Project Agreement

(Sustainable Urban Transport Project)

among

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
(acting as an Implementing Agency of the Global Environment Facility)

and

STATE OF MAHARASHTRA

Dated February 5, 2010
PROJECT AGREEMENT

AGREEMENT dated February 5, 2010, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") in its own capacity and acting as an implementing agency of the Global Environment Facility and STATE OF MAHARASHTRA ("Project Agreement").

Whereas, by a loan agreement of even date herewith between India ("Borrower") and the Bank ("Loan Agreement"), the Bank has agreed to make available to the Borrower an aggregate principal amount of one hundred and five million, two hundred and thirty thousand United States Dollars ($105,230,000) ("Loan") on the terms and conditions set forth in the Loan Agreement, but only on condition that Maharashtra agrees to undertake such obligations toward the Bank as are set forth in the Loan Agreement and in this Agreement relating to activities to be carried out in Maharashtra with respect to Part 2 of the Project.

Whereas, by a GEF grant agreement of even date herewith between the Borrower (in its capacity as the Recipient) and the Bank (the "GEF Grant Agreement"), the Bank has agreed to extend to the Recipient, a grant in an amount equal to twenty million and three hundred and thirty thousand United States Dollars ($20,330,000) ("Grant") on the terms and conditions set forth in the GEF Grant Agreement, but only on condition that Maharashtra agrees to undertake such obligations toward the Bank as are set forth in the GEF Grant Agreement and in this Agreement relating to activities to be carried out in Maharashtra with respect to Part 2 of the Project.

Now, therefore, the parties hereby agree as follows:

ARTICLE I – GENERAL CONDITIONS; DEFINITIONS


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

ARTICLE II – PROJECT

2.01. Maharashtra declares its commitment to the objectives of the Project. To this end, Maharashtra shall carry out Part 2 of the Project in accordance with the provisions of Article V of the General Conditions and Article II of the Standard Conditions.
Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its Respective Part of the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and Maharashtra shall otherwise agree, Maharashtra shall carry out its Respective Part of the Project through the Project Implementing Agency for Pune and the Project Implementing Agency for Pimpri Chinchwad, respectively, in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III – REPRESENTATIVE; ADDRESSES

3.01. Maharashtra’s Representative is its Chief Secretary.

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

Cable: INTBAFRAD
Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391

3.03. Maharashtra’s Address is:

Mantralaya
Government of Maharashtra
Mumbai, Maharashtra
India

Facsimile:

91-22-220-285-94
AGREED at New Delhi, India, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
as an Implementing Agency of the Global Environment Facility

By /s/ N. Roberto Zagha
Authorized Representative

STATE OF MAHARASHTRA

By /s/ Manu Kumar Shrivastava
Authorized Representative
SCHEDULE

Execution of Maharashtra’s Respective Part of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

Maharashtra shall:

(a) ensure that a Project Implementing Agency for Pune and a Project Implementing Agency for Pimpri Chinchwad shall implement the city demonstration projects under Part 2 of the Project in Pune and Pimpri Chinchwad, respectively, and described in Section I.D of this Schedule and be responsible for monitoring and evaluation of the city demonstration projects;

(b) cause the Project Implementing Agency for Pune and the Project Implementing Agency for Pimpri Chinchwad to implement the city demonstration projects in accordance with the Loan Agreement, the GEF Grant Agreement, this Agreement, the Financial Management Manual, the Operations Manual, and Participation Agreement; and

(c) cause the Project Implementing Agency for Pune and the Project Implementing Agency for Pimpri Chinchwad, respectively, to establish and maintain throughout the period of Project implementation, a Project Implementation Unit, with a multi-disciplinary team of suitably qualified personnel, and with resources sufficient to carry out the technical, financial management, procurement management, social, environmental, monitoring and evaluation, and public communication activities required to implement its Respective Part of the Project in a timely and effective manner.

B. Anti-Corruption

Maharashtra shall cause the Project Implementing Agency for Pune and the Project Implementing Agency for Pimpri Chinchwad to ensure that its Respective Part of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines and the Governance and Accountability Action Plan.

C. Safeguards

Maharashtra shall cause the Project Implementing Agency for Pune and the Project Implementing Agency for Pimpri Chinchwad to ensure that its Respective Part of the Project is carried out in accordance with the Environmental and Social
Management Framework, including any Environmental Management Plan and Resettlement Action Plan to be prepared under the Environmental and Social Management Framework.

D. City Demonstration Projects

1. Maharashtra shall cause the Project Implementing Agency responsible for Pune to implement its city demonstration project consisting of the following activities:

   (i) constructing pedestrian and bicycle infrastructure and development of busways and bus rapid transit stations along existing bus rapid transit corridors;

   (ii) providing passenger access to bus rapid transit stations and installing GPS and PIS systems to control bus rapid transit operations; and

   (iii) technical assistance for promoting sustainable urban transport in the city.

2. Maharashtra shall cause the Project Implementing Agency responsible for Pimpri Chinchwad to implement its city demonstration project consisting of the following activities:

   (i) developing two new road-cum- bus rapid transit corridors and three (3) bus terminals for the two (2) existing bus rapid transit corridors in Pimpri Chinchwad; and

   (ii) providing passenger access to bus rapid transit stations and installing global-positioning systems and passenger information systems to control bus rapid transit operations; and

   (iii) technical assistance for promoting sustainable urban transport in the city.

3. Maharashtra shall ensure that the Project Implementing Agency for Pune and the Project Implementing Agency for Pimpri Chinchwad refrain from carrying out any activities described above and avoid submitting withdrawal requests for payments in connection with such activities before such activities are adequately appraised and found to be satisfactory by the Bank.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. Maharashtra shall cause the Project Implementing Agency for Pune and the Project Implementing Agency for Pimpri Chinchwad to monitor and evaluate the progress of its Respective Part of the Project and prepare Project Reports for its
Respective Part of the Project in accordance with the provisions of Section 5.08(b) of the General Conditions and Section 2.06(b) of the Standard Conditions and on the basis of the indicators agreed with the Bank. Each such Project Report shall cover the period of one (1) quarter of each Financial Year, and shall be furnished to the Borrower (or Recipient or both as the case may be) not later than three (3) weeks after the end of the period covered by such report for incorporation and forwarding by the Borrower (or Recipient or both as the case may be) to the Bank of the overall Project Report.

2. Maharashtra shall ensure that the Project Implementing Agency for Pune and the Project Implementing Agency for Pimpri Chinchwad shall provide to the Borrower (or Recipient or both as the case may be) not later than January 31, 2015, for incorporation in the report referred to in Section 5.08(c) of the General Conditions and Section 2.06(b)(ii) of the Standard Conditions all such information as the Borrower (or Recipient or both as the case may be) or the Bank shall reasonably request for the purposes of such Sections.

B. Financial Management, Financial Reports and Audits

1. Maharashtra shall cause the Project Implementing Agency for Pune and the Project Implementing Agency for Pimpri Chinchwad to maintain a financial management system, including records and accounts, and prepare quarterly interim unaudited financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to its Respective Part of the Project.

2. Maharashtra shall ensure that the Project Implementing Agency for Pune and the Project Implementing Agency for Pimpri Chinchwad shall furnish to the Borrower (or Recipient or both as the case may be) no later than thirty (30) days after the end of each quarter the financial statements referred to above.

3. Maharashtra shall ensure that the Project Implementing Agency for Pune and the Project Implementing Agency for Pimpri Chinchwad shall furnish to the Borrower (or Recipient or both as the case may be) such other information concerning such financial statements as the Borrower (or Recipient or both as the case may be) or the Bank shall reasonably request from time to time.

4. Maharashtra shall cause the Project Implementing Agency for Pune and the Project Implementing Agency for Pimpri Chinchwad to appoint or designate no less than ninety (90) days after the Effective Date and maintain throughout the period of Project implementation, a finance professional with qualifications acceptable to the Bank.
5. Maharashtra shall make adequate budgetary provisions for the city demonstration project in its annual state budget in accordance with estimates furnished by the Project Implementing Agency for Pune and the Project Implementing Agency for Pimpri Chinchwad, respectively.

6. Maharashtra shall ensure that Project funds are transferred to the Project Implementing Agency for Pune and the Project Implementing Agency for Pimpri Chinchwad, respectively, in a timely manner.

7. Maharashtra shall cause the Project Implementing Agency for Pune and the Project Implementing Agency for Pimpri Chinchwad to have their Financial Statements for the Project audited in accordance with the provisions of Section 5.09(b) of the General Conditions and Section 2.07(b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one (1) Financial Year of the Borrower commencing with the Financial Year in which the first withdrawal under the Project was made. The audited Financial Statements of each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

All goods, works, non consulting services and consultants’ services required for Maharashtra’s Respective Part of the Project and to be financed out of the proceeds of the Loan and the Grant shall be procured in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement.

Section IV. Concurrent Obligations and Actions Relating to the Borrower and the Bank and Recipient and the World Bank

Unless the context otherwise requires, as long as the Bank has not given notice to the contrary to Maharashtra, and so long as the GEF Grant Agreement shall not have terminated prior to the termination of the Loan Agreement:

(a) the obligation of Maharashtra to consult with, and furnish Project Reports information, documents, plans, reports, records and statements to the Bank in its own capacity, the Borrower, or both with respect to the Loan shall be satisfied to the extent performance in respect of such obligations is rendered to the Bank (in its capacity as an implementing agency of the Global Environment Facility), the Recipient or both, as the case may be, with respect to the GEF Grant; and
all actions taken (including giving of approvals or granting of waivers) by the Bank pursuant to the Loan Agreement shall be deemed to be taken pursuant to both the Loan Agreement and the GEF Grant Agreement, and in the name and on behalf of the Bank in its own capacity and in its capacity as an implementing agency of the Global Environment Facility.