

Public Disclosure Authorized

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**GEF GRANT NUMBER TF094676-IN**

# **Global Environment Facility Grant Agreement**

**(Coal Fired Generation Rehabilitation Project)**

**between**

**INDIA**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**(acting as an Implementing Agency of the Global Environment Facility)**

**Dated December 17, 2009**

Public Disclosure Authorized



**GEF GRANT NUMBER TF094676-IN**

**GLOBAL ENVIRONMENT FACILITY  
GRANT AGREEMENT**

AGREEMENT dated December 17, 2009, entered into between INDIA (“Recipient”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as an implementing agency of the Global Environment Facility (“GEF”).

Whereas the Recipient has also requested the World Bank to provide additional assistance towards the financing of the project (“Project”) described in Schedule 1 to the loan agreement of even date herewith between the Recipient and the World Bank (“Loan Agreement”), and the World Bank is agreeing to provide such assistance in an aggregate principal amount equal to one hundred eighty million Dollars (\$180,000,000) (“Loan”).

Now therefore, the Recipient and the World Bank hereby agree as follows:

**ARTICLE I – STANDARD CONDITIONS; DEFINITIONS**

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 1, 2008 (“Standard Conditions”), 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 Standard Conditions or in the Loan Agreement.

**ARTICLE II – THE GRANT**

- 2.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to forty-five million four hundred thousand Dollars (\$45,400,000) (“Grant”) to assist in financing the Project.
- 2.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to the Loan Agreement.
- 2.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions, the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

### ARTICLE III – THE PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the WBPDCCL, MSPGCL and HPGCL, through the respective Project States, to carry out their Respective Parts of Components 1 and 2 of the Project, and shall, through the CEA, carry out the Respective Parts of Component 2 of the Project, all in accordance with the provisions of Article II of the Standard Conditions and the Project Agreements.
- 3.02. (a) Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the Schedule 2 of the Loan Agreement, which is incorporated into this Agreement with the following modifications, unless the context otherwise requires:
- (i) the term “Bank” shall be read as “World Bank”;
  - (ii) the term “Loan” shall be read as “Grant”;
  - (iii) the term “Borrower” shall be read as “Recipient”;
  - (iv) the term “General Conditions” shall be read as “Standard Conditions, and its corresponding Sections; and
  - (v) the term “this Agreement” shall be read as “the Grant Agreement”.
- (b) So long as any part of the Loan provided for under the Loan Agreement shall remain outstanding and unless the Recipient has been notified otherwise by the World Bank:
- (i) all actions taken, including approvals given, by the Bank pursuant the Loan Agreement shall be deemed to be taken or given in the name and on behalf of both the Bank and the World Bank; and
  - (ii) all information or documentation furnished by the Borrower to the Bank pursuant to the Loan Agreement shall be deemed to be furnished to both the Bank and the World Bank.
- (c) If the Loan Agreement terminates prior to the termination of this Agreement, the provisions of the Loan Agreement referred to in this Agreement shall continue in full force and effect between the Recipient and the World Bank.

#### **ARTICLE IV – ADDITIONAL REMEDIES**

- 4.01. The Additional Events of Suspension referred to in Section 4.02(k) of the Standard Conditions consist of the following:
- (a) the Recipient has taken or has permitted to be taken any action which would prevent or interfere with the performance by a Project Implementing Entity of its obligations under the Project Agreement;
  - (b) the Project Implementing Entity has failed to perform any obligation under the Project Agreement;
  - (c) at any time, the World Bank determines that any representative of the Project Implementing Entity has engaged in corrupt, fraudulent, coercive or collusive practices in connection with the use of the proceeds of the Grant, without the Recipient having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur;
  - (d) as a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that a Project Implementing Entity will be able to perform its obligations under the Project Agreement;
  - (e) the World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred; and
  - (f) any event has occurred which gives the Bank a right of suspension under the Loan Agreement.

#### **ARTICLE V – EFFECTIVENESS; TERMINATION**

- 5.01. This Agreement shall not become effective until the Loan Agreement has become effective.
- 5.02. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this

Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

- 5.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

**ARTICLE VI – RECIPIENT’S REPRESENTATIVE; ADDRESSES**

- 6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is any Secretary, Additional Secretary, Joint Secretary, Director, Deputy Secretary or Under Secretary of the Department of Economic Affairs in the Ministry of Finance of the Recipient.
- 6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Department of Economic Affairs  
Ministry of Finance  
New Delhi, India

Cable:	Telex:	Facsimile:
ECOFAIRS New Delhi	953-31-66175 FINE IN	91-11-23092477

- 6.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable:	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 /s/ Govind Mohan  
Authorized Representative

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
(acting as an Implementing Agency of the  
Global Environment Facility)

By /s/ Giovanna Prennushi  
Authorized Representative