December 10, 2013

Mr. Nilaya Mitash
Joint Secretary (MI)
Department of Economic Affairs
Ministry of Finance
Government of India
Room 40 B, North Block
New Delhi, India

Dear Mr. Mitash:

India: Advanced Agreement for Preparation of the
Mizoram State Roads II Regional Transport Connectivity Project
Project Preparation Advance No. IDA Q861 - IN

In response to the request for financial assistance made on behalf of India ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank") proposes to extend to the Recipient an advance out of the World Bank’s Project Preparation Facility in an amount not to exceed three million Dollars (US$ 3,000,000) ("Advance") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in financing the activities described in the Annex ("Activities"). The objective of the Activities is to facilitate the preparation of a proposed project designed to improve the quality, connectivity, and management of the road network of the State of Mizoram ("Project"), for the carrying out of which the Recipient has requested the World Bank’s financial assistance.

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IDA to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this
countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received this countersigned copy within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank has established a later date for such purpose.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

By
Onno Ruhl
Country Director, India
South Asia Region

AGREED on behalf of:
INDIA

By
Authorized Representative

Name  NILEMA MITASH

Title  JOINT SECRETARY(MI), DEA, MoF, GoI

Date  11/12/13

Enclosures:

(1) “Standard Conditions for Advances Made by the World Bank under its Project Preparation Facilitation”, dated July 31, 2010; and,

(2) Disbursement Letter for the Advance of the same date as this Agreement, together with “World Bank Disbursement Guidelines for Projects”, dated May 1, 2006.
cc: Mr. Mukesh Nandan Prasad, Executive Director (India), World Bank
    Mr. Manoj Pant, Senior Advisor to Executive Director (India), World Bank
    Ms. Aparna Bhatia, Director (MI), DEA of Economic Affairs, Ministry of Finance, Government of India, New Delhi
    Mr. Puneet Agarwal, Director, Department of Economic Affairs, Ministry of Finance, Government of India, New Delhi
    Mr. S.G. Dastidar, Controller of Aid Accounts and Audit, DEA, Ministry of Finance, Government of India, New Delhi
    Mr. Vijay Chhibber, Secretary, Ministry of Road Transport and Highways, Government of India
    Mr. V.L. Patankar, Additional Director General, Ministry of Road Transport and Highways, Government of India
    Mr. S.M. Das, Additional Director General (North East Region), Ministry of Road Transport and Highways, Government of India
    Mr. L.R. Thanga, Principal Secretary, Department of Public Works Department, Govt. of Mizoram
    Mr. F. Vanlalruata, Principal Secretary, Department of Finance, Govt. of Mizoram
    Mr. Lian Chung Nunga, Engineer-in-Chief, Public Works Department, Govt. of Mizoram
    Mr. J. Rammawia, Chief Engineer, Roads, Public Works Department, Govt. of Mizoram
    Mr. Lalrinkima Hnamte, Project Director, Public Works Department, Govt. of Mizoram
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility dated July 31, 2010 (“Standard Conditions”), constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

Article II
Execution of the Activities

2.01. **Description of the Activities.** The Activities for which the Advance is provided consist of the following parts:

(a) Developing Techno-Economic Feasibility Studies, Detailed Engineering Studies, and preparation of bidding documents for all road sections included in the Mizoram State Roads II Regional Transport Connectivity Project in the state of Mizoram, India.

(b) Preparing an Environmental and Social Management Framework, Environmental Management Plans, Resettlement and Indigenous Peoples Displacement Plans, and other environmental and social reports as required for the Project, including the implementation of field surveys/assessments;

(c) Providing technical assistance to the Public Works Department (“PWD”) of the State of Mizoram (“Mizoram”) to improve its business processes, including procurement and governance procedures; and

(d) Strengthening PWD institutional capacity through carrying out of in-country and overseas training, workshops and study tours.

2.02. **Execution of the Activities Generally.** The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall cause Mizoram to carry out the Activities through its PWD (the “Implementing Agency”) in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.

2.03. **On-Lending Arrangements.** The Recipient shall make the proceeds of the Advance available to the State of Mizoram for its PWD, in accordance with the Recipient’s standard arrangements for development assistance to the Government of India.
(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Activities in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Goods and Non-consulting Services

(i) Except as otherwise provided in sub-paragraph (ii) below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (A) National Competitive Bidding, subject to the additional provisions set forth in sub-paragraph (iii) herein below; (B) Shopping; and (C) Direct Contracting.

(iii) National Competitive Bidding (NCB) will be conducted in accordance with paragraph 3.3 and 3.4 of the Procurement Guidelines and the following provisions:

(A) Only the model bidding documents for NCB agreed with the GOI Task Force (and as amended for time to time), shall be used for bidding;

(B) Invitations to bid shall be advertised in at least one widely circulated national daily newspaper, at least thirty (30 days) prior to the deadline for the submission of bids;

(C) No special preference will be accorded to any bidder either for price or for other terms and conditions when competing with foreign bidders, state-owned enterprises, small-scale enterprises or enterprises from any given State;

(D) Except with the prior concurrence of the World Bank, there shall be no negotiation of price with the bidders, even with the lowest evaluated bidder;

(E) For prior review packages, extension of bid validity shall not be allowed without the prior concurrence of the World Bank: (I) for the first request for extension if it is longer than four weeks; and (II) for all subsequent requests for extension irrespective of the period (such concurrence will be considered by the World Bank only in cases of force majeure and circumstances beyond the control of the purchaser/employer);
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Advance Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, non-consulting services, consultants’ services, Training and Workshops and Incremental Operating Costs for the Activities</td>
<td>3,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>3,000,000</td>
<td></td>
</tr>
</tbody>
</table>

For the purpose of the foregoing table the following terms have the following meanings:

(a) "Incremental Operating Costs" means the reasonable costs of incremental expenditures incurred by PWD in the preparation of the Project, which expenditures would not have been incurred absent such preparatory Activities, including, inter alia: office space rental and utilities, office maintenance and repair, office consumables, vehicles rental, operation and maintenance; communication, printing and/or publication expenses; staff per diems, field allowances, travel expenses; bank charges; and insurance premia; but excluding salaries and salary supplements of civil servants.

(b) "Training and Workshops" means the reasonable costs of training, workshops and conferences conducted in the territory of the Recipient and, subject to the World Bank’s prior approval, overseas, including training institutions and course fees, logistics expenses, rental of training facilities, purchase and publication of training materials, and travel and subsistence allowance for trainers and/or trainees.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Refinancing Date.** The Refinancing Date is May 30, 2014.

**Article IV**

**Terms of the Advance**

4.01. **Service Charge.** The Recipient shall pay a service charge on the Withdrawn Advance Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum. The service charge shall accrue from the respective dates on which amounts of the Advance are withdrawn and shall be paid in arrears in accordance with the provisions of Section 4.02 of this Agreement. Service charges shall be computed on the basis of a 360-day year of twelve 30-day months.

4.02. **Repayment.** The Withdrawn Advance Balance shall be repaid by the Recipient to the World Bank (together with any service charges accrued thereon) in accordance with the provisions of Article IV of the Standard Conditions and the following provisions:
5.03. **World Bank's Address.** The World Bank’s Address referred to in Section 9.01 of the Standard Conditions is:

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable: INDEVAS  
Telex: 248423 (MCI) or 6414  
Facsimile: 1-202-477-6391