
LOAN NUMBER 3055 - IND

LOAN AGREEMENT
(Ordinary Operations)

(Uttarakhand Emergency Assistance Project)

between

INDIA

and

ASIAN DEVELOPMENT BANK

DATED 05 February 2014

IND 47229

**LOAN AGREEMENT
(Ordinary Operations)**

LOAN AGREEMENT dated 05 February 2014 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 Project described in Schedule 1 to this Loan Agreement;

(B) the Project will be carried out by the State of Uttarakhand ("State") acting through the State Disaster Management Authority ("SDMA"), and for this purpose the Borrower will make available to the EA, the proceeds of the loan provided for herein upon terms and conditions mutually agreeable to ADB and the Borrower;

(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 Project Agreement of even date herewith between ADB on the one part, and the State, and SDMA on the other part;

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 3.03 is deleted and the following is substituted therefor:

Commitment Charge; Credit; Maturity Premium.

(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.

(c) The Borrower shall pay a maturity premium at the rate specified in the Loan Agreement, which maturity premium shall remain fixed for the term of the Loan. ADB shall add the maturity premium to the interest payable by the Borrower.

(b) 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.

(c) 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) "Consulting Guidelines" means the Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers (2013, as amended from time to time);

(b) "Consulting Services" means the services to be financed out of the proceeds of the Loan as described in paragraph 3 of Schedule 1 to this Loan Agreement;

(c) "EA" or "Project Executing Agency" means the State acting through the SDMA;

(d) "EARF" means the environmental assessment and review framework for the Project, including any update thereto, prepared and submitted by the Borrower through the EA and cleared by ADB;

(e) "EIA" means the environment impact assessment, including any update thereto, prepared and submitted by the Borrower through the EA pursuant to the requirements set forth in the EARF and cleared by ADB;

(f) "Emergency" means the resultant disaster and damages that occurred in the State due to the 15-17 June 2013 flash floods and heavy rains and landslides in the State;

(g) "EMMP" means the environmental management and monitoring plan, including any update thereto, incorporated in the EIA/IEE;

(h) "Environmental Safeguards" means the principles and requirements set forth in Chapter V, Appendix 1, and Appendix 4 (as applicable) of the SPS;

(i) "Financing Arrangements" means the arrangements between the Borrower and the State as per current policy of the Borrower and acceptable to ADB;

(j) "Goods" means equipment and materials to be financed out of the proceeds of the Loan, including related services such as transportation, insurance, installation, commissioning, training, and initial maintenance, but excluding Consulting Services;

(k) "HPC" means the High Powered Committee for Sanction of Post Disaster Reconstruction Works, set up by the State vide State notification dated 22 August 2013;

(l) "IA" means any of the implementing agency as the context may require, as mandated by the SDMA to undertake the Project within its sector, and currently include the Public Works Department (for roads, bridges and trekking routes including eco-trails), Department of Tourism through the Uttarakhand Tourism Development Board ("UTDB")/ Garhwal Mandal Vikas Nigam ("GMVN")/ Kumaon Mandal Vikas Nigam ("KMVN") (for tourism infrastructure), Uttarakhand Civil Aviation Development Authority (for helipads), Uttarakhand Jal Sansthan (for urban water supply);

(m) "IEE" means the initial environmental examination, including any update thereto, prepared and submitted by the Borrower through the EA pursuant to the requirements set forth in the EARF and cleared by ADB;

(n) "Indigenous Peoples Safeguards" means the principles and requirements set forth in Chapter V, Appendix 3, and Appendix 4 (as applicable) of the SPS;

(o) "Involuntary Resettlement Safeguards" means the principles and requirements set forth in Chapter V, Appendix 2, and Appendix 4 (as applicable) of the SPS;

(p) "IPF" means the indigenous peoples framework for the Project, including any update thereto, prepared and submitted by the Borrower through the EA and cleared by ADB;

(q) "IPP" means the indigenous peoples plan for the Project, including any update thereto, prepared and submitted by the Borrower through the EA pursuant to the requirements set forth in the IPF and cleared by ADB;

(r) "JRDNA" means the Joint Rapid Damage and Needs Assessment undertaken by ADB and the World Bank during the month of July-August 2013 resulting in a JRDNA Report in August 2013;

(s) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2012, as amended from time to time);

(t) "NGO" means a non-government organization;

(u) "PAM" means the project administration manual for the Project dated September 2013 and agreed between the Borrower, the State, SDMA, and ADB, as updated from time to time in accordance with the respective administrative procedures of the Borrower and ADB;

(v) "PMU" means the Project management unit set up in SDMA, responsible to oversee the Project implementation;

(w) "Procurement Guidelines" means ADB's Procurement Guidelines (2013, as amended from time to time);

(x) "Procurement Plan" means the procurement plan for the Project, included in the PAM, as agreed between the Borrower and ADB, and as updated from time to time in accordance with the Procurement Guidelines, the Consulting Guidelines, and other arrangements agreed with ADB;

(y) "RF" means the resettlement framework for the Project, including any update thereto, prepared and submitted by the Borrower through the EA and cleared by ADB;

(z) "RP" means the resettlement plan for the Project, including any update thereto, prepared and submitted by the Borrower through the EA pursuant to the requirements set forth in the RF and cleared by ADB;

(aa) "RRP" means the Report and Recommendation of the President on the Project, to the ADB Board;

(bb) "Safeguards Monitoring Report" means each report prepared and submitted by the Borrower through the EA to ADB that describes progress with implementation of, and compliance with, the EMMP, the RP and the IPP (as applicable), including any corrective and preventative actions;

(cc) "Safeguard Policy Statement" or "SPS" means ADB's Safeguard Policy Statement (2009);

(dd) "SDMA" means the Uttarakhand State Disaster Management Authority established by the State under the Borrower's Disaster Management Act, 2005, vide State notification of October 10, 2007, with the State Chief Minister as its ex-officio Chairperson.

(ee) "Subproject" means a subproject that is found eligible for financing under the Project as included in the Project based on compliance with the 'Subproject Selection Criteria and Approval Procedures' as included in Appendix 2 (Linked Document 13) to the RRP and that also satisfies requirements set forth in paragraph 5 of Schedule 5 to this Loan Agreement; and

(ff) "Works" means construction or civil works to be financed out of the proceeds of the Loan, including services such as drilling or mapping, and project related services that are provided as part of a single responsibility or turnkey contract, but excluding Consulting Services.

ARTICLE II

The Loan

Section 2.01. (a) ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount of two hundred million Dollars (\$200,000,000), 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 20 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;
- (b) 0.60% as provided by Section 3.02 of the Loan Regulations less a credit of 0.20% as provided by Section 3.03 of the Loan Regulations; and
- (c) a maturity premium 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 15 April and 15 October 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 the EA upon terms and conditions mutually agreeable to ADB and the Borrower, and shall cause the EA to apply such proceeds to the financing of expenditures on the Project in accordance with the provisions of this Loan Agreement and the Project Agreement.

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. Except as ADB may otherwise agree, the Borrower shall procure, or cause to be procured, the items of expenditure to be financed out of the proceeds of the Loan in accordance with the provisions of Schedule 4 to this Loan Agreement. ADB may refuse to finance a contract where any such item has not been procured under procedures substantially in accordance with those agreed between the Borrower and ADB or where the terms and conditions of the contract are not satisfactory to ADB.

Section 3.04. Except as ADB may otherwise agree, the Borrower shall cause all items of expenditure financed out of the proceeds of the Loan to be used exclusively in the carrying out of the Project.

Section 3.05. The Loan Closing Date for the purposes of Section 9.02 of the Loan Regulations shall be 31 March 2017 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 Project to be carried out by the EA with due diligence and efficiency and in conformity with sound applicable technical, financial, business, and development practices.

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

Section 4.02. The Borrower shall make available, or cause to be made available by the EA, promptly as needed, the funds, facilities, services, land and other resources, as required, in addition to the proceeds of the Loan, for the carrying out of the Project.

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

Section 4.04. The Borrower shall enable ADB's representatives to inspect the Project, the Goods and Works, and any relevant records and documents.

Section 4.05. In so far as it relates to the Project, the Borrower shall take all actions which shall be necessary on its part to enable the EA to perform its respective obligations under the Project Agreement, and shall not take or permit any action which would interfere with the performance of such obligations.

Section 4.06. (a) In so far as it relates to the Project, 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 Project, no rights or obligations under the Financing Arrangements shall be assigned, amended, abrogated or waived without the 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 Numbers:

(91-11) 2309-2477
(91-11) 2309-2511.

For ADB

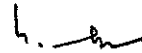
Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines

Facsimile Numbers:

(0091)11-24107200
(0091)11-24194239.

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 _____
Nilaya Mitash
Joint Secretary (MI)
Department of Economic Affairs

ASIAN DEVELOPMENT BANK



By _____
M. Teresa Kho
Country Director

SCHEDULE 1

Description of the Project

1. The objective of the Project is the critical public and social infrastructure restored and disaster preparedness improved in the State.
2. The Project shall comprise following
 - (a) Roads and Bridges reconstructed and upgraded to all weather standards – Rehabilitation and reconstruction of about 1,800 kilometers (km) of State highways (SH) and major district roads (MDR) including about 16 damaged bridges on the SH and MDR affected under the emergency. In addition, rehabilitation and reconstruction of about 600 km of road section on ongoing ADB assisted projects in the State (ADB Loans 2308, and 2458) that have been destroyed under the Emergency.
 - (b) Urban Infrastructure reconstructed and upgraded – Rehabilitation and reconstruction of affected water supply infrastructure and urban roads in about 8-10 towns in the State. This will include (i) rehabilitation and capacity augmentation of existing water treatment plants and tube wells, increasing the potable water production capacity by 21 million litres per day (MLD); (ii) replacement of about 56 km of affected water pipe line, and (iii) construction and upgradation of about 20 km of affected urban roads.
 - (c) Tourism Infrastructure and trekking routes rehabilitated and reconstructed – Rehabilitation and reconstruction of affected tourism infrastructure in the 5 affected districts of the State i.e., Bageshwar, Chamoli, Pithoragarh, Rudraprayag, and Uttarakashi. About 10 trekking routes including eco-trails will be rehabilitated and upgraded including construction of rest houses and public amenities in en-route villages.
 - (d) Improved capacity on disaster preparedness and Management – To improve disaster preparedness, construction of about 50 helipads/ heliports/ helidromes, with associated amenities for undertaking emergency evacuation and relief operations.
3. Design and supervision services for infrastructure under paragraph 2 above and studies for undertaking carrying capacity and tourist regulation will be carried out under the Project through consulting services.
4. The Project is expected to be completed by 30 September 2016.

SCHEDULE 2

Amortization Schedule

(Uttarakhand Emergency Assistance Project)

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.

Sequence	Date Payment Due	Installment Share (Expressed as a %)
1	15 April 2019	2.500000
2	15 October 2019	2.500000
3	15 April 2020	2.500000
4	15 October 2020	2.500000
5	15 April 2021	2.500000
6	15 October 2021	2.500000
7	15 April 2022	2.500000
8	15 October 2022	2.500000
9	15 April 2023	2.500000
10	15 October 2023	2.500000
11	15 April 2024	2.500000
12	15 October 2024	2.500000
13	15 April 2025	2.500000
14	15 October 2025	2.500000
15	15 April 2026	2.500000
16	15 October 2026	2.500000
17	15 April 2027	2.500000
18	15 October 2027	2.500000
19	15 April 2028	2.500000
20	15 October 2028	2.500000
21	15 April 2029	2.500000
22	15 October 2029	2.500000
23	15 April 2030	2.500000
24	15 October 2030	2.500000
25	15 April 2031	2.500000
26	15 October 2031	2.500000
27	15 April 2032	2.500000
28	15 October 2032	2.500000

Schedule 2

Sequence	Date Payment Due	Installment Share (Expressed as a %)
29	15 April 2033	2.500000
30	15 October 2033	2.500000
31	15 April 2034	2.500000
32	15 October 2034	2.500000
33	15 April 2035	2.500000
34	15 October 2035	2.500000
35	15 April 2036	2.500000
36	15 October 2036	2.500000
37	15 April 2037	2.500000
38	15 October 2037	2.500000
39	15 April 2038	2.500000
40	15 October 2038	2.500000
	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 two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

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

Schedule 2

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

Allocation and Withdrawal of Loan Proceeds

General

1. The table attached to this Schedule sets forth the Categories of items of expenditure to be financed out of the proceeds of the Loan and the allocation of the Loan proceeds to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category of the Table).

Basis for Withdrawal from the Loan Account

2. Except as ADB may otherwise agree, the proceeds of the Loan shall be disbursed on the basis of the withdrawal percentage for each item of expenditure set forth in the Table.

Reallocation

3. Notwithstanding the allocation of Loan proceeds and the withdrawal percentages set forth in the Table,

(a) if the amount of the Loan allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, in consultation with and by notice to the Borrower, and the EA, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Loan which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and

(b) if the amount of the Loan allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, in consultation with and by notice to the Borrower, and the EA, reallocate such excess amount to any other Category.

Disbursement Procedures

4. Except as ADB may otherwise agree, the Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.

Retroactive Financing

5. Withdrawals from the Loan Account may be made for reimbursement of eligible expenditures incurred under the Project before the Effective Date in connection with items to be retroactively financed, subject to a maximum amount equivalent to 30% of the Loan amount; provided that the expenditures have been incurred and paid for after the Emergency occurred but not earlier than 12 months before the date of this Loan Agreement.

Conditions for Withdrawals from Loan Account

6. Notwithstanding any other provision of this Loan Agreement, no withdrawals shall be made from the Loan Account until the HPC, PMU, and Project implementation units at the IAs shall have been in place with adequate staffing acceptable to ADB.

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Uttarakhand Emergency Assistance Project)			
Number	Item	Total Amount Allocated for ADB Financing (\$) Category	Basis for Withdrawal from the Loan Account
1	Works	162,000,000	100% of total expenditure claimed
2	Equipment	2,000,000	100% of total expenditure claimed
3	Consulting Services	10,000,000	100% of total expenditure claimed
4	Administrative Costs	5,000,000	100% of total expenditure claimed
5	Unallocated	21,000,000	
	Total	200,000,000	

SCHEDULE 4

Procurement of Goods, Works and Consulting Services

General

1. The procurement of Goods, Works and Consulting Services shall be subject to and governed by the Procurement Guidelines, and the Consulting Guidelines, respectively.
2. All terms used in this Schedule and not otherwise defined in this Loan Agreement have the meanings provided in the Procurement Guidelines and/or the Consulting Guidelines, as applicable.

Goods and Works

3. Except as ADB may otherwise agree, Goods and Works shall only be procured on the basis of the methods of procurement set forth below:
 - (a) National Competitive Bidding;
 - (b) Shopping;
 - (c) Direct Contracting; and
 - (d) Force Account.

4. The methods of procurement are subject to, among other things, the detailed arrangements and threshold values set forth in the Procurement Plan. The Borrower and EA may only modify the methods of procurement or threshold values with the prior agreement of ADB, and modifications must be set out in updates to the Procurement Plan.

Domestic Preference

5. The State may allow SDMA and relevant IA to grant a margin of preference in the evaluation of bids under international competitive bidding in accordance with paragraphs 2.55(a) and 2.56 of the Procurement Guidelines for domestically manufactured Goods.

National Competitive Bidding

6. The Borrower, EA, and ADB shall ensure that, prior to the commencement of any procurement activity under national competitive bidding, the Borrower's/State's applicable national competitive bidding procedures are consistent with the Procurement Guidelines. Any modifications or clarifications to such procedures agreed between the Borrower, the EA, and ADB shall be set out in the Procurement Plan. Any subsequent change to the agreed modifications and clarifications shall become effective only after approval of such change by the Borrower, EA, and ADB.

Community Participation in Procurement

7. The EA may use community participation in procurement for Works contracts for trek routes in accordance with the agreed procedures set out in the Procurement Plan.

Conditions for award of Works contracts

8. As conditions for award of any Contract under the Project, and towards effective and efficient implementation of the Project and the Subprojects, the EA and each IA shall ensure following:

(a) No Works contract shall be awarded which involves environmental impacts and/or requires statutory environmental clearances until the relevant IA has

- (i) obtained final environmental clearance/approvals including the EIA/IEE, from the relevant government environment authority/ADB as required;
- (ii) incorporated the relevant provisions from the EMMP into the Works contract; and
- (iii) in case of the category A subproject for environment categorization, completed the 120 day public disclosure of the approved EIA for the Subproject in accordance with ADB's Safeguard Policy Statement (2009).

(b) No Works contract will be awarded which involves involuntary resettlement impacts until the relevant IA has prepared and submitted to ADB the relevant RP and obtained ADB's clearance of such RP.

(c) No Works contract will be awarded which involves impacts on indigenous peoples until the relevant IA has prepared and submitted to ADB the relevant IPP and obtained ADB's clearance of such IPP.

Conditions for Commencement of Civil Works

9. As a condition for commencement of civil Works under any Contract under the Subproject or section(s) thereof that requires forest clearance, the EA and each IA will ensure that all applicable statutory forest clearances have been obtained from relevant authorities for such Subproject or section(s) thereof.

Consulting Services

10. Except as ADB may otherwise agree, and except as set forth in the paragraph below, the EA shall apply quality- and cost-based selection for selecting and engaging Consulting Services.

11. The EA shall recruit the individual consultants in accordance with procedures acceptable to ADB for recruiting individual consultants.

Industrial or Intellectual Property Rights

12. (a) The EA shall ensure that all Goods and Works procured (including without limitation all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right or claim of any third party.

(b) The EA shall ensure that all contracts for the procurement of Goods and Works contain appropriate representations, warranties and, if appropriate, indemnities from the contractor or supplier with respect to the matters referred to in subparagraph (a) of this paragraph.

13. The EA shall ensure that all ADB-financed contracts with consultants contain appropriate representations, warranties and, if appropriate, indemnities from the consultants to ensure that the Consulting Services provided do not violate or infringe any industrial property or intellectual property right or claim of any third party.

ADB's Review of Procurement Decisions

14. Contracts procured under international competitive bidding procedures and contracts for Consulting Services shall be subject to prior review by ADB, unless otherwise agreed between the Borrower, EA, and ADB and set forth in the Procurement Plan.

SCHEDULE 5

Execution of Project

Implementation Arrangements

1. (a) The Borrower, EA, and IAs shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM will become effective only after approval of such change by the Borrower, EA, relevant IA, and ADB. In the event of any discrepancy between the PAM and the Loan Agreement, the provisions of the Loan Agreement will prevail.

(b) The Borrower, EA, and each IA shall ensure that towards smooth implementation of the Project, grievances if any from stakeholders, relating to any Project implementation issues or use of funds are addressed effectively and efficiently.

(c) The EA shall ensure that all executing and implementing agencies under the Project are always adequately staffed by competent and qualified personnel including for safeguards, finance, accounts, technical, planning, and disaster risk management measures, for effective and timely implementation of the Project and Subprojects.

(d) In the event of any changes in implementation arrangements to meet the Project requirements, the EA shall keep ADB informed on a timely basis and consult with ADB to ensure that any successor entities/ revised arrangements adequately address Project implementation in a seamless manner towards timely completion of the Project. To this end, if required, the Borrower and EA shall enter into amendment agreements as required, to the Loan Agreement and Project Agreement.

Steering Committee

2. The State shall establish and maintain through the period of Project implementation, the State level Core Committee for Monitoring and Review of Disaster Management (Committee) under the chairmanship of the State Chief Secretary. The Committee shall be responsible, inter alia, for providing overall guidance for the Project and will meet at least once in three months or more frequently as required, to ensure efficient and timely completion of the Project.

Counterpart Funds and Facilities Maintenance

3. The State shall make available the ADB loan proceeds to SDMA and the relevant IAs on a timely basis, and ensure:

(a) timely and sufficient counterpart funds from its budget for each fiscal year, for the efficient implementation of the Project, including the funds needed for implementing and monitoring the EMMPs and RPs, other social matters, and any cost overruns in respect thereof; and

(b) adequate funds towards operations and maintenance of Project facilities, through budgetary allocations or other means, to be provided to SDMA, each IA, during and after the Project completion.

4. The EA shall initiate administrative approvals to ensure compulsory comprehensive insurance of rehabilitated and reconstructed public infrastructure and shall also encourage similar insurance for private properties in the State that includes adequate coverage for natural calamities, including but not limited to, earthquake, floods, and high speed winds.

Selection and Approval of Subprojects

5. The EA shall ensure that all Subprojects are appraised, selected and approved in compliance with the requirements of Appendix 2 (Linked Document 13) to the RRP on "Subproject Selection Criteria and Approval Procedures" to the Satisfaction of ADB. Without limitation to this, the EA shall ensure that each Subproject as applicable

(a) has first been prioritized and selected and endorsed as feasible, by the EA based on (i) existing facilities and levels of usage , (ii) sector restoration and contribution to economic growth based on the JRDNA report (iii) takes into account Geographical Information System (GIS) mapping as feasible, and all weather conditions, as required;

(b) involves rehabilitation and reconstruction of infrastructure damaged under the Emergency with the design and construction standards raised to an appropriate level with focus on sustainability and to build back same or better;

(c) will not involve overlap with funding from other agencies, though other agencies such as bi-laterals and non-government organizations may be involved in co-financing, as well as delivery of specific additional support such as monitoring, capacity building and poverty alleviation, in which case these will clearly be defined;

(d) will not overlap with other ongoing projects of ADB in the State except those included from ADB Loan 2308, and Loan 2458, and indicated in the indicative list of subprojects under Appendix (1) to the PAM;

(e) seeks adequate participation of relevant stakeholders and affected people, NGOs, CBOs, community including in particular women and vulnerable groups of the society in the selection, design, implementation and monitoring of the rehabilitation and reconstruction of Project facilities;

(f) the equipment, materials and other resources required can be acquired in or carried to the Subproject location without undue delays and as feasible provide access to services and opportunities to local labor, both men and women; and

(g) is scheduled to be completed no later than 30 September 2016.

Sector specific measures

6. With regards to roads and bridges rehabilitated and reconstructed under the Project, without limiting the generality of Project requirements, the EA shall ensure that the relevant IA shall in particular ensure

(a) strict adherence by contractors to national and State road safety standards on signage, road markings, roadside structures, and maintenance, as well as traffic management; and

(b) that road safety audits are systematically conducted at various stages in the Subprojects' development.

7. With regard to tourism infrastructure rehabilitated and reconstructed under the Project, without limiting the generality of Project requirements, the EA in particular shall

(a) prepare guidelines for new infrastructure to be developed under the sector by no later than 31 March 2014;

(b) prepare master plan for redevelopment of *Kedarnath Dham*; and

(c) undertake the carrying capacity and tourist regulation studies and measures thereof.

8. (a) With regard to the acceptability of certain IAs i.e., UCADA, GMVN, and KMVN, the EA shall ensure to the satisfaction of ADB, that the institutional and staff skill mix of these IAs adequately address Project implementation requirements towards timely completion of the Project under the sector.

(b) The rehabilitation and reconstruction of trek routes, including eco-trails may be assigned by the Public Works Department to responsible State government departments/agencies as required, in consultation with ADB.

Safeguards and Social

Environment

9. The Borrower shall ensure or cause the EA and IAs to ensure that the preparation, design, construction, implementation, operation and decommissioning of the Project facilities comply with (i) all applicable laws and regulations of the Borrower and State relating to environment, health, and safety; (ii) the Environmental Safeguards of ADB; and (iii) all measures and requirements set forth in the EARF, EIA/ IEE as applicable, and the EMMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

Land Acquisition and Involuntary Resettlement

10. (a) Where the need arises, the Borrower shall ensure or cause the EA and relevant IA to ensure that all land and all rights-of-way required for the Project, and all Project facilities are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with (i) all applicable laws and regulations of the Borrower and State relating to land acquisition and involuntary resettlement; (ii) the Involuntary Resettlement Safeguards of ADB; and (c) all measures and requirements set forth in the RF and the respective RP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

(b) Without limiting the application of the Involuntary Resettlement Safeguards of ADB, or the RP, the Borrower shall ensure or cause the EA and the relevant IA to ensure that no physical or economic displacement takes place in connection with the project until:

- (i) compensation and other entitlements have been provided to affected people in accordance with the RP; and
- (ii) a comprehensive income and livelihood restoration program has been established in accordance with the RP.

Indigenous Peoples

11. Where the need arises, the Borrower shall ensure or cause the EA and relevant IA to ensure that the preparation, design, construction, implementation and operation of the Project, and all Project facilities comply with (i) all applicable laws and regulations of the Borrower and the State relating to indigenous peoples; (ii) the Indigenous Peoples Safeguards of ADB; and (iii) all measures and requirements set forth in the IPF and in the respective IPP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

Human and Financial Resources to Implement Safeguards Requirements

12. The Borrower shall ensure or cause the EA and relevant IA to ensure

- (a) that all necessary budgetary and human resources to fully implement the EMMP, the RP, and the IPP as required, are made available; and
- (b) designates at least one official each to supervise implementation of the EMMP, and RP if any.

Safeguards – Related Provisions in Bidding Documents and Works Contracts

13. The Borrower shall ensure or cause the EA and each IA to ensure that all bidding documents and contracts for Works contain provisions that require contractors to:

- (a) comply with the measures and requirements relevant to the contractor set forth in the EIA/IEE, the EMMP, and the RP and the IPP as applicable (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set out in a Safeguards Monitoring Report;
- (b) make available a budget for all such environmental and social measures;
- (c) provide the relevant IA with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks if any, or impacts that arise during construction, implementation or operation of the project that were not considered in the EIA/IEE, the EMMP, and the RP or the IPP if any;

(d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and

(e) fully reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction.

Safeguards Monitoring and Reporting

14. The Borrower shall ensure or cause the EA and each IA to ensure the following:

(a) submit quarterly/semiannual Safeguards Monitoring Reports, as applicable, to ADB through State and disclose relevant information from such reports to affected persons promptly upon submission;

(b) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the project that were not considered in the EIA/IEE, the EMMP, and the RP or the IPP as applicable, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan;

(c) no later than award of Works contract/commencement of land acquisition and resettlement activities under first Subproject under any sector engage a qualified and experienced external expert or NGO under a selection process and terms of reference acceptable to ADB, to verify information produced through Project monitoring process, and facilitate the carrying out of any verification activities by such external expert/NGO for all Subprojects under the Project; and

(d) report any breach of compliance with the measures and requirements set forth in the EMMP, and the RP or the IPP if any, promptly after becoming aware of the breach.

Prohibited List of Investments

15. The Borrower shall ensure or cause the EA and each IA to ensure that no proceeds of the loan under the Project are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of ADB's Safeguard Policy Statement (2009).

Other Social Measures

16. The EA through each IA shall ensure that civil works contracts under the Project follow all applicable labor laws of the Borrower and State and that these further include provisions to the effect that contractors; (i) carry out HIV/AIDS awareness programs for labor and disseminate information at worksites on risks of sexually transmitted diseases and HIV/AIDS as part of health and safety measures for those employed during construction; and (ii) follow and implement all statutory provisions on labor (including not employing or using children as labor, equal pay for equal work), health, safety, welfare, sanitation, and working conditions. Such contracts will also include clauses for termination in case of any breach of the stated provisions by the contractors.

Gender

17. The EA and each IA shall ensure that the Project's Gender Action Plan (GAP) will be fully implemented as agreed between ADB, the Borrower, EA and the IAs, as referred in the PAM.

Communications Strategy

18. The EA and each IA shall ensure that the Project is undertaken in conformity with the Communication Strategy as agreed between ADB, the Borrower, EA, and the IAs, as referred in the PAM.

Procurement

19. The EA and each IA shall ensure that the anticorruption provisions acceptable to ADB, the Borrower, EA, and IAs are included in all bidding documents and contracts financed by ADB in connection with the Project, including provisions specifying the right of ADB to review and examine the records and accounts of State, SDMA, the IAs, and all contractors, suppliers, consultants, and other service providers as they relate to the Project.

20. The EA and each IA shall announce the Project and business opportunities associated with the Project on its respective website. The website will disclose the following information in relation to goods and services procured for the Project: (i) the list of participating bidders, (ii) the name of the winning bidder, (iii) the amount of the contracts awarded, and (iv) the goods and services procured.

Quality Control and Performance Audit

21. The EA shall ensure that the IAs ensure (i) that the rehabilitation and reconstruction of infrastructure effected under the Emergency include strengthened seismic, high winds, and high flood resistance provisions; (ii) monitor and ensure quality control of materials used for the rehabilitation and reconstruction of the infrastructure effected under the Emergency, and ensure that contractors engaged under the Project are technically competent and cleared by the EA in this regard; and (iii) undertake semi-annual performance audit during Subprojects' implementation to determine the degree to which the Project funds have been effectively and efficiently utilized to implement the Project, and achieved its objectives, outputs, and performance indicators.

Governance, Transparency, and Anticorruption

22. The Borrower, EA, and each IA, shall comply with ADB's Anticorruption Policy (1998, as amended to date) and will allow and assist ADB's representatives to carry out random spot checks on the work in progress, utilization of funds for the Project/Subprojects and its implementation.

23. The Borrower, EA, and each IA will ensure that the anticorruption provisions acceptable to ADB, the Borrower, State, SDMA and IAs are included in all bidding documents and contracts financed by ADB in connection with the Project, including provisions specifying the right of ADB to review and examine the records and accounts of

State, SDMA and each IA, and all contractors, suppliers, consultants, and other service providers as they relate to the Project.

24. In addition to procurement related information as stipulated under paragraph 20 of this Schedule, the State shall ensure that the websites of the EA and each IA shall publicly disclose Project and Subprojects' information on use of ADB Loan proceeds and procedures on Subprojects' implementation including community participation. The information shall include inter alia, financial statements, track procurement awards, and status of rehabilitation and reconstruction, funding commitment from other donors and status update on the Project and Subprojects' implementation.

Special Audit

25. The Borrower shall ensure that within 3 months of completion of the Subprojects and Project, a special independent post-completion audit is conducted in accordance with the *ADB's Disaster and Emergency Assistance Policy (2004)* focusing on Project implementation, governance, transparency, and financial accountability.

Project Performance Monitoring System

26. Without limiting the requirements of setting up the Project Performance Monitoring System (PPMS) as detailed in the PAM, the EA shall ensure through the IAs that benefit monitoring, progress and achievements of the Project objectives are undertaken with due participation and feedback of the affected people, non-governmental and community based organizations.