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CREDIT NUMBER 5703-IN

# Project Agreement

(Madhya Pradesh Higher Education Quality Improvement Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

STATE OF MADHYA PRADESH

Dated MARCH 1, 2016

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**PROJECT AGREEMENT**

Agreement dated MARCH 1, 2016, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and STATE OF MADHYA PRADESH (“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 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 Principal Secretary, Department of Higher Education.
- 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)

1-202-477-6391

4.03. The Project Implementing Entity's Address is:

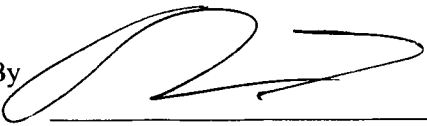
Department of Higher Education  
Government of Madhya Pradesh  
Mantralaya, Vallabh Bhawan  
Bhopal  
Madhya Pradesh  
India

Facsimile:

+9107552674923

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: K. K. SINGH

Title: PRINCIPAL SECRETARY

## SCHEDULE

### Execution of the Project

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

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

1. The Project Implementing Entity shall vest responsibility for overall Project oversight in the SHEC. To this end, the Project Implementing Entity shall maintain the SHEC throughout the Project implementation period with a mandate and resources satisfactory to the Association, which shall be responsible for reviewing and monitoring Project implementation progress and making necessary decisions for the smooth and timely implementation of Project activities, including approving work plans and budgets.
2. The Project Implementing Entity shall vest responsibility for overall implementation of the Project in the Project Directorate. To this end, the Project Implementing Entity shall maintain the Project Directorate throughout the Project implementation period with a mandate and resources satisfactory to the Association, and headed by a project director assisted by staff in numbers and with terms of reference, qualifications and resources satisfactory to the Association and detailed in the Project Implementation Plan, which shall be responsible for: (a) the implementation of Project activities and achievement of DLIs; (b) the overall administration of financial management, procurement, environmental and social safeguards management, and communication of all Project activities; (c) the overall monitoring, evaluation and reporting of Project activities and DLIs; and (d) the oversight of the implementation of Project activities at the HEI level.

##### **B. Anti-Corruption**

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

##### **C. Project Implementation Plan**

1. The Project Implementing Entity shall, by not later than within one (1) week of the Effective Date, prepare and adopt the Project Implementation Plan, in form and substance satisfactory to the Association, and thereafter ensure that the Project is carried out in accordance with the Project Implementation Plan as agreed with the Association.
2. Unless the Association otherwise agrees in writing, the Project Implementing Entity shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, any provision of the Project Implementation Plan.
3. In the case of any conflict between the provisions of the Project Implementation Plan and the provisions of the Financing Agreement and/or this Agreement, the provisions of the Financing Agreement and/or this Agreement (as the case may be) shall prevail.

**D. Safeguards**

1. The Project Implementing Entity shall ensure that the Project is carried out in accordance with the provisions of the Safeguard Instruments.
2. The Project Implementing Entity shall ensure that, prior to the commencement of each activity under the Project:
  - (a) the proposed activity has been screened in accordance with the guidelines, standards and procedures set forth in the EMF and SMF;
  - (b) any additional measure(s) necessary to mitigate the environmental and/or social impact of such activity has/have been undertaken, including that any additional safeguard instruments required for such activity pursuant to the EMF and/or SMF 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 additional safeguard instruments have been adopted and publicly disclosed by the Project Implementing Entity as approved by the Association.
3. The Project Implementing Entity shall maintain monitoring and evaluation protocols and record keeping procedures acceptable to 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 Instruments, as well as the achievement of the objectives thereof.
4. The Project Implementing Entity shall ensure that any studies and technical assistance activities to be supported by the Project are carried out under terms of reference satisfactory to the Association and are consistent with, and pay due attention to, the Association's Policies.
5. Without limitation on its other reporting obligations under this Agreement, the Project Implementing Entity shall collect, compile and submit to the Association, as part of the Project Reports, consolidated reports on the status of compliance with the Safeguard Instruments, giving details of:
  - (a) measures, if any, taken in accordance with the said instruments;
  - (b) conditions, if any, which interfere or threaten to interfere with the implementation of the said measures; and
  - (c) remedial measures taken or required to be taken to address such conditions.
6. The Project Implementing Entity shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, any provision of the Safeguard Instruments, whether in whole or in part, unless the Association has provided its prior approval thereof in writing, and the Project Implementing Entity has complied with the same consultation and

disclosure requirements as applicable to the original adoption of the Safeguard Instruments.

7. In the case of any conflict between the provisions of any of the Safeguard Instruments and 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.
8. No Financing proceeds shall be utilized for any land or other land associated asset acquisition nor shall any Financing proceeds be utilized for involuntary resettlement as the Project shall not support either the purchase or acquisition of any land or involuntary resettlement.

**E. DLI Monitoring and Reporting**

1. The Project Implementing Entity shall undertake a verification process to certify the achievement of the DLI Targets. To this end, the Project Implementing Entity shall appoint, and thereafter maintain throughout the Project implementation period, independent verification agent(s), with terms of reference and qualifications satisfactory to the Association and procured in accordance with the provisions of Section III of this Schedule, for the purpose of carrying out independent verifications of the status of achievement of those DLI Targets agreed with the Association and in accordance with the verification protocol and procedures set out in the Project Implementation Plan.
2. Without limitation on its other reporting obligations under this Agreement, the Project Implementing Entity shall: (a) not later than May 15 and November 15 of each year during the Project implementation period, as part of the Project Reports, furnish reports to the Association on the status of achievement of the relevant DLI Targets; and (b) not later than May 15 and November 15 of each year during the Project implementation period, as part of the Project Reports, furnish to the Association the reports of the independent verification agent(s) referred to in paragraph 1 above, all in accordance with the verification protocol and procedures set out in the Project Implementation Plan.

**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 of the General Conditions and on the basis of indicators agreed with the Association. Each such Project Report shall cover the period of six (6) months of the Fiscal Year, and shall be furnished to the Association not later than forty five (45) days after the end of the period covered by such report. Without limiting the foregoing, each Project Report shall include a work plan and budget covering the activities and expenditures proposed for the subsequent six (6) month period of Project implementation, and the source(s) of financing of such activities and expenditures.
2. The Project Implementing Entity shall: (a) on or about the date thirty-six (36) months after the Effective Date, prepare and furnish to the Association a mid-term report, in such

detail as the Association shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of such report, taking into account the monitoring and evaluation activities performed pursuant to paragraph 1 of this Part A, and setting out the measures recommended to ensure the continued efficient carrying out of the Project and the achievement of its objectives during the period following such date; and (b) review with the Association such mid-term report, on or about the date forty-five (45) days after its submission, and thereafter take all measures required to ensure the continued efficient implementation of the Project and the achievement of its objectives, based on the conclusions and recommendations of the mid-term report and the Association's views on the matter.

**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 acceptable to 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 the Project.
2. Without limitation on the provisions of Part A of this Section, the Project Implementing Entity shall prepare and furnish to the Association not later than forty five (45) days after the end of each six (6) months of the Fiscal Year, interim unaudited financial reports for the Project covering that period, in form and substance satisfactory to the Association.
3. The Project Implementing Entity shall have its 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 Fiscal Year. The audited financial statements for each period shall be furnished to the Association not later than nine (9) months after the end of the period.

**Section III. Procurement**

All goods and services required for Part C 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.