Project Agreement

(North East Rural Livelihood Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

NORTH EAST LIVELIHOOD PROMOTION SOCIETY

Dated January 20, 2012
PROJECT AGREEMENT

AGREEMENT dated January 20, 2012, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and NORTH EAST LIVELIHOOD PROMOTION SOCIETY ("NELPS" 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 NELPS 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. NELPS declares its commitment to the objectives of the Project. To this end, NELPS shall carry out 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 NELPS shall otherwise agree, NELPS shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. NELPS’s Representative is its Project Director.

3.02. The Association’s Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Facsimile:

1-202-477-6391
3.03. NELPS's Address is:

House No.2, Near Nayantara
G.S. Road, Six Mile, Guwahati
Assam, India, Pin 781022

Facsimile:

+91 3612331277

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

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

NORTH EAST LIVELIHOOD PROMOTION SOCIETY

By

Authorized Representative
SCHEDULE I

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. NELPS shall carry out the Project, with the assistance of the Participating States, in accordance with the Implementation Program referred to in Schedule 2 to this Agreement and the Project Implementation Plan (including all its annexes).

2. NELPS shall, at the request of the Association, exchange views with the Association with regard to the progress in the implementation of the Project, the performance of its obligations under this Agreement and other matters relating to the purposes of the Financing.

3. NELPS shall promptly inform the Association of any condition which interferes, or threatens to interfere, with the implementation of the Project, the accomplishment of the purposes of the Financing or the performance of its obligations under this Agreement.

B. Anti-Corruption

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

C. Safeguards

NELPS shall:

1. carry out the Project in accordance with the EMF and the TDF in a manner satisfactory to the Association;

2. ensure that the environmental and social performance indicators contained in the EMF and the TDF are updated, monitored and reported regularly, in agreement with the Association;

3. submit to the Association semi-annual progress reports on compliance with social and environmental safeguard measures under the Project, detailing measures taken in furtherance of the EMF and the TDF, and of conditions, if any, which interfere or threaten to interfere with the smooth implementation of the EMF and TDF, and remedial measures taken or required to be taken to address such conditions;

4. ensure that the Project is implemented, as far as reasonably practicable, using exclusively land free from encroachments or other encumbrances, and without recourse to compulsory acquisition of land, forcible eviction or involuntary resettlement of persons; and
ensure that no land shall be acquired under the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. NELPS 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 not later than forty-five (45) days after the end of the period covered by such report.

2. NELPS shall provide to the Recipient 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. NELPS shall maintain a financial management system and prepare Project 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 NELPS, including the operations, resources and expenditures related to the Project.

2. Without limitation on the provisions of Part A of this Section, NELPS shall prepare and furnish to the Association not later than forty-five (45) days after the end of each quarter, Interim Financial Reports (IFRs) for the Project covering the quarter, in form and substance satisfactory to the Association.

3. NELPS 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 Project Financial Statements shall cover the period of one (1) financial year of the Recipient. NELPS shall ensure that the audited Project 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 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.
SCHEDULE 2
Implementation Program

A. Institutional Arrangements

At the Central Level

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

(a) maintain, at all times during Project implementation, a regional project management unit, with functions and responsibilities acceptable to the Association, including, inter alia, the responsibility to coordinate and monitor the carrying out of the Project;

(b) ensure that the RPMU shall be led, at all times during Project implementation, by a Project Director assisted by adequate professional and administrative staff (including procurement, financial management, technical, environmental and social development specialists), in numbers and with experience and qualifications, and operating under terms of reference, agreed to among NELPS, the Recipient and the Association;

(c) maintain, at all times during Project implementation, the PIP;

(d) not amend, delete or waive any provision of the PIP, except as mutually agreed upon between the Recipient and the Association; and

(e) maintain, at all times during Project implementation, internal auditors with qualifications and experience acceptable to the Association, to prepare, under terms and conditions acceptable to the Association, internal audits in respect of the Project.

At the State Level

2. NELPS shall, or shall cause, each Participating State to:

(a) maintain, at all times during Project implementation, a state coordination unit, with functions and responsibilities acceptable to the Association, including, inter alia, the responsibility to coordinate and facilitate the carrying out of the Project at the state level, including acting as a link between the relevant Participating State’s different line departments, and the RPMU and DPMUs;

(b) ensure that the SCU is, at all times during Project implementation, led by a State Coordinator, operating under terms of reference, agreed to among NELPS, the Recipient and the Association;
(c) maintain, at all times during Project implementation, a district project management unit, with functions and responsibilities acceptable to the Association, including, \textit{inter alia}, the responsibility to oversee, monitor and coordinate implementation of all Project activities being carried out at the district level; and

(d) ensure that each DPMU shall be led, at all times during Project implementation, by a District Project Manager and assisted by adequate professional and administrative staff (including procurement, financial management, technical, environmental and social development specialists), in numbers and with experience and qualifications, and operating under terms of reference, agreed to among NELPS, the Recipient and the Association.

B. \textbf{Terms and Conditions Governing Investment Supports}

1. NELPS, through the DPMU, shall make an Investment Support to a Beneficiary Institution in accordance with terms and conditions approved by the Association and set forth in the respective Grant Agreement, including those set forth in PIP, which shall include, \textit{inter alia}, the obligation of NELPS to:

   (a) obtain rights adequate to protect its interests and those of the Recipient and the Association, including the right to (i) suspend or terminate the right of the Beneficiary Institution to use Investment Support proceeds, and (ii) recover all or any part of the amount of Investment Support proceeds then withdrawn, upon the Beneficiary Institution's failure to perform any of its obligations under the relevant Grant Agreement; and

   (b) take all necessary steps to ensure that the Beneficiary Institution shall carry out its obligations under its respective Grant Agreement with due diligence and efficiency and pursuant to the criteria and procedures set forth in the PIP, particularly in accordance with the provisions of the EMF, the TDF, the Anti-Corruption Guidelines and the GAAP.

2. NELPS shall exercise its rights under each Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Recipient and the Association shall otherwise agree, NELPS shall not assign, amend, abrogate or waived the Grant Agreement or any of its provisions.

3. NELPS shall take all necessary steps to ensure that each Beneficiary Institution shall be obligated, under its respective Grant Agreement, to:

   (a) maintain a financial management system and prepare utilization certificates in accordance with the procedures set forth in the Project Implementation Plan so as to adequately reflect the operations carried out with the proceeds of the Investment Support;
(b) enable the Recipient, the Association, and NELPS to review and audit the activities, facilities and/or operations financed out of the Investment Support proceeds, and any relevant records and documents; and

(c) prepare and furnish to the Recipient and the Association such information as the Recipient and the Association shall reasonably request.