

CONFORMED COPY

CREDIT NUMBER 2394 IN
(Amendment)

Tamil Nadu Agreement

(Family Welfare (Urban Slums) Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

STATE OF TAMIL NADU

Dated August 21, 2000

CREDIT NUMBER 2394 IN
(Amendment)

TAMIL NADU AGREEMENT

AGREEMENT, dated August 21, 2000, between the INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association) and the STATE OF TAMIL NADU, acting by its Governor (Tamil Nadu).

WHEREAS (A) by the Development Credit Agreement dated February 4, 1994 (the Development Credit Agreement) between India (the Borrower) and the Association, the Association has agreed to make available to the Borrower an amount in various currencies equivalent to fifty-seven million seven hundred thousand Special Drawing Rights (SDR 57,700,000) (the Credit) to assist in financing the Project described in Schedule 2 to the Development Credit Agreement;

(B) by the Project Agreement dated February 4, 1994 (the Project Agreement) between the Association and the States of Andhra Pradesh, Karnataka and West Bengal (the Project States), the Project States have agreed to undertake certain obligations in respect of the carrying out of Part A of the Project;

(C) project cost savings have arisen under the Project due to, inter alia, foreign exchange rate changes and the availability of alternative sources of funding for certain expenditures previously agreed to be financed out of the proceeds of the Credit;

(D) the Borrower has requested the Association to agree to use these project cost savings under the Project to finance (i) the costs of carrying out certain activities under Part A of the Project in certain additional cities and towns in the Project States and (ii) the costs of improving logistics systems for urban family welfare services in the States of Tamil Nadu and Uttar Pradesh, and the Association, after due consideration, has agreed to this request, but only on condition that (a) the Borrower agree to undertake certain additional obligations toward the Association, (b) the Project States agree to undertake certain additional obligations toward the Association and (c) the States of Tamil Nadu and Uttar Pradesh agree to undertake certain obligations toward the Association; and

WHEREAS Tamil Nadu, in consideration of the Association's agreement to finance the costs of carrying out those activities in Tamil Nadu, has agreed to undertake those obligations toward the Association and, to this end, to enter into this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Definitions

Section 1.01. Unless the context otherwise requires, the several terms defined in the Development Credit Agreement, the Preamble thereto, and in the General Conditions (as so defined in the Development Credit Agreement) have the respective meanings therein set forth.

ARTICLE II

Execution of the Project

Section 2.01. (a) Tamil Nadu declares its commitment to the objective of the Project as set forth in Schedule 2 to the Development Credit Agreement, and, to this end, shall carry out or cause to be carried out activities under Part C of the Project with due diligence and efficiency and in conformity with appropriate administrative, financial, health and family welfare practices, and shall provide, or cause to be provided, promptly as needed, the funds, facilities, services and other resources required for Part C of the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Association shall otherwise agree, Tamil Nadu shall carry out or cause to be carried out its activities under the Project in accordance with the Implementation Program set forth in the Schedule to this Agreement.

Section 2.02. Except as the Association shall otherwise agree, procurement of the goods, works and services required for the Project and to be financed out of the proceeds of the Credit shall be governed by the provisions of Schedule 1 to the Project Agreement.

Section 2.03. Tamil Nadu shall carry out, or cause to be carried out, the obligations set forth in Sections 9.03, 9.04, 9.05, 9.06, 9.07 and 9.08 of the General Conditions (relating to insurance, use of goods

and services, plans and schedules, records and reports, maintenance and land acquisition, respectively) in respect of the Tamil Nadu Agreement and Part C of the Project carried out by it.

Section 2.04. (a) Tamil Nadu shall, at the request of the Association, exchange views with the Association with regard to the progress of the Project, the performance of its obligations under this Agreement and other matters relating to the purposes of the Credit.

(b) Tamil Nadu shall promptly inform the Association of any condition which interferes or threatens to interfere with the progress of the Project, the accomplishment of the purposes of the Credit, or the performance by Tamil Nadu of its obligations under this Agreement.

ARTICLE III

Financial Covenants

Section 3.01. (a) Tamil Nadu shall maintain or cause to be maintained records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect of activities related to Part C of the Project of the departments or agencies of Tamil Nadu responsible for carrying out the Project or any part thereof.

(b) Tamil Nadu shall:

(i) cause the records and accounts referred to in paragraph (a) of this Section for each financial year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Association;

(ii) cause to be furnished to the Association as soon as available, but in any case not later than nine months after the end of each such year, certified copies of the report of such audit by said auditors, of such scope and in such detail as the Association shall have reasonably requested; and

(iii) cause to be furnished to the Association such other information concerning said records, accounts and the audit thereof, as the Association shall from time to time reasonably request.

ARTICLE IV

Effective Date; Termination; Cancellation and Suspension

Section 4.01. This Agreement shall come into force and effect on the date upon which the Agreement Amending Development Credit Agreement becomes effective.

Section 4.02. (a) This Agreement and all obligations of the Association and of Tamil Nadu thereunder shall terminate on the earlier of the following two dates:

(i) the date on which the Development Credit Agreement

shall have terminated in accordance with its terms; or

(ii) the date twenty (20) years after the date of this Agreement.

(b) If the Development Credit Agreement terminates in accordance with its terms before the date specified in paragraph (a) (ii) of this Section, the Association shall promptly notify Tamil Nadu of this event.

Section 4.03. All the provisions of this Agreement shall continue in full force and effect notwithstanding any cancellation or suspension under the General Conditions.

ARTICLE V

Miscellaneous Provisions

Section 5.01. Any notice or request required or permitted to be given or made under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable, telex or radiogram to the party to which it is required or permitted to be given or made at such party's address hereinafter specified or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For the Association:

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

Cable address:

INDEVAS
Washington, D.C.

Telex:

248423 (MCI) or
64145 (MCI)

For Tamil Nadu:

Secretary to the Government of Tami Nadu
Department of Health and Family Welfare
Fort St. George
Chennai 600009, India

Section 5.02. Any action required or permitted to be taken, and any document required or permitted to be executed, under this Agreement on behalf of Tamil Nadu may be taken or executed by a Secretary of Tamil Nadu or such other person or persons as Tamil Nadu shall designate in writing, and Tamil Nadu shall furnish to the Association sufficient evidence of the authority and the authenticated specimen signature of each such person.

Section 5.03. This Agreement may be executed in several counterparts, each of which shall be an original, and all collectively but one instrument.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in New Delhi, India, as of the day and year first

above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Edwin Lim

Country Director, India

STATE OF TAMIL NADU

By /s/ Sameer Vyas

Authorized Representative

SCHEDULE

Implementation Program

1. Without prejudice to any of its obligations under this Agreement or the Development Credit Agreement, Tamil Nadu shall utilize key performance indicators agreed with the Association for evaluating its performance of the Project.

2. Without prejudice to any of its obligations under this Agreement or the Development Credit Agreement, Tamil Nadu shall carry out Part C of the Project in accordance with the Tamil Nadu Project Implementation Plan in a manner satisfactory to the Association.

