

CONFORMED COPY

CREDIT NUMBER 2394 IN
(Amendment)

Agreement Amending
Project Agreement

(Family Welfare (Urban Slums) Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

STATE OF ANDHRA PRADESH
STATE OF KARNATAKA
STATE OF WEST BENGAL

Dated August 21, 2000

CREDIT NUMBER 2394 IN
(Amendment)

AGREEMENT AMENDING
PROJECT AGREEMENT

AGREEMENT, dated August 21, 2000, between the INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association) and the STATES OF ANDHRA PRADESH, KARNATAKA AND WEST BENGAL, acting by their respective Governors (the Project States).

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 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 the Project States, in consideration of the Association's agreement to finance the costs of carrying out those additional activities in the Project States, have agreed to undertake those additional obligations toward the Association and, to this end, to amend the Project Agreement as set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree to amend the Project Agreement as follows:

ARTICLE IV

Effective Date; Termination;
Cancellation and Suspension

A new Section 4.04 is added and reads as follows:

"Section 4.04. The Agreement Amending Project Agreement shall come into force and effect on the date upon which the Agreement Amending Development Credit Agreement becomes effective."

SCHEDULE 1

Procurement and Consultants' Services

1. The words "up to an aggregate amount not exceeding \$15,000,000 equivalent" are substituted for the words "up to an aggregate amount not exceeding \$10,600,000 equivalent" in paragraph 2(b) of Part C of Section 1.
2. The words ", Tamil Nadu, Uttar Pradesh" are added after the words "Project States" in paragraph 1 of Section II.

SCHEDULE 2

Implementation Program

New paragraphs 11, 12 and 13 are added and read as follows:

"11. The Project States shall ensure that only the drugs and medical equipment appearing on the lists agreed with the Association shall be financed out of the proceeds of the Credit. The Project States shall obtain the prior consent of the Association to purchase out of the proceeds of the Credit any drugs and medical equipment otherwise eligible for financing under the Credit but not appearing on such lists.

12. Without prejudice to any of its obligations under this Agreement or the Development Credit Agreement, each Project State shall cause the Project Cities of such Project State, other than BCC, CMDA and MCH, to carry out Part A of the Project in accordance with the New Project Cities Project Implementation Plan of such Project State in a manner satisfactory to the Association.

13. With respect to any Project City designated by the Association to be eligible for participating in the carrying out of Part A of the Project pursuant to Section 1.02(k) of the Development Credit Agreement after the date of the Agreement Amending Development Credit Agreement, the Project State of such Project City shall: (i) within thirty (30) days of such designation by the Association, submit to the Association an implementation plan satisfactory to the Association, setting forth the specific activities to be carried out by such Project City under Part A of the Project and the budgets and time schedules therefor; and (ii) thereafter cause such Project City to carry out those activities in accordance with such implementation plan in a manner satisfactory to the Association."

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 ANDHRA PRADESH

By /s/ Nilam Sawhney

Authorized Representative

STATE OF KARNATAKA

By /s/ A. Sengupta

Authorized Representative

STATE OF WEST BENGAL

By /s/ Debasis Sen

Authorized Representative

