

Financing Agreement

dated

01/12/2017

between

KfW, Frankfurt am Main

("KfW")

and

INDIA

acting by its President

("Recipient")

for

EUR 2,000,000.00

- Accompanying Measure

Sustainable Urban Infrastructure Development Odisha, Phase II /

Odisha Urban Infrastructure Development Fund -





KfW has agreed to extend to the Borrower/Recipient a Loan to support the refinancing of a credit line for urban infrastructure measures in the state of Odisha under Phase II of 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 Project ("**Loan Agreement**") and this financing agreement for technical assistance ("**Financing Agreement**" or "**Agreement**"). On the basis of the Loan Agreement and the Financing Agreement a project agreement ("**Project Agreement**"), to which the Borrower/Recipient 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 further 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 April 13, 2010, June 22, 2015 and May 29, 2017 between the Government of the Federal Republic of Germany and the Government of India on Financial Cooperation ("**Government Agreement**"), 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 2,000,000.00.

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 accompanying consultancy services for the Project, such as, inter alia, Project preparation activities necessary for creating a shelf of bankable sub-projects, preparation of feasibility studies and detailed project reports, tender documents and implementation consultancy and support for urban infrastructure projects supported by the Odisha Urban Infrastructure Development Fund (OUIDF) ("**Expert Services**"). The Project-Executing Agency and KfW shall determine the details and the scope of the Expert Services to be financed from the financial contribution by a separate agreement.
- 1.3 Taxes and other public charges to be borne by the Recipient 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 Expert Services and upon request of the Recipient. By a separate agreement, the Recipient and KfW shall determine the disbursement procedure, in particular the evidence proving that the disbursed funds are used for the stipulated purpose.
- 3.2 KfW shall have the right to refuse to make disbursements after December 30, 2023.

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 or under separate agreements pertinent to this Agreement have been violated,
 - c) the Recipient is unable to prove that the financial contribution has been used for the stipulated purpose,
 - d) the fulfilment of KfW's obligations under this Agreement violates applicable law, or
 - e) extraordinary circumstances arise that preclude or seriously jeopardize the execution or the purpose of the Expert Services.
- 4.2 KfW may demand the immediate repayment of the financial contribution if any of the situations specified in Article 4.1 b), c) and d) has occurred and has not been eliminated within a period determined by KfW, which shall, however, be at least 30 days. In the case specified in Article 4.1 c), repayment shall be limited to such amounts as the Recipient 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
Postfach 11 11 41
60046 Frankfurt am Main
Federal Republic of Germany
Fax: +49 69 7431-2944

For the Recipient:

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



Article 7

The Expert Services

- 7.1 The Recipient shall procure that the Project-Executing Agency
- a) prepares and carries out the Expert Services in accordance with sound financial and engineering practices, in compliance with environmental and social standards and substantially in accordance with the conception agreed upon between the Recipient, the Project-Executing Agency and KfW for the Expert Services, and to this end shall avail itself of the services of independent, qualified consulting engineers;
 - b) awards the contracts for the goods and services to be financed from the financial contribution as further regulated in the Project Agreement;
 - c) maintains, or causes to be maintained, books and records unequivocally showing all costs incurred in connection with the Expert Services and clearly identifying the services financed from the financial contribution;
 - d) enables the representatives of KfW at any time to inspect said books and records and any and all other documents relevant to the execution of the Expert Services; and
 - e) furnishes to KfW any and all such information and reports on the Expert Services and on their further progress as KfW may request.
- 7.2 The Project-Executing Agency and KfW shall determine the details pertinent to Article 7.1 by a 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 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

Publication and transfer of expert services-related information

- 8.1 To comply with internationally accepted principles of utmost transparency and efficiency in the development cooperation, KfW publishes selected information (including evaluation reports) about the Expert Services and how they are financed during pre-contractual negotiations, while the expert services-related agreement(s) is (are) being implemented and in the post-contractual stage (hereinafter referred to as the "**Entire Period**").


The information is published regularly on KfW's website for its business area "KfW Development Bank" (<http://transparenz.kfw-entwicklungsbank.de/>).

The publication of information (either by KfW or third parties in accordance with Article 8.3 below) about the Expert Services and how they are financed does not include any contractual documentation or any sensitive financial or business-related detailed information about the parties involved in the Project or its financing, such as

- a) Information about internal financial data;
- b) business strategies;
- c) internal corporate guidelines and reports;
- d) personal data of natural persons;
- e) KfW's internal rating of the parties financial position.

- 8.2 KfW shares selected information about the Expert Services and how they are financed during the Entire Period with the entities mentioned below, particularly to ensure transparency and efficiency:

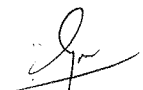
- a) subsidiaries of KfW;
- b) the Federal Republic of Germany and its competent bodies, authorities, institutions, agencies or entities;
- c) other implementing organisations involved in German bilateral development cooperation, particularly the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH;
- d) international organisations involved in collecting statistical data and their members, especially the Organisation for Economic Cooperation and Development (OECD) and its members.



- 8.3 Furthermore, the Federal Republic of Germany has requested, KfW to share selected information about the Expert Services and how they are financed throughout the Entire Period with the following entities, which publish the sections relevant to the purpose:
- a) Federal Republic of Germany for the purposes of the International Aid Transparency Initiative (http://www.bmz.de/de/was_wir_machen/wege/transparenz-fuer-mehr-Wirksamkeit/index.html);
 - b) Germany Trade & Invest (GTAI) for the purposes of market information (<http://www.gtai.de/GTAI/Navigation/DE/trade.FOO>);
 - c) OECD for the purpose of reporting financial flows in the framework of development cooperation (<http://stats.oecd.org/>);
 - d) German Institute for Development Evaluation (DEval) for the purposes of evaluating the overall German development cooperation to ensure transparency and efficiency (<http://www.deval.org/de/>).
- 8.4 KfW further reserves the right to transfer (including for the purposes of publication) information about the Expert Services and how they are financed during the Entire Period to other third parties so as to safeguard legitimate interests.

The information is not transferred by KfW to other third parties if the legitimate interests of the Recipient or the Project Executing Agency in the information not being transferred outweigh KfW's interests in it being transferred. The legitimate interests of the Recipient and the Project Executing Agency particularly include the confidentiality of the sensitive information mentioned in Article 8.1, which is excluded from publication.

Furthermore, KfW is entitled to transfer information to third parties if this is necessary due to statutory or regulatory requirements or to assert or defend claims or other legal rights in court or administrative proceedings.



Article 9

Miscellaneous Provisions

- 9.1 The Recipient shall ensure by itself and shall procure that the Project-Executing Agency ensures that the persons charged by the same with the preparation and implementation of the Expert Services, the award of any contract for the Expert 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.
- 9.2 The Recipient shall not enter into any transactions or engage in any other activities in relation to the Expert Services that would constitute a breach of embargoes regulating foreign trade or of so-called financial sanctions of the United Nations Security Council, the European Union or the Federal Republic of Germany.
- 9.3 If any of the provisions of this Agreement is invalid, all other provisions shall remain unaffected thereby. Any gap resulting therefrom shall be filled by a provision consistent with the purpose of this Agreement.
- 9.4 The Recipient may not assign or transfer, pledge or mortgage any claims from this Agreement.
- 9.5 This Agreement shall be governed by the law of the Federal Republic of Germany. The place of performance shall be Frankfurt am Main.

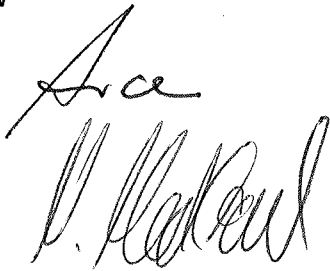


9.6 The legal relations between KfW and the Recipient established by this Agreement shall terminate six years after the final disbursement.

Done in two (2) originals in the English language.


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this

KfW



Handwritten signature of KfW representative, appearing to be 'A. ...' and 'D. ...'.

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



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