

Contract FI N°86976

Operation Number (Serapis N°
2016-0816)

BANGALORE METRO RAIL PROJECT - LINE R6 - A

Finance Contract

between the

Republic of India

and the

European Investment Bank

New Delhi, 5th October 2017

[...]

THIS CONTRACT IS MADE BETWEEN:

The Republic of India, represented
by the Department of Economic
Affairs of the Ministry of Finance,
represented by [...]

(the "**Borrower**")

of the first part, and

The European Investment Bank
having its seat at 100 blvd Konrad
Adenauer, Luxembourg, L-2950
Luxembourg, represented [...]

(the "**Bank**")

of the second part.

WHEREAS:

- (a) The Borrower has stated that it is undertaking a project of construction of a metro line (Reach 6) of about 22km length with 18 stations and related purchase of a fleet of about 96 metro cars in the city of Bangalore, in the State of Karnataka in Southern India as more particularly described in the technical description (the "**Technical Description**") set out in Schedule A (the "**Project**").

[...]

- (c) In order to fulfil the financing plan set out in Recital (b), the Borrower has requested from the Bank a credit of EUR 500,000,000 (five hundred million euros) for onlending to Bangalore Metro Rail Corporation Ltd (the "**Promoter**") to be made available from the Bank's own resources and pursuant to the Climate Action and Environment Facility 2014-2020 (the "**Facility**").
- (d) The Bank considering that the financing of the Project falls within the scope of its functions and the objectives of the Facility, and having regard to the statements and facts cited in these Recitals, has decided to give effect to the Borrower's request providing to it a credit in an amount of EUR 300 000 000 (three hundred million euros) under this finance contract (the "**Contract**"); provided that the amount of the Bank loan shall not, in any case, exceed 50% (fifty per cent) of the total cost of the Project set out in Recital (b).
- (e) The Borrower has authorised the borrowing of the sum of EUR 300 000 000 (three hundred million euros) represented by this credit on the terms and conditions set out in this Contract and the Borrower has duly authorised its signatory to execute this Contract. The Bank may consider further requests for financing up to EUR 200 000 000 (two hundred million euros) provided that the Credit under this Contract has been materially disbursed and the finance contract(s) for such amount are signed within eighteen months from the date of signature of this Contract.
- (f) The Republic of India and the Bank concluded on 17 and 25 November 1993 as amended by a letter dated 24 November 1998 a framework agreement governing the Bank's activities on the territory of the Republic of India (the "**Framework Agreement**"). By signing this Contract, the Borrower gives its formal consent to the loan financing to be provided hereunder falling within the scope of the Framework Agreement.
- (g) The Statute of the Bank provides that the Bank shall ensure that its funds are used as rationally as possible in the interests of the European Union; and, accordingly, the terms and conditions of the Bank's loan operations must be consistent with relevant policies of the European Union.
- (h) The Bank considers that access to information plays an essential role in the reduction of environmental and social risks, including human rights violations, linked to the projects it finances and has therefore established its Transparency policy, the purpose of which is to enhance the accountability of the Bank's Group towards its stakeholders.
- (i) The processing of personal data shall be carried out by the Bank in accordance with applicable European Union legislation on the protection of individuals with regard to the processing of personal data by the European Union institutions and bodies and on the free movement of such data.

NOW THEREFORE it is hereby agreed as follows:

INTERPRETATION AND DEFINITIONS

Interpretation

In this Contract:

- (a) References to Articles, Recitals, Schedules and Annexes are, save if explicitly stipulated otherwise, references respectively to articles of, and recitals, schedules and annexes to this Contract;
- (b) References to a provision of law are references to that provision as amended or re-enacted; and
- (c) References to any other agreement or instrument are references to that other agreement or instrument as amended, novated, supplemented, extended or restated.
- (d) Words and expressions in plural shall include singular and vice versa.

Definitions

[...]

"EIB Environmental and Social Handbook" means the manual that provides an operational translation of the policies and principles contained in the EIB Statement of Environmental and Social Principles and Standards and that is published on the Bank's website at <http://www.eib.org/infocentre/publications/all/environmental-and-social-practices-handbook.htm>.

"EIB Statement of Environmental and Social Principles and Standards" means the statement that outlines the standards that the EIB requires of the projects that it finances and the responsibilities of the various parties and that is published on the Bank's website at <http://www.eib.org/infocentre/press/news/all/eib-statement-of-environmental-and-social-principles-and-standards.htm>.

"Environment" means the following, in so far as they affect human health and social well-being:

- (a) fauna and flora;
- (b) soil, water, air, climate and the landscape; and
- (c) cultural heritage; and
- (d) the built environment.

"Environmental Management Plan" means the environmental management plan dated May 2017 designed to reduce, mitigate and manage adverse environmental impacts due to the construction or operation of the Project, as may be revised from time to time in agreement between the Promoter and the Bank.

"Environmental and Social Documents" means (a) the Resettlement Policy Framework, (b) the Environmental Management Plan and (c) the Resettlement Action Plans.

"Environmental and Social Standards" means:

- (a) Environmental Laws and Social Laws applicable to the Project, the Borrower or the Promoter;
- (b) the EIB Statement of Environmental and Social Principles and Standards;
- (c) the EIB Environmental and Social Standards, as set out in Volume I of the EIB Environmental and Social Handbook;
- (d) the ILO Standards; and
- (e) the Environmental and Social Documents.

"Environmental or Social Approval" means any Authorisation required by an Environmental Law or a Social Law in connection with the construction or operation of the Project.

"Environmental or Social Claim" means any claim, proceeding, formal notice or investigation by any person in respect of the Environment or Social Matters affecting the Project including any breach or alleged breach of any Environmental and Social Standard.

"Environmental Law" means:

- (a) the Republic of India's laws and regulations; and
- (b) international treaties and conventions signed and ratified by or otherwise applicable and binding on the Republic of India,

in each case of which a principal objective is the preservation, protection or improvement of the Environment.

[...]

"Social Law" means each of:

- (a) any law, rule or regulation applicable in the Republic of India relating to Social Matters;
- (b) any ILO Standards;
- (c) any United Nations treaty, convention or covenant on human rights signed and ratified by or otherwise applicable and binding on the Republic of India.

"Social Matters" means all, or any of, the following: (i) labour and employment conditions, (ii) occupational health and safety, (iii) protection and empowerment of rights and interests of indigenous peoples, ethnic minorities and vulnerable groups, (iv) cultural heritage (tangible and intangible), (v) public health, safety and security, (vi) involuntary physical resettlement and/or economic displacement and loss of livelihood of persons, and (vii) public participation and stakeholder engagement.

[...]

ARTICLE 1
CREDIT AND DISBURSEMENTS

[...]

1.4.B First Tranche

The disbursement of the first Tranche under Article 1.2 is conditional upon receipt by the Bank, in form and substance satisfactory to it, on or before the date falling 7 (seven) Business Days before the Scheduled Disbursement Date, of the following documents or evidence:

[...]

(h) a copy of the Environmental and Social Documents.

1.4.C All Tranches

The disbursement of each Tranche under Article 1.2, including the first, is subject to the following conditions:

(a) that the Bank has received, in form and substance satisfactory to it, on or before the date falling 7 (seven) Business Days before the Scheduled Disbursement Date for the proposed Tranche, of the following documents or evidence:

[..]

(ix) evidence that the implementation of the Resettlement Action Plan(s), as agreed with the Bank, is/are in accordance with its/their schedules and the Resettlement Policy Framework;

(x) evidence of the maintenance of third party monitoring and reporting of the Environmental Management Plan and Resettlement Action Plan(s) implementation; and

[...]

ARTICLE 6
BORROWER UNDERTAKINGS AND REPRESENTATIONS

The undertakings in this Article 6 remain in force from the date of this Contract for so long as any amount is outstanding under this Contract or the Credit is in force.

A. PROJECT UNDERTAKINGS

[...]

6.5 Continuing Project undertakings

The Borrower shall procure that the Promoter shall undertake to:

[...]

(e) **Environment and Social:**

(i) implement and operate the Project in compliance with Environmental and Social Standards;

(ii) obtain, maintain and comply with requisite Environmental or Social Approvals for the Project.

6.6 Specific Project undertakings

The Borrower shall, and shall procure that the Promoter undertake to, as applicable:

[...]

- (c) **Environmental and Social:** (i) implement the Project in accordance with the agreed Environmental Management Plan, Resettlement Policy Framework and Resettlement Action Plan(s) to be agreed with the Bank and (ii) report on the status of the Resettlement Action Plan(s) and Environmental Management Plan implementation and present mid and end of term evaluation of Resettlement Action Plan(s) implementation prepared by a third party.

[...]

6.14 General Representations and Warranties

The Borrower represents and warrants to the Bank that:

[...]

- (l) it is in compliance with Article 6.5(e) and to the best of its knowledge and belief (having made due and careful enquiry) no Environmental or Social Claim has been commenced or is threatened against it;

[...]

ARTICLE 8 **INFORMATION AND VISITS**

8.1 Information concerning the Project

The Borrower shall, and shall procure that the Promoter, as appropriate, shall:

- (a) deliver to the Bank:

[...]

- (i) any such information or further document concerning the financing, procurement, implementation, operation of the Project and related environmental or social matters as the Bank may reasonably require within a reasonable time;

provided always that if such information or document is not delivered to the Bank on time, and the Borrower does not rectify the omission within a reasonable time set by the Bank in writing, the Bank may remedy the deficiency, to the extent feasible, by employing its own staff or a consultant or any other third party, at the Borrower's expense and the Borrower shall provide such persons with all assistance necessary for the purpose;

[...]

- (c) promptly inform the Bank of:

- (i) any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Borrower or the Promoter of any Environmental or Social Claim that is to its knowledge commenced, pending or threatened against it;

[...];

- (iii) any non-compliance by it with any applicable Environmental and Social Standard;

- (iv) any suspension, revocation or modification of any Environmental or Social Approval;

[...]

Project Specification and Reporting

A.1 Technical Description (Article 6.2)

Purpose, Location

The Project concerns the construction of a metro line of about 22 km with 18 stations and related purchase of a fleet of about 96 metro cars in the city of Bengaluru, in the State of Karnataka in Southern India. The Project is a major element of the second phase of the staged construction of a longer network of metro lines in the city. The first phase of the metro system, comprising two intersecting lines in aggregate of 42 km length, has been placed incrementally into commercial operation since 2011 with the whole of the first phase opened for operation in Q1 2017. The second phase comprises two new lines, including one under this Bank's operation, plus four extensions of the lines built under phase one, in aggregate totalling 72 km. The Project is consistent with the National Urban Transport Policy 2006 and Bengaluru Revised City Masterplan to 2031.

Description

The Project consists of the following alignment and components:

Alignment:

The corridor proposed is from Gottigere on Bannerghatta Road in the south to Nagavara in the north. Starting from Gottigere this 2nd North-South line passes through Gottigere, Hulimavu, IIMB (Indian Institute of Management), J P Nagar-IV Phase, Jayadeva Hospital Station (not financed by the Bank, but still forming part of the project), Swagath Road Cross, Dairy Circle, MICO Industries on Bannerghatta road, Langford Town, Vellara on Hosur Road, Brigade road, Kamaraj road, Shivaji Nagar Bus stand area, Bengaluru Cantonment Railway Station, Millers road, Benson Town, Pottery Town, Tannery road on to Nagavara after crossing the Outer Ring Road.

1. Fixed Asset Component

- Civil construction of:
 - About 7.5 km of elevated double track metro line;
 - About 14.5 km of underground double track metro line including switch over ramp;
 - 6 elevated and 12 underground stations, together with related intermodal connections;
 - Metro-car storage depot cum maintenance workshop at Kothanur of about 13.35 hectares approx..
- Supply, installation, Testing & Commissioning of :
 - Power supply system including two new Receiving sub-stations (Nagavara Station and Kothanur depot), about 12 and 12.5 km of 66 kV UG cable for both Traction & Non-Traction distribution system;
 - Signalling Train Control system based on Communication Based Train Control (CBTC);
 - Telecommunication system on fibre optic backbone, SCADA, train radio, passenger information and surveillance viz., CCTV system;
 - Mechanical and Electrical systems including earthing, lighting, fire management, ventilation and AC, water and wastewater, security, escalator/lifts;
 - Automated Fare Collection system with Token and Contactless Smart Card Tickets and;
 - Platform screen gates and Platform screen doors.

2. Movable Asset Component

- Supply of metro-cars comprising the following:
 - 96 cars, each about 21-22 m long in 6 car formation;
 - Stainless steel body structure to meet relevant crashworthiness standard;
 - Capacity per 6-car unit (normal: 3 pax/sqm and crush: 6 pax/sqm of standee area), 286 seated plus 644 (1288) normal (crush) standing;
 - PRM (People Reduced Mobility) accessible, and
 - Regenerative braking;
 - Supply of capital spare parts and car maintenance equipment.

3. Related Measures Component

- Environmental management measures as prescribed in the Environmental Management Plan; Tree cutting and other vegetation removal;
- The shifting of utilities - gas, telephone, sewerage and storm water drains;
- Land acquisition and resettlement in accordance with the Resettlement Plans as well as taxes and duties; and
- Services for (i) design, supervision, monitoring and reporting for this project as well as (ii) technical assistance for further project preparation or sector studies.

[...]

A.2 Information Duties under Article 8.1(a)

1. Dispatch of information: designation of the person responsible

The information below has to be sent to the Bank under the responsibility of:

[...]

3. Information on the Project's implementation

The Borrower shall deliver to the Bank the following information on project progress during implementation at the latest by the deadline indicated below.

Document / information	Deadline	Frequenc y of reporting
Project Progress Report - [...] <ul style="list-style-type: none"> - A description of any major issue with impact on the environment; - [...] 	To be agreed	Six monthly

Report on the status of RAP and EMP implementation prepared by a third party.	To be agreed	During RAP implementation period: Quarterly
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4. Information on the end of works and first year of operation

The Borrower shall deliver to the Bank the following information on project completion and initial operation at the latest by the deadline indicated below.

Document / information	Date of delivery to the Bank
Project Completion Report, including: <ul style="list-style-type: none"> - [...] - A description of any major issue with impact on the environment or social impacts; - [...] 	15 months post opening of all line to traffic

The financing for this Project benefits from an EU guarantee to the Bank under DECISION No 466/2014/EU of the European Parliament and of the Council. Pursuant to Article 9 (2) of this Decision, the Bank “shall require the project promoters to carry out thorough monitoring during project implementation until completion, inter alia, on the economic, development, social, environmental and human rights impact of the investment project. The EIB shall verify on a regular basis the information provided by the project promoters and make it publicly available if the project promoter agrees. Where possible, project completion reports related to EIB financing operations shall be published excluding confidential information.”

Accordingly, and without prejudice to the Bank’s obligation to make publicly available any project-related environmental information under the Aarhus Convention and Regulation , the Bank shall make publicly available all information provided by the Borrower in the Project Progress Reports and Project Completion Report provided that such information is expressly marked by the Borrower as “for publication on the EIB website”.

Alternatively, the Borrower may also decide to publish this information on its own website and provide the Bank with the corresponding link (URL) which will be used as a source for the Bank's publication.

The Bank will not take any responsibility for the content of such information made public on its website. Documents marked as “for publication on the EIB website” will be published as received and will not be edited by the Bank. Only functioning URLs that link to the relevant project-related information will be published by the Bank.

[...]