
GRANT NUMBER 0413-IND (EF)

GRANT AGREEMENT
(Externally Financed)

(Rajasthan Urban Sector Development Project)

between

INDIA

and

ASIAN DEVELOPMENT BANK

DATED 11 SEPTEMBER 2015

IND 42267

**GRANT AGREEMENT
(Externally Financed)**

GRANT AGREEMENT dated 11 September 2015 between INDIA acting by its President (“Recipient”) and ASIAN DEVELOPMENT BANK (“ADB”).

WHEREAS

(A) the Recipient has applied to ADB for a loan from its ordinary capital resources in connection to the Rajasthan Urban Sector Development Program and by a Loan Agreement of even date herewith between the Recipient and ADB (“Program Loan Agreement”), ADB has agreed to provide a loan in an amount of two hundred fifty million Dollars (\$250,000,000) (“Program Loan”);

(B) the Recipient has also applied to ADB for a loan from its ordinary capital resources in connection to the Rajasthan Urban Sector Development Project and by a Loan Agreement of even date herewith between the Recipient and ADB (“Project Loan Agreement”), ADB has agreed to provide a loan in an amount of two hundred fifty million Dollars (\$250,000,000) (“Project Loan”);

(C) the Recipient has, through ADB, applied to the Sanitation Financing Partnership Trust Fund under the Water Financing Partnership Facility (“WFPF”) for a grant for the purposes of cofinancing expenditures under Part 2 of the project, as described in Schedule 1 to the Project Loan Agreement;

(D) the Project will be carried out by the State of Rajasthan (“State”) acting through its Local Self Government Department (“LSGD”), and for this purpose the Recipient will make available to the State the proceeds of the grant provided for herein upon terms and conditions mutually agreeable to ADB and the Recipient; and

(E) ADB has agreed to make the proceeds of the grant from Sanitation Financing Partnership Trust Fund under the WFPF available to the Recipient upon the terms and conditions set forth herein;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Grant Regulations; Definitions

Section 1.01. All provisions of the Externally Financed Grant Regulations of ADB, dated 8 April 2009 (“Grant Regulations”), are hereby made applicable to this Grant Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Grant Agreement, the several terms defined in the Grant Regulations and in the Project Loan Agreement have the

respective meanings therein set forth unless modified herein or the context otherwise requires. Additional terms used in this Grant Agreement have the following meanings:

(a) “Project Loan Agreement” means the agreement between Recipient and ADB referred to in Recital (B) of this Grant Agreement;

(b) “Project” for the purposes of this Grant Agreement, means the activities described in Part 2 of the project as described in Schedule 1 to the Project Loan Agreement; and

(c) “Works” means construction or civil works to be financed out of the proceeds of the Grant, including services such as excavations, mapping and any project related services that are provided as part of a single responsibility or turnkey contract, but excluding Consulting Services;

ARTICLE II

The Grant

Section 2.01. ADB agrees to make available to the Recipient a grant from the Sanitation Financing Partnership Trust Fund under the WFPF in the amount of two million Dollars (\$2,000,000).

ARTICLE III

Use of Proceeds of the Grant

Section 3.01. The Recipient shall cause the proceeds of the Grant to be applied to the financing of expenditures in the Project in accordance with the provisions of this Grant Agreement.

Section 3.02. The proceeds of the Grant shall be allocated and withdrawn in accordance with the provisions of Schedule 1 to this Grant Agreement, as such Schedule may be amended from time to time by agreement between the Recipient and ADB.

Section 3.03. Except as ADB may otherwise agree, the Recipient shall procure, or cause to be procured, the items of expenditure to be financed out of the proceeds of the Grant in accordance with the provisions of Schedule 4 to the Project Loan Agreement.

Section 3.04. The Grant Closing Date for the purposes of Section 8.02 of the Grant Regulations shall be 30 June 2020 or such other date as may from time to time be agreed between the Recipient and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Recipient shall perform, or cause to be performed, all obligations set forth in Schedule 5 to the Project Loan Agreement.

Section 4.02. The Recipient shall enable ADB's representatives to inspect the Project, the Works, and any relevant records and documents.

Section 4.03. The Recipient acknowledges and agrees that this Grant Agreement is entered into by ADB, not in its individual capacity, but as grant administrator for the Sanitation Financing Partnership Trust Fund under the WFPF. Accordingly, the Recipient agrees that (i) it may only withdraw Grant proceeds to the extent that ADB has received proceeds for the Grant from the Sanitation Financing Partnership Trust Fund under the WFPF; and (ii) that ADB does not assume any obligations or responsibilities of the Sanitation Financing Partnership Trust Fund under the WFPF in respect of the Project or the Grant other than those set out in this Grant Agreement.

ARTICLE V

Effectiveness

Section 5.01. The following is specified as an additional condition to the effectiveness of this Grant Agreement for the purposes of Section 9.01(e) and 9.02(c) of the Grant Regulations: the Project Loan Agreement shall have been duly executed and delivered on behalf of the Recipient, and all conditions precedent to its effectiveness shall have been fulfilled.

Section 5.02. A date 90 days after the date of this Grant Agreement is specified for the effectiveness of this Grant Agreement for the purposes of Section 9.04 of the Grant 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 is designated as representative of the Recipient for the purposes of Section 11.02 of the Grant Regulations.

Section 6.02. The following addresses are specified for the purposes of Section 11.01 of the Grant Regulations:

For the Recipient

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

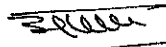
Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines

Facsimile Numbers:

(63 2) 636-2444
(63 2) 636-2293.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Grant 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  _____
AJAY SHANKER SINGH
Director
Department of Economic Affairs

ASIAN DEVELOPMENT BANK

By  _____
M. TERESA KHO
Country Director

SCHEDULE 1

Allocation and Withdrawal of Grant 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 Grant and the allocation of the Grant proceeds to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category of the Table.)

Basis for Withdrawal from the Grant Account

2. Except as ADB may otherwise agree, the proceeds of the Grant 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 Grant proceeds and the withdrawal percentages set forth in the Table,

- (a) if the amount of the Grant allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, by notice to the Recipient, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Grant 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 Grant allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, by notice to the Recipient, reallocate such excess amount to any other Category.

Disbursement Procedures

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

Retroactive Financing

5. Withdrawals from the Grant Account may be made for reimbursement of eligible expenditures incurred under the Project before the Effective Date, but not earlier than 12 months before the date of this Grant Agreement in connection with items to be retroactively financed, subject to a maximum amount equivalent to 20% of the Grant amount.

TABLE

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS (Rajasthan Urban Sector Development Project)			
Number	Item	Total Amount Allocated (\$) Category	Basis for Withdrawal from the Grant Account
1	Civil Works - Sanitation	1,500,000	100% of total eligible expenditure claimed
2	Consultants - Sanitation	500,000	100% of total eligible expenditure claimed
	Total	2,000,000	