Project Agreement

(Bihar Integrated Social Protection Strengthening Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

STATE OF BIHAR

Dated May 28, 2014
CREDIT NUMBER 5349-IN

PROJECT AGREEMENT

Agreement dated \( \text{unknown date}, 2014 \), entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and STATE OF BIHAR ("Bihar" or "Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between INDIA ("Recipient") and the Association. The Association and Bihar 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. Bihar declares its commitment to the objectives of the Project. To this end, Bihar shall carry out the Project through BRDS and SSUPSW, in accordance with the provisions of the PIP and 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 Bihar shall otherwise agree, Bihar shall carry out the Project through BRDS and SSUPSW, in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The State of Bihar’s Representative is Chief Secretary, Government of Bihar.

3.02. The Association’s Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America

Facsimile:
1-202-477-6391
3.03. The State of Bihar’s Address is:

Chief Secretary
Government of Bihar
Secretariat
Patna, India

Facsimile:
91-612-2205981

AGREED at New Delhi, India, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Michael Haney
Title: Operations Adviser

STATE OF BIHAR

By

Authorized Representative

Name: Rajit Punhani
Title: Secretary Social Welfare Dept.
SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Without limitation upon the provisions of Section 3.01 of the Financing Agreement, Bihar shall be responsible for the management and coordination of the implementation of the Project and shall, for these purposes:

(a) maintain the BRDS and SSUPSW throughout the life of the Project, operating in a manner acceptable to the Association and each in accordance with its memorandum of association and by-laws;

(b) ensure that, throughout the life of the Project, the Development Commissioner will be responsible for coordinating and overseeing the activities of BRDS and SSUPSW, and for providing overall policy advice and oversight for Project Implementation;

(c) cause BRDS and SSUPSW to maintain at all times during Project implementation, within BRDS and SSUPSW’s regular structure, specialized Project management units with functions, composition and responsibilities acceptable to the Association, including, inter alia, the responsibility of said teams to plan, coordinate and monitor Project performance in line with the detailed implementation arrangements set forth in the PIP;

(d) cause BRDS and SSUPSW to ensure that, at all times during Project implementation, the SPMUs shall be led by a chief executive officer and assisted by adequate professional and administrative staff (including procurement, financial management and Project related technical staff), in numbers and with experience and qualifications acceptable to the Association, and operating under terms of reference agreed to between Bihar and the Association; and

(e) cause BRDS and SSUPSW to establish and thereafter maintain at all times during Project implementation, within BRDS and SSUPSW’s regular structure, district Project units, headed by a district Project manager, with functions, composition and responsibilities acceptable to the Association, including, inter alia, the responsibility of said units to plan, coordinate and monitor Project implementation at the district level.
B. Anti-Corruption

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

D. Safeguards

Bihar, through BRDS and SSUPSW, shall:

1. (a) carry out the Project in accordance with the EMF and the SMF; and
   (b) whenever an environmental management plan, social mitigation plan, tribal development plan, resettlement plan, or other plan is required for any proposed Project activity under the EMF or SMF, Bihar shall:
      (i) prior to the commencement of such activity, have such plan(s):
          (A) prepared in accordance with the provisions of the EMF or SMF, 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 EMF and the SMF shall be updated and monitored regularly, in agreement with the Association; and

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.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. Bihar, through BRDS and SSUPSW, 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 the Key Performance Indicators. Each such Project Report shall cover the period of six (6) months, and shall be furnished to the Recipient and the Association not later forty five (45) days after the end of the period covered by such report.
2. Bihar, through BRDS and SSUPSW, shall provide to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request for incorporation in the report referred to in Section 4.08 (c) of the General Conditions.

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

1. Bihar, through BRDS and SSUPSW, 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, resources and expenditures related to the Project.

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

3. Bihar, through BRDS and SSUPSW, shall have the Project's 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 (1) financial year of Bihar. Bihar, through BRDS and SSUPSW, shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association not later than six (6) 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, non-consulting services and consultants’ 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.