

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 3662 IN

Development Credit Agreement

(Mumbai Urban Transport Project)

between

INDIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated August 5, 2002

Public Disclosure Authorized

CREDIT NUMBER 3662 IN

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated August 5, 2002, between INDIA, acting by its President (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Borrower, having satisfied itself as to the feasibility and priority of the project described in Schedule 2 to this Agreement (the Project), has requested the Association to assist in the financing of the Project;

(B) Part C of the Project will be carried out by the State of Maharashtra (Maharashtra) with the Borrower's assistance and, as part of such assistance, the Borrower will make the proceeds of the credit provided for in Article II of this Agreement (the Credit) available to Maharashtra, as set forth in this Agreement; and

(C) the Borrower has also requested the International Bank for Reconstruction and Development (the Bank) to provide additional assistance towards the financing of Parts A and B of the Project, and by an agreement of even date herewith between the Borrower and the Bank (the Loan Agreement), the Bank has agreed to provide such assistance in an aggregate principal amount equivalent to four hundred sixty three million dollars (\$463,000,000) (the Loan); and

WHEREAS the Association has agreed, on the basis, *inter alia*, of the foregoing, to extend the Credit to the Borrower upon the terms and conditions set forth in this Agreement and in the agreement of even date herewith between the Association and Maharashtra (the Maharashtra Project Agreement);

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Development Credit Agreements" of the Association, dated January 1, 1985 (as amended through October 9, 1999), (the IDA General Conditions) constitute an integral part of this Agreement:

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions, the Loan Agreement and the Preamble to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "Eligible Categories" means categories (1) through (3) set forth in the table in Part A.1 of Schedule 1 to this Agreement;

(b) "Eligible Expenditures" means the expenditures for works and services referred to in Section 2.02 of this Agreement;

(c) "Project Management Report" means a report prepared in accordance with Section 3.02 of the Maharashtra Project Agreement;

(d) "Special Account" means the account referred to in Part B of Schedule 1 to this Agreement.

ARTICLE II

The Credit

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Development Credit Agreement, an amount in various currencies equivalent to sixty two million five hundred thousand Special Drawing Rights (SDR62,500,000).

Section 2.02. The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or if the Association shall so agree, to be made) in respect of the reasonable cost of works and services required for the Project and to be financed out of the proceeds of the Credit.

Section 2.03. The Closing Date shall be June 30, 2008, or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.04. (a) The Borrower shall pay to the Association a commitment charge on the principal amount of the Credit not withdrawn from time to time at a rate to be set by the Association as of June 30 of each year, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

(b) The commitment charge shall accrue: (i) from the date sixty days after the date of this Agreement (the accrual date) to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or canceled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date and at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The rate set as of June 30 in each year shall be applied from the next date in that year specified in Section 2.06 of this Agreement.

(c) The commitment charge shall be paid: (i) at such places as the Association shall reasonably request; (ii) without restrictions of any kind imposed by, or in the territory of, the Borrower; and (iii) in the currency specified in this Agreement for the purposes of Section 4.02 of the General Conditions or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to the provisions of that Section.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one percent ($3/4$ of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.06. Commitment charges and service charges shall be payable semiannually on June 15 and December 15 in each year.

Section 2.07. (a) Subject to paragraphs (b), (c) and (d) below, the Borrower shall repay the principal amount of the Credit in semiannual installments payable on each June 15 and December 15, commencing December 15, 2012, and ending June 15, 2037. Each installment to and including the installment payable on June 15, 2022, shall be one and one-fourth percent ($1-1/4\%$) of such principal amount, and each installment thereafter shall be two and one-half percent ($2-1/2\%$) of such principal amount.

(b) Whenever: (i) the Borrower's per capita gross national product (GNP), as determined by the Association, shall have exceeded for three consecutive years the level established annually by the Association for determining eligibility to access the Association's resources; and (ii) the Bank considers the Borrower creditworthy for Bank lending, the Association may, subsequent to the review and approval thereof by the Executive Directors of the Association and after due consideration by them of the development of the Borrower's economy, modify the repayment of installments under paragraph (a) above by:

- (A) requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount of the Credit shall have been repaid; and
- (B) requiring the Borrower to commence repayment of the principal amount of the Credit as of the first semiannual payment date referred to in paragraph (a) above falling six months or more after the date on which the Association notifies the Borrower that the events set out in this paragraph (b) have occurred, provided, however, that there shall be a grace period of a minimum of five years on such repayment of principal.

(c) If so requested by the Borrower, the Association may revise the modification referred to in paragraph (b) above to include, in lieu of some or all of the increase in the amounts of such installments, the payment of interest at an annual rate

agreed with the Association on the principal amount of the Credit withdrawn and outstanding from time to time, provided that, in the judgment of the Association, such revision shall not change the grant element obtained under the above-mentioned repayment modification.

(d) If, at any time after a modification of terms pursuant to paragraph (b) above, the Association determines that the Borrower's economic condition has deteriorated significantly, the Association may, if so requested by the Borrower, further modify the terms of repayment to conform to the schedule of installments as provided in paragraph (a) above.

Section 2.08. The currency of the United States of America is hereby specified for the purposes of Section 4.02 of the General Conditions.

ARTICLE III

Execution of the Project

Section 3.01. The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end, without any limitation or restriction upon any of its other obligations under the Development Credit Agreement, shall cause Maharashtra to perform in accordance with the provisions of the Maharashtra Project Agreement all the obligations of Maharashtra therein set forth, shall take and cause to be taken all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable Maharashtra to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

Section 3.02. The Borrower shall make the entire proceeds of the Credit allocated to Part C of the Project available to Maharashtra in accordance with the Borrower's standard arrangements for development assistance to the States of India.

Section 3.03. Except as the Association shall otherwise agree, procurement of works and consultants' services required for Part C of the Project, and to be financed out of the proceeds of the Credit, shall be governed by the provisions of Schedule 1 to the Maharashtra Project Agreement.

Section 3.04. The Borrower and the Association hereby agree that 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) shall be carried out by Maharashtra in respect of Part C of the Project pursuant to Section 2.05 of the Maharashtra Project Agreement.

ARTICLE IV

Financial Covenants

Section 4.01. (a) For all expenditures with respect to which withdrawals from the Credit Account were made on the basis of Project Management Reports or statements of expenditure, the Borrower shall:

- (i) maintain or cause to be maintained in accordance with sound accounting practices, records and separate accounts reflecting such expenditures;
- (ii) ensure that all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures are retained until at least one year after the Association has received the audit report for the fiscal year in which the last withdrawal from the Credit Account was made; and
- (iii) enable the Association's representatives to examine such records.

(b) The Borrower shall:

- (i) have the records and accounts referred to in paragraph (a) (i) of this Section and those for the Special Account 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 six months after the end of each such year the report of such audit by said auditors, of such scope and in such detail as the Association shall have reasonably requested, including a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals; and
- (iii) furnish to the Association such other information concerning said records and accounts and the audit thereof as the Association shall from time to time reasonably request.

ARTICLE V

Remedies of the Association

Section 5.01. Pursuant to Section 6.02 (l) of the General Conditions, the following additional events are specified:

(a) Maharashtra shall have failed to perform any of its obligations under the Maharashtra Project Agreement; and

(b) as a result of events which have occurred after the date of this Agreement, an extraordinary situation shall have arisen which shall make it improbable that Maharashtra will be able to perform any of its obligations under the Maharashtra Project Agreement.

Section 5.02. Pursuant to Section 7.01 (h) of the General Conditions, the following additional event is specified: namely, that any event specified in paragraph (a) of Section 5.01 of this Agreement shall occur and shall continue for a period of sixty (60) days after notice thereof shall have been given by the Association to the Borrower.

ARTICLE VI

Effective Date; Termination

Section 6.01. The following event is specified as an additional condition to the effectiveness of the Development Credit Agreement within the meaning of Section 12.01 (b) of the General Conditions, namely, that the MRVC Subsidiary Financing Agreement, MSRDC Subsidiary Financing Agreement and MCGM Subsidiary Financing Agreement have been executed on behalf of their respective parties.

Section 6.02. The following are specified as additional matters, within the meaning of Section 12.02 (b) of the General Conditions, to be included in the opinion or opinions to be furnished to the Association:

(a) the Maharashtra Project Agreement has been duly authorized or ratified by Maharashtra, and is legally binding upon Maharashtra in accordance with its terms;

(b) the MRVC Subsidiary Financing Agreement, MSRDC Subsidiary Financing Agreement and MCGM Subsidiary Financing Agreement have been duly authorized or ratified by the respective parties thereto, and are legally binding upon the respective parties thereto in accordance with their terms.

Section 6.03. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

ARTICLE VII

Representative of the Borrower; Addresses

Section 7.01. The Secretary, Additional Secretary, Joint Secretary, Director, Deputy Secretary or Under-Secretary of the Department of Economic Affairs in the Ministry of Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Secretary to the Government of India
Department of Economic Affairs
Ministry of Finance
New Delhi, India

Cable address:	Telex:	Facsimile:
ECOFAIRS New Delhi	953-31-66175 FINE IN 953-31-61430 FINE IN	91-11-3013133 or 91-11-3017511

For the Association:

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

Cable address:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI) or 64145 (MCI)	(202) 477-6391

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.

INDIA

By /s/ Adarsh Kishore

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Edwin R.Lim

Country Director, India

SCHEDULE 1

Withdrawal of the Proceeds of the Credit

A. General

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Credit, the allocation of the amounts of the Credit to each Category and the percentage of expenditures for items so to be financed in each Category:

<u>Category</u>	<u>Amount of the Credit Allocated (Expressed in SDR Equivalent)</u>	<u>% of Expenditures to be Financed</u>
(1) Civil works under Parts C.1, C.2 and C.4 of the Project	58,100,000	90%
(2) Consultants' services, and studies under Parts C.1, C.2 and C.4 of the Project	2,400,000	80%
(3) Services of NGOs and educational institutions, and training under Parts C.1, C.2 and C.4 of the Project	2,000,000	100%
TOTAL	<u>62,500,000</u> =====	

2. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement, except that withdrawals, in an aggregate amount not exceeding \$20,000,000 may be made in respect of Categories (1), (2) and (3) set forth in the table in Part A.1 of this Schedule on account of payments made for expenditures under Subprojects incurred before that date but after August 1, 2000, subject, however, to compliance with social and environmental provisions applicable to such Subprojects and set forth in the Maharashtra Project Agreement and MRVC Project Agreement.

3. The Association may require withdrawals from the Credit Account to be made on the basis of statements of expenditure for expenditures for: (i) works under contracts costing less than \$500,000 equivalent each; (ii) services of consultants under contracts

not exceeding \$100,000 equivalent each, in the case of consulting firms, and \$50,000 equivalent each, in the case of individual consultants; and (iii) training and studies; under such terms and conditions as the Association shall specify by notice to the Borrower.

B. Special Account

1. The Borrower shall open and maintain in dollars a special deposit account in the Reserve Bank of India on terms and conditions satisfactory to the Association.

2. After the Association has received evidence satisfactory to it that the Special Account has been opened, withdrawals from the Credit Account of amounts to be deposited into the Special Account shall be made as follows:

(a) until the Association shall have received: (i) the first Project Management Report; and (ii) a request from the Borrower for withdrawal on the basis of Project Management Reports, withdrawals shall be made in accordance with the provisions of Annex A to this Schedule 1; and

(b) upon receipt by the Association of the first Project Management Report, accompanied by a request from the Borrower for withdrawal on the basis of Project Management Reports, all further withdrawals shall be made in accordance with the provisions of Annex B to this Schedule 1.

3. Payments out of the Special Account shall be made exclusively for Eligible Expenditures. For each payment made by the Borrower out of the Special Account, the Borrower shall, at such time as the Association shall reasonably request, furnish to the Association such documents and other evidence showing that such payment was made exclusively for Eligible Expenditures.

4. Notwithstanding the provisions of Part B.2 of this Schedule, the Association shall not be required to make further deposits into the Special Account:

(a) if the Association determines at any time that any Project Management Report does not adequately provide the information required pursuant to Section 3.02 of the Maharashtra Project Agreement;

(b) if the Association determines at any time that all further withdrawals should be made by the Borrower directly from the Credit Account; or

(c) if the Borrower or Maharashtra shall have failed to furnish to the Association within the period of time specified in Section 4.01 (b) (ii) of this Agreement, or Section 3.01 (b) (ii) of the Maharashtra Project Agreement, any of the audit reports required to be furnished to the Association pursuant to said Sections in respect of the audit of: (A) the records and accounts for the Special Account; or (B) the records, accounts and financial statements reflecting expenditures with respect to which

withdrawals were made on the basis of Project Management Reports or statements of expenditure.

5. The Association shall not be required to make further deposits into the Special Account in accordance with the provisions of Part B.2 of this Schedule if, at any time, the Association shall have notified the Borrower of its intention to suspend in whole or in part the right of the Borrower to make withdrawals from the Credit Account pursuant to Section 6.02 of the General Conditions. Upon such notification, the Association shall determine, in its sole discretion, whether further deposits into the Special Account may be made and what procedures should be followed for making such deposits, and shall notify the Borrower of its determination.

6. (a) If the Association determines at any time that any payment out of the Special Account was made for an expenditure which is not an Eligible Expenditure, or was not justified by the evidence furnished to the Association, the Borrower shall, promptly upon notice from the Association, provide such additional evidence as the Association may request, or deposit into the Special Account (or, if the Association shall so request, refund to the Association) an amount equal to the amount of such payment. Unless the Association shall otherwise agree, no further deposit by the Association into the Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Association determines at any time that any amount outstanding in the Special Account will not be required to cover payments for Eligible Expenditures during the six-month period following such determination, the Borrower shall, promptly upon notice from the Association, refund to the Association such outstanding amount.

(c) The Borrower may, upon notice to the Association, refund to the Association all or any portion of the funds on deposit in the Special Account.

(d) Refunds to the Association made pursuant to subparagraph (a), (b) or (c) of this paragraph 6 shall be credited to the Credit Account for subsequent withdrawal or for cancellation in accordance with the provisions of this Agreement.

**Annex A
to
SCHEDULE 1**

**Operation of Special Account
When Withdrawals Are Not Made
On the Basis of Project Management Reports**

1. For the purposes of this Annex, the term “Authorized Allocation” means an amount equivalent to \$5,000,000 to be withdrawn from the Credit Account and deposited into the Special Account pursuant to paragraph 2 of this Annex; provided, however, that unless the Association shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to \$2,500,000 until the aggregate amount of withdrawals from the Credit Account, plus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions, shall equal or exceed the equivalent of SDR 15,000,000.

2. Withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

(a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Association a request or requests for deposit into the Special Account of an amount or amounts which in the aggregate do not exceed the Authorized Allocation. On the basis of each such request, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount as the Borrower shall have requested.

(b) For replenishment of the Special Account, the Borrower shall furnish to the Association requests for deposit into the Special Account at such intervals as the Association shall specify. Prior to or at the time of each such request, the Borrower shall furnish to the Association the documents and other evidence required pursuant to Part B.3 of Schedule 1 to this Agreement for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for Eligible Expenditures. Each such deposit into the Special Account shall be withdrawn by the Association from the Credit Account under one or more of the Eligible Categories.

3. The Association shall not be required to make further deposits into the Special Account, once the total unwithdrawn amount of the Credit, minus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions, shall equal the equivalent of twice the amount of the

Authorized Allocation. Thereafter, withdrawal from the Credit Account of the remaining unwithdrawn amount of the Credit shall follow such procedures as the Association shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Association shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for Eligible Expenditures.

**Annex B
to
SCHEDULE 1**

**Operation of Special Account
When Withdrawals Are Made
On the Basis of Project Management Reports**

1. Except as the Association may otherwise specify by notice to the Borrower, all withdrawals from the Credit Account shall be deposited by the Association into the Special Account in accordance with the provisions of Schedule 1 to this Agreement. Each such deposit into the Special Account shall be withdrawn by the Association from the Credit Account under one or more of the Eligible Categories.
2. Each application for withdrawal from the Credit Account for deposit into the Special Account shall be supported by a Project Management Report.
3. Upon receipt of each application for withdrawal of an amount of the Credit, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account an amount equal to the lesser of: (a) the amount so requested; and (b) the amount which the Association has determined, based on the Project Management Report accompanying said application, is required to be deposited in order to finance Eligible Expenditures during the six-month period following the date of such report; provided, however, that the amount so deposited, when added to the amount indicated by said Project Management Report to be remaining in the Special Account, shall not exceed the equivalent of \$10,000,000.

SCHEDULE 2

Description of the Project

The objectives of the Project are to facilitate urban economic growth and improve quality of life by fostering the development of an efficient and sustainable urban transport system including effective institutions to meet the needs of the users in the Mumbai Metropolitan Region (MMR).

The Project consists of the following parts, subject to such modifications thereof as the Borrower and the Association may agree upon from time to time to achieve such objectives:

Part A: Rail Transport Component

1. Service Efficiency Improvements

(a) Carrying out of a program of optimization of Western Railway, including lengthening of platforms, re-signaling, increased power capacity, removal of level crossings, establishment of one new station at Oshiwara, introduction of additional trains, and increase in the spacing between the centre lines of the two tracks between Virar and Dahanu.

(b) Carrying out of a program of optimization of Central Railway, including lengthening of platforms, increased power supply, re-conditioning of track, re-signaling of slow and fast tracks, removal of one level crossing at Vikhroli and removal of speed restrictions on turnouts at Dadar, Kurla and Thane, and introduction of additional trains.

(c) Carrying out of a program of optimization of Harbour Line Railway, including increased power supply, improvement in track and drainage structures, and re-signaling, and introduction of additional trains.

(d) Conversion of the entire Mumbai suburban railway system (excluding CST-Thane section of Central Railway) from 1500V DC to 25,000V AC traction, including modification of overhead catenary, establishment of new traction power substations and modifications to signal and telecommunications systems.

(e) Provision of improved maintenance equipment and facilities, including improved track maintenance, improvement to drainage system, car shed maintenance works and provision of equipment for the development of modern facilities for maintenance of trains at Virar.

2. New Rolling Stock/Kits. Implementation of a program designed to increase the capacity and frequency of train service on the Mumbai suburban rail service, including acquisition of new Electric Multiple Units (EMUs), as well as kits to be used to convert existing trains from DC to DC/AC operation.

3. Network Expansion

(a) Provision of a railway line on the Western Railway between Santacruz and Mahim, and modification of the Harbor Line flyover at Mahim, and introduction of additional trains.

(b) Provision of an additional pair of tracks on the Western Railway between Borivali and Virar, and four lines between Borivali and Churchgate for suburban services, construction of a two-km bridge at Vasai creek, and a new maintenance shed at Virar, and introduction of additional trains.

(c) Construction of two additional railway lines covering a distance of 16 km on the Central Railway between Kurla and Thane, and introduction of additional trains.

4. Institutional Strengthening and Technical Assistance. Provision of technical advisory services to undertake studies, training and engineering designs in a number of areas, including: station design and engineering; track maintenance and drainage improvements; strengthening of rolling stock maintenance system and design of facilities; overhead equipment and sub-station optimization; development or strengthening, as the case may be, of commercial development strategy of Indian Railways; development or strengthening, as the case may be, of financial, costing and project management systems; strengthening of quality control and testing processes for suburban rolling stock; enhancement of the reliability of signals and telecommunications; costing system for sharing of costs for common rail infrastructure; updating of the urban rail transport strategy through a simulation study; and pre-investment studies.

Part B: Road-based Transport Component

1. Traffic Management

(a) Implementation of a computer-controlled area traffic control system for the island city of Mumbai, including traffic signals, controllers and vehicle detection equipment, a central computer, communications system, control rooms, together with junction channelisation, minor junction improvements, and provision for signal-controlled pedestrian crossings.

(b) Provision of pedestrian crossings, pedestrian bridges or underpasses at critical locations along major road corridors, and design and implementation of a program of footpath improvements.

(c) Implementation of station area traffic improvement schemes (SATIS) to improve non-rail side transportation access to and from railway stations in the MCGM area, including: (i) minor works involving footways, pedestrian crossings and bus stands to reduce conflicts between pedestrian traffic and bus, taxi and other intermediate forms of transportation; (ii) reorganization of traffic management and circulation patterns, and parking arrangements, and minor road works; and (iii) regularization and/or relocation of street trading activities.

(d) Implementation of traffic management measures and minor road works, developed under Part B.4 (a) of the Project, including programs for pedestrian facilities, parking control, station area traffic improvement schemes and remedial measures at accident blackspot junctions.

2. Road Network Strengthening

(a) Improvement of the Jogeshwari – Vikhroli Link Road connecting the Eastern and Western Express Highways, including widening of the western section and other deficient sections of the dual carriageway, traffic management and minor alignment improvements in the eastern section, junction improvements along the road and intersection improvements at the Eastern and Western Express Highways.

(b) Improvement of the Santacruz – Chembur Link Road connecting the Eastern and Western Express Highways, including construction of a ROB across the Central Railway tracks north of Kurla, approach roads and junction improvements on the Eastern and Western Express Highways.

(c) Construction of Road Over Rail Bridges (ROBs) to eliminate the residual main road – rail level crossings at Jogeshwari North, Jogeshwari South and Vikhroli, including construction of ROBs, approach roads and junctions and, where required, provision of grade-separated rail-pedestrian crossing facilities.

3. BEST

(a) Provision of technical advisory services to assist BEST in the preparation, implementation and annual review and update of its 5-year business plan, including: (i) separation of bus division accounts from those of the electricity division; (ii) rationalization of staffing patterns; (iii) contracting out of bus service delivery to the private sector; (iv) efficiency gains; and (v) progressive elimination of deficit (including provision for capital charges).

(b) Acquisition of new buses required to enhance the bus fleet of BEST.

4. Institutional Strengthening and Capacity Building

(a) Provision of technical advisory services and material assistance to support the establishment of the TMU and develop its capacity to plan, design and implement traffic management and safety schemes and road works, facilitate the development and implementation of a traffic management plan and program, and promote better coordination between TMU and the traffic police.

(b) Provision of technical advisory assistance and material assistance to support the creation of a road maintenance management system, including adoption of procedures to develop programs, identification of priorities and preparation of budgets to enable road maintenance to be undertaken in an efficient and targeted manner by MCGM.

(c) Provision of technical advisory assistance and material assistance to update the Comprehensive Transportation Strategy for MMR, including; (i) updating of the database, upgrading of the existing model, and updating of the long-term strategy and medium term transportation plan for Mumbai; and (ii) creation of a planning, programming and budgeting system for transport investments and operations, and formulation of a five-year rolling program for all modes of transport.

(d) Provision of technical advisory assistance and material assistance to strengthen the accident recording, analysis and reporting system of the traffic police, improve its linkage with TMU, and use data provided by the traffic police to develop and implement a multi-year hotspot improvement scheme.

(e) Provision of technical advisory assistance and material assistance to enable MMRDA to develop and implement a public relations and communications strategy.

(f) Provision of technical advisory assistance and material assistance to enable MMRDA to develop a strategy and produce an action plan designed to rely on user charges to achieve demand management in the Island City of Mumbai.

(g) Provision of technical advisory assistance and material assistance to support the implementation of an air quality monitoring and vehicle emission control, including formulation of a vehicle inspection and maintenance program, and an overall motor vehicle emission control strategy.

Part C: Resettlement and Rehabilitation Component

1. Procurement of housing units for the permanent resettlement of PAPs displaced under the Project.

2. Construction of transit housing units to provide temporary accommodation for PAPs requiring to be resettled as a matter of urgency for reasons of public safety or in response to a decision of a court of law.
3. Acquisition of land for both civil works and resettlement purposes.
4. Provision of technical advisory services for the preparation, implementation and monitoring of the resettlement and rehabilitation program, and training of staff and NGOs involved in the implementation of the program.
5. Provision of compensation to PAPs for increased travel distance from new houses to the workplace, and for permanent loss of livelihood opportunities.

* * *

The Project is expected to be completed by December 31, 2007.