta, Nodal Officer, HPPRDA, Himachal Pradesh
Mr. Anugrah Prakash, Chief Engineer, Jharkhand SRRDA, Jharkhand
Mr. Vishwa Deepak, Chief Engineer, UPPRDA, Uttar Pradesh
Mr. Yogesh Gupta, Chief Technical Officer & Chief Engineer, Punjab Roads & Bridges Development Board, Mohali, Punjab
Mr. M. M. Sun, Chief Engineer, PWD cum Empowered Officer, SRRDA, Meghalaya
Mr. Rakesh Gupta, Chief Engineer, HP SRRDA, Himachal Pradesh
Mr. P. C. Gaur, Chief Engineer, Uttarakhand SRRDA, Uttarakhand
Drafted by: Mr. Arnab Bandyopadhyay, Sr. Transport Engineer & Task Team Leader,
SASDT
cc and bcc: M/M. Ben Bijbergen, Acting Sector Manager, (SASDT); Junxue Chu, Sr.
Finance Officer (CTRLN); Martin Serrano, Sr. Counsel (LEGES)

Bcc: M/M. Nishio (SARVP); India CMU General; Pswaryi-Riddhough, Khatouri (SARSQ),
Goya (SARPS); Fragozo, Aljalay (SASDE); Sissoko (SARFM); Reddy, Subramanian (CTRLN);
SASSD Core Team; Stein, Shukla, Gonzalez, Fang, Bandyopadhyay, Kumar, Jijo (SASDT);
PMGSY Rural Roads Project

WBDocs