

Financing Agreement

dated 2nd August 2012

between

**KfW, Frankfurt am Main**  
("KfW")

and

**INDIA**  
acting by its President  
("Recipient")

for

EUR 2,500,000.00

**Accompanying Measure**  
**Environment Related Urban Infrastructure Development Odisha /**  
**Odisha Urban Infrastructure Development Fund**  
("Programme")



KfW has agreed to extend to the Borrower a Loan to support the creation of a financing institutional framework in the state of Odisha, the Odisha Urban Infrastructure Development Fund (OUIDF) ("**Project**"). For this purpose KfW and the Borrower have agreed to enter into a loan agreement which provides the means to fund the Loan ("**Loan Agreement**") and a financing agreement for technical assistance ("**Financing Agreement**"). On the basis of the Loan Agreement and Financing Agreement a **Project Agreement**, to which the Borrower hereby agrees, will be concluded between KfW, the Government of Odisha and the Odisha Urban Infrastructure Development Fund (OUIDF) (the "**Project Executing Agency**"). This Project Agreement shall lay down the financing and the execution of the Project in detail. The Project Executing Agency and KfW shall determine the details of the Project and the Sub-Projects to be financed from the Loan in a separate agreement to the Project Agreement.

On the basis of the agreements dated 15 May 2009 and 2 February 2011 between the Government of the Federal Republic of Germany and the Government of India on Financial Cooperation ("**Government Agreements**"), the Recipient and KfW hereby enter into the following Financing Agreement:

## Article 1

### Amount and Purpose of the Financial Contribution

1.1 KfW shall extend to the Recipient a financial contribution not exceeding

EUR 2,500,000.00

(in words: two million five hundred thousand Euro ("**Financial Contribution**")).

This financial contribution shall not be repayable unless otherwise stipulated in Article 4.2.

1.2 The Recipient shall channel the financial contribution in full to the Project-Executing Agency in accordance with the conditions set forth in Article 2. The Recipient shall procure that the Project Executing Agency uses the financial contribution exclusively for the financing of technical assistance to support project preparation activities necessary for creating a shelf of bankable sub-projects including preparation of Urban Development Plans / City Development Plans, preparation of Feasibility Studies and Detailed Project Reports, Tender Documents and implementation consultancy and support for urban infrastructure projects supporting the creation of the Odisha Urban



Infrastructure Development Fund (OUIDF). The Project Executing Agency and KfW shall determine the details of the Project and the Sub-Projects to be financed from the financial contribution by a separate agreement.

- 1.3 Taxes and other public charges to be borne by the Recipient or the Project-Executing Agency and import duties shall not be financed from the financial contribution.

## Article 2

### Channelling of the Financial Contribution to the Project Executing Agency

- 2.1 The Recipient shall channel the financial contribution to the Project-Executing Agency as a non-repayable grant under a separate financing agreement.
- 2.2 Prior to the first disbursement from the financial contribution, the Recipient shall furnish to KfW a copy of the agreement referred to in Article 2.1.
- 2.3 The channelling of the financial contribution shall not constitute any liability of the Project-Executing Agency to KfW for payment obligations under this Agreement.

## Article 3

### Disbursement

- 3.1 KfW shall disburse the financial contribution in accordance with the progress of the Project and upon request of the Project Executing Agency. By the Separate Agreement, the Project Executing Agency and KfW shall determine the disbursement procedure, in particular the evidence proving that the requested funds are used for the stipulated purpose.
- 3.2 KfW shall have the right to refuse to make disbursements after 29.12.2017.



## Article 4

### Suspension of Disbursements and Repayment

4.1 KfW may not suspend disbursements unless

- a) the Recipient fails to perform its obligations to KfW to make payments when due,
- b) obligations under this Agreement, the Loan Agreement, the Project Agreement or under the Separate Agreement pertinent to these agreements have been violated,
- c) the Recipient or the Project Executing Agency is unable to prove that the disbursed amounts have all been used for the stipulated purpose, or
- d) extraordinary circumstances arise that preclude or seriously jeopardize the implementation, the operation, or the purpose of the Project.

4.2 If any of the situations specified in Article 4.1 b) or c) has occurred and has not been eliminated within a period determined by KfW, which shall, however, be at least 30 days, KfW may,

- a) in the case of Article 4.1 b), demand the immediate repayment of all disbursed amounts;
- b) in the case of Article 4.1 c), demand the immediate repayment of such amounts as the Recipient or the Project Executing Agency is unable to prove to have been used for the stipulated purpose.



## Article 5

### Costs and Public Charges

The Recipient shall bear all taxes and other public charges accruing outside the Federal Republic of Germany in connection with the conclusion and execution of this Agreement, as well as all transfer and conversion costs accruing in connection with the disbursement of the financial contribution.

## Article 6

### Contractual Statements and Power of Representation

- 6.1 The Secretary of the Department of Economic Affairs, Ministry of Finance of the Government of India and such persons as designated by him or her to KfW and authorised by specimen signatures authenticated by him or her shall represent the Recipient in the execution of this Agreement. The power of representation shall not expire until its express revocation by the representative of the Recipient authorised at the time has been received by KfW.
- 6.2 Amendments or addenda to this Agreement and any notices and statements delivered by the contracting parties under this Agreement shall be in writing. Any such notice or statement shall have been received once it has arrived at the following address of the corresponding contracting party or at such other address of the corresponding contracting party as notified to the other contracting party:

For KfW:

KfW  
Attn: LE b/3  
Postfach 11 11 41  
60046 Frankfurt am Main  
Federal Republic of Germany  
Fax: +49 69 7431-2944

For the Borrower:

Ministry of Finance  
Government of India  
Department of Economic Affairs  
North Block, New Delhi- 110 001  
Fax: +91 - 11 - 2309 2477



## Article 7

### The Project

- 7.1 The Recipient shall procure by itself and shall procure that the Project Executing Agency
- a) prepares, implements, operates and maintains the Project in conformity with sound financial and engineering practices and substantially in accordance with the Project conception agreed upon between the Recipient and KfW;
  - b) awards the contracts for the goods and services to be financed from the financial contribution upon prior bidding limited to firms domiciled in India according to the regulations of the Government of Odisha;
  - c) maintains, or causes to be maintained, books and records unequivocally showing all costs of goods and services required for the Project and clearly identifying the goods and services financed from this financial contribution;
  - d) enables the representatives of KfW at any time to inspect said books and records and any and all other documentation relevant to the implementation and the operation of the Project, and to visit the Project and all installations related thereto;
  - e) furnishes to KfW any and all such information and reports on the Project and its further progress as KfW may request and
- 7.2 The Project Executing Agency and KfW shall determine the details pertinent to Article 7.1 by the Separate Agreement.
- 7.3 The Recipient and the Project-Executing Agency shall
- a) ensure the full financing of the Project and, upon request, furnish to KfW evidence proving that the costs not paid from this financial contribution are covered and



- b) of their own accord promptly inform KfW of any and all circumstances precluding or seriously jeopardizing the implementation, the operation, or the purpose of the Project.

7.4 The Recipient shall

- a) assist the Project-Executing Agency in conformity with sound engineering and financial practices in the implementation of the Project and in the performance of the Project-Executing Agency's obligations under this Agreement and, in particular, grant the Project-Executing Agency all permissions necessary for the implementation of the Project;

## Article 8

### Miscellaneous Provisions

- 8.1 The Recipient and the Project-Executing Agency shall ensure that the persons charged by the same with the preparation and implementation of the Project, the award of any contract for the supplies and services to be financed and with requesting disbursements of financial contribution amounts do not demand, assume, render, grant, promise or obtain a promise of unlawful payments or other advantages in connection with these tasks.
- 8.2 If any of the provisions of this Agreement is invalid, all other provisions shall remain unaffected thereby. Any gap resulting there from shall be filled by a provision consistent with the purpose of this Agreement.
- 8.3 The Recipient may not assign or transfer, pledge or mortgage any claims from this Agreement.
- 8.4 This Agreement shall be governed by the law of the Federal Republic of Germany. The place of performance shall be Frankfurt am Main.



- 5 The legal relations established by this Agreement between KfW and the Recipient shall terminate with the end of the useful life of the Project, but not later than 15 years after the signing of this Agreement.

Done in 2 originals in the English language.

Bhubaneswar,  
this, 2<sup>nd</sup> August 2012

  
KfW

Bhubaneswar,  
this 2<sup>nd</sup> August 2012



INDIA  
Ministry of Finance  
Department of Economic Affairs  
Government of India – New Delhi  
for and on behalf of  
the President of India