

---

LOAN NUMBER 3623 - IND

LOAN AGREEMENT  
(Ordinary Operations)

(Railway Sector Investment Program – Project 3)

between

INDIA

and

ASIAN DEVELOPMENT BANK

DATED 16 MARCH 2018

---

IND 36330

**LOAN AGREEMENT  
(Ordinary Operations)**

LOAN AGREEMENT dated 16 March 2018 between INDIA acting by its President ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) by a framework financing agreement dated 08 July 2011 between the Borrower and ADB, ADB had agreed to provide a multitranches financing facility to the Borrower for the purposes of financing projects under the Railway Sector Investment Program ("Investment Program");

(B) by a periodic financing request dated 31 May 2017 submitted by the Borrower ("PFR"), the Borrower has applied to ADB for a loan for the purposes of the Project described in Schedule 1 to this Loan Agreement;

(C) the Project will be carried out by the Borrower's Ministry of Railways ("MOR") acting through the Rail Vikas Nigam Limited ("RVNL"), and for this purpose the Borrower through MOR will make available to RVNL the proceeds of the Loan provided for herein upon terms and conditions mutually satisfactory to ADB and the Borrower; and

(D) 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 and RVNL;

NOW THEREFORE the parties hereto agree as follows:

**ARTICLE I**

**Loan Regulations; Definitions**

Section 1.01. All the provisions of ADB's Ordinary Operations Loan Regulations, dated 1 January 2017 ("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(uu) is deleted and the following is substituted therefor:

"Project Agreement" means the Project Agreement of even date herewith between ADB and RVNL, as such agreement may be amended from time to time; and such project agreement includes all schedules to the Project Agreement.

(b) The term "Project Executing Agency" appearing in Section 7.01(a)(i), 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 "RVNL".

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) "EARF" means the environmental assessment and review framework for the Investment Program, including any update thereto, prepared and submitted by the Borrower through the Project Executing Agency and cleared by ADB;

(d) "EMP" means each environmental management plan for the Project, including any update thereto, prepared and submitted by the Borrower through the Project Executing Agency and cleared by ADB;

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

(f) "Facility" means the multitranche financing facility provided by ADB to the Borrower for purposes of financing projects under the Investment Program;

(g) "FAM" means the Facility administration manual for the Investment Program dated 08 July 2011 and agreed between the Borrower, ADB, and Project Executing Agency, as updated from time to time;

(h) "FFA" means the framework financing agreement dated 08 July 2011 between ADB and the Borrower with respect to the Facility;

(i) "Financing Arrangements" means the arrangements between the Borrower and the MOR 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) "IEE" means each initial environmental examination for the Project, including any update thereto, prepared and submitted by the Borrower through the Project Executing Agency, pursuant to the requirements set forth in the EARF and cleared by ADB;

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

(m) "Investment Program" means the Railway Sector Investment Program;

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

(o) "IPP" means each indigenous peoples plan for the Project, including any update thereto, prepared and submitted by the Borrower through the Project Executing Agency, pursuant to the requirements set forth in the IPPF and to be cleared by ADB;

(p) "IPPF" means the indigenous peoples planning framework for the Investment Program, including any update thereto, prepared and submitted by the Borrower through the Project Executing Agency, and cleared by ADB;

(q) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2017, as amended from time to time);

(r) "MOR" means the Ministry of Railways of the Borrower, or any successor thereto;

(s) "PFR" means the periodic financing request submitted or to be submitted by the Borrower, for the purposes of each loan under the Facility, and for this Loan Agreement means the periodic financing request dated 29 October 2013;

(t) "Procurement Guidelines" means ADB's Procurement Guidelines (2015, as amended from time to time);

(u) "Procurement Plan" means the procurement plan for the Project dated October 2017, as agreed between the Borrower and ADB, as further updated from time to time in accordance with the Procurement Guidelines, the Consulting Guidelines, and other arrangements agreed between ADB, Borrower and Project Executing Agency;

(v) "Project 1" means the ongoing first Project under the Facility under Loan No: 2793-IND;

(w) "Project 2" means the ongoing second Project under the Facility under Loan No: 3108-IND;

(x) "Project Executing Agency" for the purposes of, and within the meaning of, the Loan Regulations means the MOR acting through the RVNL, or any successor thereto, which is responsible for the carrying out of the Project;

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

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

(aa) "RVNL" means Rail Vikas Nigam Limited, or any successor thereto ;

(bb) "RVNL MOU" means the memorandum of understanding agreed between the Borrower (through MOR), and RVNL which sets out the administrative and financial arrangements agreed upon to by the Borrower, ADB and RVNL regarding implementation of the Investment Program by RVNL;

(cc) "Safeguards Monitoring Report" means each report prepared and submitted by the Borrower through the Project Executing Agency to ADB that describes progress with implementation of, and compliance with, the respective EMPs, the RPs and the IPPs (as applicable), including any corrective and preventative actions;

(dd) "SPS" means ADB's Safeguard Policy Statement (2009); and

(ee) "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 one hundred and twenty million Dollar (\$120,000,000) 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 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 15 June and 15 December 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 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(f) 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 Project Executing Agency and shall cause the Project Executing Agency 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 ensure, or cause the Project Executing Agency to ensure, that the items of expenditure to be financed out of the proceeds of the Loan are in accordance with the provisions of Schedule 4 to this Loan Agreement.

Section 3.04. The Loan Closing Date for the purposes of Section 9.02 of the Loan Regulations shall be 30 August 2021 or such other date as may from time to time be agreed between the Borrower and ADB.

## **ARTICLE IV**

### **Particular Covenants**

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

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

Section 4.03. ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 14 days of the date of ADB's confirmation of their acceptability by posting them on ADB's website.

Section 4.04. The Borrower shall take all actions which shall be necessary on its part to enable the Project Executing Agency to perform its obligations under the Project Agreement, and shall not take or permit any action which would interfere with the performance of such obligations.

Section 4.05. (a) 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) 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 8.02. 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  
Ministry of Finance  
Department of Economic Affairs  
North Block  
New Delhi – 110001  
India

Facsimile Number:

91-11-23094075

For ADB

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

Facsimile Numbers:

(632) 636-2444

(632) 636-2340

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

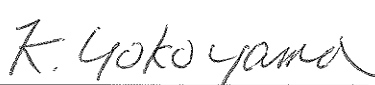
  
\_\_\_\_\_  
SAMEER KUMAR KHARE

Joint Secretary (MI)

Department of Economic Affairs

ASIAN DEVELOPMENT BANK

By

  
\_\_\_\_\_  
KENICHI YOKOYAMA

Country Director



**SCHEDULE 1****Description of the Project**

1. The objective of the Project is to support the development of an energy-efficient, safe, reliable, affordable and environment-friendly railway transport system in India by improving railway transport capacity of the railway routes financed under the Investment Program.
2. The Project as included in greater detail in the PFR, shall comprise: (i) completion of all subprojects financed under Project 1 and Project 2 – double tracking of about 840 km of railway tracks and electrification of about 640 km.
3. The Project includes Consulting Services to assist the Project Executing Agency in Project Management.
4. The Project is expected to be completed by 30 June 2021.

**SCHEDULE 2****Amortization Schedule**

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (Installment Share). If the proceeds of the Loan 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 June 2023	3.333333
2	15 December 2023	3.333333
3	15 June 2024	3.333333
4	15 December 2024	3.333333
5	15 June 2025	3.333333
6	15 December 2025	3.333333
7	15 June 2026	3.333333
8	15 December 2026	3.333333
9	15 June 2027	3.333333
10	15 December 2027	3.333333
11	15 June 2028	3.333333
12	15 December 2028	3.333333
13	15 June 2029	3.333333
14	15 December 2029	3.333333
15	15 June 2030	3.333333
16	15 December 2030	3.333333
17	15 June 2031	3.333333
18	15 December 2031	3.333333
19	15 June 2032	3.333333
20	15 December 2032	3.333333
21	15 June 2033	3.333333
22	15 December 2033	3.333333
23	15 June 2034	3.333333
24	15 December 2034	3.333333
25	15 June 2035	3.333333
26	15 December 2035	3.333333
27	15 June 2036	3.333333
28	15 December 2036	3.333333
29	15 June 2037	3.333333
30	15 December 2037	3.333343
	Total	100.000000

Schedule 2

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 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 allocated to items of expenditure, and disbursed based on 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 and by notice to the Borrower and Project Executing Agency, (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 Project Executing Agency 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 and detailed arrangements agreed between the Borrower and ADB.

Retroactive Financing

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

TABLE

<b>ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS</b>			
<b>Number</b>	<b>Item</b>	<b>Total Amount Allocated for ADB Financing (\$) Category</b>	<b>Basis for Withdrawal from the Loan Account</b>
1	Works	72,600,000	59% of total expenditure claimed
2	Goods	22,700,000	100% of total expenditure claimed*
3	Consulting Services	2,500,000	100% of total expenditure claimed*
4	Unallocated	22,200,000	
	<b>Total</b>	<b>120,000,000</b>	

\*Exclusive of taxes and duties imposed within the territory of the Borrower.

## 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. Except as ADB may otherwise agree, Goods and Works shall be procured and Consulting Services shall be selected and engaged only on the basis of the procurement methods and the selection method set forth below. This method is subject to, among other things, the detailed arrangements and threshold values set forth in the Procurement Plan. The Borrower and the Project Executing Agency may only modify the procurement methods and the selection methods or threshold values with the prior agreement of ADB, and modifications must be set out in updates to the Procurement Plan.
3. 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

4. Goods and Works shall be procured on the basis of the following procurement method: International Competitive Bidding.

#### Domestic Preference

5. The Borrower may allow the Project Executing Agency 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.

#### Conditions for Award of Contract

6. The Borrower shall ensure or cause the Project Executing Agency to ensure that it shall not award any Works contracts for any part of the Project that involves environment impacts until the Project Executing Agency has:
  - (a) prepared, submitted and obtained final approval of the respective IEE from ADB and the relevant environment authority of the Borrower; and
  - (b) incorporated the relevant provisions from the respective EMP into the related Works contract.
7. The Borrower shall ensure or cause the Project Executing Agency to ensure that it shall not award any Works contract that involves involuntary resettlement impacts for any part of the Project until the Project Executing Agency has prepared, submitted and obtained clearance of ADB, of the respective final RP for such part of the Project based on its detailed design.

Schedule 4

8. The Borrower shall ensure or cause the Project Executing Agency to ensure that it shall not award any Works contract that involves indigenous peoples impact for any part of the Project until the Project Executing Agency has prepared, submitted and obtained clearance of ADB, of the respective final IPP for such part of the Project.

Consulting Services

9. Except as ADB may otherwise agree and as set forth in the Procurement Plan, the Borrower shall ensure or cause the Project Executing Agency to ensure to apply Quality- and Cost-Based Selection for Consulting Services.

Industrial or Intellectual Property Rights

10. (a) The Borrower shall ensure or cause the Project Executing Agency to 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 Borrower shall ensure or cause the Project Executing Agency to 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.

11. The Borrower shall ensure or cause the Project Executing Agency to 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

12. 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, the Project Executing Agency, and ADB and set forth in the Procurement Plan.

## SCHEDULE 5

### Execution of Project; Financial Matters

#### Implementation Arrangements

1. The Borrower shall ensure or cause the Project Executing Agency to ensure that the Project is implemented in accordance with the detailed arrangements set forth in the FAM. Any subsequent change to the FAM shall become effective only after approval of such change by the Borrower, the Project Executing Agency and ADB. In the event of any discrepancy between the FAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.
2. The Borrower shall ensure or cause the Project Executing Agency to ensure, that towards smooth implementation of the Project, grievances if any from stakeholders, relating to Project implementation or use of funds under the Project are addressed effectively and efficiently.
3. The Borrower shall ensure or cause the Project Executing Agency to ensure to continue to maintain the Project performance monitoring system prepared under Project, acceptable to ADB for the term of the Project.

#### Safeguards

##### Environment

4. (a) The Borrower shall ensure or cause the Project Executing Agency to ensure, that the preparation, design, construction, implementation, operation and decommissioning of the Project, and all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to environment, health, and safety; (b) the Environmental Safeguards; (c) the EARF; and (d) all measures and requirements set forth in the respective IEE and EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.
- (b) The Borrower shall ensure or cause the Project Executing Agency to ensure that Works under a contract shall not be commenced in the relevant section, until the forestry clearance and permits from the relevant State pollution control boards for operation of hot mix plants are obtained.

##### Land Acquisition and Involuntary Resettlement

5. The Borrower shall ensure or cause the Project Executing Agency 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 (a) all applicable laws and regulations of the Borrower relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; (c) the RF; and (d) all measures and requirements set forth in the respective RP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.



Schedule 5

6. Without limiting the application of the Involuntary Resettlement Safeguards, the RF or the respective RP, the Borrower shall ensure or cause the Project Executing Agency to ensure, that no physical or economic displacement takes place in connection with the Project until:

(a) compensation and other entitlements have been provided to affected people in accordance with the respective RP; and

(b) a comprehensive income and livelihood restoration program has been established in accordance with the respective RP.

Indigenous Peoples

7. The Borrower shall ensure or cause the Project Executing Agency to ensure, that the preparation, design, construction, implementation and operation of the Project, and all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to indigenous peoples; (b) the Indigenous Peoples Safeguards; (c) the IPPF; and (d) all measures and requirements set forth 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

8. The Borrower shall ensure or cause the Project Executing Agency to ensure that all necessary budgetary and human resources to fully implement the respective EMPs, the RPs and the IPPs as required, are made available.

Safeguards – Related Provisions in Bidding Documents and Works Contracts

9. The Borrower shall ensure or cause the Project Executing Agency 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 respective IEE, EMP, RP and IPP (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 Project Executing Agency with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the respective IEE, EMP, RP and/or IPP;

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

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

Safeguards Monitoring and Reporting

10. The Borrower shall ensure or cause the Project Executing Agency to ensure the following:

(a) submit semi-annual Safeguards Monitoring Reports to ADB 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 any respective IEE, EMP, RP or 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) where necessary, continue to engage qualified and experienced external expert or qualified non-government organization under a selection process and terms of reference acceptable to ADB, to verify information produced through the Project monitoring process for resettlement, environment, and indigenous peoples (if any), and facilitate the carrying out of any verification activities by such external expert; and

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

Prohibited List of Investments

11. The Borrower shall ensure or cause the Project Executing Agency to ensure that no proceeds of the Loan are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.

Procurement

12. The Borrower shall ensure or cause the Project Executing Agency to announce the Project and business opportunities (i.e., invitation of potential bids) associated with the Project on its website. The website shall disclose the following information in relation to works, goods and services procured for the Project: (a) the list of participating bidders; (b) the name of the selected bidder; (c) the amount of the contracts awarded; and (d) the works, goods and services procured. In accordance with the Procurement Guidelines, the published information for International Competitive Bidding contracts shall also include the bid prices as read out at bid opening, the reasons for rejection of unsuccessful bidders, and the duration of the awarded contract.

Labor Standards

13. The Borrower shall ensure or cause the Project Executing Agency to ensure that Works contracts under the Project follow all applicable labor laws of the Borrower and that these further include provisions to the effect that contractors (a) 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

Schedule 5

construction; and (b) 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 shall also include clauses for termination in case of any breach of the stated provisions by the contractors.

Gender and Development

14. The Borrower shall ensure or cause the Project Executing Agency to ensure that the principles of gender equality aimed at increasing Project benefits and impact on women in the Project area are followed during implementation of the Project. These include (a) equal pay to men and women for work of equal value; (b) enabling working conditions for women workers; and (c) taking necessary actions to encourage women living in the Project area to participate in the design and implementation of Project activities.

Governance and Anticorruption

15. The Borrower shall ensure or cause the Project Executing Agency to ensure compliance with ADB's Anticorruption Policy (1998, as amended to date) and (a) shall ensure that the anticorruption provisions acceptable to ADB, the Borrower, the Project Executing Agency 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 the Project Executing Agency and all contractors, suppliers, consultants, and other service providers as they relate to the Subprojects and the Project, and as included in the FAM; (b) shall allow and assist ADB's representatives to carry out random spot checks on the work in progress and utilization of funds for the Project; (c) acknowledge that ADB reserves the right to investigate directly or through its agents any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; and (d) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation, and as included in the FAM.

Facilities Maintenance

16. The Borrower through MOR shall ensure timely and adequate funds for maintenance of the facilities created under the Project.

Counterpart Support

17. (a) The Borrower shall ensure or cause the Project Executing Agency to provide, as necessary, respective counterpart staff, land facilities, and counterpart funding for the Project in accordance with the financing plan, cost of making land available and assistance, and implementation and monitoring of respective EMPs, RPs and IPPs (including unforeseen expenses beyond the estimates), utility relocation, road maintenance, and general Project management expenses in a timely manner through approved annual budget allocations.

(b) In addition to the foregoing, the Borrower shall ensure or cause the Project Executing Agency to ensure sufficient funds to satisfy its liabilities arising from any Works, Goods and/or Consulting Services contract.

Communications and Participation

18. The Borrower shall ensure or cause the Project Executing Agency to ensure that the Project is undertaken in conformity with the stakeholder communication strategy as agreed between ADB, the Borrower, and the Project Executing Agency and referred in the FAM.

Institutional Strengthening

19. The Borrower shall ensure that MOR and RVNL (to the extent applicable to RVNL) shall make timely progress in the implementation of the institutional strengthening action plan as set out in Appendix 2 to Schedule 1 of the FFA.