Loan Agreement

(State of Maharashtra’s Agribusiness and Rural Transformation Project)

between

INDIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
LOAN AGREEMENT

AGREEMENT dated as of the Signature Date 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) apply to and form 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 the amount of two hundred and ten million United States Dollars (US$ 210,000,000), as such amount may be converted from time to time through a Currency Conversion ("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 III of Schedule 2 to this Agreement.

2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.

2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.

2.06. The Payment Dates are June 15 and December 15 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 4 to this Agreement.

2.08. (a) If on any given day, the Total Exposure exceeds the Standard Exposure Limit (as said terms are defined in sub-paragraphs (b)(ii) and (b)(iii) of this Section), the Borrower shall pay to the Bank a surcharge at the rate of one half of one percent (0.5%) per annum of the Allocated Excess Exposure Amount (as defined in sub-paragraph (b)(i) of this Section) for each said day ("Exposure Surcharge"). The Exposure Surcharge (if any) shall be payable semi-annually in arrears on each Payment Date.

(b) For purposes of this Section the following terms have the meanings set forth below:
(i) “Allocated Excess Exposure Amount” means for each day during which the Total Exposure exceeds the Standard Exposure Limit, the product of: (A) the total amount of said excess; and (B) the ratio of all (or, if the Bank so determines, a portion) of the Loan to the aggregate amount of all (or the equivalent portions) of the loans made by the Bank to the Borrower, and to other borrowers guaranteed by the Borrower that are also subject to an exposure surcharge, as said excess and ratio are reasonably determined from time to time by the Bank.

(ii) “Standard Exposure Limit” means the standard limit on the Bank’s financial exposure to the Borrower which, if exceeded, would subject the Loan to the Exposure Surcharge, as determined from time to time by the Bank.

(iii) “Total Exposure” means for any given day, the Bank’s total financial exposure to the Borrower, as reasonably determined by the Bank.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower 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, Schedule 2 to this Agreement and the Project Agreement.

ARTICLE IV — EFFECTIVENESS

4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. 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 of the Borrower’s Ministry of Finance.

5.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower’s address is:
   Secretary
   Department of Economic Affairs
   Ministry of Finance
   Government of India
   North Block
   New Delhi 110 001, India; and

(b) the Borrower’s Electronic Address is:
   Facsimile: E-mail:
   +91-11-23094075 secy-dea@nic.in
5.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

Facsimile:
1-202-477-6391

AGREED as of the Signature Date.

INDIA

By

Authorized Representative

Name: SYMEER KUMAR KHARE
Title: ADDITIONAL SECRETARY
Date: JANUARY 24, 2020

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: JUNAID KAMAL ALKAND
Title: COUNTRY DIRECTOR, INDIA
Date: JANUARY 24, 2020
SCHEDULE 1

Project Description

The objective of the Project is to support the development of inclusive and competitive agriculture value chains, focusing on smallholder farmers and agri-entrepreneurs in Maharashtra. This would be achieved by expanding access to new and organized markets for producers and enterprises with complementary investments in technical services and risk management capabilities.

The Project consists of the following parts:

Part A. Enhancing Institutional Capacity to Support Agricultural Transformation

A1. Enhancing Institutional Capacity of the Department of Agriculture

Support the Department of Agriculture (DoA) in shifting from scheme-oriented approach to outcome-based and market-driven approach through institutional capacity building measures, including developing outcome goals in the agriculture sector; conducting functional review of DoA; building capacity of nodal staff training institutions; developing training calendar and plan for staff; strengthening technical capacity; strengthening coordination mechanisms with partners departments and agencies; and enhancing orientation and capacity of DoA to target women farmers and increase their participation in high value agriculture.

A2. Enhancing Institutional Capacity of the Department of Marketing

Support capacity building of the Department of Marketing (DoM) to enhance regulatory effectiveness and promote healthy functioning of markets, through:

(a) enhancing regulatory effectiveness through compilation and dissemination of information on market regulations; training of Agricultural Produce Marketing Committee (APMC) employees; and enhanced ease of doing business parameters for private markets;

(b) monitoring and reporting on market functioning through a system for tracking and reporting on key market health indicators; and

(c) enhancing dispute resolution functions through outreach activities for increased awareness on state's roles and responsibilities; development of a system for registering disputes; decentralized dispute resolution powers for field officers along with training; and tracking and reporting of dispute resolution cases.

A3. Strengthening Capacity for Reform Measures and Joint Actions

1. Establishment of a technical cell within PCMU, and partnerships with academic and technical support institutions to conduct research, evaluation and pilots.

2. Establishment of Stewardship Councils; provision of technical and handholding support to them; implementation of joint actions such as market identification and promotional activities; and provision of Matching Grants to implement Stewardship Sub-Projects.
Part B. Expanding Market Access and Supporting Enterprise Growth

B1. Market Access Support

1. Provision of Matching Grants to Community-Based Organizations (CBOs) to implement Productive Partnership Sub-Projects, Market Access Plan Sub-Projects and/or Complementary Innovation Investment Sub-Projects.

2. Provision of capacity building support to CBOs, including through technical support for preparation and implementation of business proposals; strengthening of CBOs’ organizational, financial, marketing, implementation and monitoring capabilities to implement the Sub-Projects; and provision of bridge technical support to women CBOs.

B2. Enterprise Development Support

Provision of technical and business development services to identified enterprises in focus commodities and value chains through contracting of technical service providers and provision of last-mile services, including developing a cadre of trained women extension workers and technical service providers.

B3. Access to Finance

Enhancement of access to credit for CBOs through testing and scaling up standardized assessments and ratings for CBOs; conducting outreach to financial institutions; providing technical support to CBOs on commercial loan proposals; and developing and establishing a Partial Credit Guarantee Facility (PCGF), including: (i) capital contribution to said PCGF; (ii) analysis of structuring options for the PCGF, including feasibility assessment to assess alternative structures for the establishment of PCGF or investing in an existing one; and (iii) contribution to management of the PCGF, to support formal lending to CBOs and Agri-Enterprises supported under any other Part of this Project by providing partial credit guarantees to selected FIs in respect of credits that said FIs extend to eligible CBOs and Agri-Enterprises.

B4. Pilot Program on Urban Food Systems

Support for implementation of urban food pilot program to upgrade critical urban system functions and address institutional and governance issues related to urban food systems.

Part C. Building Risk Mitigation Mechanisms

C1. Enhanced Market Information and Intelligence Services

Support for undertaking monitoring of crops production and yield; strengthening mechanisms for improved production and price forecasts; disseminating market information and intelligence to Project beneficiaries and other value chain participants, especially women farmers and CBOs, including through use of technology-based solutions and through setting up of a technical cell within DoA to manage market information and intelligence services.
C2. Strengthening the Warehouse Receipts Systems

Improvement of access of smallholder producers to storage facilities, credit through warehouse receipt financing, and price arbitration through market information and intelligence, including through: rehabilitation and upgrading of existing warehouses; provision of Matching Grants to CBOs to implement Warehouse Sub-Projects; capacity building of CBOs; and promotion of partnerships between CBOs and collateral management agencies.

C3. Price Risk Management Support

1. Enhancement of price risk management by Maharashtra and provision of market-based risk management tool to farmers, including through setting up of risk management cell within DoA to develop crisis management plans for major commodities.

2. Support for ex-ante management of food procurement under price support mechanism.

3. Support for study and pilot to enhance participation of farmers and CBOs in futures markets through provision of technical and handholding assistance, including targeted technical support for women CBOs.

Part D. Project Management, Monitoring and Learning

1. Strengthening of Project Coordination and Monitoring Unit (PCMU) to oversee and coordinate implementation activities.

2. Support for the establishment and operations of Project Implementation Units (PIUs) within respective implementing agencies.

3. Setting up of monitoring and evaluation system for the Project, including a Project management information system.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity (PIE) in accordance with the Borrower's standard arrangements for developmental assistance to the states of India. Notwithstanding the foregoing, 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 III.A of this Schedule 2, were to be found inconsistent with the Borrower's standard arrangements for development assistance to the states of India, the provisions of this Agreement and related instructions shall govern.

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

B. Safeguards

The Borrower shall cause the PIE to:

(a) ensure that the Project is carried out with due regard to appropriate health, safety, social, and environmental practices and standards, and in accordance with the Safeguard Documents; and

(b) refrain from taking any action which would prevent or interfere with the implementation of the Safeguard Documents, including any amendment, suspension, waiver, annulment and/or voidance of any provision of the Safeguard Documents, whether in whole or part, without the prior written concurrence of the Bank.

Section II. Project Monitoring, Reporting and Evaluation

1. The Borrower shall cause the PIE to furnish to the Bank each Project Report, in a format agreed with the Bank, not later than forty-five days after the end of each calendar semester, covering the calendar semester.

2. The Borrower shall cause the PIE to prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank no later than thirty-six (36) months from the Effective Date, a consolidated mid-term review report for the Project, in accordance with the provision of paragraph 2 of Section II of the Schedule to the Project Agreement.

Section III. Withdrawal of Loan Proceeds

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to: (a) finance Eligible Expenditures; and (b) pay: (i) the Front-end Fee; and (ii) each Interest Rate Cap or Interest Rate Collar premium; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:
<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) Eligible Expenditure Program (EEP) under Part A1 of the Project</td>
<td>20,220,000</td>
<td>70%</td>
</tr>
<tr>
<td>(2) Goods, works, consulting services, non-consulting services, Training, and Incremental Operating Costs, and Matching Grants under the Project (except for Part A1 of the Project)</td>
<td>181,377,000</td>
<td>70%</td>
</tr>
<tr>
<td>(3) Capital Contribution to the PCGF</td>
<td>7,878,000</td>
<td>70%</td>
</tr>
<tr>
<td>(4) Front-end Fee</td>
<td>525,000</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>(5) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 4.05 (c) of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>210,000,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

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

   (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed US$ 42,000,000 may be made for payments made prior to this date but on or after January 15, 2019;

   (b) under Category (1), until and unless the Borrower has:

   (i) complied with the instructions under the Disbursement and Financial Information Letter and any additional instructions specified in accordance with Section 2.01(b) of the General Conditions, including the submission to the Bank of the applicable interim unaudited financial reports evidencing the incurrence of EEP expenditures for which payment is requested; and

   (ii) furnished evidence satisfactory to the Bank that the DLR under the DLIs for which payment is requested has been achieved as set forth in Schedule 3 to this Agreement in form and substance satisfactory to the Bank and in accordance with the verification protocols agreed with the Bank as set forth in the Project Implementation Plan (PIP); or
under Category (3) until and unless: (i) the PCGF Manager has been hired in a manner and under terms of reference, experience and qualifications mutually agreed between the PIE and the Bank; (ii) the PIE has submitted evidence, in a manner satisfactory to the Bank, showing that the PCGF Operational Manual has been adopted in a manner satisfactory to the Bank; and (iii) the PCGF is legally established and fully operational, all in a manner mutually agreed between the PIE and the Bank upon the completion of a Technical and Fiduciary Assessment of the PCGF, by the PIE, certifying inter alia, that the governance and management of the PCGF are composed of professionals who have qualifications and experience to the mutual satisfaction of the PIE and the Bank and have the capacity to exercise satisfactory control over the use of funds.

2. Notwithstanding the provisions of paragraph 1(b) above, the amount of the Loan to be withdrawn upon the verified achievement of any DLR shall not exceed the lesser of: (a) the amount allocated against such DLR; and (b) the amount of the EEP expenditures under Category 1 incurred but not yet paid by the proceeds of the Loan at the date of submission of such withdrawal application.

3. Notwithstanding the provisions of paragraphs 1(b) and 2 above, if any DLR has not been achieved by the date by which the said DLR is set to be achieved in accordance with the table in Schedule 3 to this Agreement, the Bank may, by notice to the Borrower: (a) reallocate all or a portion of the proceeds of the Loan then allocated to said DLR to any other DLR; and/or (b) cancel all or a portion of the proceeds of the Loan then allocated to said DLR.

4. If, at any time, the Bank determines that any portion of the amounts disbursed under Category (1) was: (i) for expenditures which are not eligible under the EEP; or (ii) not in compliance with the provisions of Section III.B.1(b) above of this Schedule 2 and the provisions of the PIP, the Borrower shall promptly refund any such amount to the Bank as the Bank shall specify by notice to the Borrower.

5. The Closing Date is March 31, 2027.

Section IV. Other Undertakings

The Borrower shall provide or cause the PIE to provide, if needed, the funds, facilities and services and other resources required for the Project, in particular with respect to the duration of the PCGF after the Closing Date of this Project.
### Schedule 3

Disbursement Linked Indicators, Disbursement Linked Results and Allocated Amounts Applicable to the Project

<table>
<thead>
<tr>
<th>DLIs</th>
<th>Total Loan Amount Allocated to DLI</th>
<th>DLR No.</th>
<th>DLR Description</th>
<th>Target Achievement Timelines (Indicative)</th>
<th>Allocated Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>D LI 1: Institutional realignment and strengthening of Department of Agriculture and allied departments towards outcomes</strong></td>
<td>US$ 6,920,000</td>
<td>1.1</td>
<td>DoA has developed and instituted the staff management plan</td>
<td>Year 1 (FY 2020-21)</td>
<td>US$ 1,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.2</td>
<td>IT-Based MIS System is launched and is functioning</td>
<td>Year 2 (FY 2021-22) to Year 7 (FY 2026-27)</td>
<td>US$ 200,000 for the year in which the IT-Based MIS System is launched and US$ 150,000 for each subsequent year in which the system is functioning, up to a total of US$1,000,000 over Project duration</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.3</td>
<td>Staff performance appraisals against outcome goals of DoA are being conducted annually for at least 30% of the staff</td>
<td>Year 3 (FY 2022-23) to Year 7 (FY 2026-27)</td>
<td>US$ 20,000 for each percentage of staff being appraised, up to a total of US$ 1,500,000 per year and US$ 4,920,000 over Project duration</td>
</tr>
<tr>
<td><strong>D LI 2: Enhanced staff capacity of DoA to achieve outcomes</strong></td>
<td>US$ 5,600,000</td>
<td>2.1</td>
<td>DoA has developed a staff training management plan</td>
<td>Year 2 (2021-22)</td>
<td>US$ 700,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.2</td>
<td>DoA staff have been trained using upgraded modules</td>
<td>Year 2 (FY 2021-22) to Year 7 (FY 2026-27)</td>
<td>US$ 20,000 for each percentage of staff trained, up to a total of US$ 2,000,000 per year and US$ 4,900,000 over Project duration</td>
</tr>
<tr>
<td><strong>D LI 3: Enhanced market linkages, food quality and safety standards for focus geographies and commodities</strong></td>
<td>US$ 7,700,000</td>
<td>3.1</td>
<td>Scheme financing has been converged on the basis of cluster / commodity development plans developed and the plans are implemented</td>
<td>Year 2 (FY 2021-22) to Year 7 (FY 2026-27)</td>
<td>US$ 250,000 for each plan being implemented with convergence of scheme financing, up to a total of US$ 3,500,000 over Project duration</td>
</tr>
<tr>
<td>3.2</td>
<td>Increase in area under IndGAP or other needed standards for focus commodities</td>
<td>US$ 500,000 for each percentage increase in area under IndGAP or other standards up to a total of US$ 4,200,000 over Project duration</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Commitment-Linked Amortization Repayment Schedule

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").

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each June 15 and December 15</td>
<td></td>
</tr>
<tr>
<td>Beginning June 15, 2026</td>
<td>6.67%</td>
</tr>
<tr>
<td>through December 15, 2032</td>
<td></td>
</tr>
<tr>
<td>On June 15, 2033</td>
<td>6.62%</td>
</tr>
</tbody>
</table>
APPENDIX

Definitions

1. "Affected Person" means a person or entity who, on account of the execution of the Project and/or Sub-Projects, has experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.

2. "Agricultural Produce Marketing Committee" or the acronym "APMC" means any committee established pursuant to the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963 to facilitate trading of agricultural products.

3. "Agri-Enterprise" means an entity registered in accordance with the laws of the Borrower and/or the Project Implementing Entity, whose primary business activity is connected with agriculture and/or allied fields.

4. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the General Conditions, the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.

5. "ATMA" means the Agricultural Technology Management Agency registered under the Borrower’s Societies Registration Act of 1860, which agency is responsible for agricultural technology dissemination and other agricultural extension services at the district level in Maharashtra.

6. "Community-Based Organization" or the acronym "CBO" means a group of individuals organized around a common economic activity and registered as a legal entity in accordance with the laws of the Borrower and/or Project Implementing Entity, and includes farmer producer organizations/companies, farmer groups registered by ATMA, women-led cluster level federations, community managed resource centers and primary agriculture credit cooperative societies.

7. "Complementary Innovation Investment Sub-Project" means a project to be carried out by a CBO in order to pilot, disseminate and adopt innovative technologies and/or processes with the purpose of adding value to the produce and/or introducing new products, concepts and activities leading to better access to lucrative markets and higher economic benefits for producers, to be implemented in accordance with the provisions set forth in the Grant Agreement and the PIP.

8. "Capital Contribution to the PCGF" means the portion of the Loan to be provided by the PIE as its capital contribution to the PCGF for purposes of providing partial credit guarantees to cover credits extended by selected FIs to PCGF Beneficiaries. Such capital contribution shall not exceed the amounts actually utilized/disbursed by the PCGF to provide or commit such guarantees up to the Closing Date, unless otherwise agreed in accordance with the provisions of Section I.D.6 of the Schedule to the Project Agreement.
9. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

10. "Department of Agriculture" or the acronym "DoA" means the Project Implementing Entity's Department of Agriculture, or any successor thereto.

11. "Department of Animal Husbandry" means the Project Implementing Entity's Department of Animal Husbandry, or any successor thereto.

12. "Department of Marketing" or the acronym "DoM" means the Project Implementing Entity's Department of Marketing, or any successor thereto.

13. "Disbursement Linked Indicator" or "DLI" means the indicator set forth in the table in Schedule 3 to this Agreement.

14. "Disbursement Linked Result" or "DLR" means the result set forth in the table in Schedule 3 to this Agreement, on the basis of the achievement of which, the amount of the Loan allocated to said result may be withdrawn in accordance with the provisions of Section III.B of Schedule 2 to this Agreement.

15. "District Implementation Unit" and the acronym "DIU" means each of the units established under Section I.A.2(f) of the Schedule to the Project Agreement.

16. "Eligible Expenditure Program" and the acronym "EEP" means a portion of the PIE's budgetary allocation for the reasonable costs required for the implementation of Part A1 of the Project, comprising of salaries of core technical staff of DoA up to a maximum of fifty (50) percent of actual expenditure, goods, works, consulting services and non-consulting services, all as set forth in the PIP.

17. "ESMF" means the Environmental and Social Management Framework prepared by the Project Implementing Entity, satisfactory to the Bank, and disclosed on the Bank's website on October 4, 2019, setting out the principles, rules, guidelines and procedures to screen and assess the environmental and social impacts (including health and safety issues) of the Project and Sub-Project activities which will be identified and appraised during Project implementation, and containing measures and plans to avoid, minimize, mitigate and/or offset adverse impacts and/or reduce said adverse impacts to acceptable levels, and enhance positive impacts, provisions for estimating and budgeting the costs of such measures, and information on the agency or agencies responsible for addressing project impacts, and including the IPPF, RPF and PMP, as said instrument may be amended from time to time with the Bank's prior written agreement.

18. "ESMP" means the environmental and social management plan to be prepared for any Sub-Project or any other activity under the Project in accordance with the procedures and requirements under the ESMF, satisfactory to the Bank, which details (a) the measures to be taken during the implementation and operation of such Sub-Project or activity to avoid, minimize, mitigate or offset adverse environmental and social impacts (including health and safety issues), or to reduce them to acceptable levels; and (b) the actions needed to implement these measures, as said instrument may be amended from time to time with the Bank's prior written agreement.
19. "FI" means the financial institutions licensed to operate in the territory of the Borrower that will be selected, in accordance with the PCGF Operational Manual, to participate in the implementation of Part B3 of the Project.

20. "FM Manual" means the Financial Management Manual adopted by the PIE, dated November 14, 2019, 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 financial reporting; and (iv) audit arrangements; as such manual may be amended from time to time with the agreement of the Bank.

21. "Fiscal Year" or the acronym "FY" means the Borrower's fiscal year, which begins on April 1 of each calendar year and ends on March 31 of the next calendar year.


23. "Governing Council" means the council referred to under Section I.A.2(b) of the Schedule to the Project Agreement.

24. "Grant Agreement" means the agreement to be entered into by and between a Grant Recipient and the respective PIU pursuant to Section I.B of Schedule 2 to this Agreement, and in accordance with the provisions of the PIP, setting forth the terms and conditions applicable to Matching Grants.

25. "Grant Recipient" means a CBO or Stewardship Council selected to receive Matching Grants in accordance with Section I.B of the Schedule to the Project Agreement.

26. "Incremental Operating Costs" means reasonable and necessary expenditures incurred by the Project Implementing Entity including costs of operation, rent and maintenance of offices, communication costs, salaries of contractual staff, salaries of government staff on deputation to the Project as part of PCMU, PIUs, RIUs or DIUs, 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.

27. "IndGAP" means Indian Good Agricultural Practices developed on the lines of global Good Agricultural Practices (GAP) standards, set up by the Borrower's Quality Council of India with the aim to address quality and quantity of agricultural produce, food safety, pre- and post-harvest practices including workers' health and safety, to ensure sustained supply of agricultural produce of desirable quality.

28. "Indigenous Peoples Plan" means the indigenous people's plan to be prepared for a Sub-Project or any other activity under the Project in accordance with the procedures and requirements under the IPPF, satisfactory to the Bank, which includes the principles, procedures, organizational arrangements and budget to implement indigenous peoples related activities under the Sub-Project or activity, as said indigenous peoples plan may be revised from time to time with the prior written agreement of the Bank.
29. “IT-Based MIS System” means an online system to capture information on all functional areas of DoA, including monitoring, regulatory work, and process related functions, to be developed by the DoA.

30. “IPPF” means the Indigenous Peoples Planning Framework prepared and adopted by the Project Implementing Entity as part of the ESMF, satisfactory to the Bank, and which sets out the principles, organizational arrangements (including consultation, budget and disclosure), and design criteria to be applied to Project and Sub-Project activities which affect indigenous peoples, as such framework may be amended from time to time with the prior written agreement of the Bank.

31. “Maharashtra Cooperative Development Corporation” means the Maharashtra Cooperative Development Corporation Limited incorporated under the Borrower’s Companies Act, 2013 to operate as a non-banking financing company for cooperative organizations in Maharashtra.

32. “Maharashtra State Agricultural Marketing Board” means the Maharashtra State Agricultural Marketing Board set up pursuant to the Maharashtra Agricultural Produce Marketing (Development & Regulation) Act, 1963 with the objective of developing and coordinating APMCs and developing the agricultural marketing system in Maharashtra.

33. “Maharashtra State Cooperative Cotton Growers Marketing Federation” means the Maharashtra State Cooperative Cotton Growers Marketing Federation registered as a society under the Maharashtra Co-operative Societies Act, 1960, with the objective of supporting cotton farmers in production and trade of cotton and supporting minimum support price operations in cotton commodity.

34. “Maharashtra State Rural Livelihood Mission” means the Maharashtra State Rural Livelihood Mission registered as a society under the Borrower’s Societies Registration Act, 1860 with the objective of implementing the Project Implementing Entity’s livelihood development projects.

35. “Maharashtra State Warehousing Corporation” means the Maharashtra State Warehousing Corporation incorporated under the Borrower’s Companies Act, 2013 and functioning in accordance with the Project Implementing Entity’s Warehousing Corporations Act, 1962, with the objective of managing storage of agricultural produce.

36. “Mahila Arthik Vikas Mahamandal” means the Mahila Arthik Vikas Mahamandal incorporated under the Borrower’s Companies Act, 2013 with the objective to act as apex body for implementing Maharashtra’s women empowerment programs through self-help groups.

37. “Market Access Plan Sub-Project” means a project to be carried out by a CBO that involves development of market access plans to enable CBOs to undertake market research and identify access barriers and opportunities, and development and implementation of strategies for improving market linkages, to be implemented in accordance with the provisions set forth in the Grant Agreement and the PIP.
38. “Matching Grant” means a grant made to a CBO or a Stewardship Council in accordance with the provisions of I.B of the Schedule to the Project Agreement, for implementation of a Sub-Project under Part B1.1, Part C2 or Part A3.2 of the Project, as the case may be.


40. “PCGF Agreement” means the agreement to be entered into between PCGF and FI as set forth in Section I.D.3 of the Schedule to the Project Agreement.

41. “PCGF Beneficiary” means any CBO or Agri-Enterprise which has been selected in accordance with the criteria and procedures set forth in the PCGF Operational Manual to take benefit of guarantee cover from the PCGF for the credit it receives from a selected FI in accordance with the terms of the PCGF Operational Manual.

42. “Partial Credit Guarantee Facility” or the acronym “PCGF” means the partial credit guarantee facility to be developed, established and/or supported, as the case may be, under the Project, in accordance with the requirements set forth in the PIP, to provide partial credit guarantees to cover credits extended by selected FIs to CBOs and Agri-Enterprises in the territory of the PIE in accordance with the terms and conditions set forth in the PCGF Operational Manual.

43. “PCGF Manager” means the manager referred to in Section I.D.2(b) of the Schedule to the Project Agreement.

44. “PCGF Operational Manual” means the manual to be developed by the Project Implementing Entity, setting forth, inter alia, the rules and procedures set forth in Section I.D.2(d) of the Schedule to the Project Agreement; as such manual may be amended from time to time with the prior written concurrence of the Bank.

45. “PMP” means the pest management plan, prepared and adopted by the Project Implementing Entity as part of the ESMF, which sets out the principles, procedures, provisions and practices, acceptable to the Bank, to be applied to Project and Sub-Project activities which may involve use of pesticides and/or other harmful agro-chemicals.

46. “PPSD” means the PIE’s Project Procurement Strategy for Development, dated November 14, 2019, and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Bank.

47. “Procurement Manual” means the Procurement Manual for the Project dated November 14, 2019, adopted by the PIE, describing the procurement requirements applicable to the Project; as such manual may be amended from time to time with the agreement of the Bank.

49. "Productive Partnership Sub-Project" means a project to be carried out by a CBO that involves developing partnerships between the CBO and buyers in order to improve the competitiveness of the CBO in the market, to be implemented in accordance with the provisions set forth in the Grant Agreement and the PIP.

50. "Project Coordination and Monitoring Unit" and the acronym "PCMU" means the unit referred to under Section I.A.2(c) of the Schedule to the Project Agreement.

51. "Project Implementing Entity" or the acronym "PIE" means the Borrower's State of Maharashtra.

52. "Project Implementation Plan" or "PIP" means the plan dated November 14, 2019 adopted by the Project Implementing Entity, which plan includes the implementation arrangements for the Project, including inter alia: (i) the details of the Project activities including results framework and overall budget; (ii) the Project implementation arrangements; (iii) the criteria and process of selection of Grant Recipients, and related modalities such as cost-sharing requirements, financial management and procurement requirements, and monitoring and evaluation procedures; (iv) the model forms for Grant Agreements; (v) the format of the interim unaudited financial reports to be submitted under the Project; (vi) the Project's administrative, accounting, auditing, reporting, financial management and procurement requirements; (vii) the Project's environmental and social safeguard requirements; and (viii) the Project's monitoring and evaluation, and reporting requirements; as such plan may be amended from time to time with the prior concurrence of the Bank.

53. "Project Implementation Unit" or the acronym "PIU" means each of the units established under Section I.A.2(d) of the Schedule to the Project Agreement.

54. "Project Steering Committee" means the committee referred to under Section I.A.2(a) of the Schedule to the Project Agreement.

55. "Pune Municipal Corporation" means the local self-governance body established pursuant to the Maharashtra Municipal Corporations Act, 1949, in order to provide set of municipal services including maintenance and regulation of markets and slaughterhouses, sanitation, streetlighting and education in the city of Pune in Maharashtra.

56. "RAP" means the resettlement action plan to be prepared for a Sub-Project or any other activity under the Project in accordance with the procedures and requirements of the RPF, which includes the principles, procedures, organizational arrangements and budget to implement the resettlement related activities under the Sub-Project or activity, as said resettlement action plan may be revised from time to time with the prior written agreement of the Bank.

57. "Region" means areas identified as a region by the DoA for governance of its activities.

58. "Regional Implementation Unit" and the acronym "RIU" means each of the units established under Section I.A.2(e) of the Schedule to the Project Agreement.
59. "RPF" means the Resettlement Policy Framework prepared and adopted by the Project Implementing Entity as part of the ESMF, satisfactory to the Bank, which sets out the resettlement principles, organizational arrangements (including consultation and budget), and design criteria to be applied to resettlement related Project and Sub-Project activities to be prepared during Project implementation, as such framework may be amended from time to time with the prior written agreement of the Bank.

60. "Safeguard Documents" means collectively, the ESMF (including the RPF, IPPF and PMP), and any ESMPs, RAPs and Indigenous Peoples Plans and any other plans that may be required and prepared in accordance with the ESMF.

61. "Signature Date" means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to "the date of the Loan Agreement" in the General Conditions.

62. "SMART Society" means the State of Maharashtra’s Agribusiness and Rural Transformation - SMART Society established pursuant to Borrower’s Societies Registration Act, 1860 in order to implement the Project and other related projects as directed by the Project Implementing Entity.

63. "Stewardship Council" means a council established under Part A3.2 of the Project, which council shall consist of representatives from relevant stakeholders such as farmer federations, trader groups, distributors and institutional buyers, for providing stewardship to the value chains of selected commodities.

64. "Stewardship Sub-Project" means a project to be carried out by a Stewardship Council that involves activities for development and growth of selected value chains, to be implemented in accordance with the provisions set forth in the Grant Agreement and the PIP.

65. "Sub-Project" means a Productive Partnership Sub-Project, Market Access Plan Sub-Project, Complementary Innovation Investment Sub-Project, Warehouse Sub-Project or Stewardship Sub-Project.

66. "Technical and Fiduciary Assessment" means the assessment to be carried out as part of due diligence needed prior to the operationalization of the new or existing PCGF, which assessment shall include analysis of PCGF’s related constitutive documents, PCGF Operational Manual, governance structure and management to ensure adequate compliance with fiduciary obligations, adherence to Safeguard Documents, and Anti-Corruption Guidelines and aiming to achieve a systematic and effective PCGF investment management system.

67. "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.
68. "Village Social Transformation Foundation" or the acronym "VSTF" means the Maharashtra Village Social Transformation Foundation incorporated pursuant to the Borrower's Companies Act, 2013 with the objective of bringing private sector resources, expertise and financing for rural transformation and development in Maharashtra.

69. "Warehouse Sub-Project" means a project to be carried out by a CBO that involves construction of a warehouse and provision of relevant support services under Part C2 of the Project, to be implemented in accordance with the provisions set forth in the Grant Agreement and the PIP.