Project Agreement

(Efficient and Sustainable City Bus Service Project)

between

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

and

STATE OF RAJASTHAN

Dated † MAY 24, 2016
PROJECT AGREEMENT

AGREEMENT dated MAY 31, 2016 entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT acting as an implementing agency of the Global Environment Facility ("World Bank") and STATE OF RAJASTHAN ("Project Agreement").

Whereas, by a GEF grant agreement of even date herewith between India (the Recipient) and the World Bank (the "GEF Grant Agreement"), the World Bank has agreed to extend to the Recipient, a grant in an amount equal to nine million, two hundred thousand United States Dollars ($9,200,000) ("Grant") on the terms and conditions set forth in the GEF Grant Agreement, but only on condition that Rajasthan agrees to undertake such obligations toward the World Bank as are set forth in the GEF Grant Agreement and in this Agreement relating to activities to be carried out in Rajasthan 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 GEF Grant Agreement or the Standard Conditions.

ARTICLE II – PROJECT

2.01. Rajasthan declares its commitment to the objectives of the Project. To this end, Rajasthan shall carry out Part 2 of the Project in accordance with the provisions of Article II of the Standard 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 World Bank and Rajasthan shall otherwise agree, Rajasthan shall carry out its Respective Part of the Project through its Project Implementing Agency in accordance with the provisions of the Schedule to this Agreement.
ARTICLE III – REPRESENTATIVE; ADDRESSES

3.01. Rajasthan’s Representative is its Chief Secretary.

3.02. The World Bank’s Address is:

International World 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. Rajasthan’s Address is:

Secretariat
Government of Rajasthan
Janpath
Jaipur, Rajasthan

Facsimile:

0141-2227114
AGREED at New Delhi, India, as of the day and year first above written.

STATE OF RAJASTHAN

By

Authorized Representative

Name: NARESH SHARMA
Title: MANAGING DIRECTOR

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

By

Authorized Representative

Name: [Signature]
Title: [Signature]
SCHEDULE

Execution of Rajasthan's Respective Part of the Project

Section I. Institutional Arrangements

A. Rajasthan shall:

1. Rajasthan shall:

   (a) ensure that its Project Implementing Agency shall implement the city
demonstration project under Part 2 of the Project described in Schedule 1
of the GEF Grant Agreement and be responsible for monitoring and
evaluation of the city demonstration project;

   (b) cause its Project Implementing Agency to implement the city
demonstration project in accordance with the GEF Grant Agreement, this
Agreement, the Financial Management Manual, the Operations Manual,
and Participation Agreement; and

   (c) cause its Project Implementing Agency 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.

2. Rajasthan shall make adequate budgetary provisions for the city demonstration
project under Part 2 of the Project in its annual state budget in accordance with
estimates furnished by its Project Implementing Agency and prepared in
accordance with the Operations Manual.

3. Rajasthan shall ensure that funds (including counterpart funds) required for its
Respective Part of the Project are transferred in time to its Project Implementing
Agency to ensure timely implementation of Project activities.

B. Anti-Corruption

Rajasthan shall cause its Project Implementing Agency to ensure that its
Respective Part of the Project is carried out in accordance with the provisions of
the Anti-Corruption Guidelines.

C. Safeguards

Rajasthan shall and shall cause its Project Implementing Agency to ensure that:
(a) its Respective Part of the Project is carried out in accordance with the Environmental and Social Management Framework; and

(b) whenever an Environmental Management Plan and/or a Resettlement Action Plan is required as per the provisions of the Environmental and Social Management Framework for any activity under its Respective Part of the Project:

(i) proceed to have such plan(s): (1) prepared in accordance with the provisions of the Environmental and Social Management Framework, as applicable; (2) furnished to the World Bank for review and approval; and (3) thereafter adopted and disclosed, in a manner acceptable to the World Bank; and

(ii) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such plan(s).

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. Rajasthan shall cause its Project Implementing Agency 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 2.06(b) of the Standard Conditions and on the basis of the indicators agreed with the World Bank. Each such Project Report shall cover the period of one (1) quarter of each Financial Year, and shall be furnished to the Recipient not later than thirty (30) days after the end of the period covered by such report for incorporation and forwarding by the Recipient to the World Bank of the overall Project Report.

2. Rajasthan shall ensure that its Project Implementing Agency shall provide to the Recipient not later than March 31, 2019, for incorporation in the completion report referred to in Section 2.06(b)(i) the Standard Conditions all such information as the Recipient or the World Bank shall reasonably request for the purposes of such Section.

B. Financial Management, Financial Reports and Audits

1. Rajasthan shall maintain a financial management system, including records and accounts, and prepare Financial Statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to its Respective Part of the Project.
2. Rajasthan shall furnish to the Recipient, for forwarding to the World Bank, no later than thirty (30) days after the end of each calendar quarter, interim financial reports for its Respective Part of the Project covering the calendar quarter, in form and substance satisfactory to the World Bank.

3. Rajasthan shall ensure that its Project Implementing Agency shall furnish to the Recipient such other information concerning such financial statements as the Recipient or the World Bank shall reasonably request from time to time.

4. Rajasthan shall cause its Project Implementing Agency 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 World Bank.

5. Rajasthan shall cause its Project Implementing Agency to have its Financial Statements for the Project audited in accordance with the provisions of 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 Recipient 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 World Bank not later than nine (9) months after the end of the Financial Year.

Section III. **Procurement**

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