

Public Disclosure Authorized

# OFFICIAL DOCUMENTS

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LOAN NUMBER 8754-IN

## Project Agreement

(Assam Citizen-Centric Service Delivery Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

and

STATE OF ASSAM

Dated JUNE 5, 2017

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LOAN NUMBER 8754-IN

**PROJECT AGREEMENT**

Agreement dated *JUNE 5*, 2017, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and STATE OF ASSAM ("Project Implementing Entity" or "Assam") ("Project Agreement") in connection with the Loan Agreement ("Loan Agreement") of same date between India ("Borrower") and the Bank.

The Bank and Assam 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. Assam declares its commitment to the objectives of the Project. To this end, Assam shall carry out the Project with the assistance of ARIAS Society and 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 Assam shall otherwise agree, Assam shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

**ARTICLE III — REPRESENTATIVE; ADDRESSES**

- 3.01. Assam's Representative is its Chief Secretary, Government of Assam.
- 3.02. The Bank's Address is:

International Bank for Reconstruction and Development  
1818 H Street, NW  
Washington, DC 20433  
United States of America

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


3.03. Assam's Address is:

Government of Assam  
Office of the Chief Secretary, Assam Secretariat (Janata Bhawan)  
Dispur, Guwahati-781006  
Assam, India

Facsimile:  
91-361-2237200

AGREED at NEW DELHI, India, as of the day and year first above written.


INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By   
\_\_\_\_\_  
Authorized Representative

Name: HISHAM ABBOU

Title: ACTING COUNTRY DIRECTOR, INDIA

STATE OF ASSAM

By   
\_\_\_\_\_  
Authorized Representative

Name: U. B. PYARELAL

Title: ADDITIONAL CHIEF SECRETARY

## SCHEDULE

### Execution of the Project

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. Throughout the period of implementation of the Project, Assam shall maintain, within ARIAS Society:
  - (a) the Project Guidance Council, with mandate and composition satisfactory to the Bank, and responsible for the overall management of the Project, including: (i) providing strategic and policy direction on all activities under the Project; (ii) facilitating the coordination of Project activities; (iii) ensuring timely funds flow to facilitate Project implementation and (iv) addressing any obstacle during the implementation of the Project; and
  - (b) the Governing Body, with mandate and composition satisfactory to the Bank, and responsible for, *inter alia*: (i) overseeing all the activities under the Project; (ii) monitoring the goals and targets of the Project; (iii) coordinating the day-to-day implementation of the Project; and (iv) exercising a supervisory/approval role with respect to procurement decisions under the Project as required by ARIAS Society's internal procedures.
2. Assam shall maintain, throughout the period of implementation of the Project, the Project Management Unit within ARIAS Society, headed by a Project director, with functions and resources satisfactory to the Bank and with staff in adequate numbers and with qualifications, experience and terms of reference satisfactory to the Bank, and responsible for, *inter alia*, the carrying out of management, procurement, financial management, safeguards, monitoring and reporting activities under the Project.

##### B. Operations Manual

Assam shall:

- (a) implement the Project in accordance with the Financial Management Manual;
- (b) adopt, by no later than thirty (30) days after the Effective Date, the Operations Manual in a form and substance satisfactory to the Bank;

- (c) implement the Project in accordance with the Operations Manual; provided however that in the event of conflict between the provisions of said manual, on the one hand, and those of this Agreement and/or the Loan Agreement, on the other hand, the provisions of this Agreement and/or the Loan Agreement shall prevail; and
- (d) refrain from amending, suspending, waiving, and/or voiding any provision of the Financial Management Manual and/or the Operations Manual, whether in whole or in part, without the prior written concurrence of the Bank.

**C. Anti-Corruption**

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

**D. Safeguards**

1. Assam shall:

- (a) carry out the Project in accordance with the Environmental Management Plan and the Tribal Development Plan, and pursuant to the objectives, policies, procedures and other provisions set forth therein, in a manner and substance satisfactory to the Bank; and
- (b) refrain from taking any action, or consenting to an action to be taken, which would prevent or interfere with the implementation of the Environmental Management Plan and the Tribal Development Plan, including any amendment, suspension, waiver, and/or avoidance of any provision thereof, whether in whole or in part, without the prior written concurrence of the Bank; and
- (c) ensure that no activity supported by the Project shall require any land acquisition.

2. In the event of any conflict between the provisions of the Environmental Management Plan and/or the Tribal Development Plan, on the one hand, and the provisions of this Agreement and/or the Loan Agreement, on the other hand, the provisions of this Agreement and/or the Loan Agreement shall prevail.

**Section II. Project Monitoring, Reporting and Evaluation.**

**A. Project Reports**

1. Assam 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 acceptable to the Bank. Each such Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Borrower and the Bank not later than one (1) month after the end of the period covered by such report.
2. Without limitation of the provisions of Section II.A.1 above, Assam shall:
  - (a) for the purpose of verifying the DLI Targets, engage and thereafter maintain, throughout the period of implementation of the Project, an independent third party entity or entities, with qualifications, experience and terms of reference satisfactory to the Bank, to undertake the verification process referred to in Section II.A.2(b) below;
  - (b) undertake, at least annually, a verification process in accordance with the DLI Verification Protocol and in a manner satisfactory to the Borrower and the Bank, through the independent third party entity or entities engaged pursuant to Section II.A.2(a) above, to ascertain whether the DLI Targets have been achieved for the respective DLI Period(s) under review; and
  - (c) furnish to the Borrower and the Bank corresponding verification reports, in form and substance acceptable to the Bank, by not later than thirty (30) days after the end of the relevant period.
3. Assam shall provide to the Borrower not later than four (4) 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 such Section.

**B. Financial Management, Financial Reports and Audits**

1. Assam shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect its operations and financial conditions, including the operations, resources and expenditures related to the Project.
2. Without limitation on the provision of Part A of this Section, Assam shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each

fiscal quarter interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.

3. Assam shall:
  - (a) with respect to Part 1 of the Project: (i) cause ARIAS Society to 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; and (ii) ensure that the audited financial statements for each period shall be furnished to the Borrower and the Bank not later than nine (9) months after the end of the period; and
  - (b) with respect to Part 2 of the Project: (i) 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; and (ii) ensure that the audited financial statements for each period shall be furnished to the Borrower and the Bank not later than one (1) year after the end of the period.
4. Assam shall ensure that each audit of these financial statements: (a) covers the period of one fiscal year of Assam, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project; and (b) is made publicly available in a timely fashion and in a manner acceptable to the Bank.

**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.