



LOAN NUMBER 8136-IN

Loan Agreement

(Assam State Roads Project)

between

INDIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated *November 5*, 2012

LOAN AGREEMENT

AGREEMENT dated *November 5*, 2012, between INDIA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank 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 — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of three hundred and twenty million Dollars (\$320,000,000) as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02(e) of the General Conditions.
- 2.05. The Payment Dates are March 15 and September 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

- 2.07. (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, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference 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 the Variable Rate or the Reference Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05(c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall cause Assam to carry out the Project in accordance with the provisions of Article V of the General Conditions and the Project Agreement.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV -- EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE V -- REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower's Representative is the Secretary, or any Additional Secretary, Joint Secretary, Director, Deputy Secretary or Under Secretary of the Department of Economic Affairs in the Ministry of Finance of the Borrower.
- 5.02. The Borrower's Address is:

Secretary to the Government of India
Department of Economic Affairs
Ministry of Finance
New Delhi, India

Cable:	Telex:	Facsimile:
ECOFAIRS New Delhi	953-31-66175 FINE IN	91-11-23094075

- 5.03. The Bank's Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

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

INDIA

By



Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to enhance the road connectivity in Assam by assisting PWRD to improve and effectively manage Assam's road network.

The Project consists of the following parts:

Part 1: Road Improvement

Supporting improvement of priority sections of secondary roads in Assam to improve state connectivity and facilitate regional integration, including, but not limited to, the following:

- (a) Improving about 500 kilometers (km) of secondary roads (widening and upgrading about 300 km of roads, and pavement rehabilitation and strengthening of about 200 km of roads), constructing related bridges, including introduction of new technologies related to the design and construction of said roads and bridges.
- (b) Supporting Project preparation, supervision, management, and monitoring.
- (c) Resettlement and rehabilitation assistance to Displaced Persons and supporting an HIV/AIDS awareness program.
- (d) Supporting construction of stand-alone bridges using innovative technical designs.

Part 2: Road Sector Modernization and Performance Enhancement

Supporting the implementation of Assam's Road Sector Modernization Program, including, but not limited to, the following:

- (a) Modernizing and strengthening PWRD's policies, engineering practices, and business procedures based on best practices in the road industry, including development of a long-term sector policy and strategy for modernizing PWRD's codes, manuals, and engineering tools for Project preparation and implementation.
- (b) Strengthening Assam's road asset management and maintenance system through: establishing a strategic core network representing key state and regional corridors; expanding and strengthening the role of ASRB; operationalizing the Road Maintenance Fund; establishing an asset management system and preparing plans for roads' construction and their maintenance; and introducing

performance- based and/or other innovative methods for maintenance of roads through private sector participation.

- (c) Supporting PWRD's institutional and human resource development through implementation of suitable plans for staff training and professional development in identified priority areas; improvement of efficiency and productivity of PWRD staff; and capacity building of the local construction industry.
- (d) Streamlining, standardizing, and computerizing PWRD key business processes through supporting enhancement and rollout of various modules of PWRD's computerization program to all its field offices in a phased manner.

Part 3: Road Safety Management:

Strengthening safety management capacity of related agencies in Assam through developing and implementing a multi-sector road safety strategy, including implementation of safe corridor demonstration programs/projects on identified road sections; development and operationalization of a road accident database and management system; strengthening road safety capacity of PWRD during design, construction and operation stages of the Project; supporting awareness programs on road safety and work zone safety; and supporting implementation of engineering countermeasures for the roads to be widened and upgraded under Part 1 of the Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

Availability of Funds

1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to Assam in accordance with the Borrower's standard arrangements for development assistance to the States of India.
2. The Borrower shall protect the interests of the Bank to accomplish the purposes of the Loan.

Anti-Corruption

3. The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines and those of GAAP.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower shall cause Assam to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators agreed with the Bank. Each Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the Bank 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 Borrower shall maintain and cause Assam through ASRB to maintain a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower shall cause Assam through ASRB to prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.
3. The Borrower shall have the Designated Account referred to in Section 2.04 of the General Conditions audited and shall cause Assam to have the Project

Financial Statements audited, all in accordance with the provisions of Section 5.09(b) of the General Conditions. Each audit of the Designated Account and the Project Financial Statements shall cover the period of one (1) fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal was made under the Project. The audit reports for the Designated Account and the audited Project Financial Statements for each such period shall be furnished to the Bank 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 Loan 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 Loan 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 Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

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

1. **International 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 (subject to the additional provisions agreed upon from time to time between the Borrower and the Bank and referred to in the Procurement Plan)
(b) Shopping
(c) Direct Contracting

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 the 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 under a Fixed Budget
(c) Least Cost Selection
(d) Selection Based on the Consultants' Qualifications
(e) Single-Source Selection
(f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants
(g) Sole Source Procedures for the Selection of Individual Consultants

D. Review by the Bank of Procurement Decisions

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

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank and as made applicable to this

Agreement pursuant to such instructions), to: (a) repay the Preparation Advance in accordance with Section 2.07(a) of the General Conditions; (b) finance the Front-end Fee in accordance with Section 2.07(b) of the General Conditions; and (c) 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 Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants' services, Training and Workshops, and Operating Costs	317,200,000	85%
(2) Refund of the Preparation Advance	2,000,000	Amount payable pursuant to Section 2.07(a) of the General Conditions
(3) Front-end Fee	800,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions
(4) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.07(c) of this Agreement
TOTAL AMOUNT	320,000,000	

For purposes of this Section IV:

- (a) the term "Training and Workshops" means non-consultant expenditures incurred in connection with the provision of training, including, study tours and workshops, training institution fees, logistics, materials, and the cost of travel and per diem of trainers and trainees; and

- (b) the term "Operating Costs" means incremental costs incurred by Assam for the purposes of carrying out the Project, including office rent and utilities, office and equipment insurance, office maintenance and repair, vehicle rental, maintenance and repair, communication, Project related travel, and other administrative costs directly associated with, and necessary under, the Project, including incremental costs incurred by Assam for the purposes of data collection, field and laboratory investigations undertaken by PWRD's own staff related to the preparation of engineering designs, asset management, and other activities required to carry out the Project.

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 \$10,000,000 equivalent may be made for payments made prior to this date but on or after June 1, 2011, for Eligible Expenditures under Category (1).
- 2. The Closing Date is March 31, 2018.

SCHEDULE 3

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 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 the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Principal Payment Date	Installment Share (Expressed as a Percentage)
On each March 15 and September 15 Beginning September 15, 2017 through September 15, 2029	3.85%
On March 15, 2030	3.75%

2. If the proceeds of the Loan have not 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 have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
 - (b) Any amount withdrawn 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 the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two (2) calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
 - (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
5. If the Withdrawn Loan Balance is denominated in more than one (1) 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.

APPENDIX

Definitions

1. "Anti-Corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011.
2. "ASRB" means the Assam State Roads Board, a society registered under the Societies Registration Act, 1860 and under the administrative control of PWRD.
3. "Assam" means the State of Assam, a state of India, or any successor thereto.
4. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. "Chief Engineer Office" means the office referred to in paragraph 1(a), Section I, of the Schedule to the Project Agreement.
6. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011.
7. "Displaced Persons" means persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons; and a "Displaced Person" means any of such Displaced Persons.
8. "EMF" means the environmental management framework, dated October 5, 2011, adopted by Assam, and satisfactory to the Bank, which sets forth policies and procedures for the preliminary screening of environmental impacts of any activities that may be identified during later years of implementation of the Project, and for the preparation of environmental assessment and environment management plans therefor during the implementation of the Project, as said framework may be amended from time to time with the prior agreement of the Bank.
9. "EMP" means the environmental management plan, dated October 5, 2011, adopted by Assam, and satisfactory to the Bank, describing the environmental management, mitigation, monitoring, reporting and institutional measures to be

undertaken by Assam during the Project implementation, as such plan may be revised from time to time with the prior agreement of the Bank.

10. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012.
11. "GAAP" means the governance and accountability action plan, dated February 7, 2012, which sets out the Project specific key actions to strengthen governance, transparency and accountability, as such plan may be amended from time to time with the prior agreement of the Bank.
12. "Indigenous Peoples Development Plan" means the plan dated October 17, 2011, adopted by Assam and satisfactory to the Bank, describing the approach, strategy and measures to be followed to ensure that tribals participate in and benefit from the Project; as the same may be amended from time to time with the prior agreement of the Bank.
13. "Indigenous Peoples Management Framework" means the framework, dated October 17, 2011, adopted by Assam and satisfactory to the Bank, whose objective is to address issues related to vulnerable populations associated with tribal and indigenous communities in the Project areas, as the same may be amended from time to time with the prior agreement of the Bank.
14. "Multi-disciplinary Working Group" means the group referred to in paragraph 1(c), Section I of the Schedule to the Project Agreement.
15. "Operations Manual" means the Operations Manual for the Project, dated February 7, 2012 including detailed guidelines and procedures for procurement, financial management, Project implementation, supervision and monitoring, as the same may be amended from time to time with the prior agreement of the Bank.
16. "Preparation Advance" means the advance referred to in Section 2.07(a) of the General Conditions, granted by the Bank to the Borrower pursuant to the letter agreement signed on behalf of the Bank on January 19, 2007 and on behalf of the Borrower on August 3, 2007.
17. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011.
18. "Procurement Plan" means Assam's procurement plan for the Project, dated February 7, 2012 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

19. "Project Implementing Entity" means Assam.
20. "PWRD" means the Public Works Road Department of Assam.
21. "RAP" means the resettlement action plan, dated October 17, 2011, adopted by Assam and satisfactory to the Bank, which sets forth resettlement, land acquisition, and tribal communities rehabilitation and assistance actions to be undertaken by Assam under the Project, as such plan may be revised from time to time with the prior agreement of the Bank.
22. "Road Sector Modernization Program" means the program adopted by PWRD to modernize and reform Assam's road sector, which may be modified in consultation with the Bank based on the experiences gained during Project implementation.
23. "Road Reforms and Modernization Task Force" means the task force referred to in paragraph 1(b), Section I of the Schedule to the Project Agreement.
24. "RPF" means the resettlement policy framework dated October 17, 2011, adopted by Assam, and satisfactory to the Bank, setting forth the general terms and conditions for carrying out any social, resettlement and rehabilitation activities under the Project, including identification, assessment and mitigation of potential social impacts arising from the Project, carrying out consultations, processing and redressing grievances, monitoring related impacts, and, if required, resettlement and rehabilitation action plans and other development and entitlement plans for Displaced Persons, as such framework may be revised from time to time with the prior agreement of the Bank.
25. "Road Maintenance Fund" means a fund under ASRB to receive funds from Assam for roads maintenance.