December 5, 2013

Mr. Nilaya Mitash
Joint Secretary (MI)
Department of Economic Affairs
Ministry of Finance
North Block
New Delhi

Re: Grant No. TF016123
Improving Development Programs in Tribal Areas: Capacity Enhancements to Strengthen Service Delivery of Tribal Development Programs in India Project

Dear Mr. Mitash:

In response to the request for financial assistance made on behalf of India ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as administrator of grant funds provided by the Department for International Development of the United Kingdom ("Donor") under the Trust Fund for DFID-World Bank Strategic Partnership for India-III (TF071225), proposes to extend to the Recipient, a grant in an amount not to exceed five hundred thousand United States Dollars (U.S.$500,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in 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.
Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION

By [Signature]

Onno Ruhl
Country Director

AGREED:
INDIA

By: [Signature]

Authorized Representative

Name: [Name]

Title: [Title]

Date: Dec 19, 2013

Enclosures:


(2) 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

(3) Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers, dated January 2011


(5) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("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.

(a) **"Incremental Operating Costs"** means the reasonable expenditures incurred on account of Project implementation, consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, and salaries of contractual staff for the Project (but excluding consultants’ services and salaries of officials of the Recipient’s civil service).

(b) **"MoTA"** means the Recipient’s Ministry of Tribal Affairs, and any successor thereto.

(c) **"RFD"** means a results framework document of MoTA which sets forth the results MoTA expects to achieve from its tribal development programs during each of its financial years.

(d) **"Scheduled Tribes"** means the population groups specified as scheduled tribes pursuant to Article 342 of the Constitution of India.

(e) **"Study tour, training and workshops"** means reasonable expenditures incurred by the Recipient for the carrying out of overseas study tour under Component 1 of the Project and for training and workshops activities related to the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation.

(f) **"TSP"** means the Recipient’s Tribal Sub Plan setting forth sectoral allocations made available for the development of its tribal population.
Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to strengthen the capacity of the MoTA to promote and enable effective delivery of programs for tribal welfare and development in low-income areas of India. The Project consists of the following:

(a) **Component 1. National-Level Learning and Knowledge-Sharing**

Review and synthesize knowledge on tribal development issues by establishment of an expert advisory group to discuss, guide and steer work, and through desk based research to review and synthesize major tribal development issues, good practices, opportunities and challenges, and with the provision of an overseas observation study tour on effective strategies, practices and lessons on tribal development.

(b) **Component 2. Functioning and Performance of Tribal Development Programs**

Assess functioning and performance of tribal development planning and programs in selected States, through analysis of planning, implementation and allocation through the TSP, and of the performance of related programs and schemes in selected States.

(c) **Component 3. Synthesis and Action Planning for Service Delivery Improvements**

Synthesize the findings from Components 1 and 2 above to facilitate the development of action plans with measures to improve service delivery. Carrying out of development solutions/learning workshops at central and state level.

(d) **Component 4. Project Administration and Monitoring for Results**

Review of MoTA’s monitoring and evaluation system, and the RFD with a view to fostering an enhanced results-oriented approach.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through MoTA in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. Institutional and Other Arrangements. (a) The Recipient shall cause MoTA to no later than thirty (30) days from the date of countersignature by the Recipient of this Agreement, establish and maintain throughout the period of implementation of the Project, a dedicated core team, led by the Deputy Director General of MoTA, or other senior official of MoTA, as shall be nominated by Secretary, MoTA, supported by a budget head, with functions and composition of key staff acceptable to the World Bank, for the implementation of the Project.

(b) The Recipient shall ensure that the terms of reference for any consultancies related to studies, technical assistance and/or capacity building activities under this Agreement shall be satisfactory to the World Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the World Bank’s Safeguard Policies then in
force, as applied to any consultations, information gathering and advice conveyed through such studies, technical assistance and/or capacity building activities.

(c) The Recipient shall through a process of informed consultation and participation, involve the Scheduled Tribes to ensure that the benefits received by the Scheduled Tribes under the Project are in harmony with their economic, social and cultural preferences and protect their customary user rights.

2.04. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor’s support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the Donor to visit any part of the Recipient’s territory for purposes related to the Project.

2.05. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in paragraph (b) of this Section. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The performance indicators referred to above in paragraph (a) consist of the following:

(i) delivery of a background/scoping paper;

(ii) completion of State level analyses of TSPs and development programs in selected States;

(iii) completion of a synthesis paper and action planning events; and

(iv) delivery of a review of relevant monitoring and evaluation systems.

2.06. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than 45 days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.
2.07. **Procurement**

(a) **General.** All goods, non-consulting services and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”), in the case of goods, and non-consulting services;

(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(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 Project 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**

The following methods may be used for procurement of goods, and non-consulting services for those contracts which are specified in the Procurement Plan: (A) Shopping; (B) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the World Bank; (C) Direct Contracting.

(d) **Particular Methods of Procurement of Consultants’ Services**

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants’ Qualifications; (E) Single-source Selection of consulting firms; (F) Selection of Individual Consultants; and (G) Single-source procedures for the Selection of Individual Consultants.

(e) **Review by the World Bank of Procurement Decisions.** The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.
Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% of Eligible Expenditures consisting of goods, non-consulting services and consultants’ services, Study tour, training and workshops, and incremental operating costs, inclusive of Taxes.

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. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is February 28, 2015.

Article IV
Recipient's Representative; Addresses

4.01. Recipient's Representative. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is Secretary, Additional Secretary, Joint Secretary, Director, Deputy Secretary or Under Secretary of the Department of Economic Affairs in the Ministry of Finance of the Recipient.

4.02. Recipient’s Address. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Department of Economic Affairs
Ministry of Finance
New Delhi

Cable: ECOFAIRS
Telex: 953-31-66175
Facsimile: 91-11-3092477

4.03. World Bank’s Address. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable: INTBAFRAD
Telex: INDEVAS 248423 (MCI) or 248424 (MCI)
Facsimile: 1-202-477-6391

Washington, D.C. 64145 (MCI)