

**MINUTES OF NEGOTIATIONS
BETWEEN
THE REPUBLIC OF INDIA
AND
THE ASIAN INFRASTRUCTURE INVESTMENT BANK
REGARDING
KERALA SOLID WASTE MANAGEMENT PROJECT**

Negotiations for a proposed Asian Infrastructure Investment Bank (“AIIB”) loan for US\$105,000,000 (hereinafter, the “Loan”) to the Republic of India (the “Borrower”) for the proposed Kerala Solid Waste Management Project (the “Project”) were held between representatives of the Borrower and State of Kerala (together, the “India Delegation”) and the representatives of the AIIB (the “AIIB Delegation”, and together with the India Delegation, collectively referred to as the “Delegations”). Negotiations were held via video conference on February 19, 2021, at 12:30 p.m. Beijing Time, with video connections with New Delhi, India; Thiruvananthapuram, India; and Beijing, China. The members of the Delegations are listed in Attachment 1 to these Minutes of Negotiations.

I. Documents Reviewed

A. The Parties reviewed, discussed, and agreed upon the following documents, which were updated to reflect the agreements reached during negotiations: (i) draft Loan Agreement (Attachment 2), (ii) the draft Project Agreement (Attachment 3), and (iii) the draft External Debt Letter (Attachment 4).

B. These Minutes of Negotiations are not a complete record of the issues discussed during negotiations, but are intended to record critical understandings reached between the Delegations regarding the aforesaid documents. Accordingly, the Delegations decided to record in writing the following clarifications:

II. Clarifications in or as to the Loan Agreement.

The following issues were clarified in or as to the draft Loan Agreement:

A. Loan Amount. The India Delegation requested that the amount of the Loan be denominated in United States Dollars. It was agreed that the Loan will be one hundred five million Dollars (US\$105,000,000).

B. Terms of the Loan (Article II and Schedule 3 to the LA): The India Delegation has opted for a Variable Spread loan, tailored repayment schedule with interest payments payable on January 1 and July 1 of each year. The average repayment maturity is 9.66 years, including a 6 year grace period (assuming the Loan signing date is May 2, 2021). The final amortization date is July 1, 2034. The financial terms selected by the India Delegation have been reflected in the negotiated Loan Agreement.

C. Disbursement Arrangements. The AIIB Delegation explained that the disbursement arrangements will follow the Co-Financing Framework Agreement signed between World Bank and AIIB

in April 2016 (amended in April 2018). In that context, the Borrower will submit to the World Bank one single withdrawal applications for both World Bank and AIIB loans, using the same supporting documentation. The World Bank will then review the documentation and approve the withdrawal request using its own policies and procedures, and send to AIIB a disbursement notice to arrange for transfer of AIIB Loan proceeds as per its own standard practice. Upon receipt of a disbursement notice from the World Bank, AIIB will transfer the AIIB's portion (1:1) of the requested funds to the Borrower within a few days after the transfer of World Bank. The Bank will also follow the DFIL (Disbursement and Financial Information Letter) provided by the World Bank. The AIIB will promptly notify the World Bank once the payment is executed.

III. Other Matters.

A. Disclosure of Information. AIIB's Board of Directors adopted the Policy on Public Information, dated September 2018. Pursuant to this policy, after the Board approves the Project, the AIIB will disclose the Project Summary and other related Project information.

B. Next Steps. The Project is planned for presentation to AIIB's Board of Directors on March 25, 2021.

**On behalf of
Republic of India**

Dr. Prasanna Salian
Deputy Secretary, DEA

**On behalf of
Asian Infrastructure Investment Bank**

Sangmoo Kim
Senior Investment Operations Specialist
(Urban), IIDR1

**On behalf of
State of Kerala**

Shri Rajesh Kumar Singh IAS
Additional Chief Secretary, Finance Department,
State of Kerala

LIST OF ATTACHMENTS

1. List of participants
2. Negotiated Loan Agreement
3. Negotiated Project Agreement
4. External Debt Letter

Attachment 1
List of Participants

India Delegation

Dr. Prasanna Salian, Deputy Secretary, Department of Economic Affairs (“DEA”), Ministry of Finance (“MOF”), Government of India (“GoI”) (Chief Negotiator)
Dr. Bindu Madhab Panda, Asst. Director (MI), DEA
Mr. Ram Niwas, Representative, CAAA
Shri Rajesh Kumar Singh IAS, Additional Chief Secretary, Finance Department, State of Kerala (“SoK”)
Mr. Bishwanath Sinha IAS, Principal Secretary, LSG (Urban) Department, SoK
Mr. Mir Mohammed Ali IAS, Project Director, SoK

AIIB Delegation

Sangmoo Kim, Senior Investment Operations Specialist (Urban), Infrastructure Investment Department Region 1 (“IIDR1”)
Mengmeng He, Finance Associate, Office of the Controller
Ankur Agrawal, Young Professional, IIDR1
Yuka Terada, Investment Officer (Urban), IIDR1
Christopher Damandl, Senior Legal Consultant – Investment Operations, Office of the General Counsel

Observers

Uri Raich, Task Team Leader, World Bank (“WB”)
Harsh Goyal, Task Team Leader, WB