
LOAN NUMBER 3257-IND

LOAN AGREEMENT
(Ordinary Operations)

(Supporting National Urban Health Mission – Results-Based Lending)

between

INDIA

and

ASIAN DEVELOPMENT BANK

DATED 28 JULY 2015

IND 47354

**LOAN AGREEMENT
(Ordinary Operations)**

LOAN AGREEMENT dated 28 July 2015 between INDIA acting by its President (“Borrower”) and ASIAN DEVELOPMENT BANK (“ADB”).

WHEREAS

(A) the Borrower has applied to ADB for a loan for the purposes of the Program described in Schedule 1 to this Loan Agreement;

(B) the Program will be carried out by the Borrower’s Ministry of Health and Family Welfare (“MOHFW”), and for this purpose the Borrower will make available to MOHFW the proceeds of the Loan provided for herein upon terms and conditions mutually satisfactory to ADB and the Borrower; and

(C) ADB has agreed to make a loan to the Borrower from ADB’s ordinary capital resources upon the terms and conditions set forth herein and in the Program Agreement of even date herewith between ADB and MOHFW;

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I

Loan Regulations; Definitions

Section 1.01. All the provisions of the Ordinary Operations Loan Regulations Applicable to LIBOR-Based Loans Made from ADB’s Ordinary Capital Resources, dated 1 July 2001 (“Loan Regulations”), are hereby made applicable to this Loan Agreement with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications:

(a) Section 2.01(49) is deleted and the following is substituted therefor:

49. The term “Program” means the program for which ADB has agreed to make the Loan, as described in the Loan Agreement and as the description thereof may be amended from time to time by agreement between ADB and the Borrower.

(b) The term “Project” wherever it appears in the Loan Regulations shall be substituted by the term “Program”.

(c) Section 2.01(50) is deleted and the following is substituted therefor:

“Program Agreement” means the Program Agreement of even date herewith between ADB and MOHFW.

(d) The term “Project Executing Agency” appearing in Section 7.04(b), 9.01(d), 9.01(f), 9.01(k), 10.01(c) and 10.02(c) of the Loan Regulations shall be substituted by the term “MOHFW”.

(e) Section 3.03 is deleted and the following is substituted therefor:

Commitment Charge; Credit. (a) The Borrower shall pay a commitment charge on the unwithdrawn amount of the Loan at the rate and on the terms specified in the Loan Agreement.

(b) ADB shall provide to the Borrower a credit at the rate specified in the Loan Agreement, which credit shall remain fixed for the term of the Loan. ADB shall apply the credit against the interest payable by the Borrower.

(f) Section 3.06 is deleted and the following is substituted therefor:

Rebate. (a) Following any announcement by ADB that the Fixed Spread applicable to new Loans shall be reduced, ADB shall provide a Rebate to any Borrower with an outstanding Loan on which a higher Fixed Spread is applicable. The amount of the Rebate shall be determined by multiplying (i) the difference between the Fixed Spread applicable to the outstanding Loan and the Fixed Spread that will be applied to new Loans (expressed as a percentage per annum), by (ii) the principal amount of the outstanding Loan on which the Borrower shall pay interest for all interest periods commencing on and after the effective date of the lower Fixed Spread that will be applied to new Loans.

(b) Following any announcement by ADB that its Funding Cost Margin calculations with respect to any Loan Currency (or Approved Currency) in any Semester resulted in ADB achieving savings, ADB shall provide a Rebate to the Borrower. The amount of the Rebate shall be determined by multiplying (i) the Funding Cost Margin (expressed as a percentage per annum) by (ii) the principal amount of the Loan on which the Borrower shall pay interest for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated. ADB shall apply the amount of the Rebate against the interest payable by the Borrower for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated.

(g) Section 3.07 is deleted and the following is substituted therefor:

Surcharge. (a) Following any announcement by ADB that the Fixed Spread applicable to new Loans shall be

increased, any Borrower with an outstanding Loan on which a lower Fixed Spread is applicable shall pay ADB a Surcharge. The amount of the Surcharge shall be determined by multiplying (i) the difference between the Fixed Spread that will be applied to new Loans and the Fixed Spread applicable to the outstanding Loan (expressed as a percentage per annum), by (ii) the principal amount of the outstanding Loan on which the Borrower shall pay interest for all interest periods commencing on and after the effective date of the higher Fixed Spread that will be applied to new Loans.

(b) Following any announcement by ADB that its Funding Cost Margin calculations with respect to any Loan Currency (or Approved Currency) in any Semester resulted in ADB incurring additional costs, the Borrower shall pay ADB a Surcharge. The amount of the Surcharge shall be determined by multiplying (i) the Funding Cost Margin (expressed as a percentage per annum) by (ii) the principal amount of the Loan on which the Borrower shall pay interest for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated. ADB shall add the amount of the Surcharge to the interest payable by the Borrower for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated.

Section 1.02. Wherever used in this Loan Agreement, the several terms defined in the Loan Regulations have the respective meanings therein set forth unless modified herein or the context otherwise requires. Additional terms used in this Loan Agreement have the following meanings:

(a) “ADB’s Results-Based Lending Policy” means ADB’s policy set out in the R-Paper on Piloting Results-Based Lending for Programs approved by ADB on 6 March 2013;

(b) “Anticorruption Guidelines” means ADB’s Guidelines to Prevent or Mitigate Fraud, Corruption and Other Prohibited Activities in Results-Based Lending for Programs attached as Appendix 7 to ADB’s Results-Based Lending Policy;

(c) “ASHA” means accredited social health activist;

(d) “CPMU” means city program management unit;

(e) “Deposit Account” means the bank account into which all withdrawals from the Loan Account shall be deposited;

(f) “DLI” or “Disbursement Linked Indicator” means each disbursement linked indicator set forth in Attachment 1 of Schedule 3 to this Loan Agreement which the Borrower is required to satisfy in order to withdraw the amount of the Loan proceeds

allocated to such disbursement linked indicator as set forth in Attachment 2 of Schedule 3 to this Loan Agreement;

(g) “DLI Matrix” means the DLI matrix for the Program as set out in Attachment 1 of Schedule 3 to this Loan Agreement and agreed between the Borrower and ADB, as updated from time to time, which sets out each DLI and its corresponding protocol for the purposes of verifying the Borrower’s compliance with each DLI;

(h) “DLI Verification Protocol” means the verification protocol for the Program, included in the PID, which sets out the protocol for verifying the Borrower’s compliance with each DLI;

(i) “DPMU” means district program management unit;

(j) “Eligible Expenditures” means the total expenditures incurred by the Borrower under NUHM during its Fiscal Year minus the Excluded Expenditures incurred by the Borrower under NUHM during the same Fiscal Year;

(k) “Environmental Safeguards” means the objectives, scope, triggers and policy principles set forth in the section entitled Environmental Safeguards in Chapter V of the SPS;

(l) “Excluded Expenditures” means (i) expenditures for procurement of works, goods, and services from countries which are not members of ADB; (ii) expenditures for procurement of works, goods, and services from entities sanctioned by ADB; (iii) expenditures for procurement involving high-value contracts as determined under ADB’s Results-Based Lending Policy and its implementing rules; (iv) expenditure for procurement under the small and medium enterprise preference scheme of the Borrower; (v) expenditures for any prohibited investment activities provided in Appendix 5 of SPS; (vi) any other expenditures excluded from financing under ADB’s Results-Based Lending Policy; and (vii) any expenditures on components involving resettlement and/or indigenous peoples risks or impacts within the meaning of the SPS, incurred by the Borrower under NUHM during its Fiscal Year;

(m) “Financing Arrangements” means the arrangement between the Borrower and MOHFW as per current policy of the Borrower, and acceptable to ADB;

(n) “FY” means the fiscal year of the Borrower which runs from 1 April to 31 March in each year;

(o) “HMIS” means the Health Management Information System;

(p) “Loan Disbursement Handbook” means ADB’s Loan Disbursement Handbook (2012, as amended from time to time);

(q) “MAS” or “Mahila Arogya Samitis” means local women’s collectives;

(r) “MOHFW” means the Borrower’s Ministry of Health and Family Welfare, or any successor thereto acceptable to ADB;

- (s) “NRHM” means the Borrower’s National Rural Health Mission;
- (t) “NUHM” means the Borrower’s National Urban Health Mission (2013), which shall be supported by the Program;
- (u) “PAP” or “Program Action Plan” means the action plan for NUHM, as included in the PID, and agreed between the Borrower and ADB, as updated from time to time;
- (v) “PID” or “Program Implementation Document” means the implementation document for the Program, dated March 2015 and agreed between the Borrower and ADB, as updated from time to time;
- (w) “PIP” or “Program Implementation Plan” means program implementation plan prepared and submitted by the states and UTs, and evaluated, approved and monitored by MOHFW;
- (x) “Program facilities” means facilities and structures to be constructed under the Program;
- (y) “SPMU” means state program management unit;
- (z) “SPS” means ADB’s Safeguard Policy Statement (2009);
- (aa) “state” means a political subdivision within the territory of the Borrower;
- (bb) “UCHCs” means urban community health centers;
- (cc) “ULB” means urban local body;
- (dd) “UPHCs” means urban primary health centers; and
- (ee) “UT” or “Union Territory” means a political subdivision within the territory of the Borrower.

ARTICLE II

The Loan

Section 2.01. (a) ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount of three hundred million Dollars (\$300,000,000) (“Loan”), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.06 of this Loan Agreement.

(b) The Loan has a principal repayment period of 15 years, and a grace period as defined in subsection (c) hereinafter.

(c) The term “grace period” as used in subsection (b) hereinabove means the period prior to the first Principal Payment Date in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

Section 2.02. The Borrower shall pay to ADB interest on the principal amount of the Loan withdrawn and outstanding from time to time at a rate for each Interest Period equal to the sum of:

- (a) LIBOR; and
- (b) 0.60% as provided by Section 3.02 of the Loan Regulations less a credit of 0.10% as provided by Section 3.03 of the Loan Regulations.

Section 2.03. The Borrower shall pay a commitment charge of 0.15% per annum. Such charge shall accrue on the full amount of the Loan (less amounts withdrawn from time to time), commencing 60 days after the date of this Loan Agreement.

Section 2.04. Interest and other charges on the Loan shall be payable semiannually on 1 December and 1 June in each year.

Section 2.05. The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the provisions of Schedule 2 to this Loan Agreement.

Section 2.06. (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, whether withdrawn and outstanding 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 Floating Rate to a Fixed Rate, or vice versa; and
- (iii) the setting of limits on the Floating 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 said Floating Rate.

(b) Any conversion requested pursuant to subsection (a) hereinabove that is accepted by ADB shall be considered a “Conversion”, as defined in Section 2.01(6) of the Loan Regulations, and shall be effected in accordance with the provisions of Article V of the Loan Regulations and the Conversion Guidelines.

ARTICLE III

Use of Proceeds of the Loan

Section 3.01. The Borrower shall make the proceeds of the Loan available to MOHFW upon terms and conditions mutually agreeable to ADB and the Borrower, and shall (a) cause the Loan proceeds to be applied to the financing of expenditures on NUHM; and (b) ensure that the Loan proceeds are used for their intended purposes in accordance with the generally accepted principles of economy, efficiency, transparency and accountability.

Section 3.02. The proceeds of the Loan shall be allocated and withdrawn in accordance with the provisions of Schedule 3 to this Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB.

Section 3.03. The Borrower shall ensure that no Loan proceeds are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.

Section 3.04. The Borrower shall ensure that in any Fiscal Year the amount of Eligible Expenditures is at least equal to or exceeds the proceeds of the Loan withdrawn by the Borrower under the Program in the same Fiscal Year.

Section 3.05. The Loan Closing Date for the purposes of Section 9.02 of the Loan Regulations shall be 30 September 2018 or such other date as may from time to time be agreed between the Borrower and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. (a) The Borrower shall cause the Program to be carried out by MOHFW with due diligence, economy, efficiency, transparency and accountability, and in conformity with sound applicable technical, financial, business, and development practices.

(b) In the carrying out of the Program and operation of the Program facilities, the Borrower shall perform, or cause to be performed by MOHFW, all obligations set forth in Schedule 4 to this Loan Agreement and the Program Agreement.

Section 4.02. The Borrower shall make available, promptly as needed, the funds, facilities, services, as required, in addition to the proceeds of the Loan, for the carrying out of the Program and for the operation and maintenance of the Program facilities.

Section 4.03. The Borrower shall ensure, or cause MOHFW to ensure, that the activities of its departments and agencies with respect to the carrying out of the Program and operation of Program facilities are conducted and coordinated in accordance with sound administrative policies and procedures.

Section 4.04. (a) The Borrower shall maintain, or cause to be maintained, records and documents adequate to identify the Eligible Expenditures financed out of the proceeds of the Loan and to indicate the progress of NUHM.

(b) ADB shall disclose the annual audited financial statements for NUHM and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website.

(c) The Borrower shall enable ADB's representatives to inspect the Program, the goods and works, and any relevant records and documents.

Section 4.05. (a) As part of the reports and information referred to in Section 7.04 of the Loan Regulations, the Borrower shall furnish, or cause to be furnished, to ADB all such reports and information as ADB shall reasonably request concerning the implementation of the Program, including the accomplishment of the DLIs and carrying out of the actions set out in the PAP.

(b) Without limiting the generality of the foregoing or Section 4.05 of the Loan Regulations, the Borrower shall furnish, or cause to be furnished, to ADB semiannual reports on the carrying out of the Program and on the accomplishment of the DLIs and carrying out of the actions set out in the PAP.

Section 4.06 (a) ADB and the Borrower shall cooperate fully to ensure that the purposes of the Loan shall be accomplished.

(b) The Borrower shall promptly inform ADB of any condition which interferes with, or threatens to interfere with, the progress of the Program, the performance of its obligations under this Loan Agreement, or the accomplishment of the purposes of the Loan.

(c) ADB and the Borrower shall from time to time, at the request of either party, exchange views through their representatives with regard to any matters relating to the Program or the Loan.

Section 4.07. In so far as it relates to the Program, the Borrower shall take all actions which shall be necessary on its part to enable MOHFW to perform its obligations under the Program Agreement, and shall not take or permit any action which would interfere with the performance of such obligations.

Section 4.08. (a) In so far as it relates to the Program, the Borrower shall exercise its rights under the Financing Arrangements in such a manner as to protect the interests of the Borrower and ADB and to accomplish the purposes of the Loan.

(b) In so far as it relates to the Program, no rights or obligations under the Financing Arrangements shall be assigned, amended, abrogated or waived without prior notice to ADB.

ARTICLE V

Effectiveness

Section 5.01. A date 90 days after the date of this Loan Agreement is specified for the effectiveness of this Loan Agreement for the purposes of Section 10.04 of the Loan Regulations.

ARTICLE VI

Miscellaneous

Section 6.01. The Secretary, Additional Secretary, Joint Secretary, Director, or Deputy Secretary, in the Department of Economic Affairs of the Ministry of Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 12.02 of the Loan Regulations.

Section 6.02. The following addresses are specified for the purposes of Section 12.01 of the Loan Regulations:

For the Borrower

The Secretary to the Government of India
Department of Economic Affairs
Ministry of Finance
North Block
New Delhi – 110001
India

Facsimile Number:

+91 11 2309-2511.

For ADB


Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines

Facsimile Numbers:

+63 2 636-2444
+63 2 636-2449.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

INDIA

By  28/7/15
RAJ KUMAR
Joint Secretary (MI)
Department of Economic Affairs

ASIAN DEVELOPMENT BANK

By 
M. TERESA KHO
Country Director

SCHEDULE 1

Description of the Program

1. The objective of the Program is to support NUHM implementation towards a more equitable and quality urban health system.

2. The Program shall support NUHM in the following areas:

Part 1: Strengthening the urban primary health care delivery system by:

- (i) establishing a system of urban primary health care facilities in the NUHM included cities and towns;
- (ii) mapping of slums and vulnerable populations for city health planning, with active involvement of ULBs;
- (iii) ensuring that minimum requirements (e.g., critical inputs [staff, medicine, equipment] and service packages, including referral service informed by existing geographic information system) are met at the UPHCs, and that the progress is closely monitored;
- (iv) strengthening community outreach services to extend community health awareness and demand for services through linking communities to UPHCs by engaging ASHAs and MAS; and
- (v) timely recruitment and adequate training of ASHAs, and close monitoring of their functioning and effectiveness.

Part 2: Improving the quality of urban health services by:

- (i) introducing a quality assurance mechanism for urban primary health facilities in a phased manner;
- (ii) ensuring that NUHM (a) focuses on organizational arrangements for quality assurance and capacity to manage the quality assurance system at the state level, (b) includes client-satisfaction as a quality measurement, and (c) monitors the progress and assesses effectiveness of the quality assurance mechanism to guide states for further quality improvements; and
- (iii) providing policy guidelines for partnership with private sector, including not-for-profit sector, for delivery of health care.

Part 3: Strengthening capacity for planning, management, and innovation and knowledge sharing by:

- (i) monitoring the progress towards urban health specific management personnel to enhance staff capacity to implement NUHM;
- (ii) assisting MOHFW to adopt and implement a capacity development framework to plan, monitor and incentivize capacity development for urban health system, prioritizing states with weak capacity, through the demand-based technical support;
- (iii) enhancing the existing NRHM monitoring and evaluation mechanisms and staff capacity to better support NUHM operations, progress monitoring, and feedback to policy and planning through (a) improving the existing HMIS to produce urban disaggregated data, (b) strengthening existing management information systems to cover NUHM progress, and (c) improving data analysis capacity for key health outcome indicators; and
- (iv) assisting MOHFW to develop and implement a framework for innovations and partnerships and closely monitor its implementation.

3. The Program is expected to be completed by 31 March 2018.

SCHEDULE 2

Amortization Schedule

(Supporting National Urban Health Mission – Results-Based Lending)

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 shall 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 ADB by multiplying: (a) the total principal amount of the Loan withdrawn and outstanding as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayment amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Date Payment Due	Installment Share (Expressed as a %)
1 December 2020	3.333333
1 June 2021	3.333333
1 December 2021	3.333333
1 June 2022	3.333333
1 December 2022	3.333333
1 June 2023	3.333333
1 December 2023	3.333333
1 June 2024	3.333333
1 December 2024	3.333333
1 June 2025	3.333333
1 December 2025	3.333333
1 June 2026	3.333333
1 December 2026	3.333333
1 June 2027	3.333333
1 December 2027	3.333333
1 June 2028	3.333333
1 December 2028	3.333333
1 June 2029	3.333333
1 December 2029	3.333333
1 June 2030	3.333333
1 December 2030	3.333333
1 June 2031	3.333333
1 December 2031	3.333333
1 June 2032	3.333333
1 December 2032	3.333333
1 June 2033	3.333333
1 December 2033	3.333333
1 June 2034	3.333333
1 December 2034	3.333333
1 June 2035	<u>3.333343</u>
TOTAL	100.000000

2. If the proceeds of the Loan shall not 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 as follows:

(a) To the extent that any proceeds of the Loan shall have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the amount withdrawn and outstanding as of such date in accordance with paragraph 1 of this Schedule.

(b) Any withdrawal made 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 ADB by multiplying the amount of each such withdrawal by a fraction, the numerator of which shall be the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (the Original Installment Share) and the denominator of which shall be the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such repayment amounts to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. Withdrawals made within 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.

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

5. If the principal amount of the Loan withdrawn and outstanding from time to time shall be 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.

SCHEDULE 3

Withdrawal of Loan Proceeds

General

1. Except as ADB may otherwise agree, the provisions of this Schedule 3 shall apply to the withdrawal of Loan proceeds from the Loan Account.

Deposit Account

2. Prior to submitting the first application to ADB for withdrawal from the Loan Account, the Borrower shall nominate the Deposit Account into which all withdrawals from the Loan Account shall be deposited.

Basis for Withdrawal from the Loan Account

3. The Borrower shall keep the number of applications for withdrawal during a particular FY at not more than one per quarter.

4. Prior to submitting any application for withdrawal from the Loan Account for a DLI, the Borrower shall submit, for ADB's approval, satisfactory evidence that such DLI has been fully achieved as required under the DLI Verification Protocol. Upon ADB's confirmation that the DLI has been achieved, the Borrower may submit an application for withdrawal of the corresponding Loan proceeds for such DLI.

5. No withdrawal shall be made or permitted from the Loan Account for any DLI unless the Borrower and ADB are mutually satisfied that the Borrower continues to comply with all DLIs that were previously met and for which Loan proceeds have been disbursed.

6. Throughout the Program period, the Borrower shall submit any information on NUHM that ADB may require from time to time to assess and calculate the value of Eligible Expenditures.

Application for Withdrawal from the Loan Account

7. (a) An application for withdrawal from the Loan Account shall be submitted to ADB by the Borrower and shall be in a form satisfactory to ADB.

(b) Prior to the submission of the first withdrawal application, the Borrower shall submit, or cause to be submitted, to ADB sufficient evidence of the authority of the person(s) who shall sign the withdrawal applications on behalf of the Borrower, together with the authenticated specimen signatures of each authorized person.

Reallocation

8. (a) The years indicated for disbursement in the table in Attachment 2 to this Schedule 3 are indicative only and shall not restrict disbursement on account of any DLI targets achieved ahead of the expected year. In the event the Borrower achieves a DLI target earlier than targeted, the Borrower shall be entitled to seek advancement of the disbursements due for such DLI, and ADB shall make disbursement for such DLI.

(b) Notwithstanding the allocation of Loan proceeds set forth in Attachment 2 to this Schedule 3, if the amount of Loan proceeds allocated to any DLI appears to be insufficient or excessive for any reason whatsoever, the Borrower and ADB may by agreement reallocate such shortfall or excess amount to any other DLI.

Disbursement Procedures

9. Except as ADB may otherwise agree, the Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook. The Borrower shall submit, or cause to be submitted, the supporting documents specified in paragraph 4 of this Schedule 3 in lieu of the supporting documents required under the Loan Disbursement Handbook.

DISBURSEMENT-LINKED INDICATORS

Disbursement Linked Indicators	Baseline Year and Value	Target Values			
		Prior results	2015	2016	2017
Outcome: Increased access to equitable and quality urban health system					
DLI 1 Increased institutional deliveries in urban areas	72.1% in FY2014 ¹	-	-	2% point increase with respect to FY2015 baseline ²	2% point increase with respect to FY2016 achievement ²
DLI 2 Increased complete immunization among children below 12 months of age in urban areas	79.4% in FY2014 ¹	-	-	2% point increase with respect to FY2015 baseline ²	2% point increase with respect to FY2016 achievement ²
Output 1: Urban primary health care delivery system strengthened					
DLI 3 City-specific primary health care delivery system established	As of 2014, urban health facilities are limited in number, service package, and quality to address urban health issues	(i) At least 90% of cities included for support under NUHM have their respective State PIPs approved by FY 2014 (ii) Norms for identification of vulnerable populations established	At least 25% of cities with approved PIPs have initiated mapping of slums and vulnerable population and health facilities	(i) At least 55% of cities with approved PIPs have completed mapping of slums and vulnerable population and health facilities (ii) 30% of UPHCs meet NUHM minimum requirements for staffing and service package	50% of UPHCs meet the minimum requirements for staffing and service package
DLI 4 Community processes improved	ASHAs are active in rural areas, and those with	<i>Guidelines for ASHA and MAS in the Urban Context</i> are issued and	Training modules based on the <i>Guidelines for ASHA and MAS in the</i>	(i) 15,000 of recruited ASHAs are trained	(i) 23,000 of recruited ASHAs are trained

¹ The HMIS is being strengthened to report urban-rural disaggregated data. This baseline is provisional urban data as of March 2015 (FY2014), based on the current progress of urban health facilities reporting in the HMIS and an assumption of 90% urban health facilities reporting in the HMIS by December 2015. The baseline will be updated in December 2015 (FY2015).

² The targets value (2% points from the previous year level) is based on assessment of the historical trends of NRHM and consideration of accelerated progress under NUHM.

Disbursement Linked Indicators	Baseline Year and Value	Target Values			
		Prior results	2015	2016	2017
	adequate skills and roles in urban context is not yet available in 2014	disseminated at state level	<i>Urban Context</i> are issued in Hindi and some regional languages	(ii) 80% of recruited ASHAs are functional	(ii) 85% of recruited ASHAs are functional
Output 2 : Quality of urban health services improved					
DLI 5 Effective system of quality assurance for urban health services implemented	QA mechanism for NRHM exists in 2014 but it needs to be adapted and adopted by NUHM to guide sub-national entities to address urban specific issues	<i>MOHFW Operational Guidelines for Quality Assurance (QA) in Public Health Facilities</i> issued and disseminated	QA Assessor Guidebook and tools are developed for UPHCs, reflecting <i>MOHFW Operational Guidelines for Quality Assurance (QA) in Public Health Facilities</i>	(i) 15 states/ UTs/ Large ULBs have set up organizational arrangements for QA of health facilities, that include UPHCs and UCHCs (ii) 50% of UPHCs and UCHCs in those states/UTs/ULBs are assessing the quality of their services, including patient satisfaction	(i) 20 cumulative states/ UTs/ Large ULBs have set up organizational arrangements for QA of health facilities, that include UPHCs and UCHCs (ii) 80% of UPHCs and UCHCs in those states/UTs/ULBs are assessing the quality of their services, including patient satisfaction
Output 3 : Capacity for planning, management, and innovation and knowledge sharing strengthened					
DLI 6 Planning, management and monitoring capacity to deliver urban health services strengthened	NUHM is a new program, and requires a comprehensive capacity development to deliver the mission	At least 30% of staff sanctioned for NUHM at SPMUs, DPMUs, and CPMUs	(i) NUHM capacity development framework is developed, specifying priority areas for capacity development and implementation support; outputs targets; modalities; and progress reporting mechanism (ii) HMIS is enhanced to include urban disaggregated data and has functionality to identify urban health	(i) At least 55% of staff sanctioned for NUHM at SPMUs, DPMUs, and CPMUs (ii) NUHM capacity development framework implementation achieved at least 50% of annual targets at national level and in 15 states/UTs in priority areas	NUHM capacity development framework implementation achieved at least 60% of annual targets at national level and in 20 states/UTs in priority areas

Disbursement Linked Indicators	Baseline Year and Value	Target Values			
		Prior results	2015	2016	2017
			facilities near poor and vulnerable populations (iii) The National PMU established a pool of experts for technical and implementation support at national and states/UTs/ULB level		
DLI 7 Innovations and partnerships in urban health developed, tested and shared	Innovative approaches exist, but not well evaluated, documented, and disseminated; incentive mechanism for encouraging innovations is weak	-	-	A framework for innovations and partnerships, including examples of good practices, is developed, approved, and implemented	50% of states/UTs/large ULBs implement innovations and partnerships aiming at improving equity, access, or quality of urban health services

TABLE

Allocation and Withdrawal of Loan Proceeds (Supporting National Urban Health Mission – Results-Based Lending) (\$ million)					
Disbursement-Linked Indicators	Total ADB Financing Allocation	Financing for Prior Results	2015	2016	2017
DLI 1	30			15	15
DLI 2	30			15	15
DLI 3	65	(i) 5 (ii) 5	15	(i) 10 (ii) 10	20
DLI 4	55	10	15	(i) 10 (ii) 5	(i) 10 (ii) 5
DLI 5	55	10	15	(i) 10 (ii) 5	(i) 10 (ii) 5
DLI 6	45	10	(i) 5 (ii) 5 (iii) 5	(i) 5 (ii) 5	10
DLI 7	20			10	10
Total	300	40	60	100	100

SCHEDULE 4

Execution of Program

Implementation Arrangements

1. The Borrower and MOHFW shall ensure that the Program is implemented in accordance with the detailed arrangements set forth in the PID. Any subsequent change to the PID shall become effective only after consultation and agreement of such change by the Borrower, MOHFW and ADB. In the event of any discrepancy between the PID and this Loan Agreement, the provisions of this Loan Agreement shall prevail.

2. (a) The Borrower shall ensure, or cause MOHFW to ensure, that towards smooth implementation of the Program, grievances if any from stakeholders, relating to the Program implementation or use of funds are addressed effectively and efficiently.

(b) The Borrower shall ensure that MOHFW complies with all the requirements and obligations in its part as included in this Loan Agreement and the Program Agreement to meet the objectives of the Program in a timely and efficient manner.

DLI Actions and Dialogue

3. The Borrower shall ensure, or cause MOHFW to ensure, that all DLIs under the Program, as set forth in the DLI Matrix continue to be in effect for the duration of NUHM.

4. The Borrower shall keep ADB informed of policy discussions with other multilateral and bilateral aid agencies that may have implications for the implementation of NUHM and shall provide ADB with an opportunity to comment on any resulting policy proposals. The Borrower shall consider ADB's views before finalizing and implementing any such proposal.

PIP

5. The Borrower shall ensure, or cause MOHFW to ensure, that the actions specified in the PIPs are implemented in a timely and efficient manner.

Technical Aspects

6. The Borrower shall ensure, or cause MOHFW to ensure, that the actions specified in the PAP in the area of program technical aspects are implemented in a timely and efficient manner.

Financial Management

7. The Borrower shall ensure, or cause MOHFW to ensure, that the financial management actions specified in the PAP are implemented in a timely and efficient manner.

Procurement

8. The Borrower shall ensure, or cause MOHFW to ensure, that the procurement actions specified in the PAP are implemented in a timely and efficient manner.

9. (a) The Borrower shall ensure, or cause MOHFW to ensure, that the Program includes no activities which involve (a) procurement of works, turnkey, supply or installation contracts estimated to cost \$50,000,000 equivalent or more per contract; (b) procurement of goods contracts estimated to cost \$30,000,000 equivalent or more per contract; (c) information technology or non-consulting services contracts estimated to cost \$20,000,000 equivalent or more per contract; and (d) consultants' services contracts estimated to cost \$15,000,000 equivalent or more per contract.

(b) Based on the audited financial statements submitted by the states to MOHFW, the Borrower through MOHFW shall annually provide ADB with a certification that the total amount of ADB disbursement proceeds does not exceed the amount of the total NUHM expenditures on goods, works and services from ADB member countries.

Safeguards

10. The Borrower shall ensure, or cause MOHFW to ensure, that the safeguards actions specified in the PAP are implemented in a timely and efficient manner.

11. (a) The Borrower shall ensure, or cause MOHFW to ensure, that construction works under the Program do not involve significant adverse environmental impacts which may be classified as category A under the SPS or its related rules/manuals.

(b) Prior to commencing any construction or rehabilitation works in connection with the Program, the Borrower shall conduct, or cause MOHFW to conduct, a screening to ensure that such works shall not be classified as category A under the SPS or its related rules/manuals.

12. The Borrower shall ensure, or cause MOHFW to ensure, that the Program does not involve any resettlement or indigenous people risks or impacts within the meaning of the SPS.

Environment

13. The Borrower shall ensure, or cause MOHFW to ensure, that the preparation, design, construction, implementation, operation and decommissioning of all activities under the Program comply with (a) all applicable laws, regulations and guidelines of the Borrower relating to environment, health and safety; (b) the Environmental Safeguards; and (c) all measures and requirements, including monitoring requirements set forth in an environmental management plan and initial environmental examination.

Gender and Social Equity

14. The Borrower shall ensure, or cause MOHFW to ensure, that the gender and social equity actions specified in the PAP are implemented in a timely and efficient manner.

Monitoring and Evaluation

15. The Borrower shall ensure, or cause MOHFW to ensure, that the monitoring and evaluation actions specified in the PAP are implemented in a timely and efficient manner.

Governance and Anticorruption

16. (a) The Borrower and MOHFW shall ensure that the Program complies with the provisions of the Anticorruption Guidelines and shall take all appropriate and timely measures to prevent, detect and respond to allegations of fraud, corruption, or any other prohibited activities in accordance with the Anticorruption Guidelines.

(b) The Borrower and MOHFW shall promptly inform ADB of any allegations of fraud, corruption, or any other prohibited activities relating to the Program.

17. The Borrower and MOHFW shall cooperate fully with any investigation by ADB relating to allegations of fraud, corruption, or any other prohibited activities and extend all necessary assistance, including providing access to all relevant books and records, for satisfactory completion of such investigation.

18. Within 90 days of the Effective Date, the Borrower shall cause MOHFW to update its website to (a) provide information on progress of NUHM; (b) post the annual audited financial statements for NUHM, as such audited financial statements become available; and (c) disseminate other relevant information on the implementation of NUHM.