

CONFORMED COPY

CREDIT NUMBER 1931 IN

(Fifth (Bombay and Madras) Population Project)

among

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

STATE OF TAMIL NADU

and

THE MADRAS CITY MUNICIPAL CORPORATION

and

THE MUNICIPAL CORPORATION OF GREATER BOMBAY

Dated September 16, 1988

PROJECT AGREEMENT

AGREEMENT, dated September 16, 1988 among INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association) and the STATE OF TAMIL NADU (Tamil Nadu), acting by its Governor, the Madras City Municipal Corporation (MMC) and the Municipal Corporation of Greater Bombay (BMC).

WHEREAS by the Development Credit Agreement of even date herewith between India, acting by its President (the Borrower) and the Association, the Association has agreed to make available to the Borrower an amount in various currencies equivalent to forty one million Special Drawing Rights (SDR 41,000,000), on the terms and conditions set forth in the Development Credit Agreement, but only on condition that Tamil Nadu, MMC and BMC each agree to undertake such obligations toward the Association as are set forth in this Agreement;

WHEREAS Tamil Nadu, MMC and BMC, in consideration of the Association's entering into the Development Credit Agreement with the Borrower, have each agreed to undertake the obligations set

forth in 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 to this Agreement and in the General Conditions (as so defined) have the respective meanings therein set forth.

ARTICLE II

Execution of the Project

Section 2.01. (a) Tamil Nadu, MMC and BMC each declares its commitment to the objectives of the Project as set forth in Schedule 2 to the Development Credit Agreement, and, to this end: (i) Tamil Nadu shall carry out such parts of the Project as are located in Chingleput (ii) MMC shall carry out such parts of the Project as are located in Madras City; and (iii) BMC shall carry out such parts of the Project as are located in Greater Bombay, with due diligence and efficiency and in conformity with appropriate administrative, financial, engineering and 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 the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Association, Tamil Nadu, MMC and BMC shall otherwise agree, Tamil Nadu, MMC and BMC shall carry out the Project in accordance with the Implementation Program set forth in Schedule 2 to this Agreement, as such Schedule may be amended from time to time by agreement among the Borrower, the Association, Tamil Nadu, MMC and BMC.

Section 2.02. Except as the Association shall otherwise agree, procurement of the goods, works and consultants' 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 this Agreement.

Section 2.03. Tamil Nadu, MMC and BMC shall carry 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 Project Agreement as follows: (i) Tamil Nadu, in respect of such parts of the Project as are carried out in Chingleput; (ii) MMC, in respect of such parts of the Project as are carried out in Madras City; and (iii) BMC, in respect of such parts of the Project as are carried out in Greater Bombay.

Section 2.04. (a) Tamil Nadu, MMC and BMC shall each, 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, MMC and BMC shall each 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, MMC or BMC, respectively of its obligations under this Agreement.

Section 2.05. Tamil Nadu shall take all action which shall be necessary on its part to enable MMC to perform its obligations under the Project Agreement including the provision of funds, facilities, services, land and other resources required for this purpose and shall not take or permit to be taken any action which

would prevent or interfere with the performance of any such obligation of MMC.

Section 2.06. Tamil Nadu shall make available to MMC the proceeds of the Credit made available by the Borrower to Tamil Nadu pursuant to Section 3.01 (b) of the Development Credit Agreement in accordance with its standard arrangements for the passing on of funds for family welfare assistance.

ARTICLE III

Financial and other Covenants

Section 3.01. (a) Tamil Nadu, MMC and BMC shall maintain, records and accounts adequate to reflect in accordance with sound accounting practices its operations and financial condition in respect of the Project.

(b) Tamil Nadu, MMC and BMC shall each:

- (i) have its records, accounts and financial statements (balance sheets, statements of income and expenses and related statements) in respect of the Project for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Association;
- (ii) furnish to the Association as soon as available, but in any case not later than nine months after the end of each such year: (A) certified copies of its financial statements for such year as so audited, and (B) the report of such audit by said auditors, of such scope and in such detail as the Association shall have reasonably requested; and
- (iii) furnish to the Association such other information concerning said records, accounts and financial statements as well as 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 Development Credit Agreement becomes effective.

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

- (i) the date on which the Development Credit Agreement shall terminate in accordance with its terms; or
- (ii) the date 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, MMC and BMC 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:

440098 (ITT)
248423 (RCA) or
64145 (WUI)

For Tamil Nadu:

Secretary, Health and Family Welfare Department
Fort St. George
Madras 600009
India

For MMC:

Municipal Commissioner
Madras City Municipal Corporation
Madras, Tamil Nadu
India,

For BMC:

Municipal Commissioner for Greater Bombay
Mahapalika Marg
Fort, Bombay-1
India

Section 5.02. (a) 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 its Secretary, Health and Family Welfare Department or such other person or persons as the Secretary 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.

(b) any action required or permitted to be taken, and any document required or permitted to be executed, under this Agreement on behalf of MMC may be taken or executed by its Municipal Commissioner or such other person or persons as the Municipal Commissioner shall designate in writing, and MMC shall furnish to the Association the authenticated specimen and signature of each such person.

(c) Any action required or permitted to be taken, and any document required or permitted to be executed, under this Agreement on behalf of BMC may be taken or executed by its Municipal Commissioner or such other person or persons as the Municipal Commissioner shall designate in writing, and BMC 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 the District of Columbia, United States of America, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ A. Karaosmanoglu
Regional Vice President
Asia

STATE OF TAMIL NADU

By /s/ Anil Kumar
Authorized Representative

MADRAS CITY MUNICIPAL CORPORATION

By /s/ Anil Kumar
Authorized Representative

MUNICIPAL CORPORATION OF GREATER BOMBAY

By /s/ Anil Kumar
Authorized Representative

SCHEDULE 1

Procurement and Consultants' Services

Section I: Procurement of Goods and Works

Part A: International Competitive Bidding

Except as provided in Part C hereof, goods and works shall be procured under contracts awarded in accordance with procedures consistent with those set forth in Sections I and II of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 1985 (the Guidelines).

Part B: Preference for Domestic Manufacturers

In the procurement of goods in accordance with the procedures described in Part A hereof, goods manufactured in India may be granted a margin of preference in accordance with, and subject to, the provisions of paragraphs 2.55 and 2.56 of the Guidelines and paragraphs 1 through 4 of Appendix 2 thereto.

Part C: Other Procurement Procedures

1. Contracts for civil works up to an aggregate amount of \$9,000,000, may be awarded, on the basis of competitive bidding, advertised locally, in accordance with procedures satisfactory to the Association.

2. Goods and vehicles estimated to cost less than the equivalent of \$250,000 but more than the equivalent of \$25,000 per contract, up to an aggregate amount of \$4,000,000 equivalent may be procured under contracts awarded on the basis of competitive bidding, advertised locally, in accordance with procedures satisfactory to the Association.

3. Items or group of items estimated to cost less than the equivalent of \$25,000 per contract, up to an aggregate amount of \$500,000 equivalent may be procured under quotations solicited from a list of at least three suppliers eligible under the Guidelines, in accordance with procedures satisfactory to the Association.

4. Laparoscopes under Part A of the Project up to an aggregate amount of \$150,000 equivalent may be procured under contracts negotiated directly with one or more suppliers of such equipment in accordance with procedures satisfactory to the Association.

Part D: Review by the Association of Procurement Decisions

1. Review of invitations to bid and of proposed awards and final contracts:

(a) With respect to each contract referred to in Part A of this Schedule, as well as each contract under Part C (1) of this Schedule estimated to cost more than \$100,000 equivalent per contract, the procedures set forth in paragraphs 2 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract required to be furnished to the Association pursuant to said paragraph 2 (d) shall be furnished to the Association prior to the making of the first payment out of the Special Account in respect of such contract.

(b) With respect to each contract not governed by the preceding paragraph, the procedures set forth in paragraphs 3 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract together with the other information required to be furnished to the Association pursuant to said paragraph 3 shall be furnished to the Association as part of the evidence to be furnished pursuant to paragraph 4 of Schedule 3 to the Development Credit Agreement.

(c) The provisions of the preceding subparagraphs (a) and (b) shall not apply to contracts on account of which the Association has authorized withdrawals from the Credit Account on the basis of statements of expenditure. Such contracts shall be retained in accordance with Section 4.01 (a) (ii) of the Development Credit Agreement.

2. The figure of 15% is hereby specified for purposes of paragraph 4 of Appendix 1 to the Guidelines.

Section II: Employment of Consultants

In order to assist Tamil Nadu, MMC and BMC in carrying out the Project, each of them shall employ consultants whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Association. Such consultants shall be selected in accordance with principles and procedures

satisfactory to the Association on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Bank in August 1981.

SCHEDULE 2

Implementation Program

Tamil Nadu, MMC and BMC

1. Tamil Nadu, MMC and BMC shall each prepare and transmit to the Association by January 31 of each year the following annual plans in respect of the next financial year:

- (a) program for construction activities under the Project;
- (b) training plan;
- (c) IEC plan; and
- (d) MIES plan.

2. Tamil Nadu, MMC and BMC shall each take necessary steps to (a) ensure that HPs are provided with adequate suitably qualified staff and resources; and (b) improve the effectiveness of the outreach program for the delivery of family welfare services.

3. Tamil Nadu, MMC and BMC shall each take necessary steps, including appointment of an adequate number of suitably qualified staff and the establishment of supervisory committees, for the improvement of the management of family welfare services.

4. (a) Tamil Nadu, MMC and BMC shall each take necessary steps to strengthen monitoring and evaluation of family welfare services.

(b) Tamil Nadu, MMC and BMC shall each undertake: (i) a baseline survey for the purposes of Project monitoring and evaluation which shall be completed and submitted to the Association no later than June 30, 1989; (ii) studies of the needs and preferences of slum-dwellers in order to better understand the determinants of their behavior regarding family size (beneficiary study) and studies to assess the training needs and potential of PMPs which shall be completed and submitted to the Association no later than March 31, 1989; and (iii) a series of smaller studies and a final surveys for the purposes of Project monitoring and evaluation, as agreed with the Association.

5. Tamil Nadu, MMC and BMC shall: (a) undertake a mid-term review of the progress of the Project (including management, beneficiary, PVO and PMP assessments) and their respective family welfare programs in relation to the Project under terms of reference acceptable to the Association; (b) furnish the findings and recommendations of such review, together with proposed action plans to overcome problems, to the Association for review and comments no later than December 31, 1992; and (c) take necessary action to implement such findings and recommendations, as may be agreed with the Association.

Tamil Nadu

6. Tamil Nadu shall establish training, IEC, MIES and grants cells in its Department of Family Welfare.

MMC

7. MMC shall establish training and MIES cells in its District Family Welfare Bureau.

BMC

8. BMC shall establish training, IEC and MIES cells in its Central Coordination Office with responsibility for collaborating with local training and other institutions and for carrying out Project activities.

