
LOAN NUMBER 8765-IN

Project Agreement

(Assam State Public Finance Institutional Reforms (ASPIRe) Project)
between

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

and

STATE OF ASSAM

Dated *JUNE 27*, 2017

LOAN NUMBER 8765-IN

PROJECT AGREEMENT

Agreement dated JUNE 27, 2017, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) and STATE OF ASSAM (“Project Implementing Entity”) (“Project Agreement”) in connection with the Loan Agreement (“Loan Agreement”) of same date between INDIA (“Borrower”) and the Bank. 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 this 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 carry out the Project 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 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 — 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:	Facsimile:
248423(MCI) or 64145(MCI)	1-202-477-6391

3.03. Assam's Address is:

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

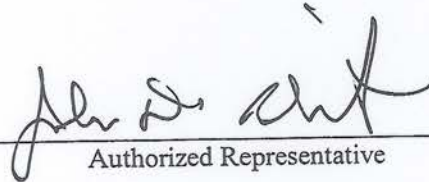
Facsimile:

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: JOHN BLOMQUIST

Title: ACTING COUNTRY DIRECTOR, INDIA

STATE OF ASSAM

By


Authorized Representative

Name: PYARELAL

Title: ADDITIONAL CHIEF SECRETARY

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

Without limitation upon the provisions of Section 3.01 of the Loan Agreement, Assam, shall:

1. maintain, at all times during Project implementation, the Assam Society for Comprehensive Financial Management System (AS-CFMS) established as a special purpose vehicle under Assam's Finance Department, which has been designated as the Project Management Unit (PMU) for the Project with functions and responsibilities acceptable to the Bank, including, *inter alia*: (i) coordinating activities with the other Implementing Departments; (ii) taking actions for procurement, financial management, monitoring progress and evaluating performance; (iii) ensuring financial reports are available and submitted to the Bank; (iv) hiring technical experts and consultants; all in accordance with the Project Implementation Plan; and (v) ensuring timely funds flow to facilitate Project implementation;
2. not materially and/or substantially amend, abrogate or waive, any provision of the Project Implementation Plan without the prior written agreement of the Bank;
3. ensure that, at all times during Project implementation, AS-CFMS is led by a State project director from the Indian Administrative Services (IAS) and assisted by an additional project director from the IAS/Assam Civil Services and adequate professional and administrative staff, including specialists in procurement, financial management, budget and treasury, taxation and IT, and other Project related technical staff; in numbers and with experience and qualifications and under terms of reference agreed to between Assam and the Bank;
4. ensure at all times during Project Implementation that: (i) for each component/sub-component of the Project, a coordinator from Implementing Departments is designated to coordinate with the PMU the implementation of activities, monitoring, and reporting; and (ii) the activities under the Project are carried out in accordance with the Project Implementation Plan.
5. hire qualified service of technical experts recruited in a competitive manner and under terms of reference satisfactory to the Bank; and
6. undertake a verification process, in accordance with the DLI Verification Protocol and the terms of reference agreed with the Bank and set out in the Project

Implementation Plan, to certify the fulfillment of each DLI Target set out in Schedule 4 to the Loan Agreement; and furnish to the Bank corresponding verification reports, in form and substance satisfactory to the Bank.

B. Anti-Corruption

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

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. Assam shall monitor and evaluate the progress of the Project and cause AS-CFMS to 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 forty- five (45) days after the end of the period covered by such report.
2. Assam shall and/or shall cause AS-CFMS to: prepare the Project execution and completion report referred to in Section 5.08 (c) of the General Conditions; and furnish it to the Borrower and the Bank no later than six months after the Closing Date.

B. Financial Management, Financial Reports and Audits

1. Assam shall maintain, and shall cause AS-CFMS to maintain, a financial management system and prepare financial statements for the Project 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 cause AS-CFMS to 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. Without limitation to Part A of this Section, Assam shall cause AS-CFMS 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. Each audit of these financial statements shall cover the period of one fiscal year of Assam, commencing with the first year in which the first withdrawal was made. Assam shall ensure and/or cause AS-CFMS to ensure that the audited financial statements for each period shall be: (a) furnished to the

Borrower and the Bank 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 Bank.

Section III. Procurement

All goods, works 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.