Project Agreement

(NHAI Technical Assistance Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

NATIONAL HIGHWAYS AUTHORITY OF INDIA

Dated December 22, 2010
PROJECT AGREEMENT

AGREEMENT dated December 22, 2010, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) and NATIONAL HIGHWAY AUTHORITY OF INDIA (“NHAI” or “Project Implementing Entity”) (“Project Agreement”) in connection with the Loan Agreement (“Loan Agreement”) of same date between INDIA (“Borrower”) and the Bank. The Bank and NHAI hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) constitute an integral part of this Agreement.

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

ARTICLE II — PROJECT

2.01. NHAI declares its commitment to the objectives of the Project. To this end, NHAI shall carry out the Project in accordance with the provisions of Article V of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and NHAI shall otherwise agree, NHAI shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. NHAI’s Representative is the Chairman, NHAI, or any other person or persons as the Chairman, NHAI, shall designate in writing.

3.02. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Facsimile:

1-202-477-6391
3.03. NHAI’s Address is:

National Highways Authority of India
Plot No. G5 & G6
Sector 10, Dwarka
New Delhi 110075

Facsimile:

91-11-25093505

AGREED at New Delhi, India, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ N. Roberto Zagha
Authorized Representative

NATIONAL HIGHWAYS AUTHORITY OF INDIA

By /s/ Atul Kumar
Authorized Representative
SCHEDULE

Execution of the Project

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. NHAI shall, during the period of Project implementation, maintain:

(a) a high level core group consisting of three permanent Members of the NHAI Board for the overall Project management and monitoring of Project implementation;

(b) a working group adequately staffed with qualified professional and administrative staff (including procurement, financial management and technical specialists), to be responsible for day-to-day Project implementation; and

(c) a project/procurement coordinator of at least a general manager rank to be responsible for coordination of Project activities on day-to-day basis.

2. NHAI shall prepare and furnish to the Bank for its review and approval by January 31 of each year until completion of the Project, commencing on January 31, 2012, an annual training plan and budget for the following fiscal year and thereafter carry out said annual training plan taking into account the Bank’s comments thereon.

B. Anti-Corruption

NHAI shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines and the GAAP.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. NHAI shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08(b) of the General Conditions and on the basis of indicators agreed with the Bank. Each such Project Report shall cover the period of six (6) months, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.
2. NHAI shall prepare and furnish to the Bank a mid-term Project progress report for review and comments by September 30, 2013.

3. Notwithstanding the requirement in Section II.A.1 of this Schedule, NHAI shall carry out jointly with the Bank a comprehensive mid-term review of the Project by December 31, 2013.

4. NHAI shall provide to the Borrower not later than six (6) months after the Closing Date, for incorporation in the report referred to in Section 5.08(c) of the General Conditions all such information as the Borrower or the Bank shall reasonably request for the purposes of that Section.

B. Financial Management, Financial Reports and Audits

1. NHAI shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank to reflect the operations, resources and expenditures related to the Project.

2. NHAI shall have its financial statements referred to above audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one (1) financial year of NHAI. NHAI shall ensure that the audited financial statements for each period shall be furnished to the Borrower and the Bank not later than six (6) months after the end of the period.

Section III. Procurement

All goods and services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement.