

**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**

**Originally Dated June 27, 2017  
(Amended and Restated on January 27, 2021)**

## **PROJECT AGREEMENT**

Agreement originally dated June 27, 2017, amended and restated on January 27, 2021 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.

WHEREAS (A) under an agreement dated June 27, 2017 between the Association and the Project Implementing Agency ("Original Project Agreement") in connection with the original financing agreement ("Original Financing Agreement") of same date between INDIA ("Recipient") and the Association in relation to the Original Project;

(B) the Recipient has requested the Association to make specific amendments to the Original Project, which require amendments to the Original Financing Agreement through an Amended and Restated Financing Agreement ("Amended and Restated Financing Agreement") of or around the same date as this agreement ("Amended and Restated Project Agreement").

NOW THEREFORE, the Association and the Project Implementing Entity hereby agree to amend and restate the Original Project Agreement, with effect as of the Amended Effective Date of the Amended and Restated Financing Agreement, as follows:

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 Amended and Restated 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 Amended and Restated 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: 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  
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**

Junaid Kamal Ahmad

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_ Country Director

**STATE OF ASSAM**

**By**



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**Authorized Representative**

Samir Kumar Sinha

**Name:** \_\_\_\_\_

Principal Secretary, Finance Depart

**Title:** \_\_\_\_\_

## SCHEDULE

### Execution of the Project

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements.

Without limitation upon the provisions of Section 3.01 of the Amended and Restated 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) ensure 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: (i) for each component/sub-component of the Project, a coordinator from Implementing Departments is designated to coordinate with the PMU on 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 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 Amended and Restated 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.

**C. Safeguards**

1. Assam shall ensure, and cause AS-CFMS to ensure that the Project is carried out with due regard to appropriate health, safety, social, and environmental standards and practices, and in accordance with the EMP and any other safeguard instruments required pursuant to the environment assessment that may be carried out before an EMP is prepared.
2. Assam shall ensure, and cause AS-CFMS to ensure that the obligation to comply with the EMP and the Borrower's laws regulations, permits, licenses and consents is incorporated: (a) in the contracts between the Project Implementing Entity and the relevant contractors and any entity (including any engineer) supervising the Project's civil works; and (b) in the contracts between the relevant contractors and the contractors' subcontractors.
3. Assam shall ensure, and cause AS-CFMS to ensure that: (a) all consultancies related to technical assistance, design and capacity building under the Project, the application of whose results could have environmental, social and health and safety implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Bank; and (b) such terms of reference shall require the technical assistance, design and capacity building activities to take into account the requirements of the applicable Safeguards Policies and EHS Guidelines.
4. Without limitation upon its other reporting obligations under this Agreement, Assam shall ensure, and cause AS-CFMS to ensure to:
  - (a) take all measures necessary on its part to regularly collect, compile and submit to the Project Implementing Entity and the Bank, on a semi-annual basis (or promptly whenever the circumstances warrant or whenever the Bank may require), information on the status of compliance with the EMP;
  - (b) promptly furnish to the Project Implementing Entity and the Bank a copy of each progress report prepared and submitted by any entity (including any engineer) supervising the Project's civil works, the Project's contractors and/or subcontractors; and
  - (c) promptly upon receipt cause AS-CFMS to furnish, to the Project Implementing Entity and the Bank any notification received from any entity (including any engineer) supervising the Project's civil works, the Project's contractors and/or subcontractors regarding any incident that might have occurred during Project implementation.
5. Except as the Bank shall otherwise agree, Assam shall ensure, and cause AS-CFMS to ensure that none of the provisions of the EMP is abrogated, amended, repealed, suspended

or waived. In case of any inconsistencies between the provisions of any of the EMP and the provisions of this Agreement, and the provisions of the Amended and Restated Loan Agreement, on the other hand, the provisions of this Agreement and the Amended and Restated 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 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 Amended and Restated Loan Agreement.

**Section IV. Other Undertakings**

Assam shall undertake, and cause AS-CFMS to undertake to:

- (a) prepare and disclose the EMP and any related safeguard document prior to the commencement of civil works.
- (b) ensure that the Project's activities involving collection, storage, usage, and/or processing of personal data are carried out with due regard to the Borrower's existing legal framework and appropriate international data protection and privacy standards and practices; and
- (c) in the event that, during the implementation of the Project, the approval of any new legislation regarding personal data protection may have an impact on the activities financed by the Project, ensure that a technical analysis of said impact is conducted, and that the necessary recommendations and adjustments, are implemented, as appropriate.