Loan Agreement

(Uttar Pradesh Pro-Poor Tourism Development Project)

between

INDIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
AGREEMENT dated as of the Signature Date 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) apply to and form 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 the amount of forty million Dollars ($40,000,000), as such amount may be converted from time to time through a Currency Conversion ("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 III of Schedule 2 to this Agreement.

2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.

2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.

2.06. The Payment Dates are June 15 and December 15 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

2.08. (a) If on any given day, the Total Exposure exceeds the Standard Exposure Limit (as said terms are defined in sub-paragraphs (b)(ii) and (b)(iii) of this Section), the Borrower shall pay to the Bank a surcharge at the rate of one
half of one percent (0.5%) per annum of the Allocated Excess Exposure Amount (as defined in sub-paragraph (b)(i) of this Section) for each said day ("Exposure Surcharge"). The Exposure Surcharge (if any) shall be payable semi-annually in arrears on each Payment Date.

(b) For purposes of this Section the following terms have the meanings set forth below:

(i) "Allocated Excess Exposure Amount" means for each day during which the Total Exposure exceeds the Standard Exposure Limit, the product of:
(A) the total amount of said excess; and (B) the ratio of all (or, if the Bank so determines, a portion) of the Loan to the aggregate amount of all (or the equivalent portions) of the loans made by the Bank to the Borrower, and to other borrowers guaranteed by the Borrower that are also subject to an exposure surcharge, as said excess and ratio are reasonably determined from time to time by the Bank.

(ii) "Standard Exposure Limit" means the standard limit on the Bank's financial exposure to the Borrower which, if exceeded, would subject the Loan to the Exposure Surcharge, as determined from time to time by the Bank.

(iii) "Total Exposure" means for any given day, the Bank's total financial exposure to the Borrower, as reasonably determined by the Bank.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall facilitate the Project to be carried out by Uttar Pradesh in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Project Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

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

5.02. For purposes of Section 10.01 of the General Conditions: (a) the Borrower’s address is:

Secretary
Department of Economic Affairs
Ministry of Finance, Government of India
North Block
New Delhi 110001, India; and

(b) the Borrower’s Electronic Address is:

Facsimile: E-mail:
91-11-2309 2247 secy-dea@nic.in

5.03. For purposes of Section 10.01 of the General Conditions: (a) the Bank’s address is:

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

(b) the Bank’s Electronic Address is:

Telex: Facsimile: E-mail:
248423(MCI) or 1-202-477-6391 jahmad@worldbank.org
64145(MCI)
AGREED as of the Signature Date.

INDIA

By

Authorized Representative

Name: SANGEER KUMAR KHAIRE
Title: JOINT SECRETARY
Date: DECEMBER 29, 2017

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: JOHN A. BLOMQVIST
Title: ACTING COUNTRY DIRECTOR, INDIA
Date: DECEMBER 29, 2017
SCHEDULE 1

Project Description

The objective of the Project is to increase tourism-related benefits for local communities in Targeted Destinations.

The Project consists of the following parts:

Part 1: Destination Planning and Governance

Testing new approaches and establishing necessary institutional structures, policies and coordination mechanisms for bringing together the public and private sectors and local communities to develop effective destination-level tourism planning and governance through: (a) the participatory formulation of integrated destination-level tourism plans for the Targeted Destinations; (b) support to the refinement of branding and promotion strategies for the Targeted Destinations; (c) support to public-private dialogue and the strengthening of public, private and community institutions involved in the tourism sector for coordinated destination management; (d) the improvement of the state’s visitor information system; and (e) the provision of training to individuals and groups employed in the tourism sector.

Part 2: Tourist Products Development and Management

Enhancing the tourist experience while simultaneously contributing to improve local living conditions and livelihood opportunities by transforming existing tourist attractions into tourist products that incorporate local communities through: (a) the enhancement of public areas and surroundings of main attractions and their adjacent communities; (b) the provision of interpretation and information on the targeted destinations; (c) the development, rehabilitation and/or diversification of destination level-products and activities; (d) the provision of facilities and services for tourists and local communities alike; and (e) the improvement of access to main sites and tourist products and their adjacent communities.

Part 3: Support to Local Economic Development

Improving linkages of those involved in the productive and creative economies with the tourism value chain in the Targeted Destinations through: (a) the mapping of local productive and creative industries and the provision of support to business development and tourism service providers; (b) the provision of training, information, tools and infrastructure for business development, production and marketing within the tourism value chain; (c) the enhancement and/or
diversification of tourism-related skills; and (d) the promotion of locally produced goods linked to the tourism value chain.

Part 4: Project Management

Provision of necessary technical and advisory support for carrying out Project’s implementation, management and coordination activities through, inter alia: (a) the provision of support to the Implementing Entities; (b) the establishment and operation of the State Project Coordination Unit and Technical Support Units; (c) the carrying out of Project monitoring and evaluation activities; and (d) carrying out Project communication activities.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to Uttar Pradesh in accordance with the Borrower’s standard arrangements for developmental assistance to the States of India.

Section II. 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 methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International
Bidding; (b) National Competitive Bidding subject to the additional provisions agreed to from time to time between the Borrower and the Bank and referred to in the Procurement Plan; (c) Shopping; (d) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Bank; (e) Direct Contracting; (f) Force Account; and (g) Procurement from United Nations agencies.

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 methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (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; and (f) Single-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 III. **Withdrawal of Loan Proceeds**

1. Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to: (a) finance Eligible Expenditures; and (b) pay: (i) the Front-end Fee; and (ii) each Interest Rate Cap or Interest Rate Collar premium, in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consulting services, Training and Operating Costs for the Project</td>
<td>39,900,000</td>
<td>70%</td>
</tr>
<tr>
<td>(2) Front-end Fee</td>
<td>100,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(3) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 4.05 (c) of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>40,000,000</td>
<td></td>
</tr>
</tbody>
</table>

2. Notwithstanding the provisions of paragraph 1 above, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed $8,000,000 may be made for payments made prior to this date but on or after January 1, 2017, for Eligible Expenditures.

3. The Closing Date is December 30, 2022.
SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

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").

**Level Principal Repayments**

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each June 15 and December 15</td>
<td></td>
</tr>
<tr>
<td>Beginning June 15, 2023</td>
<td>3.7%</td>
</tr>
<tr>
<td>through December 15, 2035</td>
<td></td>
</tr>
<tr>
<td>On June 15, 2036</td>
<td>3.8%</td>
</tr>
</tbody>
</table>
APPENDIX

Section I. Definitions

1. “Affected 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 “Affected Person” means any of such Affected Persons.

2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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.

3. “Category” means a category set forth in the table in Section III.1 of Schedule 2 to this Agreement.


5. “Department of Tourism” means the Department of Tourism of Uttar Pradesh, or any successor thereto.

6. “Empowered Committee” means the committee referred to in Section I.A.1(a) of the Schedule to the Project Agreement.

7. “Environmental and Social Management Framework” means the framework, dated June 2015 and updated in September 2017, adopted by Uttar Pradesh, and satisfactory to the Bank, which sets forth policies and procedures for the preliminary screening of environmental and social impacts of any activities (including Sub-projects) identified during Project implementation, and for the preparation of Safeguard Assessments and Plans, as said framework may be amended from time to time with the prior written agreement of the Bank, and such term includes all schedules and agreements supplemental to said framework.

8. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project
Financing”, dated July 14, 2017, with the modifications set forth in Section II of this Appendix.

9. “Implementing Entities” means collectively the following entities of Uttar Pradesh: (a) the Agra Development Authority; (b) the Mathura-Vrindavan Development Authority; and (c) any other entity agreed to in writing among the Borrower, Uttar Pradesh and the Bank; and “Implementing Entity” means any of such Implementing Entities.

10. “Memorandum of Understanding” means each agreement referred to in Section I.B.1 of the Schedule to the Project Agreement acceptable to the Bank, to be entered into between Uttar Pradesh, through the Department of Tourism, and the respective Implementing Entity for the carrying out of Sub-projects, as said memorandum may be amended from time to time with the prior written agreement of the Bank.

11. “Operating Costs” means the reasonable costs of incremental expenditures incurred by Uttar Pradesh on account of Project implementation, management and monitoring, including, *inter alia*: (a) costs of incremental contractual staff salaries (other than consultants) and civil servants deputed to the Project; (b) dissemination of Project related information; (c) office rental, office maintenance and repair, leasing, operation and maintenance of equipment; (d) office supplies and utilities; (e) travel and boarding/lodging allowances, office consumables, vehicles rental, operation and maintenance costs, printing and/or publication expenses, staff *per diems*, and field allowances; (f) leasing, operation and maintenance of vehicles; (g) advertising and communication expenses; (h) bank charges; and (i) insurance *premia*.

12. “Operations Manual” means the manual referred to in Section I.C.1 of the Schedule to the Project Agreement, acceptable to the Bank, which sets out the procedures for Project implementation, including a financial manual and a procurement manual, as such manual may be revised from time to time with the prior agreement of the Bank.


14. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated November 15, 2017, 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.
15. "Project Agreement" means the agreement entered into between the Bank and the Project Implementing Entity of the same date of this Agreement for purposes of carrying out the implementation of the Project.

16. "Project Implementing Entity" means the State of Uttar Pradesh (also referred to as Uttar Pradesh in this Agreement and in the Project Agreement).

17. "Resettlement Policy Framework" means the framework included as Annex 10 in the Environmental and Social Framework, 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 Affected Persons, as such framework may be revised from time to time, with the prior written agreement of the Bank.

18. "Safeguard Assessments and Plans" means any environmental and/or social assessment, and/or any environmental management plan and/or resettlement action plan to be prepared by the Borrower in accordance with the Environmental and Social Framework and/or the Resettlement Policy Framework, as applicable, and the provisions of Section I.C.4 of the Schedule to the Project Agreement; and "Safeguard Assessments and Plans" means, collectively, all such assessments and plans.

19. “Signature Date” means the latest of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.

20. “State Project Coordination Unit” means the unit referred to in Section I.A.2 of the Schedule to the Project Agreement.

21. “Steering Committee” means the committee referred to in Section I.A.1(b) of the Schedule to the Project Agreement.

22. “Sub-project” means an eligible set of activities approved by Uttar Pradesh in accordance with the criteria set forth of the Operations Manual and acceptable to the Bank, which will be carried out by an Implementing Entity within its respective Targeted Destination pursuant to a Memorandum of Understanding.

23. “Targeted Destinations” means collectively the following Project targeted areas located in Uttar Pradesh: (a) Agra; (b) Braj Region; and (c) Buddhist circuit; or any other area meeting the requirements of the Operations Manual and agreed to
in writing among the Borrower, Uttar Pradesh and the Bank, and "Targeted Destination" means any of such Targeted Destinations.

24. "Technical Support Units" means the units referred to in Section I.A.3 of the Schedule to the Project Agreement; and "Technical Support Unit" means, any of such units.

25. "Training" means: (a) reasonable travel, room board, and per diem expenditures incurred by the trainers and trainees in connection with their training, including workshops and study tours; (b) course fees; (c) training facility rentals; and (d) training material preparation, acquisition, reproduction and distribution expenses, incurred on account of Project implementation.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 5.13 (Procurement) is deleted in its entirety and the remaining section in Article V is renumbered accordingly.

2. Paragraphs 84 (Procurement Plan) and 85 (Procurement Regulations) in the Appendix are deleted in their entirety and the subsequent paragraphs are renumbered accordingly.