

LENDING POLICY OF OUIDF 2014

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1. PREAMBLE

The Government of Odisha, with assistance from KfW has set up the Orissa Urban Infrastructure Fund (OUIDF) to facilitate systematic development and financing of urban projects with positive environmental impact in the state of Odisha. The primary objective of creating OUIDF is to progressively increase external financing of urban local body (ULB) level capital projects in a sustainable manner. The overall objective is to contribute towards improvement of environment protection and preservation of natural resources and living conditions of urban population of Odisha.

Creation of OUIDF is part of an over-arching urban development objective that would enable –

- a. Catalyzing development of well-structured bankable projects
- b. Building capacity in project selection, appraisals, implementation, monitoring and resource mobilization and
- c. Facilitating / incentivizing State and ULB level reforms that can be pre-cursors for further investment flows

The Lending Policy of OUIDF provides a framework for infrastructure financing through ULBs, planning authorities, development authorities, regional improvement trusts, statutory bodies, public sector undertaking and private investors. The Policy seeks to provide the required support and guidance for sanctioning, managing and monitoring of credit facilities primarily for infrastructure development across the state of Odisha and aims at making the systems and controls effective. It is guided by the best practices of commercial prudence without sacrificing the need of achieving the social objectives or fulfilling the social necessities. Efforts have been therefore made in this Policy to achieve the social objective channelizing the financial resources through its optimal allocation in a cost effective and time-bound manner to achieve the end objectives.

2. VALIDITY OF THE POLICY

- 2.1. The Policy will be valid for a period of five years effective from 24th October 2014
- 2.2. OUIDF reserves the right to modify the Lending Policy from time to time. OUIDF also reserves the right to apply the changes to Lending Policy retrospectively in accordance with the prevalent laws of India. Any modification to the Lending Policy shall be made in consultation with funding agencies of OUIDF.
- 2.3. The Policy shall be extended six months prior to its expiry.

3. OBJECTIVE OF THE POLICY

- 3.1. To create a shelf of bankable urban infrastructure projects which have positive environment and social impact
- 3.2. To identify borrowers with sound credit worthiness for implementation of projects
- 3.3. To incentivise borrowers to undertake projects with limited State Government support/ without State Government guarantees
- 3.4. To create a robust mechanism for loan recovery process thereby inculcating financial discipline amongst borrowers
- 3.5. To put in place an effective monitoring mechanism for planning and overseeing implementation of projects

4. SCOPE OF THE LENDING POLICY

Assistance from OUIDF shall be available for promoting urban infrastructure projects. Three types of assistance are envisaged:

4.1. Urban Loan Fund (ULF)

Concessional Term Loan Assistance with a maximum repayment period upto 20 years.

4.2. Viability Grant Support Fund (VGSF)

VGSF shall be provided as a viability grant for urban infrastructure projects.

4.3. Project Development Fund (PDF)

Project development assistance out of the Project Development Fund (PDF) of OUIDF shall be utilized for all project development activities including but not limited to –

- Preparation of City Development Plans/ Master Plans
- Feasibility studies
- Detailed Project Report/ Bankable project report
- Preparation of tender documents with technical specifications and working drawings
- Proof checking of designs/ drawings
- Procurement services/ Transaction Advisory services
- Construction supervision/ project management
- Project monitoring/ Audit services
- Capacity Building of OUIDF/ Asset Management Company
- Development of Environmental, Social and Climate Change Framework

- Development of innovative financial products
- Capacity building of ULBs, statutory boards, development authorities, regional improvement trusts, special planning authorities involving training, establishing systems and processes, IT enabled solutions, GIS etc.

5. SECTORS EARMARKED FOR FUNDING

The following infrastructure sub-sectors are eligible for funding under OUIDF –

- Water supply and water supply improvement schemes
- Underground sewerage scheme
- Solid waste management (including landfill sites, waste-to-energy, segregation, recycling and reuse, larger compost yards/dump areas)
- Climate adaptation measures (e.g. storm water and flood drains)
- Provision of basic urban infrastructure services in slums
- Rehabilitation and resettlement of slums
- Energy efficiency projects including energy efficient street lighting
- Effluent treatment plants
- Cess pool management
- Septage management
- Bio medical waste management
- Roads, bridges, ROBs, underpasses
- Traffic improvement schemes including junction improvements, traffic control systems
- Urban transportation projects including bus terminals, multi-level parking lots, bus shelters, improvement of urban transportation facilities such as Bus Rapid Transit System, Mass Rapid Transit System etc.
- Reclamation/ preservation of water bodies, river front development
- Slaughter house/ modern fish market
- Electric crematorium
- Market complexes to regularize unauthorized hawking

6. LENDING CRITERIA

6.1. Eligible borrowers under Government sector

- i. The borrowers shall meet the following financial indicators to be eligible for funding:

ULBs/ Statutory Bodies/ Planning/ Development Authorities	State Government Departments
<p>Financial indicators as per latest audited financials:</p> <ul style="list-style-type: none"> ▪ ULBs – Revenue receipts/ Revenue expenditure >1 ▪ Debt service/ Total revenue <30% for ULBs and 50% for other statutory bodies ▪ Property tax collection: <ul style="list-style-type: none"> ○ Municipal corporations >75% ○ Municipalities/ Notified Area Councils >60% <p>The above property tax collection criteria shall be met by the ULBs after one year from the date of this Policy</p> <ul style="list-style-type: none"> ▪ Debt Service Coverage Ratio (DSCR) >=1.25 <p>However, the ULBs shall maintain DSCR of at least 1.1 in the first 2 years of date of this Policy and 1.25 thereafter</p>	<ul style="list-style-type: none"> ▪ Budget allocations to meet the liabilities ▪ The borrower shall have paid all loan and interest dues in the past two years prior to project investment year <p>Finance and Administration Department to provide certificate of payment of all loan and interest dues.</p>

6.2. Eligible borrowers/ sponsors under private sector

- i. Eligibility criteria to be met by promoter company/ parent company of borrower
- a. Debt Equity <=2; In any case it shall not exceed 3:1
 - b. DSCR >=1.35
- ii. The promoter company/ parent company of borrower shall be certified as a going concern by statutory auditor
- iii. Project specific eligibility criteria for bidder will be specified in the bid document for selection of private developer on PPP mode
- iv. Net worth of promoter company/ parent company of borrower shall be at least 20% of the cost of the project as per the latest audited annual accounts

6.3. Ineligible borrowers

- i. Borrowers, promoter/ parent company of borrowers who have defaulted on principal or interest payments to any bank/ financial institution in the last six months and continues to be in default; OUIDF Board of trustees will review the default of the borrower for last 5 years and appropriately decide on the eligibility
- ii. Borrowers, promoter/ parent company of borrowers whose account has been classified as NPA as per Reserve Bank of India's norms for classification of stressed assets from time to time
- iii. Borrowers, promoter/ parent company who do not have a satisfactory track record or have poor credit rating.
- iv. Borrowers, promoter/ parent company of borrowers who are involved in economic or criminal offence even though the matter is under sub-judice
- v. Borrowers, promoter/ parent company of borrowers who have been debarred by Government of India/ Government of Odisha for works and debarment continues at the time of project award

6.4. Lending Terms

6.4.1. Exposure limit

Lending Policy recognises the need for setting of limits for exposure to organisation (s) groups of borrowers and specific sector/ sub projects.

- i. Maximum 50% of the cost of one project may be financed out of VGSF. In exceptional cases this may go upto 70% depending on the viability of the project.
- ii. Not more than 20% of the Urban Loan Fund of OUIDF will be lent to a single project.
- iii. Minimum 10% of the project cost of each project should be borne by the implementing agency in government sector;
- iv. In case of private sector project, promoter's contribution for a project excluding grant shall not be less than 25% of the project cost
- v. OUIDF shall also provide short term bridge financing for projects implemented by Government sector
- vi. The floor level for availing ULF is INR 10 lakhs

6.4.2. **Repayment period**

- i. Repayment period of loan shall be determined on case to case basis depending on the surplus generation capacity of the project and estimated surplus from other revenue sources of the implementing agency including revenue and capital grants
- ii. Maximum tenor of a loan shall be 20 years
- iii. Repayment period shall be restricted to the minimum possible and in any case shall not exceed 85% of the life of the asset
- iv. Loan shall be repaid in equal semi-annual installments.
 - a. OUIDF shall have the right of cash sweep of 75% of the borrower's net cash balance after providing for operating expenditure and debt servicing and such cash swept shall be utilized in inverse order of maturity.

6.4.3. **Moratorium**

- i. The moratorium period shall be determined based on the cash flow projections of the project and cash flows under the security mechanism
- ii. Interest during construction shall be included in the cost of the project

6.4.4. **Part/ full pre-payment**

- i. Any installment paid before its due date shall be adjusted towards interest due up to date of actual payment of installment and balance, if any, will be adjusted towards the principal. Where the payment of installment is in advance of the due date by 14 days or less, total interest applicable for that installment shall be payable.
- ii. No pre-payment/ fore-closure charges shall be levied.

6.4.5. **Rate of interest**

- i. Loan shall be at a fixed simple interest rate linked to average yield of 10 year G-Sec on the primary market within the last six months (in case there is no issue of 10 year G-Sec in six months one year average will be taken and if there is no issue of 10 year G-Sec in one year then weighted average yield of G-Sec in secondary market with 10 year residual maturity in six months will be taken) prior to sanction of the loan plus 100 basis points. A rebate of 100 basis points will be provided for timely repayment of loan and interest.
- ii. Interest rate shall be fixed during the tenure of a project

6.4.6. **Validity of sanction**

- i. The borrower shall fulfill the pre-disbursement conditions in the sanction letter and sign the loan agreement within 6 months from the date of loan sanction
- ii. All security creation and draws shall be in accordance with the provisions of the loan agreement
- iii. The loan shall be automatically cancelled if no disbursement is availed within one year from the loan agreement
- iv. However, OUIDF reserves the right to extend the validity of the sanction if it is satisfied that the reasons for delay in availing disbursement or non-compliance of the terms and conditions of the sanction are reasonable and/ or beyond the control of the borrowers.

6.4.7. **Recall of loan**

OUIDF reserves the right to recall the loan at any point of time during its currency of the loan if –

- i. there is any breach of contract, for any financial irregularity observed during the currency of the loan or for any economic or criminal offence committed by the borrowers (applicable for private sector borrowers)
- ii. Force Majeure condition affecting the project rendering the project technically or commercially unviable for implementation

7. LOAN APPRAISAL PROCEDURE

7.1. Stages in Project Appraisal Process

7.1.1. Submission of loan application forms and necessary documentation by

the Borrower: The loan application form would contain information, which would aid OUIDF in assessing the eligibility of both borrower and project. The documentation required is given in clause 9.1 of this Lending Policy.

7.1.2. Preparation of Initial Screening Report (ISR):

The objective of the ISR is to analyze whether the initial parameters of the proposed project and the finances of the borrower (based on the information provided along with the application form) satisfy the appraisal criteria as set out in the lending policy.

7.1.3. Detailed Appraisal of the Project:

Based on the recommendation of the ISR, the detailed appraisal of the project will be carried out. There are four major components under which an appraisal should be conducted, viz., Technical, Financial, Environment and Social. The appraisal procedures are given below:

- i. Environmental Appraisal: Depending upon the impact of the project on the environment, the project is categorized as below:
- E1. Projects which involve serious impact on the environment and there is a need for environmental impact study. Specific measures to address the adverse effects should be put in place, before and also after the implementation of the project.
 - E2. Project which involve certain environmental impact which needs and environmental management plan.
 - E3. Projects which have no negative environmental impact
- ii. Social Appraisal: The project would be socially categorized as per the number of project affected person (PAP) from the project.
The social issues should be addressed and remedies designed in order to see that no legal proceedings result in future date. The social issues will have its impact on the project implementation period, which may result in cost over run due to time over runs. For projects with adverse social impact, a social mitigation plan and social action plan has to be developed for projects with adverse effect on the social front.
- iii. Technical Appraisal: This component of the appraisal will look into the demand analysis, approvals and clearances/ mandatory legal provisions required to be obtained, location of site, technology adopted, project layout, conceptual designs, work schedule and estimate of cost.
- Demand Analysis: This component will assess the need for the project and would depend on the need of the project. It will analyze the demand supply gap and look into various alternative facilities available in the project area.
 - Site Location: This component of the technical appraisal will assess the locations of various components of the project with respect to legal ownership and technical and financial viability along with external infrastructure and utilities.
 - Rationality for mode of execution
 - Technology Adopted: This component will assess whether the optimum technology is used and whether it is physically and financially feasible. It will also study various other options available.
 - Structure and Civil Works: This component looks into the site development and preparation and the conceptual design of the project.
 - Project Charts and Layout: Once the principal dimensions of the project are fixed, then the project charts and layouts are analyzed. For this the site layout and the project conceptual design, design criteria, specifications are analyzed. Once these are found to be satisfactory the project is cleared as technically viable.

- Work Schedule: The work schedule is analyzed to satisfy as to the reasonability of the project period.
 - Estimate of Project Cost: After the project is found to be technically viable, the project cost is scrutinized. The rates applied should be the latest in relation to the project period.
 - O&M Plan: The O&M plan for the project shall be studied to assess the ability of the borrower to undertake O&M of the project. Capacity building measures proposed for undertaking O&M, outsourcing of O&M function to a service provider shall be scrutinized. Service delivery parameters for the project will be reviewed.
- iv. Financial Appraisal: The objective of the financial appraisal is to determine the borrowing capacity of the borrower. This component will look into the major source of income and expenditure of the borrower. This financial appraisal will also look into project financial parameters like FIRR, EIRR, DSCR etc. as mentioned in clause 8.2 of this Lending Policy.

7.1.4. Preparation of Appraisal Note to the OUIDF trustees: After conducting the detailed appraisal as mentioned above, the observations and recommendations would be recorded in an appraisal note and sent to the board for approval.

7.1.5. Issue of Sanction Letter: After the approval from the board, a sanction letter would be issued by OUIDF to the borrower. The sanction letter would contain key information/terms related to the loan sanctioned by the board. The sanction letter would be sent to the borrower for his acceptance.

7.1.6. Signing of Loan Agreement: After getting the acceptance from the board and acceptance letter from the borrower, the legal documentation is initiated. The loan agreement would be signed between OUIDF and the borrower. The borrower shall further fulfill the terms of sanction letter and security mechanism proposed by OUIDF.

8. PRE-SANCTION APPRAISAL & EVALUATION

8.1. General conditions

- i. Projects which are given high priority and included in the capital expenditure programme of the ULB and statutory bodies shall be taken up by OUIDF
- ii. The projects shall comply with the Environmental, Climate Change and Social Framework (ECSF).
- iii. The projects shall be operated in a technically sustainable manner and with the highest quality standards available at reasonable costs.
- iv. Appropriate statutory and environmental clearances have been obtained and these are documented in the project evaluation report.
- v. The project adopts the appropriate proven and most cost effective technology and

technical norms and specifications.

- vi. In case of Government sector projects, selection of contractors and procurement of goods and services shall be as per the provisions of the guidelines for procurement of goods and services in the State of Odisha in consonance with the procurement guidelines of the lending agencies.
- vii. Projects that apply to criteria on the IFC exclusion list will not be financed under OUIDF. The exclusion list is given in Annexure VIII.

8.2. Initial screening of projects

There are three essential steps during project preparation:

- i. The project must emanate from the city development plan/ master plan of the ULB; However in case a Detailed Project Report (DPR) is prepared for a project which is to the satisfaction of OUIDF, the requirement of CDP can be dispensed with.
- ii. DPR to meet at least the following guidelines

General	Water Supply	Sewerage	Solid waste management
<ul style="list-style-type: none"> ▪ Existing and achievable service delivery upon project completion ▪ Environmental and Social Impact assessment and Environmental/ Social Management Plan ▪ Status of land acquisition and timeline for complete land acquisition; availability to be ensured before tendering ▪ Mode of execution – EPC, BOT, PPP etc. along with justification ▪ Non-duplication certificate that the project or any of the components will not be taken under any other scheme ▪ Cost estimates based on latest Schedule of Rates (SoR) along with lead costs and variation due to local factors, including adequate contingencies, price escalation and engineering/ supervision costs 	<ul style="list-style-type: none"> ▪ Long-term sustainable source of water and suitability w.r.t raw water quality ▪ Sewage system existing, under implementation or proposed in near future ▪ Integration with existing infrastructure and hydraulic compatibility with existing infrastructure ▪ In case of integration of existing system: leak detection and repair included 	<ul style="list-style-type: none"> ▪ Ground survey for the alignment of sewer lines ▪ Consent from pollution control board for sewerage treatment plant and for discharge of treated effluent into water body/river ▪ Shifting of utilities and costs associated with it ▪ Cost of house connections included ▪ By-laws for building permit only if connection to sewage system ▪ Tariff system in 	<ul style="list-style-type: none"> ▪ Collection system available or part of the project ▪ Sorting/ recycling facilities part of the project ▪ Selection of treatment technology considering local conditions, size of operations, waste quality, operation and maintenance cost ▪ Consent from pollution control board for land fill site

General	Water Supply	Sewerage	Solid waste management
<ul style="list-style-type: none"> ▪ Tests and survey results (soil, total station etc.) to be included ▪ FIRR/ EIRR above the minimum thresholds ▪ Analysis of O&M costs and O&M plan ▪ Financial sustainability of project based on revenues generated/ budgetary support; shares of revenue and budgetary support 	<ul style="list-style-type: none"> to reduce high losses ▪ Shifting of utilities and costs associated with it ▪ Cost of metered house service connections included ▪ Tariff system in position or envisaged 	<ul style="list-style-type: none"> position or envisaged 	<ul style="list-style-type: none"> ▪ Tariff system in position or envisaged

- iii. Board/ council/ authority resolution approving the project
- iv. ULB and statutory bodies to give an undertaking to OUIDF to deduct grant from Government for payment towards OUIDF loan due and interest in case the internal accruals are not sufficient to service the debt and interest.
- v. Project should have positive environmental and social impact and or contribute to green house gas reduction; mitigate/ adapt to climate change impacts
- vi. Approvals and clearances and their current status
- vii. Loan application
- viii. Economic Internal Rate of Return >12%
- ix. For Government sector projects DSCR ≥ 1.25 year on year basis (where DSCR = surplus generated from the project + revenue grant of State Government + capital grant provided for the sub-sector project/ interest + loan installment). However, the ULBs shall maintain DSCR of at least 1.1 in the first 2 years of date of this Policy
- x. For Private sector projects
 - a. feasibility study report/ DPR justifying the commercial viability of the project shall be made available
 - ❖ Financial IRR $\geq 14\%$ (with grant)
 - b. The project shall have been approved by the Empowered Committee on Infrastructure (ECI) of Govt. of Odisha or Empowered Institution (EI) of Govt. of India
 - c. Concession Agreement with ULB/ nodal agency
 - d. Source of funding for the project
 - e. Minimum DSCR 1.15 and average DSCR ≥ 1.35 (where DSCR = Earnings before interest and depreciation for the project/ (interest + loan installment)

- f. Debt Equity $\leq 2:1$; for higher debt equity borrower should demonstrate source of funds for 100% upfront equity; in any case Debt Equity shall not exceed 3:1
- g. Borrower shall be willing to provide collateral security / banks guarantee/ corporate guarantee / personal guarantee to cover the credit risk if needed by OUIDF & to its satisfaction
- h. Credit rating of borrower/ promoter/ sponsor shall be to the satisfaction of OUIDF
- i. Private borrower to give an undertaking to ULB/ Statutory Bodies to deduct amount eligible for payment to them towards servicing of debt and interest.

8.3. Scope of the pre-sanction appraisal and evaluation

OUIDF will, after reception of the documents mentioned in 9.1, proceed for project appraisal and evaluate the following in an appraisal report

- i. Technical feasibility
- ii. Financial sustainability
- iii. Commercial viability
- iv. Environmental and social and climate change compatibility and climate change mitigation/ adaption
- v. Risk assessment & mitigation
- vi. Consumer issues
- vii. Design of project components
- viii. Selection of a techno-commercial option
- ix. Financing and implementation and structure
- x. Regulatory approvals needed for project implementation and estimated time frame
- xi. Detailed Project Report covering conceptual design and drawing of the project with site plan & layout, design criteria, equipment and machinery and justification for selection of the equipment, machinery and technology
- xii. Capacity of borrower to successfully implement and operate the project
- xiii. Operation and Maintenance Plan
- xiv. Conditions for technology acquisition, adaption and transfer with capacity building requirements for its successful operation

9. SANCTION AND DISBURSEMENT

9.1. Documentation

- Allotment of letter of the land where the project would be set up
- Council / Board resolution.
- Documents establishing inclusion of the project in the city developmental plan.

- Approvals and clearances and their present status
- Loan application
- Environmental Screening Form
- Social Screening Form
- Climate Change Screening Form
- Environmental and Social Impact Assessment report including, if necessary, implications for project design and an Environmental and Social Management Plan
- Operation and Maintenance Plan
- Project details as per format
- Audited financial statements of the last three years
- Letter of comfort from GoO for repayment of dues of OUIDF (Principal and Interest)
- Details of the person to act as Project/ Nodal Officer of the Project
- Two hard copies and soft copy of the DPR prepared by an accredited consultant of OUIDF
- In case of private sector
 - Concession Agreement
 - Existing Banker's details
 - Details of the associated concern
 - Details of the existing firm / business
 - Documentation relating to collateral security if any

9.2. Pre-disbursement conditions

9.2.1. Government sector

- i. Documentation to the satisfaction of OUIDF
- ii. Shall have obtained all approvals and clearances for the project
- iii. Shall have opened an Escrow Account
- iv. Shall demonstrate source of ULB/ borrower contribution for the project

9.2.2. Private sector

- i. Documentation to the satisfaction of OUIDF
- ii. Shall have formed an Special Purpose Vehicle for implementation and operation of the project
- iii. Shall have obtained all approvals and clearances for the project
- iv. Shall have opened an Escrow Account
- v. Shall demonstrate source of borrower contribution for the project
- vi. Shall have provided collateral, personal guarantee, corporate guarantee, bank guarantee as per the loan sanction terms and all associated documentation shall have been complete.
- vii. Shall have entered into Substitution Agreement with all the lenders of the project including OUIDF
- viii. An undertaking to meet the cost over-run through additional promoter contribution of borrower

9.3. Disbursement

The loan shall be denominated in INR.

9.3.1. Government sector

- i. The ULF, VGSF, and the borrower shall contribute pro-rata in the same ratio of funding finalized for the project
- ii. Any cost escalation of project shall be funded by ULB/ State Government;
- iii. The disbursement cycle shall not be less than one quarter and not less than 10% of the project cost
- iv. Prior to disbursement of each installment, OUIDF shall satisfy itself of the physical and financial progress of works and use of funds of previous disbursements. Pre-disbursement verification may include one or more of the following:
 - a. Contractors progress report
 - b. Project Management Consultant's progress report
 - c. ULB/ Borrowing agency's progress report
 - d. Independent evaluation/ audit by OUIDF

9.3.2. Private sector

- i. Loan disbursement shall be in accordance with the joint loan agreement of borrower with OUIDF and / or other lenders for the project
- ii. VGSF shall be released in accordance with the Concession Agreement for a project
- iii. Any cost over-run shall be met by equity contribution of the borrower
- iv. The disbursement cycle shall not be less than one quarter and not less than 10% of the project cost
- v. Prior to disbursement of each installment, OUIDF shall satisfy itself of the physical and financial progress of works and use of funds of previous disbursements. Pre-disbursement verification may include one or more of the following:
 - a. Contractor/ private borrower's progress report
 - b. Project Management Consultants progress report
 - c. ULB/ Borrowing agency's progress report
 - d. Independent evaluation/ audit by OUIDF
 - e. Statutory auditor certificate/ chartered accountant certificate

9.3.3. Disbursement of PDF

PDF shall be disbursed as per the Terms of Reference given to a consultant for a project.

9.4. Security

9.4.1. Government sector

Borrower shall open an Escrow account in which all the project revenues will be deposited and only the debt service and the O&M will be carried out using the amount in the escrow account. In case if the project revenue is not sufficient to meet the requirements, the account has to be backed up with other revenues in the following order

- a. Octroi grant compensation if any of State Government
- b. Revenue grant of State Government
- c. Capital grant of State Government
- d. Any other grant from Central Government
- e. Any other source of revenue

9.4.2. Private sector

Borrower shall open an Escrow account in which all the project revenues will be deposited and only the debt service and the O&M will be carried out using the amount in the escrow account. The borrower shall also provide adequate security to OUIDF. This includes -

- a. Pari-passu charge on assets along with other lenders for the project
- b. Bank guarantee
- c. collateral, corporate guarantee, personal guarantee
- d. Substitution agreement

Borrowers shall not pay interest or principal on unsecured loans from associate, group companies, promoters or others during the tenure of loan of OUIDF

9.5. Insurance

- i. Borrower shall effect and maintain at its own cost, during the loan period, insurances such as contractors all risk insurance, advance loss of profits insurance, professional indemnity insurance, property all risk insurance etc. as applicable for such maximum sums as may be required under applicable laws, and such insurances as may be necessary or prudent in accordance with good industry practice.
- ii. The proceeds from all insurance claims, except life and injury, shall be applied towards necessary repair, reconstruction, reinstatement, replacement, improvement, delivery or installation of the project and balance remaining, if any, shall be applied to servicing of debt in accordance with the loan agreement.
- iii. All insurance policies of the project shall be endorsed in favour of lenders

10. POWER TO REMOVE DIFFICULTIES

OUIDF is authorized to issue clarification in respect of interpretation of the provisions of this Policy as may appear necessary for removing the difficulty in either on its own motion or on the written representation from the stakeholders.

ANNEXURE- I

ODISHA URBAN INFRASTRUCTURE DEVELOPMENT FUND (OUIDF)

Application for financial assistance in the form of loan and viability grant from OUIDF by Urban Local Bodies viz. NACs /Municipalities/ Municipal Corporations/ Development Authorities/ Improvement Trusts/ Special Planning Authorities/ Statutory Bodies and State Owned Corporations

Date of Application:

A. INFORMATION ABOUT THE BORROWING AGENCY		
1.	a. Name of the Project Agency : b. Name of the Borrowing Agency :	
2.	Name of the ULB/ Organisation :	
3.	Year of Establishment : Enclose the By Law / Memorandum & Article of Association / Mode of Creation Document	
4.	Geographical Area (Sq. Km.):	
5.	Population (2011 Census)	
6.	Address for correspondence:	
7.	Telephone No. :	
8.	Fax. No.:	
9.	E – mail Address :	
10.	Name of the Municipal Commissioner / Executive Officer /CEO of the Borrowing Agency :	
11.	Direct Landline / Mobile No(Give Both):	
12.	Direct Fax No.:	
13.	E – mail Address :	
14.	Name of Mayor / President / CEO:/ Head of the Borrowing Agency with Designation	
15.	Landline / Mobile No.(Give Both):	
16.	Name and Designation of the Nodal Officer for the Project :	
17.	Direct Landline / Mobile No. of the Nodal Officer:	
18.	E-mail Address / Fax No:	

B. INFORMATION ABOUT THE PROJECT				
1.	Name of the Scheme			
2.	Salient features of the project			
3.	Name, Address, Contact details(Tel / Mob No, Fax / E Mail Id) of the officer of the Agency which has prepared Detailed Project Report (Enclose 2 copies of full DPR)			
4.	Name & Designation of the Nodal Officer of the Project. (Address, Tel No., Fax No., E-mail)			
5.	Implementing Agency			
6.	Location	Town	District	State
7.	Total Project Cost	(As Per Annexure-A)		
	Means of finance	Means of finance	Rs. Lakhs	%
		OUIDF Loan		
		Loan from other F.Is / Banks/ other Funding Agencies (specify)		
		State Govt. Grant, if any		
		Govt. of India Grant, if any		
		OUIDF Grant –VGF, (If any)		
		Other Grants (specify)		
		Contribution of the Borrowing Agency		
9.	Expenditure Incurred so far, if any (Component wise) with CA Certificate.			
10.	The year of Schedule of Rates (SoR) used in the DPR Cost escalation assumed			
11.	Whether Technical Sanction of the Competent			

B. INFORMATION ABOUT THE PROJECT		
	Authority is obtained for the DPR: Yes/No. If yes, give details of the Sanction with supporting documents	
12.	Name and Designation of the Officer / Agency, which has given Technical Sanction for the Detailed Project Report (Enclose certified copy of TS)	
13.	State whether the Project is already technically appraised by State or Central Government Agency. If yes, indicate the name of the Agency and provide a copy of Appraisal Report	
14.	Details of necessary Clearances/NOCs/Approvals required for implementation of the projects and their status	
13.	Has the Board/ Council /Corporation resolution of the Borrowing Agency been obtained to implement the project? If yes, please enclose photocopy of the resolution duly attested by the Authorised Signatory.	
14.	Is the project included in the Budget/ Capital Expenditure Plan/Programme of the Borrowing Agency? If yes, please give supporting document.	
15.	Is the project included in the City Development plan of the Municipality/ ULB where it would be located? If Yes, give details with supporting documents	
16.	Is the required area of land needed for the project been allotted by Govt. and possession taken over? If yes, please give all supporting documents along with land details. If no, indicate the current status.	
17.	Whether the Administrative approval of the State Govt. for implementing /promoting the project have been obtained. If yes, give details. with supporting document. If no, state the reasons and current status.	
18.	If any other clearance required and not obtained, provide details of such approval process	

B. INFORMATION ABOUT THE PROJECT		
	& reasons for the delay:	
19	Financial Indicators of the Project: i)Debt-Equity Ratio: ii)Debt Service Coverage Ratio: iii) Contribution of the Borrowing Agency as P.C of the Project Cost: iv)IRR: v) Break Even Point: a) of the Installed Capacity: b) of the Utilized Capacity;	
20	a)Implementation or Moratorium Period: b)Repayment Period: c) Total Period(a) + (b)=	

C. Funding Arrangement:		
1.	What is the method of executing the project : PPP / Engineering Procurement Contract (EPC)	
2.	In case of PPP project, indicate the amount of anticipated Viability Gap as per DPR (Rs. in Lakhs/Crores) (Enclose copies of DPR, Request for Proposal (RFP), Selected Bid and Concession Agreement) :	
3.	State whether the Project is approved for funding under any State or Central Scheme. If yes, indicate the Name of the Scheme & provide supporting documents:	
4.	Provide details of sources of finance covering the entire Project Cost : Cost to be borne by ULB / Agency / State &/or Central Grant / Loan etc.	
5.	Describe the current position of arrangement of funds from various sources :	
6.	Describe the current status of expenditure incurred, if any, from various sources of funds enclosing the CA Certificate to this effect:	
7.	Whether approval of the General Body / Council / Board / Competent Authority has been obtained for borrowing specific loan amount from OUIDF & also from other sources (Enclose copy of	

C. Funding Arrangement:		
	Resolution) : Yes/No (If yes, provide the details)	
8.	Status of obtaining permission of the State Government for raising the loan (copy of application made or permission obtained) :	

D. Preparedness for Execution and O&M		
1.	Whether all lands required for execution of the Project are in possession of the ULB/ Project Agency free of all encumbrances: Yes/No. If yes, provide all land details with allotment & possession letter from Govt.	
2.	If No, When will they be in possession free of encumbrances (Date) (Provide Detailed Schedule of obtaining such land if not provided in DPR)	
3.	Existence of a proper O&M Plan including Environmental and Social Framework requirements Whether the ULB / Agency is adequately equipped with skilled manpower to supervise execution of project or whether Project Management Consultant is proposed to be appointed and how PMC shall be paid. Availability of qualified and experienced consultant firm for preparation of detailed tender drawings, tender document and supervision/quality control.	
4.	Detailed information on annual O&M cost burden on account of the proposed Project (Rs. in Lakhs/Crores). Is the project self sustainable or would depend on Budgetary Support	
5.	Details of how the O&M cost burden is expected to be met or indicated relevant annex in DPR	
6.	Details of technical and staffing arrangements envisaged for O&M of the Project or indicated relevant annex in DPR	
7.	Status of readiness for execution of the Project : Tendering Process, Approval of Competent Authority, Award of Work	
8.	Provide schedule of implementation (bar-chart) for all components of the Project or indicated relevant	

D. Preparedness for Execution and O&M

	annex in DPR	
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E. Information about the Finances of the Borrowing Agency

1.	Last 5 years' major item-wise total actual revenue income and expenditure and capital receipts and expenditure with future projections for 15 years to prove the loan repayment capacity (in the format prescribed by OUIDF) (Also enclose copies of Budgets for the last 5 years including for latest year and latest Audit Report)	
2.	Provide a copy of the latest annual accounts, including balance sheet, if available	
3.	Year-wise details of any substantial increases in future revenue income expected (e.g. revision of Property Tax or User Charges – specify year of revision and likely increase in revenue)	
4.	Year-wise details of any substantial decreases in future revenue income expected (e.g. reduction in grant – specify year of revision and likely decrease in revenue)	
5.	Year-wise details of any substantial increases in future revenue expenditure expected (e.g. salary revision or O&M of new capital works – specify year of revision and likely increase in revenue)	
6.	Year-wise details of any substantial decreases in future revenue expenditure expected (e.g. reduction in water purchase due to commissioning of ULB's own scheme – specify year of revision and likely decrease in revenue)	
7.	Year-wise information on any future specific capital receipts (e.g. premium on BOT land development projects etc.) expected :	
8.	Year-wise and project-wise information on future committed capital expenditure (on-going or pipeline projects)	
9.	Information on Sinking Fund, if any established and its size and use	
10.	Information on revenues expected to be generated from the Project for which loan is sought (enclose detailed cash-flow analysis of the project)	

E. Information about the Finances of the Borrowing Agency		
11.	The annual phasing of the proposed Project expenditure and loan requirement	
12.	The mechanism proposed (e.g. Escrow Account) for securing the repayment of loan and interest	
13.	Whether credit rating of the ULB/Agency/Project has been carried out. (If yes enclose credit rating report) : Yes/No	

Place: Date:

Authorised Signatory with seal

Annexure-A
Details of the Project Cost

(Please give abstract of the cost estimates)

Particulars	Amount (in Rs.)
A. Land Acquisition	
B. Land Development	
C. (I) Item wise Cost	
1.	
2.	
3.	
4.	
5.	
6.	
Contingencies, if any	
Sub Total	
(ii) Tender premium (w.r.t. Scheduled of Rates)	
(iii) Escalation, if any	
Total of C [(I) + (ii) + (iii)]	
D. Base Cost (Total of A + B + C)	
E. A&S charges (on B + C)	
F. Technical Know How & Royalty Fee / Capacity Building Cost / Training & Development Cost	
G. Margin Money on Working Capital / Total Working Capital	
H. Preliminary & Pre-operative expenses,	
I. TOTAL PROJECT COST (D+E+F+G+H)	

Preliminary & Pre-operative Expenses

Sl. No.	Element of Cost	Amount(in Rs)
1	Processing Fee Paid / Payable to Banks / FIs.	
2	Loan / Grant Application Fee of Bank / FIs	
3	Commitment Charges / Up Front Fees Payable to Banks / FIs	
4	Cost of preparation of DPR	
5	Transit Insurance Cost of equipments / Machinery if any from point of procurement to the point of Destination.	
6	Cost of approvals / Licenses / Clearances if any.	
7	Security deposits to be made with Govt. Agencies for approvals/ Clearances / Licenses / Registrations.	
8	Establishment Cost during Project implementation period. (Give detailed estimate)	
9	Consulting fees towards Project Supervision / Monitoring / Control Cost w.r.t to Cost, Quality & Completion Schedule	
10	Cost of preparation of Tender Documents and inviting tenders	
11	Bank Guarantees to be provided for any purpose.	
12	Cost of Execution of Loan or any other Agreement with OUIDF & Banks / FIs / or any other Funding Agency like World Bank / ADB / JICA etc& or Gol or GoO	
13	Interest to be Paid to Bank / FIs / OUIDF or other funding agency during implementation of the Project or the Moratorium Period	
14	TOTAL	

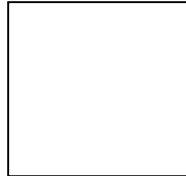
ANNEXURE-II

ODISHA URBAN INFRASTRUCTURE DEVELOPMENT FUND (OUIDF)

APPLICATION FOR FINANCIAL ASSISTANCE IN SHAPE OF LOAN AND GRANT FROM OUIDF BY PRIVATE SECTOR BORROWERS FOR PROMOTING INFRASTRUCTURE PROJECTS IN THE STATE OF ODISHA HAVING POSITIVE ENVIRONMENTAL IMPACT.

DATE OF APPLICATION:

Self Attested Photograph
Of the promoter(s): (Stamp Size)



Specimen Signature of the Promoter(s) in full :

DETAILS OF THE APPLICANT AND THE PROJECT		
1	Name of the Scheme and system of selection. Please indicate how the borrowing Firm/ Organisation has been selected for implementing / commissioning the project specifying the location, name of the ULB or any other Statutory Body or Govt. Agency who has selected the firm for this Project. Enclose details of the RFP & Concession Agreement executed to this effect. Give detail experience of the Company for promoting /managing similar projects highlighting their present operational performance. (Use separate sheets wherever necessary)	
2	Salient features of the project (Pls. Specify the Project Details such as Sector Back ground / Project Scope / Project Objectives).Enclose 2 Copies of the DPR	
3	Name of the Borrowing Firm / Company / Organisation (Address, Tel / Mobile No. Fax No., E-mail of the CEO & Web Site of the Borrowing Agency) <ul style="list-style-type: none">• Registered Office	

DETAILS OF THE APPLICANT AND THE PROJECT

	<ul style="list-style-type: none"> Corporate Office Address for Communication <p>Please give full address with Tel. Phone No. and Fax No. and E-mail Address(Use separate sheets & Give detailed information)</p> <p>Constitution (Partnership/Private Ltd. Company/ Public Ltd. Company etc.)</p> <p>Date of incorporation / Establishment</p> <p>Date of Commencement of Business (in case of Public Ltd. Company). Enclose the Memorandum & Article of Association with Certificate of Incorporation and Certificate of Commencement of Business in case of limited Companies. For others enclose the By Law of the Organisation and the Certificate of Registration issued by Govt. for its creation./ Registered Partnership Deed from Register of Firms for Partnership Firms</p>			
4.	Project Co-ordinator/ Nodal Officer of the Project (Address, Tel / Mobile No., Fax No., E-mail)			
5.	Name & Full Address of the Agency which has prepared the DPR, giving its full credentials such as its past achievements / experience in similar Project Formulation / Supervision / Execution / operation & whether the consultant has received accreditation from Gol /GoO / Funding Agencies like World Bank/ ADB/ JICA/ DFID or the like or from any other State Govt .or any other State owned Infrastructure Development Financing Institutions for similar projects. If so, give details with supporting documents.			
6	Name with full address for communication including Tel/Mobile/ FAX / E Mail Id of the officer of the Agency which has prepared the Detailed Project Report (Enclose 2 Hard Copies of the Project Report & 2 Soft Copies in CD)			
6.	Location of the Project	Town	District	State

DETAILS OF THE APPLICANT AND THE PROJECT

7.	TOTAL PROJECT COST (AS PER ANNEXURE-A)			
8.	Means of Finance		(Rs. In Lakhs)	% age
		OUIDF Loan		
		Loan from other F.Is / Banks		
		OUIDF/ Govt. Grant (If any)		
		Unsecured loans		
		Others (specify)		
		Total		
9.	Consortium leader (if any)			
10.	Expenditure Incurred so far, if any (Component-wise) with CA Certificate.			
11.	Construction Period in Years (A): Repayment Period in Years (B): Total Period in Years (C=A+B):			
12.	Financial Indicators of the Project: (A) Debt Service Coverage Ratio (B) Debt Equity Ratio (C) FIRR (D) Total Cash Surplus after meeting all the debt and Tax Liabilities and Operating Cost at the end of the repayment period.			
13.	Details of Promoter's Contribution			
14.	Name & Address of the Borrower's bankers along with A/C No.			
15.	If earlier loans have been taken from OUIDF or from any other Bank or Financial Institutions by the Borrower / Group Companies, details thereof			
16.	Has the Borrower settled any Loan Account with any Bank or Financial Institutions under One Time Settlement Scheme in the past? If so, State the reasons			

DETAILS OF THE APPLICANT AND THE PROJECT

	for the same and enclose the clearance of dues letter of the concerned Financial Institution or the Bank		
17.	Name and Address of the Borrower From CRI-SIL/CARE/ICRA/FITCH	Rating Agency: Rating: Date of Rating: Rated for: Validity of Rating:	
18.	Past Financial Position of the Applicant Unit	To be given as per Annexure-(B)	
19.	Details of Associate Concerns	To be given as per Annexure-(C)	
20.	Credit Track Record of all Associate Concerns	To be given as per Annexure-(D)	
21.	Whether required approvals and clearances have been obtained for the Project. If so, give details of all such approvals and clearances along with Documentary Evidences in support of the same. Use separate sheet if necessary.		
22.	Has the Project been included in the City Developmental Plan of the City where it is intended to be set up.		
23.	Whether the borrower company is listed in Stock Exchange If yes, Market price of share as on date High in last 52 weeks Low in last 52 weeks		
24.	Details of Promoter Directors & Associate /Group Companies. Whether any of the above is appearing in defaulters list of RBI.		
25.	Whether any Court Case/Legal proceedings pending in the Court against any of the Directors / Associate /Group Companies, if yes, the details thereof.		
26.	Whether Borrower / Promoters/Directors are involved in any economic offence (s). If yes, the details of such offences, committed /initiated/involved in by		

DETAILS OF THE APPLICANT AND THE PROJECT	
	and/or against the Borrower (positively in case of corporate entities):

Declaration:

The facts stated in this Loan & Grant Application Form to avail a concessional loan of Rs. _____/- and grant of Rs. _____/- from OUIDF, H&UD Department, Govt. of Odisha, Bhubaneswar are absolutely true to the best of my knowledge & belief and that there is no suppression or alternation of any facts. If any of the stated information is proved to be false at any point of time, Authority of OUIDF would be free to take any action under the provision of law against the signatory.

Place:

Date:

Authorised Signatory with Company Seal

Annexure-A
Details of the Project Cost
(Please give abstract of the cost estimates)

Particulars	Amount (in Rs.)
A. Land Acquisition	
B. Land Development	
C. (I) Item wise Cost	
1.	
2.	
3.	
4.	
5.	
6.	
Contingencies, if any	
Sub Total	
(ii) Tender premium (w.r.t. Scheduled of Rates)	
(iii) Escalation, if any	
Total of C [(I) + (ii) + (iii)]	
D. Base Cost (Total of A + B + C)	
E. A&S charges (on B + C)	
F. Technical Know How & Royalty Fee / Capacity Building Cost / Training & Development Cost	
G. Margin Money on Working Capital / Total Working Capital	
H. Preliminary & Pre-operative expenses,	
I. TOTAL PROJECT COST (D+E+F+G+H)	

Preliminary & Pre-operative Expenses

Sl. No.	Element of Cost	Amount(in Rs)
1	Processing Fee Paid / Payable to Banks / Fls.	
2	Loan / Grant Application Fee of Bank / Fls	
3	Commitment Charges / Up Front Fees Payable to Banks / Fls	
4	Cost of preparation of DPR	
5	Transit Insurance Cost of equipments / Machinery if any from point of procurement to the point of Destination.	
6	Cost of approvals / Licenses / Clearances if any.	
7	Security deposits to be made with Govt. Agencies for approvals/ Clearances / Licenses / Registrations.	
8	Establishment Cost during Project implementation period. (Give detailed estimate)	
9	Consulting fees towards Project Supervision / Monitoring / Control Cost w.r.t to Cost, Quality & Completion Schedule	
10	Cost of preparation of Tender Documents and inviting tenders	
11	Bank Guarantees to be provided for any purpose.	
12	Cost of Execution of Loan or any other Agreement with OUIDF & Banks / Fls / or any other Funding Agency like World Bank / ADB / JICA etc& or Gol or GoO	
13	Interest to be Paid to Bank / Fls / OUIDF or other funding agency during implementation of the Project or the Moratorium Period	
14	TOTAL	

Annexure-B

Brief past Financials of the Applicant

Particulars	Y1	Y2	Y3	Y4	Y5
Net Sales or Income					
Profit After Tax					
Gross Cash Accrual					
Net Profit Margin					
Working Capital (Current Assets-Current Liabilities)					
Net Worth					
Secured Debt					

Y1-Latest audited financial year, Y2-Year before Y1 and so on

Annexure-C

Details of Associate Concerns

Particulars	
Name and address of the Concern	
Constitution	
Existing Since	
Product (s)	
Share holding of the main promoters of Applicant (name of promoter directors may be attached)	
Total paid up share Capital	

Annexure-D

Credit Track Record of Associate Concerns

Sl.No.	Name	
1.	Name and address of the existing banker	
2.	Dealing person and contact Telephone Number	
3.	Dealing Since	
4.	Sanctioned limit and outstanding amount	
	Rate of Interest	
	Fund based limit -Term Loan- -Working Capital	
	Non-fund based	
5.	Details of Security offered and value	
6.	Asset Classification	
7.	Details of restructuring	

ANNEXURE-IV

DOCUMENTS TO BE SUBMITTED BY PRIVATE SECTOR BORROWERS

1. Memorandum and Article of Association of the Company with Certificate of Incorporation obtained from the Registrar of Company and Certificate of Commencement of Business if any.
2. Address of the Registered and Corporate Office of the Company duly certified by appropriate authorities(Notary or an Executive Magistrate by way of an Affidavit) and with documentary evidence in support of the Registered office Address/ Location.
3. Composition of the Board to be given under the signature of the Managing Director of the Company with the Company's seal and on Company's pad duly certified by a Notary.
4. Photo Copy of PAN Card, Adhar Card, Voter ID, Pass Port(if available) along with Income Tax Returns for the last 3 financial years of all the Board Members and net worth certificate of all the individual members duly certified by their Chartered Accountants.
5. Qualification, Experience & involvement of the Board Members in other Business including the Financial Performance & Financial health of the company where the Directors are involved i.e. Financial status of all the business where the borrowers are involved.
6. Details of the immovable property owned by the Board of Directors with address and tentative value the property along with documentary evidence.
7. Annual Report/ Financial Statements of the last five years of the Borrowing Company seeking Financial Assistance.
8. Net worth Certificate of the Borrowing Company duly certified its Auditor with documentary evidence.
9. Existing Banker of the borrowing company and details of the credit facilities availed from the Bank by the borrowing company & with an authorization to OUIDF to verify the details about the borrowing company from its Bank & to furnish various information to OUIDF regarding the borrowing company when requested by OUIDF who is going to consider financial assistance in shape of loan & grant.
10. Board Resolution to avail loan /grant from OUIDF indicating the quantum and purpose of assistance.

11. Authorised officer of the company duly supported by a Board Resolution to transact with OUIDF for all purposes. The Board Resolution should be certified by the Chairman/ Managing Director of the company along with the attested copy of the PAN Card, Aadhar Card & Voter ID and contact details (Telephone , FAX , Mobile & E-Mail Id) of the Authorised officer.
12. Details of the location where the proposed project is likely to be set up and ownership title on the land by the borrowing firm / company planning to set up the project along with permission of Govt. to set up the project on that land which should have clear accessibility /connectivity / approach road and must be free from all encumbrances as well.
13. Environmental / Pollution / Sewerage/ Fire clearance and various other statutory clearances to set up the project on the identified location. Connected load (Power load with maximum demand) of the project and sanction for the same or action taken. Arrangements made for effluent disposal.
14. Whether the site earmarked for the project has been included in the city master plan of the ULB where it would be located? If so documentary proof in support of the same.
15. Bank Account details of the company duly certified by the concerned Branch
16. Manager of the Bank where the Account is maintained.
17. Board Resolution to transfer the fund directly to company's Account mentioning the Account No., Name of the Bank & Branch of the Bank with its address/ IFSC code and MICR Code.
18. Detail sources of the promoter's contribution to be contributed by the Individual Directors.
19. Past experience of the Board of Directors or of the Company in similar projects & their performance.

ANNEXURE-V

ENVIRONMENTAL SCREENING FORM

PART A [To be prepared by Borrower for each Sub-project loan]

Name of Applying Borrower:
Name of the Sub-component:
Name of Sub-project:
Geographical areas covered by Sub-Project :
Name of Line Department/Organization Responsible:
Name and address of Officer responsible:

1. Does the Sub-project is adjacent to: Please √ in one box

- | | | | | | |
|------|--|-----|--------------------------|----|--------------------------|
| i) | Cultural Heritage site | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| ii) | Protected Area | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| iii) | Wet Land | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| iv) | Mangrove | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| v) | Estuarine Region | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| vi) | Others as listed in ESF
If yes, please specify: | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

2. Does the proposed sub-project could cause negative impacts on: Please √ in one box

- | | | | | | |
|------|---|-----|--------------------------|----|--------------------------|
| i) | Surrounding Environmental Conditions | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| ii) | Degradation of land / eco-systems | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| iii) | Loss or impacts on Cultural/ heritage properties | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| iv) | Occupation of low lying lands/ flood plains, etc. | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| v) | Water Resource Problems | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| vi) | Air / Noise Pollution | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| vii) | Pollution of Water bodies / ground water | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

- | | | | | | |
|-------|---|-----|--------------------------|----|--------------------------|
| viii) | Cutting of Trees / Loss of Vegetation | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| ix) | Health & Safety Risks in the neighbourhood | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| x) | Constriction hazards to workers / residents | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| xi) | Release of toxic gasses or accident risks | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

3) Any other features of the projects that could influence ambient environment

Date

Signature and Name of the Borrower

Environmental Screening Sheet must be completed by all Borrowers applying for a loan from OUIDF for any project involving land.

ANNEXURE-VI

SOCIAL SCREENING FORM

PART A [To be prepared by Borrower for each Sub-project loan]

Name of Applying Borrower:
Name of the Sub-component: Roads and Bridges
Name of Sub-project:
Geographical areas covered by Sub-Project :
Name of Line Department/Organization Responsible:
Name and address of Officer responsible:

1. Does the Sub-project involve: Please ✓ in one box

i) Acquisition of homestead land Yes No

ii) Acquisition of private "patta" land Yes No

iii) Acquisition of village "gochar" land Yes No

iv) Alienation of any type of Government land including that owned by Urban Local Body Yes No

v) Transfer of land Yes No

vi) Clearance of encroachments from Government/Urban Local Body Land Yes No

vii) Clearance of squatting from Government/Urban Local Body Land Yes No

2. Does the proposed sub-project adversely affect: Please ✓ in one box

i) Any type of sources of livelihood Yes No

ii) Any type of homes/structures Yes No

3. **PART B [If any of the above is 'Yes', provide approximate information required below]**

i) Number of households to be acquired

- ii) Number of structures, both authorized and/or unauthorized to be acquired/cleared
- iii) Number of households to be displaced
- iv) Acres of "patta" land to be acquired
- v) Acres of Government land to be alienated
- vi) Acres of land to be transferred
- vii) Details of village common properties to be alienated
 - Pasture land (acres)
 - Cremation/burial ground
 - Others - specify
- viii) Number of encroachments to be cleared
 - Number of persons affected
- ix) Number of squattings to be cleared
 - Number of persons affected

4. Adversely affected sources of livelihood: Please \checkmark in all applicable boxes
- Loss of Agricultural Land Loss of Grazing
- Vendors
- Loss of access to forest produce (NTFP)
- Any others - specify.

5. Approximate number of persons affected
- Acquisition of homestead land
- Acquisition of "patta" land
- Vendors
- Loss of grazing
- Loss of access to NTFP
- Others including community assets/temples etc. (Specify)

Date **Signature and Name of the Borrower**

Social screening Sheet must be completed by all OUIDF applying for a loan from OUIDF for any project involving land.

ANNEXURE VII

Climate Change Screening Form

The preliminary appraisal (Screening) is performed on the basis of both the checklist below and consideration of existing and additional, easily accessible information.

Environmental assessment	Yes/ No
<p>Does the measure potentially have a substantial negative impact on one or more of the following subjects of protection?</p> <ul style="list-style-type: none"> ▪ Humans, including human health ▪ Animals, plants and biological diversity ▪ Soil, water, air and landscape ▪ Cultural goods and other assets ▪ Interdependencies between the above-mentioned protected resources 	
Does the measure have considerable potential to improve environmental quality, resource protection or strengthen ecological sustainability?	
Does the prevailing law require environmental assessment for the project?	
Climate adaptation assessment (Climate Proofing):	Yes/ No
Are the intended developmental impacts of the measure substantially dependent on climatic parameters such as temperature, rainfall, wind, etc?	
Does the measure present the possibility of substantially increasing the adaptation capacity of the target groups or ecosystems?	
Climate change reduction assessment (Emission Saving):	Yes/ No
Is the measure expected to make a substantial contribution to greenhouse gas emissions?	
Can it be assumed that the measure will have the potential to considerably reduce emissions of greenhouse gases or increase CO ₂ sequestration in soil?	

If one or more of the questions are answered with "Yes", then an in-depth environmental and/or climate change impact assessment shall be carried out. The in-depth assessment can be limited to the sub-areas or protected resources for which an impact is affirmed.

The following criteria shall be used to judge relevance:

- extent of the expected impacts (e.g. number of affected persons),
- frequency, duration and expected time of the expected impacts,
- sensitivity of the affected natural spaces, population groups and economic activities as well as their adaptation capacity,
- irreversibility of changes,
- requirements in legal regulations (e.g. threshold values for pollutants).

ANNEXURE VIII

IFC Exclusion List

The IFC Exclusion List defines the type of projects that IFC does not finance. IFC does not finance the following projects:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PNB's, wildlife or products regulated under CITES
- Production or trade in weapons and munitions.
- Production or trade in alcoholic beverages (excluding beer and wine)
- Production or trade in tobacco.
- Gambling, casinos and equivalent enterprises.
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (Measurement) equipment and any where IFC considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in unbounded asbestos cements sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using nets in excess of 2.5 km.
- Production or activities involving harmful or exploitative forms of forced labor/ harmful child labor
- Commercial logging operations for use in primary tropical moist forest.
- Production or trade in wood or other forestry products other than from sustainably managed forests.
- Production, trade, storage or transport of significant volumes of hazardous chemicals or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene and other petroleum products.
- Production or activities that impinge on the lands owned or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples.

ANNEXURE IX

Lending conditions applicable for KfW line of credit

A. Exposure limits and lending terms

- i. The Loan Fund will offer both short, medium, and long term loans. Loan maturities and grace periods will be based on individual project needs. Depending on its ability to access additional long term funds, it should expand its loan product portfolio to long term loans of up to 20 years maturity.
- ii. Max. 50% of the cost of one sub-project may be financed out of the Grant Fund. In exceptional cases this grant may go up to 70% depending on the viability of the project.
- iii. Max.20% of the total assets of the Loan Fund may be invested in one sub-project.
- iv. Min. 10% of the costs of each sub-project should be borne by the implementing agency
- v. The Project Executing Agency shall strive to use at least 10% of the total volume of the Loan Fund to finance sub-projects not requiring any capital grant support. These would be commercially sustainable projects including Public Private Partnerships.
- vi. Short term bridge financing for projects shall not be provided under this line of credit.

B. Eligibility Criteria for sub-projects

- i. Sub-projects shall comply with the Environmental, Climate Change, and Social Framework (ECSF) which has to be set up by the Project Executing Agency.
- ii. The sub-projects shall be operated in a technically sustainable manner and with the highest quality standards available at reasonable costs.
- iii. The loan agreements with the ULBs, development authorities, regional improvement trusts, special planning authorities, Odisha State Housing Board, Statutory Boards shall ensure that the sub-borrowers prepare, implement, operate and maintain the sub-projects in conformity with sound financial and high quality engineering practices.
- iv. It has to be ensured that sub-projects are integrated in a master plan / City Development Plan established for the respective ULB and are compatible with urban development plans and that there are possibilities for future extension/upgrading .
- v. At least 60% of the Loan and Grant Funds should be invested in the following sectors:
 - Water Supply and Water Supply Improvement Schemes (WSIS);
 - Underground Sewerage Schemes (UGSS);
 - Solid Waste Management (including landfill sites, waste-to-energy , segregation, recycling and reuse, larger compost yards/dump areas) ;
 - Climate Adaptation Measures (e.g storm water and flood drains).
 - Slum development, rehabilitation and provision of basic urban infrastructure and civic amenities to the informal settlements of the urban areas.

- vi. WSIS may only be financed out of the Loan and Grant Fund, in places where a sewerage system has been conceptualized as well.