Loan Agreement

(Capacity Augmentation of the National Waterway – 1 (Jal Marg Vikas) Project)

between

INDIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated February 2, 2018
LOAN NUMBER 8752-IN

LOAN AGREEMENT

Agreement dated February 2, 2018, 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 seventy-five million United States Dollars (USD 375,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 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 Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. 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, however, that the interest payable shall in no event be less than zero percent (0%) per annum; and provided furthermore, 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty
days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

2.06. The Payment Dates are January 1 and July 1 in each year.

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

2.08. (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 unwritten, 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 Rate and the 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.

2.09. (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 cause the Project to be carried out by the Inland Waterways Authority of India (variously "IWAI" or the "Project Implementing Entity") 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 — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of the following, namely that the IWAI Act has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the IWAI to perform any of its obligations under the Project as per this Agreement or the Project Agreement.
ARTICLE V — EFFECTIVENESS; TERMINATION

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

ARTICLE VI — REPRESENTATIVE; ADDRESSES

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

6.02. The Borrower's Address is:

Secretary
Department of Economic Affairs
Ministry of Finance
North Block
New Delhi 110 001, India

Facsimile:

+91-11-2309 2247

6.03. The Bank's Address is:

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

Facsimile:

+1-202-477-6391
AGREED at NEW DELHI, India, as of the day and year first above written.

INDIA

By

Authorized Representative

Name: 

Title:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: 

Title:
SCHEDULE 1

Project Description

The objective of the Project is to enhance the transport efficiency and reliability of the National Waterway – 1, and augment the institutional capacity for the development and management of the Borrower’s inland waterway transport system in an environmentally sustainable manner.

The Project consists of the following Components:

Component A: Improving the Navigability of National Waterway – 1

1. (a) Carrying out detailed topographic and bathymetric surveys of Project sites; (b) preparing technical feasibility and detailed engineering studies for Project investments as well as approximately eighteen (18) passenger terminals to be constructed and operated by the Participating States; and (c) carrying out social and environmental impact assessment studies and ancillary mitigation plans therefor.

2. Improving the fairway of National Waterway – 1 by carrying out dredging and river conservancy works piloting a combination of performance-based assured depth contracts and input-based dredging contracts.

3. Constructing approximately forty (40) kilometers of permanent protections works for erosion-prone river banks in selected locations.

4. Rehabilitating the existing National Waterway – 1’s navigational lock at Farakka and building a new parallel navigational lock to allow concurrent two-way passage.

5. Constructing: (a) six (6) multi-modal/inter-modal freight terminals; (b) two (2) vessel repair and maintenance facilities; and (c) five (5) pairs of roll-on/roll-off crossings.

6. (a) Installing navigational aids/facilities and channel marking to enable night navigation; (b) developing and implementing app-based systems, improving communications platforms and expanding user research in order to enhance the existing river information system throughout the National Waterway 1; (c) supporting the development of a terminal management system; and (d) providing navigation support services such as search and rescue, distress response and casualty incident management, and upgrading vessel and river monitoring systems.

1. Strengthening the institutional capacity of the inland waterway sector agencies through: (a) undertaking a review of the current IWAI staffing, and the institution’s future development options to ascertain the prospective enhanced capabilities (staffing/skills needs) required in the areas of logistics, marketing, social development, grievance redressal, and occupational health safety and environment management; (b) reviewing and aligning the extant legal framework in respect of inland waterway transport vessel design, construction, manning, operation, maintenance, insurance and multi-modal transport use; and (c) establishing/developing a research and development unit/center within IWAI and enhancing sectoral training institutions.

2. Improving overall investment climate in the inland waterway sector through: (a) undertaking market development studies and preparing business cases by location, industry and cargo type; and (b) designing and piloting private sector participation in the construction and operation of transport terminals.

3. Enhancing the vessel stock for inland waterways by: (a) improving and standardizing vessel design with focus on the adoption of low draft and efficient and clean fuel (LNG) vessels; (b) undertaking public/private stakeholders consultations to encourage investment in modern vessel technology through the review of fiscal and other barriers hindering vessel construction; and (c) leasing approximately ten (10) low draft vessel to kick-start the use of modern vessels in the National Waterways – I.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. IWAI Funding Arrangements

1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to IWAI in accordance with the Borrower’s budgetary procedures and the provisions of the IWAI Act.

2. Notwithstanding paragraph 1 above, in the event that any provision of this Agreement, including the instructions that the Bank shall have specified by notice to the Borrower pursuant to Section IV.A.1 of this Schedule, were to be found inconsistent with the Borrower’s budgetary arrangements and/or the IWAI Act, the provisions of this Agreement and related instructions shall prevail.

3. The Borrower shall exercise its rights under its budgetary procedures and the IWAI Act in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan.

B. Anti-Corruption

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

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate the progress of the Project, and cause IWAI to prepare Project Reports, in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators agreed with the Bank. Each Project Report shall cover the period of one 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 or cause to be maintained 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 IWA! to prepare and furnish to the Borrower and the Bank by no 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, and cause the IWA! to have, the Project's Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower and the IWA!, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period shall be furnished to the Bank not later than nine (9) 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 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 set forth in the Procurement Plan and agreed by the Bank; (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; (g) Procurement from UN Agencies; and (h) Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the Bank.

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) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Selection of UN Agencies; (g) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (h) 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 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 "Disbursement Guidelines for Investment Project Financing" dated February 2017, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to 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.

<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, consultants’ services, Incremental Operating Costs and Workshops &amp; Training for the Project</td>
<td>370,502,500</td>
<td>52.63%</td>
</tr>
<tr>
<td>(2) Front-end Fee</td>
<td>937,500</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) Refund of the Preparation Advance</td>
<td>3,560,000</td>
<td>Amount payable pursuant to Section 2.07 (a) of the General Conditions</td>
</tr>
<tr>
<td>(4) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 2.08(c) of this Agreement</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>375,000,000</td>
<td></td>
</tr>
</tbody>
</table>

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 USD 75,000,000 may be made for payments made prior to this date but on or after June 1, 2016, for Eligible Expenditures under Category (1).

2. The Closing Date is December 31, 2023.
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.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each January 1 and July 1</td>
<td></td>
</tr>
<tr>
<td>Beginning July 1, 2024,</td>
<td>5%</td>
</tr>
<tr>
<td>through January 1, 2034</td>
<td></td>
</tr>
</tbody>
</table>

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 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 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

Section I. Definitions


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

3. “Central Water Commission” means the Borrower’s Central Water Commission, established within, and functioning under the aegis of, the Borrower’s Ministry of Water Resources, River Development and Ganga Rejuvenation.

4. “CIA” means IWAI’s cumulative impact assessment report prepared for the Project, dated May 2016 (as revised in September 2016) and originally disclosed in the Bank’s operations portal on June 2, 2016 (re-disclosed on October 24, 2016), detailing the Project scope, its applicable legal framework, Project-related public consultations, the respective baseline environmental profile and the expected cumulative impacts in Project-influenced areas, as well as strategic revaluation and recommendations for Project implementation; as such assessment may be revised, updated or supplemented from time to time with the prior written concurrence of the Bank.

5. “Consolidated EIA” means the IWAI’s consolidated environmental impact assessment for the Project, dated May 2016 (as revised in September 2016) and originally disclosed in the Bank’s operations portal on June 2, 2016 (and re-disclosed in October 24, 2016), detailing, inter alia, the Project-related environmental policy, legal and administrative framework, the expected environmental impact of Project activities and recommended mitigation measures, the public consultations and disclosure of environmental documents, the environmental management plans for dredging, barge movement and civil interventions identified as of the date of the Consolidated EIA, the environmental management framework for future Project interventions, the applicable environmental health and safety policies and management systems, the environmental monitoring plans and grievance redressal mechanism; as such assessment may be revised, updated or supplemented from time to time with the prior written concurrence of the Bank.

6. “Consolidated SIA” means the IWAI’s consolidated social impact assessment cum social management plan/resettlement action plan for the Project, dated October 25, 2016, disclosed in the Bank’s operations portal on October 27, 2016, detailing, inter alia, the Project’s socio-economic profile, area of influence and expected impacts, the public consultations held, the key laws and regulations applicable, the

8. "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 impact on the livelihoods of such persons.

9. "EA/EMP" means each of the IWAI’s stand-alone environmental assessments and/or environmental management plans prepared, and/or to be prepared pursuant to Section I.D.2 of the Schedule to the Project Agreement and meeting the requirements of the Consolidated EIA, in form and substance satisfactory to the Bank, for purpose of carrying out (and in relation to) the Project activities, setting out mitigation, enhancement, monitoring and institutional measures, including capacity building through training, required to: (i) eliminate adverse environmental impacts of activities to be implemented under the Project; (ii) offset them, or reduce them to acceptable levels; (iii) enhance any positive impacts thereof; and (iv) ensure compliance with Borrower’s statutory environmental requirements; as each such plan may be revised, updated or supplemented from time to time with the prior written concurrence of the Bank.

10. "Farakka" means the revenue area of the Borrower’s State of West Bengal, where the Farakka barrage is located.

11. "Finance & Accounts Manual" means the IWAI’s finance and accounts manual adopted on December 19, 2016, for purposes of the Project, which manual provides for detailed guidance on segregation of financial management duties, internal control protocols, accounting and record keeping procedures, funds flow arrangements, withdrawal applications procedures, reporting and auditing arrangements applicable to the Project; as such manual may be revised, updated or supplemented, from time to time, with the prior written concurrence of the Bank.

12. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012, with the modifications set forth in Section II of this Appendix.

14. “Incremental Operating Costs” means the reasonable costs of incremental expenditures incurred by IWAI on account of Project implementation, management and monitoring, including, inter alia: (i) costs of incremental staff salaries (other than consultants); (ii) dissemination of Project related information; (iii) office rental and leasing operation and maintenance of equipment; (iv) office supplies and utilities; (v) travel and boarding/lodging allowances; (vi) leasing, operation and maintenance of vehicles; (vii) advertising and communication expenses; and (viii) bank charges.

15. “Inland Vessels Act” means the Borrower’s Inland Vessels (Amendment) Act, 2007 (Act No. 35 of 2007), dated September 17, 2007, as amended to the date of this Agreement.

16. “Inland Waterways Authority of India” and the acronym “IWAI” mean the authority established by the Borrower on October 27, 1986, pursuant to Chapter III.3 of the IWAI Act, and which is the Project Implementing Entity.

17. “IWAI Act” means the Borrower’s Inland Water Authority of India Act, 1985 (Act No. 82 of 1985), dated December 30, 1985, as amended to the date of this Agreement.

18. “Kolkata” means the city of Kolkata in the Borrower’s State of West Bengal.

19. “Ministry of Shipping” means the Borrower’s Ministry of Shipping or any successor thereto.

20. “National Waterway – 1” means the Allahabad-Haldia stretch of the Ganga-Bhagirathi-Hoogly river system in the territory of the Borrower, declared a national waterway pursuant to the Borrower’s National Waterway (Allahabad-Haldia Stretch of the Ganga-Bhagirathi-Hoogly) Act 1982 (Act No. 49 of 1982), dated October 18, 1982. Notwithstanding the foregoing, for purposes of this Project, the “National Waterway – 1” will include the stretch from Varanasi to Haldia (i.e. excluding the upstream stretch from Allahabad to Varanasi).

21. “NIN” means the National Inland Navigation Institute established in Patna by the IWAI, on February 2004, for purposes of developing the human resources for the inland water transport sector, including the development, maintenance and management of waterways.

22. “Participating States” means the Borrower’s States of Uttar Pradesh, Bihar, Jharkhand and West Bengal.

23. “Patna” means the city of Patna in the Borrower’s State of Bihar.
24. "PIUs" means the IWAI's project implementation units referred to in Section I.A.1(c) of the Schedule to the Project Agreement.

25. "PMU" means the IWAI's project management unit referred to in Section I.A.1(b) of the Schedule to the Project Agreement.

26. "POC" means the IWAI's project oversight committee referred to in Section I.A.1(a) of the Schedule to the Project Agreement.


28. "Procurement Plan" means the Borrower's procurement plan for the Project, dated March 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.

29. "Project Implementing Entity" means the IWAI.

30. "RAP" means each of the IWAI's resettlement action plans, whether stand-alone or incorporated as part of the Consolidated SIA, prepared, and/or to be prepared pursuant to Section I.D.2 of the Schedule to the Project Agreement and meeting the requirements of the RPF, in form and substance satisfactory to the Bank, identifying Displaced Persons on account of implementation of Project activities, and setting forth the terms and conditions for providing them with resettlement assistance and/or compensation, including the protocols for consultation, the processing of complaints and grievance redressal, monitoring and reporting requirements, and the Displaced Persons' entitlement plans; as such plans may be revised, updated or supplemented, from time to time, with the prior written concurrence of the Bank.

31. "RPF" means the IWAI's resettlement policy framework for the Project, dated October 25, 2016, and disclosed at the Bank's operations portal on October 26, 2016, setting for the guiding principles, acceptable standards and procedures for: (a) the screening of Project activities and the identification, assessment and mitigation of any potential Project-related social impact, as well as the entitlement schedule for any Displaced Persons; (b) the guidelines for land acquisition processes as well as the monitoring and reporting requirements in relation thereto; (c) the mechanism for processing of complaints and redressing grievances; and (d) the preparation and implementation of prescribed resettlement measures identified pursuant to Section I.D.2 of the Schedule to the Project Agreement; as such framework may be revised, updated or supplemented from time to time with the prior written concurrence of the Bank.
32. “Safeguard Documents” means, collectively, the Consolidated EIA, the Consolidated SIA, the CIA, the RPF, the RAPs, SIAs, and the EAs/EMPs.

33. “Sahibganj” means the town of Sahibganj in the Borrower’s State of Jharkhand.

34. “SIA” means each of the IWAI’s social impact assessment prepared, and/or to be prepared pursuant to Section I.D.2 of the Schedule to the Project Agreement and meeting the requirements of the RPF, in form and substance satisfactory to the Bank, identifying Displaced Persons on account of implementation of Project activities in accordance with the provisions protocols and procedures set forth in the RPF, as such assessments may be revised, updated or supplemented from time to time with the prior written concurrence of the Bank.

35. “TSSC” means the technical support services consultants referred to in Section I.A.1(d) of the Schedule to the Project Agreement.


37. “Workshops and Training” means the reasonable cost of trainings, seminars, workshops, conferences and study tours, conducted in the territory of the Borrower and/or overseas, for the benefit of IWAI staff, including: (a) the fees of training institutions and courses; (b) domestic and international travel costs, lodging costs, and subsistence/per diem allowances both for trainers and trainees; (c) the rental of training facilities; and (d) preparation, purchase or reproduction of training materials.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the Table of Contents, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.

2. Section 3.01. (Front-end Fee) is modified to read as follows:

   “Section 3.01. Front-end Fee; Commitment Charge

   (a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the “Front-end Fee”).

   (b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the “Commitment Charge”). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The
Commitment Charge shall be payable semi-annually in arrears on each Payment Date."

3. In the Appendix, Definitions, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.

4. The Appendix is modified by inserting a new paragraph 19 with the following definition of "Commitment Charge", and renumbering the subsequent paragraphs accordingly:

"19. "Commitment Charge" means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b)."

5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of "Front-end Fee" is modified by replacing the reference to Section 3.01 with Section 3.01 (a).

6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term "Loan Payment" is modified to read as follows:

"68. 'Loan Payment' means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, interest at the Default Interest Rate (if any), the Commitment Charge, any surcharge, any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower."

7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of "Payment Date" is modified by deleting the word "is" and inserting the words "and Commitment Charge are" after the word "interest".