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CREDIT NUMBER 5413-IN

Financing Agreement

(Additional Financing for the National Cyclone Risk Mitigation Project)

between

INDIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated *August 11*, 2015

FINANCING AGREEMENT

Agreement dated August 11, 2015 entered into between INDIA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for the scale up of Project activities (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to sixty seven million three hundred thousand Special Drawing Rights (SDR 67,300,000) (variously, "Credit" and "Financing"), to assist in financing the scale up of the activities of components B and D of the project described in Schedule 1 to the Original Financing Agreement ("Project").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of the Schedule 1 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.

- 2.06. The Payment Dates are April 1 and October 1 in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 2 to this Agreement.
- 2.08. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project under the overall coordination, monitoring and reporting responsibility of the NDMA, in close coordination with the MHA, and shall cause the Project Implementing Entities to carry out their Respective Parts of the Project in accordance with the provisions of Article IV of the General Conditions and the respective Project Agreements.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 1 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely that the NDMA's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the NDMA to perform any of its obligations under this Agreement.

ARTICLE V — TERMINATION

- 5.01. The Effectiveness Deadline is the date ninety days (90) days after the date of this Agreement.
- 5.02. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is any of the following officials, acting severally: the Secretary, Additional Secretary, Joint Secretary, Director, Deputy Director, or Under Secretary of the Department of Economic Affairs of the Recipient's Ministry of Finance.

6.02. The Recipient's Address is:

Secretary
Department of Economic Affairs
Ministry of Finance
Government of India
North Block
New Delhi 110 001, India

Facsimile:

+91-11-23092039

6.03. The Association's Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Facsimile:

1-202-477-6391

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

INDIA

By Arman 11/08/15
Authorized Representative

Name: _____

Title: _____

INTERNATIONAL DEVELOPMENT
ASSOCIATION

By John Blomquist
Authorized Representative

Name: John Blomquist

Title: Acting Country Director

SCHEDULE 1

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Throughout Project implementation, the Recipient shall maintain adequate Project implementation structures with functions, powers, staff and resources necessary and appropriate to fulfill the implementation and fiduciary requirements under the Project set forth in this Agreement, as further specified in the Project Documents.
2. The Recipient shall ensure that: (a) the NDMA with support of its NSC shall be responsible for the overall policy and strategic direction of the Project; and (b) the NDMA, with support of its Project Management Unit, shall be responsible for ensuring that the Project Implementing Entities, acting through OSDMA or APRD as the case may be, comply with the fiduciary and safeguard requirements set forth in the Project Agreements and/or the Project Documents.

B. On-lending Arrangements

1. To facilitate the Project Implementing Entities' carrying out their Respective Parts of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entities in accordance with the Recipient's standard arrangements for development assistance to the States of India.
2. Notwithstanding paragraph 1 above, in the event that any provision of this Agreement, including the instructions that the Association shall have specified by notice to the Recipient pursuant to Section IV.A.1 of this Schedule, were to be found inconsistent with the Recipient's standard arrangements for development assistance to the States of India, the provisions of this Agreement and related instructions shall govern.
3. The Recipient shall at all times protect its own interests and the interests of the Association to accomplish the purposes of the Financing.

C. Project Documents

The Recipient shall, and shall cause the Project Implementing Entities to:

- (a) implement the Project in accordance with the Operations Manual, the FM Manual, the Procurement Manual, the Safeguards Documents and the GAAP (the "Project Documents"); provided however that in the

event of conflict between the provisions of said manuals, plan or documents, on the one hand, and those of this Agreement and/or the Project Agreements, on the other hand, the provisions of this Agreement and/or those of the Project Agreements shall prevail; and

- (b) refrain from amending, suspending, waiving, and/or voiding any provision of the Project Documents, whether in whole or in part, without the prior written concurrence of the Association.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

- 1. The Recipient shall monitor and evaluate the progress achieved in the implementation of Components B and D of the Project and prepare, and/or cause the Project Implementing Entities to prepare, Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Association. Each Project Report shall cover the period of one (1) fiscal year of the Recipient and the Project Implementing Entities, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

- 1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
- 2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare, or cause the Project Implementing Entities to, prepare and furnish to the Association by not later than forty-five (45) days after the end of each quarter of the Recipient's and the Project Implementing Entity's fiscal year, interim financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
- 3. The Recipient shall cause the Project Implementing Entities to have their respective Financial Statements, audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient or the respective Project Implementing Entity, as the case may be, commencing with

the fiscal year in which the first withdrawal was made under the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. *Goods, Works and Non-consulting Services.* All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. *Consultants' Services.* All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. *Definitions.* The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. *International National Competitive Bidding.* Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. *Other Methods of Procurement of Goods, Works and Non-consulting Services.* The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) National Competitive Bidding (<i>subject to the additional provisions set forth in the Procurement Plan</i>)
(b) Shopping
(c) Direct Contracting
(d) Force Account
(e) Community Participation in Procurement procedures set forth in the Procurement Plan

C. Particular Methods of Procurement of Consultants' Services

1. *Quality- and Cost-based Selection.* Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. *Other Methods of Procurement of Consultants' Services.* The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Quality-Based Selection
(b) Selection Based on Consultants' Qualifications
(c) Selection under a Fixed Budget
(d) Single-Source Selection of Consulting Firms
(e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants
(f) Single Source Procedures for the Selection of Individual Consultants

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods and works (under Component B of the Project)	62,100,000	75%
(2) Goods, works, non-consulting services, consultants' services, Training and Incremental Operating Costs (under Component D of the Project)	5,200,000	100%
TOTAL AMOUNT	67,300,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed the equivalent of twenty million United States Dollars (USD 20,000,000) may be made for payments made prior to this date but on or after October 12, 2013.
2. The Closing Date is October 31, 2017.

SCHEDULE 2

Repayment Schedule

Date Payment Due	Principal Amount of the Credit Repayable (expressed as a percentage)*
On each April 1 and October 1:	
Commencing October 1, 2019 to and including April 1, 2029	1.65%
commencing October 1, 2029 to and including April 1, 2039	3.35%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.