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CREDIT NUMBER 5705-IN

# Project Agreement

(Citizen Access to Responsive Services Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

STATE OF MADHYA PRADESH

Dated MARCH 17, 2016

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**PROJECT AGREEMENT**

Agreement dated MARCH 17, 2016, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and STATE OF MADHYA PRADESH ("Project Implementing Entity" or "Madhya Pradesh") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of 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 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 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 — 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 its Secretary, Public Service Management Department.

4.02. The Association's Address is:

International Development Association

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

Cable:

Telex:

Facsimile:

INDEVAS  
Washington, D.C.

248423(MCI) or  
64145(MCI)

1-202-477-6391

4.03. The Project Implementing Entity's Address is:

Government of Madhya Pradesh  
Bhopal  
Madhya Pradesh, India

AGREED at NEW DELHI, India, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

By



Authorized Representative

Name: ONNO RUHL

Title: COUNTRY DIRECTOR, INDIA

STATE OF MADHYA PRADESH

By



Authorized Representative

Name: M. SELVENDRAN

Title: EXECUTIVE DIRECTOR

## **SCHEDULE**

### **Execution of the Project**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements**

1. The Project Implementing Entity shall establish and thereafter maintain, throughout the period of implementation of the Project, the High Power Committee ("HPC") with a mandate and composition agreed with the Association. Without limitation on the foregoing, the HPC shall: (a) provide strategic and policy direction on all activities under the Project; (b) facilitate the coordination of Project activities; and (c) address any obstacle during the implementation of the Project.
2. The Project Implementing Entity, through PSMD, shall establish and thereafter maintain within MPSAPS, throughout the period of implementation of the Project, the Project Implementation Unit ("PIU"), with functions and resources agreed with the Association and with staff in adequate numbers and with qualifications, experience and terms of reference agreed with the Association. Without limitation on the foregoing, the PIU shall be chaired by a Project director and shall be responsible, *inter alia*, for the carrying out of the management, procurement, financial management, safeguards, monitoring and reporting activities of the Project.
3. The Project Implementing Entity, through PSMD, shall hire by no later than fifty (15) days after the Effective Date, one (1) procurement manager, under terms of reference agreed with the Association, who shall be responsible for the overall procurement aspects of the Project.

##### **B. Operations Manual**

The Project Implementing Entity, through PSMD, shall:

- (a) adopt, by no later than thirty (30) days after the Effective Date, the Operations Manual in a form and substance agreed with the Association;
- (b) implement the Project in accordance with the Operations Manual; provided however that in the event of conflict between the provisions of said manual, on the one hand, and those of this Agreement and/or the Financing Agreement, on the other hand, the provisions of this Agreement and/or the Financing Agreement shall prevail; and

- (c) refrain from amending, suspending, waiving, and/or voiding any provision of the Operations Manual, whether in whole or in part, without the prior written concurrence of the Association.

**C. Anti-Corruption**

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

**D. Safeguards.**

1. The Project Implementing Entity shall:
  - (a) carry out the Project in accordance/compliance with the Tribal Development Plan, and pursuant to the objectives, policies, procedures and other provisions set forth therein, in a manner and substance agreed with the Association; and
  - (b) refrain from taking any action, or consenting to an action to be taken, which would prevent or interfere with the implementation of the Tribal Development Plan, including any amendment, suspension, waiver, and/or avoidance of any provision thereof, whether in whole or in part, without the prior written concurrence of the Association.
2. In the event of any conflict between the provisions of the Tribal Development Plan, and the provisions of this Agreement, on the other hand, the provisions of this Agreement shall prevail.

**Section II. Project Monitoring, Reporting and Evaluation.**

**A. Project Reports**

1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 (b) 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 semester, and shall be furnished to the Recipient not later two weeks 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. Without limitation of the provisions of Section II.A.1 above, the Project Implementing Entity shall:
  - (a) for the purpose of verifying the DLI Targets, engage and thereafter maintain, throughout the period of implementation of the Project, an independent third party entity or entities, with qualifications, experience

and terms of reference agreed with the Association, to undertake the verification process referred to in Section II.A.2(b) below;

- (b) undertake, at least annually, a verification process, in a manner agreed with the Recipient and the Association, through the independent third party entity or entities engaged pursuant to Section II.A.2(a) above, to ascertain whether the DLI Targets have been achieved for the respective DLI Period(s) under review; and
- (c) furnish to the Recipient and the Association corresponding verification reports, in form and substance agreed with the Association, by not later than thirty (30) days after the end of the period referred to in Section II.A.2(a) above.

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

- 1. The Project Implementing Entity, through MPSAPS, MAPIT and MPSEDC, 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 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, the Project Implementing Entity, through MPSAPS, shall prepare and furnish to the Association not later than forty-five (45) days after the end of each fiscal semester, interim unaudited financial reports for the Project covering the semester, in form and substance agreed with the Association.
- 3. The Project Implementing Entity, through MPSAPS, shall have the 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 Recipient. The Project Implementing Entity, through MPSAPS, 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 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.