

CONFORMED COPY

LOAN NUMBER 7818-IN

Loan Agreement

(Sustainable Urban Transport Project)

between

INDIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated February 5, 2010

LOAN AGREEMENT

AGREEMENT dated February 5, 2010, between INDIA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”).

Whereas the Borrower has also requested the Bank to provide additional assistance towards the financing of the project (“Project”) described in Schedule 1 to this Agreement, and by an agreement of even date between the Borrower and the Bank (“GEF Grant Agreement”), the Bank, acting as an implementing agency of the Global Environment Facility (“GEF”), has agreed to extend to the Borrower (the “Recipient” under the GEF Grant Agreement) a grant in an amount equal to twenty million and three hundred and thirty thousand United States Dollars (\$20,330,000) (“Grant”).

Now, therefore, 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 and 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 and five million, two hundred and thirty thousand Dollars (\$105,230,000) (“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 interest payable by the Borrower for each Interest Period shall be at a rate equal to LIBOR for the Loan Currency plus the Variable Spread; provided, 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02(d) of the General Conditions.

- 2.05. The Payment Dates are July 15 and January 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.07. (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 unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to 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; and (iii) the setting of limits on the Variable 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.
- (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.

ARTICLE III – PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause Part 2 of the Project to be carried out by the Participating States, in accordance with the provisions of Article V of the General Conditions and the Project Agreements.

- 3.02. The Borrower shall make the proceeds of the Loan available to the Participating States for carrying out Part 2 of the Project.
- 3.03. 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 – EFFECTIVENESS; TERMINATION

- 4.01. The Additional Condition of Effectiveness is, namely that, all conditions precedent to the effectiveness of the GEF Grant Agreement (other than the effectiveness of the Loan Agreement) have been fulfilled.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE V – REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower's Representative is the Secretary or any Additional Secretary, Joint Secretary, Director, Deputy Secretary or Under Secretary of the Department of Economic Affairs in the Ministry of Finance of the Borrower.
- 5.02. The Borrower's Address is:

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

Cable:	Telex:	Facsimile:
ECOFAIRS New Delhi	953-31-66175 FINE IN	91-11-23094075

- 5.03. The Bank's Address is:

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

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED at New Delhi, India, as of the day and year first above written.

INDIA

By /s/ Anup K. Pujari
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ N. Roberto Zagha
Authorized Representative

SCHEDULE 1

Project Description

The Project's development objective is to promote environmentally sustainable transport nationally and to improve the usage of environment-friendly transport modes through demonstration projects in selected cities.

The Project consists of the following parts:

Part 1. Capacity Development Assistance for Urban Transport

Providing technical assistance to the Borrower's Ministry of Urban Development in order to improve national, state, and local capacity to implement the National Urban Transport Policy, including: (i) development of implementation strategies and plans to implement key urban transport reforms envisioned in the National Urban Transport Policy; (ii) piloting model urban transport databases; (iii) identification and preparation of potential environmental-friendly urban transport investments in cities; and (iv) developing a national research program on sustainable urban transport.

Part 2. City Demonstration Projects

Designing and implementing high-profile and replicable city demonstration projects focusing on sustainable transport solutions in selected cities in the Participating States. Activities to be financed by the Bank shall include, among other things, the following activities:

A. Chhattisgarh

Carrying out physical investments for initial bus rapid transport corridors in Naya Raipur including new roads, cycle tracks, pedestrian walkways, bus stops, bus shelters, bus terminals, and bus depot.

B. Maharashtra

1. Constructing pedestrian and bicycle infrastructure along existing bus rapid transport corridors in Pune.
2. Improving public transport system in Pune.
3. Implementation of a bus rapid transit system in Pimpri Chinchwad including:
 - (a) constructing relevant road infrastructure and structures; and
 - (b) other works associated with implementation of the system.

SCHEDULE 2**Project Execution****Section I. Implementation Arrangements****A. Institutional Arrangements**

1. The Borrower shall:
 - (a) maintain throughout the period of Project implementation a Steering Committee chaired by the Secretary, Ministry of Urban Development and consisting of the Project Director and other senior officers from the Ministry of Urban Development and other relevant ministries to lead the implementation of the Project; and
 - (b) establish and maintain throughout the period of Project implementation a national Project Management Unit, headed by a Project Director who is a senior officer from the Ministry of Urban Development, and supported by a full-time Project Manager and a multi-disciplinary team of suitably qualified personnel, and with resources sufficient to carry out the technical, financial management, procurement management, social, environmental, monitoring and evaluation, and public communication activities required to achieve the Project's development objective in a timely and effective manner.
 - (c) shall appoint no later than ninety (90) days after the Effective Date and thereafter maintain throughout the period of Project implementation, a suitably qualified finance manager at the Project Management Unit, and shall cause each of the Participating States to appoint no later than ninety (90) days after the Effective Date and, maintain throughout the period of Project implementation, a suitably qualified finance professional, at the respective Project Implementing Agencies.
2. The Borrower shall:
 - (a) cause each of the Participating States to carry out Part 2 of the Project through its designated Project Implementing Agencies in accordance with this Agreement, its respective Project Agreement with the Bank, Financial Management Manual, the Operations Manual, the Environmental and Social Management Framework including, where applicable, Environmental Management Plan(s) and Resettlement Action Plan(s), and the Participation Agreement;

- (b) cause each of the Participating States to take all necessary steps to ensure that all Project activities are implemented in accordance with the Schedule to the Project Agreements;
- (c) provide each of the Participating States with financial and technical assistance required for the implementation of Project activities at the state level; and
- (d) protect the interests of the Borrower and the Bank to accomplish the purposes 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 and the Governance and Accountability Action Plan.

C. Other Matters

Notwithstanding any existing allocation of an amount of the Loan to a category of expenditures in the table in Section IV.A of this Schedule, the Bank and the Borrower may agree at any time to modify such allocations including the addition or revision of any category of expenditure, based on mutually agreed criteria.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower through the Ministry of Urban Development shall 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 indicators agreed with the Bank. Each Project Report shall cover the period of one (1) quarter, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.
2. For purposes of Section 5.08(c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Bank not later than May 31, 2015.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall through the Ministry of Urban Development maintain or 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 through the Ministry of Urban Development cause the Participating States to prepare and furnish to the Bank not later than forty-five (45) days after the end of each quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.
3. The Borrower shall through the Ministry of Urban Development have the Financial Statements audited in accordance with the provisions of Section 5.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) Financial Year, commencing with the Financial Year in which the first withdrawal under the Project was made. The audited Financial Statements for each such period for each Project Implementing Agency shall be furnished to the Bank not later than six (6) months after the end of such period.
4. The Borrower through the Ministry of Urban Development shall appoint internal auditors for the Project with terms of reference agreed with the Bank no later than ninety (90) days after the Effective Date and establish and maintain throughout the period of Project implementation an audit committee.

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 the Procurement Guidelines, or 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 subject to the following additional procedures:

- (a) the Procurement Plan shall specify the circumstances under which such procurement method may be used; and
- (b) standard bidding documents and procedures approved by the Bank shall be used.

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

Procurement Method
(a) National Competitive Bidding, and the additional provisions agreed between the Borrower and the Bank
(b) Limited Competitive Bidding/Shopping
(c) Direct Contracting

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, subject to the following additional procedures:

- (a) the Procurement Plan shall specify the circumstances under which such procurement method may be used; and
- (b) standard Request for Proposal documents and procedures approved by the Bank shall be used.

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

Procurement Method
(a) Quality-Based Selection
(b) Selection under a Fixed Budget
(c) Least-Cost Selection
(d) Selection Based on the Consultants' Qualifications
(e) Single-Source Selection
(f) Selection of Individual Consultants as per the Guidelines

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 "World Bank Disbursement Guidelines for Projects" dated May 2006, 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	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Chhattisgarh (a) Works under Part 2A of the Project	12,270,000	100%

(b) Goods under Part 2A of the Project	1,667,000	100%
(2) Maharashtra		
(a) Works under sub-component (1) of Part 2B of the Project	20,063,000	100%
(b) Works under sub-component (2) of Part 2B of the Project	15,458,000	48%
(c) Goods under sub-components (1) and (2) of Part 2B of the Project	2,084,000	22%
(d) Works under sub-component (3a) of Part 2B of the Project	29,877,000	28%
(e) Works under sub-component (3b) of Part 2B of the Project	6,667,000	100%
(f) Goods under sub-component (3) of Part 2B of the Project	1,458,000	78%
(c) Unallocated	15,422,925	
(3) Front-end Fee	263,075	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions
(4) Premia for Interest Rate Caps and Interest Rate Collars	0	Amount due pursuant to Section 2.07(c) of this Agreement
TOTAL AMOUNT	105,230,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$20,000,000 respectively may be made for payments made prior to this date but on or after January 1, 2009 for Eligible Expenditures under Category 1, Category 2, and Category 3.
2. The Closing Date is November 30, 2014.

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.

Principal Payment Date	Installment Share (Expressed as a Percentage)
On each January 15 and July 15 Beginning January 15, 2015 through July 15, 2039	2%

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 amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two (2) 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 (1) 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**

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
2. “BRT” means the Bus Rapid Transit System or a high-performance bus-based public transport system, which combines physically segregated roadways reserved for buses with other innovative features, such as modern off-board fare collection systems, level entry between station platforms and the buses, central bus control and other features, and careful planning and management of bus services.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
5. “Environmental Management Plan” means the plan prepared by each of the Participating States in a manner satisfactory to the Bank and in accordance with the provisions of the Environmental and Social Management Framework and includes any subsequent amendments made with the Bank’s agreement.
6. “Environmental and Social Management Framework” means the framework acceptable to the Bank dated February 26, 2009, which describes the principles, objectives, and approaches to be followed in minimizing any adverse environmental and social impacts from carrying out Project activities including land acquisition and involuntary resettlement and includes principles and guidelines for the preparation of any Environmental Management Plan and Resettlement Action Plan that may be necessary to mitigate those impacts and includes any subsequent amendments made with the Bank’s agreement.
7. “Financial Management Manual” means the Borrower’s manual dated October 29, 2009, including subsequent amendments made with the Bank’s agreement, containing various arrangements and procedures regarding financial management, accounting, fund flow, reporting, and audit.
8. “Financial Year” means the Borrower’s financial year beginning April 1 and ending March 31 of the following year.

9. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005 (as amended through February 12, 2008) with the modifications set forth in Section II of this Appendix.
10. “GEF Grant Agreement” means the agreement between the Borrower and the World Bank for the Project, of the same date as this Agreement, as such agreement may be amended from time to time.
11. “Governance and Accountability Action Plan” means the plan dated May 26, 2009 adopted by the Borrower and by each of the Participating States that sets forth the key actions to be undertaken to strengthen governance, transparency, and accountability under the Project, as such plan may be revised from time to time with the prior approval of the World Bank.
12. “Ministry of Urban Development” means a ministry of the Borrower’s central government responsible for the formulation of policies, coordination of activities, and support and monitoring of programs concerning urban development and including any successor ministry or agency thereto.
13. “Operations Manual” means the Project’s operational manual dated May 26, 2009 including subsequent amendments made with the Bank’s agreement that outlines various principles, rules, and procedures for implementing the Project.
14. “Participating States” means the States of Chhattisgarh and Maharashtra, and such other State or States, as may be selected by the Borrower from time to time and agreed by the Bank, which are responsible as Project Implementing Entities (as such term is defined in the General Conditions) for ensuring the implementation of Part 2 of this Project through their respective Project Implementing Agencies, provided, however, that no State shall be eligible to become a Participating State unless it has first entered into a Project Agreement with the Bank.
15. “Participation Agreement” means the agreement between the Ministry of Urban Development, the Participating States, and each Project Implementing Agency including such amendments and revisions to the agreement that may be made with the World Bank’s concurrence.
16. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
17. “Procurement Plan” means the procurement plan for the Project, dated May 27, 2009 and referred to in paragraph 1.16 of the Procurement Guidelines and

paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

18. “Project Agreement” means the individual agreement between the Bank and each of the Participating States respectively, relating to the carrying out of Part 2 of the Project, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the Project Agreement.
19. “Project Director” means the Project Director of the Borrower’s Project Management Unit appointed under Part A.1(b) of Section I in Schedule 2 to this Agreement.
20. “Project Implementation Unit” means each unit established by the Project Implementing Agency to manage the day-to-day implementation of city demonstration projects under Part 2 of the Project.
21. “Project Implementing Agency” means the responsible agency designated to implement, monitor, and evaluate each city demonstration project under Part 2 of the Project and the term “Project Implementing Agencies” shall refer collectively to every Project Implementing Agency.
22. “Project Management Unit” means the unit established by the Borrower to manage the day-to-day implementation of Project activities.
23. “Project Manager” means the Project Manager appointed under Part A.1(b) of Section I in Schedule 2 to this Agreement to support the Project Management Unit.
24. “Resettlement Action Plan” means the plan prepared by the Participating States in a manner acceptable to the Bank and in accordance with the Environmental and Social Management Framework, which sets out the compensation and rehabilitation measures to be carried out to address the impacts of displacement and loss of livelihood on the community as a result of the implementation of the Project, and includes any subsequent amendments made with the Bank’s agreement.
25. “State” means any State of the Borrower or any successor(s) thereto.
26. “Steering Committee” means the inter-ministerial committee referred to in paragraph 1(a) of Section I.A of Schedule 2 to this Agreement, chaired by the Ministry of Urban Development, and responsible for providing guidance and coordination on Project preparation and implementation.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Paragraph (l) of Section 7.02 is modified to read as follows:

“Section 7.02. *Suspension by the Bank*

... (l) *Ineligibility.* The Bank or the Association has declared the Borrower (other than the Member Country) or the Project Implementing Entity ineligible to receive proceeds of any financing made by the Bank or the Association or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Bank or the Association, as a result of a determination by the Bank or the Association that the Borrower or the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Bank or the Association.”

2. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The definition of the term “Conversion Date” is modified to read as follows:

“‘Conversion Date’ means, in respect of a Conversion, the Execution Date (as herein defined) or such other date as requested by the Borrower and accepted by the Bank, on which the Conversion enters into effect, and as further specified in the Conversion Guidelines.”