
CREDIT NUMBER 5693-IN

Project Agreement

(National Cyclone Risk Mitigation Project-II)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

STATE OF GUJARAT

Dated *August 11*, 2015

PROJECT AGREEMENT

Agreement dated August 11, 2015, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and STATE OF GUJARAT ("Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of the same date between India ("Recipient") and the Association. The Association 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 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. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out its Respective Parts of the Project through the GSDMA, 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 its Respective Parts of the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its Respective Parts of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

- 3.01. For purposes of Section 8.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

- 4.01. The Project Implementing Entity's Representative is Chief Executive Officer of Gujarat State Disaster Management Authority.
- 4.02. The Association's Address is:

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

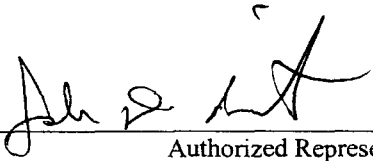
4.03. The Project Implementing Entity's Address is:

Chief Executive Officer
Gujarat State Disaster Management Authority
Udyog Bhavan, Sector 11
Gandhinagar 382 011

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

INTERNATIONAL DEVELOPMENT
ASSOCIATION

By

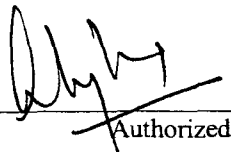

Authorized Representative

Name: John Blomquist

Title: Acting Country Director

STATE OF GUJARAT

By


Authorized Representative

Name: Anju Sharma

Title: Chief Executive Officer, G.S.D.M.A.

SCHEDULE

Execution of the Project Implementing Entity's Respective Parts of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall vest the responsibility for the implementation of its Respective Parts of the Project in the GSDMA. To this end, the Project Implementing Entity shall:
 - (a) establish by no later than three (3) months after the Effective Date, and thereafter maintain, throughout the period of implementation of its Respective Parts of the Project, a State Project Steering Committee ("SPSC"), with membership, powers, functions and competencies agreed with the Association and detailed in the Operations Manual, as shall be required for it to provide policy guidance for, and exercise general oversight of, the implementation of activities under its Respective Parts of the Project;
 - (b) maintain throughout the period of implementation of its Respective Parts of the Project the State Project Implementation Unit ("SPIU") within GSDMA: (i) headed by a project director assisted by competent staff, all with experience and qualification, in numbers and under terms of reference agreed with the Association; and (ii) provided with such powers, financial resources, functions and competences, agreed with the Association and detailed in the Operations Manual, as shall be required for, inter alia: (A) carrying out of day-to-day implementation of activities under the Project Implementing Entity's Respective Parts of the Project, including financial management, procurement, social and environmental, communication, monitoring, evaluation and reporting activities thereunder; (B) coordinating inter-agency collaborations for Project implementation; and (C) acting as secretariat to the SPSC; and
 - (c) select and hire, by no later than six (6) months after the Effective Date, and thereafter retain throughout the period of implementation of its Respective Parts of the Project, the services of a third party quality consultant, with qualification and under terms of reference agreed with the Association, in order to: (i) carry out monitoring and supervision activities on the performance of the Project Implementing Entity's contractors and their timely and proper compliance with their expected deliverables; (ii) certify the quality of goods and works procured under its Respective Parts of the Project by the SPIU and/or line departments in accordance with the Procurement Manual; and (iii) monitor compliance with the Safeguard Documents and the handling of environmental and social risks in accordance therewith.

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B. Anti-Corruption

The Project Implementing Entity shall ensure that its Respective Parts of the Project are carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Project Documents

1. The Project Implementing Entity shall:
 - (a) prepare a detailed plan for the implementation of its Respective Parts of the Project, on a schedule and in a manner and substance meeting the requirements of the Operations Manual and satisfactory to the Association, which plan shall identify those activities eligible to be implemented under its Respective Parts of the Project, together with their related expenditures and financing sources ("Project Implementation Plan"); and thereafter furnish the Project Implementation Plan to the Association for concurrence as soon as available;
 - (b) implement its Respective Parts of the Project in accordance with the Project Documents and the Project Implementation Plan; and
 - (c) refrain from amending, suspending, waiving, abrogating and/or voiding any provision of the Project Documents, in whole or in part, without the prior written mutual consent of the Recipient and the Association.
2. To the extent of any inconsistency between: (a) the provisions of the Project Documents; and (b) the provisions of this Agreement and/or the Financing Agreement, the provisions of this Agreement and/or the Financing Agreement (as the case may be) shall prevail.

D. Safeguards

1. The Project Implementing Entity shall:
 - (a) carry out its Respective Parts of the Project in accordance with the ESMF and the EMPs and RAPs prepared and/or to be prepared pursuant to paragraph 2 of this sub-section (the "Safeguard Documents") in accordance with the objectives, policies, procedures, time schedules, compensation arrangements and other provisions set forth in the ESMF, in each case in a manner and in substance satisfactory to the Association; and
 - (b) refrain from taking any action which would prevent or interfere with the implementation of the Safeguard Documents, including any amendment, suspension, waiver, and/or avoidance of any provision of the Safeguard Documents, whether in whole or in part, without the prior written mutual consent of the Association.
2. With respect to each activity under the Project Implementing Entity's Respective Parts of the Project, the Project Implementing Entity shall ensure that, prior to the commencement of such activity:

- (a) the proposed activity has been screened in accordance with the guidelines, standards and procedures set forth in the ESMF;
 - (b) the respective EMP(s) and RAP(s) required for such activity pursuant to the ESMF has/have been prepared and submitted to the Association for review, and the Association has notified the Project Implementing Entity in writing of its no-objection thereto; and
 - (c) the foregoing Safeguard Documents have been adopted and publicly disclosed by the Project Implementing Entity as approved by the Association, including for each civil works in local language(s) at the relevant Project sites at least thirty (30) days prior to the award of any contract for such civil works.
3. The Project Implementing Entity shall ensure that, prior to commencing any civil works under the Project: (a) all necessary governmental permits and clearances for such civil works shall have been obtained from the competent governmental authority/ies and submitted to the Association; (b) all pre-construction conditions imposed by the governmental authority/ies under such permit(s) or clearance(s) shall have been complied with/fulfilled; and (c) all resettlement measures set forth in the applicable RAP(s) shall have been fully executed, including the full payment of compensation prior to displacement and/or the provision of relocation assistance to all Displaced Persons, as per the entitlements provided in the R&R Policy Framework and/or the applicable RAP(s).
4. The Project Implementing Entity shall ensure that each contract for civil works under the Project includes the obligation of the relevant contractor to comply with the relevant Safeguard Documents applicable to such civil works commissioned/awarded pursuant to said contract.
5. The Project Implementing Entity shall maintain monitoring and evaluation protocols and record keeping procedures agreed with the Association and adequate to enable the Recipient and the Association to supervise and assess, on an on-going basis, the implementation of/compliance with the Safeguards Documents, as well as the achievement of the objectives thereof.
6. The Project Implementing Entity shall ensure that the following Project expenditures are financed exclusively out of the Project Implementing Entity's own resources, and, to this end, shall provide, as promptly as needed, the resources required therefor, namely:
 - (a) all land acquisition required for the purpose of the Project; and
 - (b) any compensation, resettlement and rehabilitation payments to Displaced Persons in accordance with the provision of the RAP(s).
7. In the event of any conflict between the provisions of any of the Safeguard Documents, on the one hand, and the provisions of this Agreement or the Financing Agreement, on the other hand, the provisions of this Agreement and the Financing Agreement shall prevail.

E. Underground Cabling

1. In order for the Project Implementing Entity to carry out the replacement of overhead power lines with underground cables, the Project Implementing Entity shall enter into a written agreement with DGVCL and PGVCL (as needed for their respective jurisdictions), under terms and conditions agreed with the Association, whereby DGVCL and PGVCL undertake to: (a) comply with all the fiduciary and safeguard standards, procedures and requirements set forth in this Agreement, the Project Documents, the Anti-Corruption Guidelines, the Procurement Guidelines, the Consultants Guidelines, and the General Conditions; and (b) discharge its responsibilities in the carrying out of Project activities in accordance therewith.
2. Notwithstanding the foregoing, in the event of a conflict between the provisions of the foregoing written agreement between the Project Implementing Entity and DGVCL and PGVCL, on the one hand, and the provisions of this Agreement or the Financing Agreement, on the other, the provisions of the latter shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of its Respective Parts of the Project and prepare Project Reports for its Respective Parts of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Association. Each such Project Report shall cover the period of one calendar quarter, and shall be furnished to the Recipient not later than thirty days after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.
2. The Project Implementing Entity shall provide to the Recipient not later than three (3) months after the Closing Date, for incorporation in the report referred to in Section 4.08 (c) of the General Conditions, all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards agreed with the Association, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to its Respective Parts of the Project.
2. Without limitation on the provisions of Part A of this Section, the Project Implementing Entity shall prepare and furnish to NDMA for incorporation and forwarding by the Recipient to the Association, not later than thirty (30) days after the end of each calendar quarter, interim unaudited financial reports for the Project Implementing Entity's Respective Parts of the Project, covering the quarter in form and substance satisfactory to the Association.

3. The Project Implementing Entity shall have, and cause DGVCL and PGVCL to have, its/their financial statements referred to above audited by independent auditors agreed with the Association, in accordance with consistently applied auditing standards agreed with the Association. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association 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 agreed with the Association.

Section III. Procurement

All goods, works and services required for the Project Implementing Entity's Respective Parts of 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.