Project Agreement

(Uttarakhand Health Systems Development Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

STATE OF UTTARAKHAND

Dated MARCH 23, 2017
PROJECT AGREEMENT

Agreement dated MARCH 23, 2017, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and STATE OF UTTARAKHAND ("UTTARAKHAND") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between INDIA ("Recipient") and the Association. The Association and the Uttarakhand 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. Uttarakhand declares its commitment to the objectives of the Project. To this end, Uttarakhand shall carry 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 Uttarakhand shall otherwise agree, Uttarakhand shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

3.01. For purposes of Section 8.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. Uttarakhand’s Representative is the Chief Secretary of Uttarakhand.

4.02. The Association’s Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America
Facsimile:
+1-202-477-6391

4.03. Uttarakhand's Address is:
Office of the Chief Secretary
Secretariat
4 Subhash Road
Dehradun
Uttarakhand
PIN 248 001

Facsimile:
+91 (135) 271-2001

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

INTERNATIONAL DEVELOPMENT ASSOCIATION

By ____________________________
Authorized Representative

Name: HISHAM ABDI
Title: ACTING COUNTRY DIRECTOR, INDIA

STATE OF UTTARAKHAND

By ____________________________
Authorized Representative

Name: NEERAJ KARJAL
Title: PROJECT DIRECTOR
SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Uttarakhand, through the UKHFWS shall:

   (a) maintain, at all times during Project implementation, within the UKHFWS’s regular structure, a Project coordination team with functions and responsibilities acceptable to the Association, including, inter alia, the responsibility of said team to coordinate and monitor the implementation of the Project in accordance with the provisions of the PIP;

   (b) ensure that, at all times during Project implementation, the PIT shall be headed by a Project director, and an additional Project director, and adequately staffed with professional and administrative staff (including procurement, financial management, environmental, social and Project related technical staff), with the necessary experience and qualifications acceptable to Association, and operating under terms of reference agreed to between the Recipient and the Association;

   (c) maintain, at all times during Project implementation, a project steering committee, headed by either the Principal Secretary or Secretary of Medical, Health and Family Welfare, which shall comprise secretaries and deputy secretaries from stakeholder departments, vested with the responsibility of, inter alia, providing strategic direction to the Project; and

   (d) not later than twelve (12) months after the Effective Date, employ, and maintain throughout Project implementation, an independent monitoring and verification agent, under terms of reference and with qualifications and experience acceptable to the Association to assist the UKHFWS to carry out verification of Medical Insurance Claims and related performance audits on a quarterly basis for purposes of the Project.

2. Uttarakhand, shall:

   (a) take necessary and appropriate actions to ensure that adequate budgetary allocations are: (i) included in its budget for annual counterpart funds; and (ii) transferred to UKHFWS on a timely manner in accordance with the Project’s annual work plans; and

   (b) ensure that all payments due for PPP contracts under Part 1 of the Project are fully paid within ninety (90) days from the date said payment become eligible.
B. Anti-Corruption

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

C. Project Documents

1. Uttarakhand, through the UKHFWS shall:

   (a) carry out the Project in accordance with the PIP, the ESMP and the Procurement Plan; provided, however that in the event of any conflict between the provisions of any of the foregoing documents on the one hand, and those of this Agreement and/or the Financing Agreement, on the other hand, the provisions of this Agreement and/or the Financing Agreement, as applicable, shall prevail; and

   (b) shall not amend, delete or waive any provision of the aforementioned instruments without prior written agreement thereon between the Recipient and the Association.

2. Without limitation on the generality of the foregoing paragraph 1, Uttarakhand, through the UKHFWS shall ensure that for the purposes of carrying out Part 1b(ii) of the Project only Eligible Insurers which provide insurance to Insurance Beneficiaries for agreed health services in accordance with the requirements of the PIP shall be qualified for financing of Medical Insurance Premiums.

D. Safeguards

Uttarakhand shall:

1. (a) carry out the Project in accordance with the ESMP; and (b) whenever an environmental management plan, social mitigation plan, tribal development plan or other plan is required for any proposed Project activity under the ESMP, Uttarakhand shall: (i) prior to the commencement of such activity, have such plan(s): (A) prepared in accordance with the provisions of the ESMP, as applicable; (B) furnished to the Association for review and approval; and (C) thereafter adopted and disclosed; and (ii) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such plans, in each case in a manner satisfactory to the Association;

2. ensure that the environmental and social performance indicators contained in the ESMP shall be updated and monitored regularly, in agreement with the Association;

3. ensure that the Project shall be implemented, on publicly-owned premises existing prior to the Project, using exclusively land free from encumbrances, and without recourse to compulsory acquisition of land, forcible eviction or involuntary resettlement of persons; and
4. maintain throughout Project implementation, a Project grievance redress mechanism, with staffing and operating procedures acceptable to the Association, for monitoring and addressing the concerns of people affected by the Project and building public and stakeholder support for the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

Uttarakhand 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 indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later than forty-five (45) days after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

B. Financial Management, Financial Reports and Audits

1. Uttarakhand 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 the Project Implementing Entity, including the operations, resources and expenditures related to the Project.

2. Without limitation on the provisions of Part A of this Section, Uttarakhand shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. Uttarakhand 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 fiscal year of the Project Implementing Entity. Uttarakhand shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association not later than nine (9) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

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.