
GRANT NUMBER 9217 - IND(EF)

GRANT AGREEMENT
(Externally Financed)

(Assam Power Sector Investment Program – Project 3)

between

INDIA

and

ASIAN DEVELOPMENT BANK

DATED 30 December 2020

IND 47101

**GRANT AGREEMENT
(Externally Financed)**

GRANT AGREEMENT dated 30 December 2020 between INDIA acting by its President ("Recipient") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) by a loan agreement of even date herewith between the Recipient and ADB ("ADB Loan Agreement"), ADB has agreed to make a loan to the Recipient from ADB's ordinary capital resources in the amount of two hundred and thirty one million Dollars (\$231,000,000) for the purposes of the Project described in Schedule 1 to the ADB Loan Agreement;

(B) the Government of Japan, through the Japan Fund for Poverty Reduction ("JFPR"), has agreed to provide, and ADB has agreed to administer, the grant provided for herein upon the terms and conditions set out in the Arrangement Letter dated 7 October 2009 between ADB and the Government of Japan;

(C) the Recipient has applied to the JFPR for a grant, to be administered by ADB, for the purposes of financing a portion of output 3 of the Project as further described in Schedule 1 to this Grant Agreement;

(D) the activities described in Schedule 1 to this Grant Agreement will be carried out by Recipient's State of Assam acting through the Assam Power Generation Corporation Limited ("EA"), and for this purpose the Recipient will make available to the EA the proceeds of the Grant provided for herein upon terms and conditions mutually satisfactory to ADB and the Recipient; and

(E) ADB has agreed to make the proceeds of the Grant from the JFPR available to the Recipient upon the terms and conditions set forth herein and the Project Agreement between ADB on the one part, and the State and APGCL on the other part;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Grant Regulations; Definitions

Section 1.01. All the provisions of ADB's Externally Financed Grant Regulations, dated 1 January 2017 ("Grant Regulations"), are hereby made applicable to this Grant Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Grant Agreement, the several terms defined in the Grant Regulations and Loan Agreement have the respective meanings therein set forth unless modified herein or the context otherwise requires. Additional terms used in this Grant Agreement have the following meanings:

(a) "Consulting Services" means the services to be financed out of the Grant, as referenced in paragraph 2 of Schedule 1 to this Grant Agreement;

(b) "Project" for the purposes of this Grant Agreement, means the activities described in Schedule 1 to this Grant Agreement; and

(c) "Works" means construction or civil works to be financed out of the proceeds of the Grant, including services such as excavations, mapping and any project related services that are provided as part of a single responsibility or turnkey contract, but excluding Consulting Services.

ARTICLE II

The Grant

Section 2.01. ADB agrees to make available to the Recipient a grant from the JFPR in the amount of two million Dollars (\$2,000,000) ("Grant").

ARTICLE III

Use of Proceeds of the Grant

Section 3.01. The Recipient shall cause or cause the EA to cause the proceeds of the Grant to be applied to the financing of expenditures on the Project in accordance with the provisions of this Grant Agreement and the Project Agreement.

Section 3.02. The proceeds of the Grant shall be allocated and withdrawn in accordance with the provisions of Schedule 2 to this Grant Agreement, as such Schedule may be amended from time to time by agreement between the Recipient and ADB.

Section 3.03. Except as ADB may otherwise agree, the Recipient shall ensure or cause the EA to ensure that, the items of expenditure to be financed out of the proceeds of the Grant in procured accordance with the provisions of Schedule 4 to the ADB Loan Agreement.

Section 3.04. Withdrawals from the Grant Account in respect of Goods, Works and Consulting Services shall be made only on account of expenditures relating to:

(a) Goods which are produced in and supplied from and Works and Consulting Services which are supplied from such member countries of ADB as shall have been specified by ADB from time to time as eligible sources for procurement; and

(b) Goods, Works and Consulting Services which meet such other eligibility requirements as shall have been specified by ADB from time to time.

Section 3.05. The Grant Closing Date for the purposes of Section 8.02 of the Grant Regulations shall be 31 December 2023 or such other date as may from time to time be agreed between the Recipient and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Recipient shall perform, or cause to be performed by the EA, all obligations set forth in Schedule 3 to this Grant Agreement, Schedule 5 to the ADB Loan Agreement and the Project Agreement.

Section 4.02. ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 14 days of the date of ADB's confirmation of their acceptability by posting them on ADB's website.

Section 4.03. The Recipient shall or shall cause the EA to enable ADB's representatives to inspect the Project, the Goods and Works, and any relevant records and documents.

Section 4.04. The Recipient acknowledges and agrees that this Grant Agreement is entered into by ADB, not in its individual capacity, but as grant administrator for the JFPR. Accordingly, the Recipient agrees that (i) it may only withdraw Grant proceeds to the extent that ADB has received proceeds for the Grant from the JFPR, and (ii) that ADB does not assume any obligations or responsibilities of the JFPR in respect of the Project or the Grant other than those set out in this Grant Agreement.

ARTICLE V

Suspension

Section 5.01. The following is specified as an additional event for suspension of the right of the Recipient to make withdrawals from the Grant Account for the purposes of Section 8.01(k) of the Grant Regulations: the Recipient or the EA shall have failed to perform any of its obligations under the ADB Loan Agreement.

ARTICLE VI**Effectiveness**

Section 6.01. The following are specified as additional conditions to the effectiveness of this Grant Agreement for the purposes of Section 9.01 of the Grant Regulations: the ADB Loan Agreement shall have been duly executed and delivered on behalf of the Recipient and all conditions precedent to its effectiveness (other than the condition requiring the effectiveness of this Grant Agreement) shall have been fulfilled.

Section 6.02. A date 90 days after the date of this Grant Agreement is specified for the effectiveness of this Grant Agreement for the purposes of Section 9.04 of the Grant Regulations.

ARTICLE VII**Termination**

Section 7.01. The Grant Agreement and all obligations of the parties thereunder shall terminate on the date on which the ADB Loan Agreement shall terminate in accordance with its terms.

ARTICLE VIII**Miscellaneous**

Section 8.01. The Secretary, Additional Secretary, Joint Secretary, Director, or Deputy Secretary, in the Department of Economic Affairs of the Ministry of Finance of the Recipient is designated as representative of the Recipient for the purposes of Section 11.02 of the Grant Regulations

Section 8.02. The following addresses are specified for the purposes of Section 11.01 of the Grant Regulations:

For the Recipient

The Secretary to the Government of India
Department of Economic Affairs
Ministry of Finance
North Block
New Delhi - 110001
India

Facsimile Numbers:

(91-11) 2309-4075

For ADB


Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines

Facsimile Numbers:


+63 2 636-2444
+63 2 636-2338.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Grant Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

INDIA

By 
C S Mohapatra
Additional Secretary
Department of Economic Affairs

ASIAN DEVELOPMENT BANK

By 
Hoe Yun Jeong
Officer-in-Charge
India Resident Mission

SCHEDULE 1**Description of the Project**

1. The Project under the Grant will support Output 3 of the Project to finance equipment, consulting services and capacity development for resource management and community resilience improvement.
2. The Project is expected to be completed by 30 June 2023.

Schedule 2

Allocation and Withdrawal of Grant Proceeds

General

1. The table attached to this Schedule sets forth the Categories of items of expenditure to be financed out of the proceeds of the Grant and the allocation of the Grant proceeds to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category or Subcategory of the Table.)

Basis for Withdrawal from the Grant Account

2. Except as ADB may otherwise agree, the proceeds of the Grant shall be allocated to items of expenditure, and disbursed on the basis of the withdrawal percentage for each item of expenditure, as set forth in the Table.

Reallocation

3. Notwithstanding the allocation of Grant proceeds and the withdrawal percentages set forth in the Table,

- (a) if the amount of the Grant allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, in consultation with and by notice to the Recipient and the EA, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Grant which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and
- (b) if the amount of the Grant allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, in consultation with and by notice to the Recipient and the EA, reallocate such excess amount to any other Category.

Disbursement Procedures

4. Except as ADB may otherwise agree, the Grant proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.

TABLE

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS			
Number	Item	Total Amount Allocated for [Trust Fund] Financing (\$)	Basis for Withdrawal from the Grant Account
1	Consulting Services	1,800,000	100% of total expenditure claimed*
2	Unallocated	200,000	
	Total	2,000,000	

*Inclusive of goods and services tax and import duties imposed within the territory of the Recipient.

SCHEDULE 3**Execution of the Project**Donor-specific Covenants

1. The Recipient shall, and shall cause the EA, to comply with the Visibility and Coordination Guidelines of JFPR. In particular, the Recipient shall cause the EA to include the JFPR and Japan Official Development Assistance logos in all relevant Project publications and on any equipment or facility funded by JFPR. For the purposes of this provision, Visibility and Coordination Guidelines of JFPR refers to the "Guidance Notes on Visibility of Japan and Coordination with Embassy of Japan and JICA" dated 10 April 2015, as agreed between ADB and the Government of Japan and as amended from time to time.