

**OFFICIAL  
DOCUMENTS**

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**LOAN NUMBER 9094-IN**

# **Project Agreement**

**(Tamil Nadu Housing and Habitat Development Project)**

**between**

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

**and**

**STATE OF TAMIL NADU**

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## **PROJECT AGREEMENT**

AGREEMENT between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and STATE OF TAMIL NADU ("Project Implementing Entity") ("Project Agreement") in connection with the Loan Agreement ("Loan Agreement") of the Signature Date between INDIA ("Borrower") and the Bank, concerning Loan No. 9094-IN. 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 Loan Agreement) apply to and form 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 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:
  - (a) the Project Implementing Entity shall carry out Part 2 of the Project through its TNSCB; and
  - (b) the Project Implementing Entity, acting directly or indirectly, shall cause Part 1 of the Project to be carried out by TNIFMC;all in accordance with the provisions of Article V of the General Conditions, the Schedule to this Agreement and, with respect to Part 1 of the Project, the Implementation Agreement.
- 2.02. The Project Implementing Entity shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

### **ARTICLE III — REPRESENTATIVE; ADDRESSES**

- 3.01. The Project Implementing Entity's Representative is its Principal Secretary, Housing and Urban Development Department of the Government of Tamil Nadu.
- 3.02. For purposes of Section 10.01 of the General Conditions: (a) the Bank's address is:

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America; and

(b) the Bank's Electronic Address is:

Telex:

Facsimile:

248423(MCI) or 1-202-477-6391  
64145(MCI)

- 3.03. For purposes of Section 10.01 of the General Conditions: (a) the Project Implementing Entity's address is:

Housing and Urban Development Department  
Government of Tamil Nadu  
Secretariat  
Chennai, 600009  
Tamil Nadu  
India; and

- (b) the Project Implementing Entity's Electronic Address is:

E-mail:

hud@tn.gov.in

AGREED as of the later of the two dates written below.

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

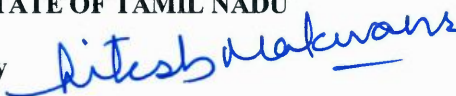
Name: SUMILA GULYANI

Title: ACTING COUNTRY DIRECTOR, INDIA

Date: JUNE 29, 2020

**STATE OF TAMIL NADU**

By



Authorized Representative

Name: HITESH KUMAR S. MAKWANA

Title: PRINCIPAL RESIDENT COMMISSIONER

Date: JUNE 29, 2020

## SCHEDULE

### Execution of the Project

#### Section I. Implementation Arrangements

- A. Institutional Arrangements.** The Project Implementing Entity shall maintain the following institutional arrangement during the period of implementation of the Project.
1. Steering Committee
    - (a) The Project Implementing Entity shall establish, no later than one (1) month after the Effective Date, and thereafter maintain, a committee (the "Steering Committee") with attributions and composition acceptable to the Bank.
    - (b) Without limitation to the generality of Section I.A.1(a) of this Schedule:
      - (i) the Steering Committee shall be chaired by the Principal Secretary, HUDD, and include representatives of key agencies in the housing sector and other relevant departments; and
      - (ii) the Steering Committee shall, *inter alia*, provide high level oversight and strategic guidance to the Project.
  2. TNIFMC
    - (a) For the implementation of Part 1 of the Project:
      - (i) The Project Implementing Entity shall use the funds allocated from time to time to Category 1 of the Disbursement Table invest in TNSF, under terms and conditions acceptable to the Bank.
      - (ii) Without limitation to the provisions of Section I.A.2(a)(i) of this Schedule, the Project Implementing Entity may make its equity investment under Section I.A.2(a)(i) directly or through TNHB (or through another agency of the Project Implementing Entity proposed by the Project Implementing Entity which the Bank, after assessment of its capacity, has confirmed to the Project Implementing Entity in writing is acceptable to the Bank for the purpose of Part 1 of the Project).
      - (iii) TNIFMC, acting as TNSF's investment manager in charge of investment decisions, oversight over the performance of the investments, compliance with applicable laws and regulations, relations with investors (among others), shall be responsible for the implementation of Part 1 of the Project (including financial management, environmental and social management and reporting for Part 1 of the Project).

- (iv) The Project Implementing Entity shall take all measures under its control to ensure that TNIFMC complies with the Project Implementing Entity's obligations for the implementation of Part 1 of the Project, and TNIFMC's obligations under the Implementation Agreement.

3. TNSCB

- (a) The Project Implementing Entity shall maintain TNSCB, which shall be responsible for the implementation of Part 2 of the Project, in close coordination with other agencies involved in the implementation of Part 2 of the Project, including TNIFMC and CMDA.
- (b)
  - (i) To carry out its responsibilities under Section I.A.3(a) of this Schedule, the Project Implementing Entity shall cause TNSCB to maintain, a project management unit ("PMU"), with terms of reference and composition acceptable to the Bank.
  - (ii) Without limitation to the provisions of Section I.A.3(b)(i) of this Schedule, the PMU shall be responsible for day to day project management, coordination, monitoring and implementation of Part 2 of the Project.
  - (iii) Without limitation to the provisions of Section I.A.3(b)(i) of this Schedule, the PMU shall include a director, financial management, procurement, monitoring and evaluation, social development, gender, environmental specialists and other technical staff, all in adequate number for the management of Part 2 of the Project and the implementation of the Part 2 activities to be undertaken by TNSCB, each with terms of reference, qualifications and experience acceptable to the Bank.
  - (iv) The Project Implementing Entity shall ensure that units (comprising procurement, financial management and technical experts) are established within CMDA and TNIFMC to be the focal point within their respective entity and act as interface of the PMU.

**B. Subprojects.**

- 1. For the purpose of carrying out Part 1 of the Project, the Project Implementing Entity shall cause TNIFMC to, and TNIFMC shall:
  - (a) select and approve eligible Beneficiaries;
  - (b) appraise, review, approve, and supervise the Sub-projects;
  - (c) provide Sub-financing, whether in the form of debt or equity (or a combination of debt and equity), to Beneficiaries; and
  - (d) enter into Sub-financing Instruments with the Beneficiaries on terms and conditions acceptable to the Bank;

all on the basis of eligibility criteria, procedures, terms and conditions set forth in the Investment Operation Manual and in accordance with the provisions of Section I.B of the Schedule to the Implementation Agreement.

2. The Project Implementing Entity shall cause TNIFMC to, and TNIFMC shall: (a) exercise its rights under each Sub-financing Instrument in such manner as to protect the interests of the Project Implementing Entity, the Bank and TNIFMC and to accomplish the purposes of the Loan; and (b) maintain, throughout the period of implementation of the Project, a grievance redress mechanism acceptable to the Bank and set out in the Investment Operation Manual, to address any complaints associated with the Sub-financings. Except as the Project Implementing Entity and the Bank shall otherwise agree, TNIFMC shall not assign, amend, abrogate or waive any Sub-financing Agreement, or any of their provisions.

**C. Safeguards.**

1. For the implementation of the activities included in Part 2 of the Project, the Project Implementing Entity shall ensure, and shall cause TNSCB to ensure, that all terms of reference for any technical assistance or studies are consistent with, and pay due attention to, the Safeguard Policies.
2. For the implementation of the activities included in Part 1 of the Project, the Project Implementing Entity shall ensure that TNIFMC shall, and shall cause TNIFMC to, comply with the provisions of Section I.C of the Schedule to the Implementation Agreement.
3. The Project Implementing Entity shall maintain throughout the implementation of the Project, and publicize the availability of a grievance redress mechanism, in form and substance satisfactory to the Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

**D. Manuals.**

1. (a) Throughout the implementation of the Project, the Project Implementing Entity shall cause TNIFMC to carry out its Respective Part of the Project in accordance with its Investment Operation Manual and TNSCB to carry out its Respective Part of the Project in accordance with its Project Operations Manual.  
(b) The Project Implementing Entity shall cause each of TNIFMC and TNSCB to obtain from the Bank written agreement prior to assigning, amending, abrogating, or waiving the Investment Operation Manual or the Project Operations Manual (as the case may be), or any of its provisions, or permitting any other entity participating in the implementation of the Project to do so.
2. In the event of any conflict between the provisions of the Investment Operation Manual or the Project Operations Manual (as the case may be) and those of this Agreement or the Implementation Agreement, the provisions of this Agreement and the Implementation Agreement shall prevail.

**E. Counterpart and Other Sources of Financing.**

While providing the resources needed to complete the financing of the Project, the Project Implementing Entity shall cause TNIFMC to seek to progressively increase the share of commercial and private financing of their activities.

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

**A. Reports.**

1. The Project Implementing Entity shall ensure that each of TNIFMC and TNSCB monitors and evaluates the progress of its Respective Part of the Project and prepare Project Reports for its Respective Part of the Project 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 calendar quarter (except for Part 1 of the Project where reporting will be once every six months) and shall be furnished to the Borrower and to the Bank not later than one (1) month after the end of the period covered by such report.
2. The Project Implementing Entity shall cause each of TNIFMC and TNSCB to provide to the Borrower and to the Bank, for incorporation in the report referred to in Section 5.08 (c) of the General Conditions all such information as the Borrower or the Bank shall reasonably request for the purposes of that Section.

**B. Annual Work Plans and Budgets**

1. (a) Except for the Project Implementing Entity's fiscal year during which the Loan Agreement shall become effective, each year, the Project Implementing Entity shall ensure that each of TNIFMC and TNSCB: (i) prepares and furnishes to the Bank by January 15 in each year, beginning in 2021, a draft Annual Work Plan and Budget for review and comment, summarizing the implementation progress of the Project for the said year and the Project activities (including, among others, with respect to Part 2 of the Project, Incremental Operating Costs, Training and design studies) to be undertaken in the following fiscal year (together with documentary evidence that the safeguard obligations related to such upcoming Project activities shall be fully complied with in a timely fashion in accordance with the ESMS), including the proposed annual budget and sources of financing for the Project (Loan, counterpart financing, and any other source of financing which may become available for the Project, whether in the form of debt or equity); (ii) taking into account the Bank's comments, finalize and furnish to the Bank no later than February 15 in each year, beginning in 2021, the Annual Work Plan and Budget, acceptable to the Bank; and (iii) thereafter ensure the implementation of the Project during the following fiscal year in accordance with the Annual Work Plan and Budget agreed with the Bank and in a manner acceptable to the Bank (and update such Annual Work Plans and Budgets on a quarterly basis). The Project Implementing Entity shall ensure that neither TNIFMC or TNSCB amends, suspends, abrogates, or waives said Annual Work Plans and Budgets or any provision thereof without the prior written agreement of the Bank.

- (b) For the Project Implementing Entity's fiscal year during which the Loan Agreement shall become effective, the date referred to in Section II.B.1(a)(i) of this Schedule shall be one (1) month after the Effective Date and the date referred to in Section II.B.1(a)(ii) of this Schedule shall be two (2) months after the Effective Date. Such Annual Work Plan and Budget shall not include any reporting related to activities implemented during the fiscal year during which it is prepared.

**C. Project Midterm Review**

The Project Implementing Entity shall cause each of TNIFMC and TNSCB to:

1. not later than March 31, 2023, or such other date as may be agreed with the Bank, carry out jointly with the Bank and the Project Implementing Entity, a midterm review of the Project (the "Midterm Review"), to assess the status of Project implementation, as measured against the indicators referred to in Section II.A.1 of the Schedule to this agreement and the legal covenants included in this Agreement. Such review shall include an assessment of the following: (a) overall progress in implementation; (b) results of monitoring and evaluation activities; (c) progress on procurement and disbursement; (d) progress on implementation of safeguards measures; (e) implementation arrangements and Project staffing; and (f) the need to make any adjustments to the Project and reallocate funds to improve performance, if any;
2. to this end, prepare and furnish to the Project Implementing Entity and the Bank, at least one (1) month before the Midterm Review, a report (or reports), in scope and detail satisfactory to the Bank and integrating the results of the monitoring and evaluation activities performed pursuant to Section II.A.1 of this Schedule, on the progress achieved in the carrying out of the Project during the period preceding the date of such report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of its objectives during the period following such date; and
3. review jointly with the Bank and the Project Implementing Entity the report or reports referred to in the preceding paragraph, and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of its objectives, based on the conclusions and recommendations of such report or reports and the Bank's views on the matter.