Project Agreement

(Maharashtra Agricultural Competitiveness Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

STATE OF MAHARASHTRA

Dated November 2, 2010
PROJECT AGREEMENT

AGREEMENT dated November 2, 2010, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and the STATE OF MAHARASHTRA (“Maharashtra” or “Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between INDIA (“Recipient”) and the Association. The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Financing 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 Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

2.01. Maharashtra declares its commitment to the objectives of the Project. To this end, Maharashtra shall carry out the Project in accordance with the provisions of Article IV 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 Association and Maharashtra shall otherwise agree, Maharashtra shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity’s Representative is Chief Secretary to the Government of Maharashtra.

3.02. The Association’s Address is:

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

Facsimile:

1-202-477-6391
3.03. The Project Implementing Entity’s Address is:

Office of the Chief Secretary
Government of Maharashtra
Mantralaya, Mumbai 400032

Facsimile:

91-022 22028594

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

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/  N. Roberto Zagha
Authorized Representative

STATE OF MAHARASHTRA

By /s/  S. K. Goel
Authorized Representative
SCHEDULE

Execution of the Project

Section I. Implementation, Institutional and Other Arrangements

A. Institutional Arrangements

Without limitation upon the provisions of Section 3.01 of the Financing Agreement, Maharashtra shall:

1. carry out the Project through its Department of Cooperation Marketing and Textiles and shall be assisted by:

   (a) MSAMB in the carrying out Parts A(iii), B.1(i), B.1(iii), B.1(iv), B.2(i) and B.2(ii) of the Project;

   (b) MSWC in the carrying out of Part B.1(ii) of the Project;

   (c) Maharashtra’s Department of Agriculture and Animal Husbandry, Dairy Development and Fisheries and ATMA in the carrying out of Part A(i) of the Project;

   (d) Maharashtra’s Department of Agriculture and Animal Husbandry, Dairy Development and Fisheries and VANAMATI in the provision of training and capacity building services under Part A of the Project;

   (e) Maharashtra’s Department of Agriculture and Animal Husbandry, Dairy Development and Fisheries in the carrying out of Part A(iv) of the Project, and the provision of specific training and capacity building services under Part A of the Project; and

   (f) NIPHT in the provision of training and capacity building services under Parts B.1 and B.2 of the Project.

2. maintain a project implementation plan, satisfactory to the Association, containing, *inter alia*, specific provisions on detailed arrangements for the carrying out of the Project, including:

   (a) guidelines governing the procurement, financial management and disbursement processes under the Project;

   (b) the ESMF, GAAP, Procurement Plan and Financial Management Manual; and
3. not amend, delete or waive any provision of the Project Implementation Plan without the prior agreement between the Association and Maharashtra.

4. maintain, at all times during Project implementation, a Project Coordination Unit within its Department of Cooperation Marketing and Textiles with functions and responsibilities acceptable to the Association, including, *inter alia*, the responsibility of said unit to coordinate and monitor the carrying out of the Project.

5. ensure that the PCU shall, at all times during Project implementation, be led by a project director and be assisted by adequate professional and administrative staff (including procurement, financial management, environmental and social development specialists), in numbers and with experience and qualifications acceptable to the Association, and operating under terms of reference agreed to between the Association and Maharashtra.

6. maintain, at all times during Project implementation, a Project Implementing Unit within the Line Departments, with functions and responsibilities acceptable to the Association.

7. ensure that each PIU shall, at all times during Project implementation, be led by a nodal officer, and assisted by adequate professional and administrative staff, in numbers and with experience and qualifications acceptable to the Association, and operating under terms of reference satisfactory to the Association.

8. maintain at all times during Project implementation a Project Steering Committee, headed by Maharashtra’s Chief Secretary, with the responsibility of, *inter alia*, overseeing Project Implementation and coordinating among participating government departments and other stakeholders.

9. prepare and furnish to the Association for its review and approval by November 30 of each year, until completion of the Project, commencing on November 30, 2010, an annual work plan and budget for implementation of the Project in the following fiscal year and, thereafter, carry out said annual plan taking into account the Association’s comments thereon.

**B. Anti-Corruption**

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

Maharashtra shall:

1. carry out the Project in accordance with the ESMF in a manner satisfactory to the Association.

2. ensure that the environmental and social screening criteria provided for under the ESMF are updated regularly, and are at all times consistently and satisfactory applied.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. Maharashtra shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the Key Performance Indicators. Each such Project Report shall cover the period of six (6) months, and shall be furnished to the Bank not later four (4) weeks after the end of the period covered by such report.

2. Maharashtra shall provide to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request for incorporation in the report referred to in Section in Section 4.08 (c) of the General Conditions.

B. Financial Management, Financial Reports and Audits

1. Maharashtra shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of Maharashtra, including the operations, resources and expenditures related to the Project.

2. Maharashtra shall have its financial statements referred to above audited, by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one financial year of Maharashtra. The audited financial statements for each period shall be furnished to the Association not later than six (6) months after the end of such period.
Section III. Procurement

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