Project Agreement

(Andhra Pradesh and Telangana Road Sector Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

STATE OF TELANGANA

Dated ....... 2015
PROJECT AGREEMENT

AGREEMENT dated May 25, 2015, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and STATE OF TELANGANA ("Project Implementing Entity") ("Project Agreement") in connection with the Loan Agreement of January 22, 2010, between India ("Borrower") and the Bank ("Loan Agreement"). The Bank and the Project Implementing Entity 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 the Project Agreement have the meanings ascribed to them in the Loan Agreement or the General Conditions.

ARTICLE II - PROJECT

2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall:

(a) carry out the Project through T-RBD, with assistance of the PIU, in accordance with the provisions of Article V of the General Conditions; and

(b) 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 the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — EFFECTIVENESS

3.01. This Project Agreement shall enter into effect upon the Bank’s receipt of evidence, satisfactory to the Bank that the following conditions have been satisfied, namely:

(a) the execution and delivery of: (i) the amendment letter to the Loan Agreement restructuring the Project to incorporate Telangana, as a new Project Implementing Entity (as a result of the bifurcation of Andhra
Pradesh); (ii) the respective amendment letter to the AP-Project Agreement (of even date); and this Agreement; and

(b) an opinion or opinions satisfactory to the Bank of counsel acceptable to the Bank or, if the Bank so request, a certificate satisfactory to the Bank of a competent official of the Telangana, on behalf of Telangana, showing/attesting that this Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, Telangana, and is legally binding upon Telangana in accordance with its terms.

3.02 Except as the Bank shall otherwise agree, this Project Agreement shall enter into effect on the date upon which the Bank dispatches to Telangana a notices of its acceptance of the evidence required pursuant to Section 3.01 above.

ARTICLE IV - REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is the Secretary/Principal Secretary, Transport, Road & Building Department, Government of Telangana.

4.02. 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

4.03. The Project Implementing Entity’s address is:

Transport, Road And Building Department
“A” Block, 4th Floor
Secretariat,
Government of Telangana
Hyderabad 500 022
Telangana

Facsimile:

[..................]
AGREED at Telangana, India, as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

STATE OF TELANGANA

By

Authorized Representative
SCHEDULE

 Execution of the Project

Section I. Institutional Arrangements and Project Undertakings

Throughout Project implementation or as specified below, the Project Implementing Entity shall:

A. ensure that the T-RBD shall have the overall responsibility for Project implementation, direction and governance, and ensure that the T-RBD is assisted in Project implementation by the PIU, including in the areas of procurement, contract management, financial management, safeguards, environment and social management, monitoring and evaluation, oversight, and reporting;

B. maintain the T-RBD and the PIU with management, staff, powers and resources necessary and appropriate to fulfill their functions under the Project, including constituting and maintaining a subcommittee within T-RBD being responsible for monitoring Project implementation;

C. by June 30, 2015, operationalize and thereafter maintain a lead agency for road safety and a multi-sector/multi-disciplinary coordination team, both under Component 4 of the Project;

D. ensure that the EMPs and RAPs are prepared and adopted in a timely manner, and comply with the R&R Policy Framework;

E. ensure that the Project is carried out in accordance with the terms, conditions and procedures set forth in the ESMF, R&R Policy Framework, EMPs, RAPs, ISAP, HIV/AIDS Action Plan, TDP, Anti-Corruption Guidelines, and GAAP, and that the ESMF, R&R Policy Framework, EMPs, RAPs, ISAP, HIV/AIDS Action Plan, TDP, and GAAP are not revised, amended, or abrogated without the prior concurrence of the Bank. Notwithstanding the foregoing, the Project Implementing Entity shall, by no later than May 31, 2015, revise and re-disclose the content of the ESMF, EMPs, RAPs, R&R Policy Framework, and ISAP, in a manner and substance satisfactory to the Bank, so as to reflect the new implementation requirements light of the incorporation of Telangana as a new implementing agency upon the bi-furcation of Andhra Pradesh;

F. with respect to Component 3 of the Project, develop a sustainable financing arrangement for the Core Road Network;

G. carry out, under Component 4 of the Project, multi-sector road safety measures for at least one (1) demonstration corridor, and taking into account the results of
the demonstration projects, develop and adopt by December 31, 2016, a policy and strategy for improving road safety in Telangana.

Section II. Project Monitoring, Reporting, Evaluation

A. Project Reports

1. The Project Implementing Entity 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 agreed with the Bank. Each such report shall cover the period of one (1) Financial Year quarter, and shall be furnished to the Borrower and the Bank not later than forty-five (45) days after the end of the period covered by such report.

2. The Project Implementing Entity shall provide to the Borrower not later than five (5) 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 that Section.

B. Financial Management, Financial Reports; Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements related to the Project 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 the Project.

2. Without limitation on the provisions of Part A of this Section, the Project Implementing Entity shall prepare and furnish to the Bank as part of the Project Report not later than forty-five (45) days after the end of each Financial Year quarter, interim un-audited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.

3. The Project Implementing Entity shall have the financial statements referred to above audited by auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one (1) Financial Year. The audited financial statements for each period shall be furnished to the Borrower and the Bank not later than six (6) months after the end of the period.

Section III. Procurement

All goods, works, and consultants' services required under 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.