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**LOAN NUMBER 4706 - IN**

# **Project Agreement**

**(Tamil Nadu Road Sector Project)**

**between**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**and**

**STATE OF TAMIL NADU**

**Dated August 28, 2003**



**LOAN NUMBER 4706 - IN**

**PROJECT AGREEMENT**

AGREEMENT, dated August 28, 2003, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) and STATE OF TAMIL NADU (Tamil Nadu).

WHEREAS (A) by the Loan Agreement of even date herewith between India (the Borrower) and the Bank, the Bank has agreed to make a loan to the Borrower in the amount of three hundred forty eight million Dollars (\$348,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that Tamil Nadu agree to undertake such obligations toward the Bank as are set forth in this Agreement;

WHEREAS Tamil Nadu, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has 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 Loan Agreement, the Preamble to this Agreement and 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 declares its commitment to the objective of the Project as set forth in Schedule 2 to the Loan Agreement, and, to this end, shall carry out the Project through HD, with due diligence and efficiency and in conformity with appropriate administrative, financial, technical and engineering practices, and with due regard to social and environmental considerations, 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 Bank and Tamil Nadu shall otherwise agree, Tamil Nadu shall carry out the Project in accordance with the Implementation Program set forth in Schedule 2 to this Agreement, the relevant EMP/RU, the EMP/RS, the ERMP/RM and the RAP.

(c) Tamil Nadu shall carry out the Project in accordance with procedures set out in the Project Implementation Plan, and, except as the Bank shall otherwise agree, shall not amend or waive any provision thereof, if such amendment or waiver may, in the opinion of the Bank, materially or adversely affect the implementation of the Project.

Section 2.02. Except as the Bank 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 Loan shall be governed by the provisions of Schedule 1 to this Agreement.

Section 2.03. (a) Tamil Nadu shall carry out the obligations set forth in Sections 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09 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.

(b) For the purposes of Section 9.07 of the General Conditions and without limitation thereto, Tamil Nadu shall:

- (i) prepare, on the basis of guidelines acceptable to the Bank, and furnish to the Bank not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Bank and Tamil Nadu, a plan designed to ensure the continued achievement of the Project's objective; and
- (ii) afford the Bank a reasonable opportunity to exchange views with Tamil Nadu on said plan.

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

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

### ARTICLE III

#### Financial Covenants

Section 3.01. (a) Tamil Nadu shall maintain a financial management system, including records and accounts, and prepare financial statements in a format acceptable to the Bank, adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures related to 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) have the records, accounts and financial statements referred to in paragraph (a) of this Section for each Fiscal Year audited, in accordance with appropriate auditing principles, consistently applied, by independent auditors acceptable to the Bank;
- (ii) furnish to the Bank as soon as available, but in any case not later than six months after the end of each such Fiscal Year, (A) certified copies of the financial statements referred to in paragraph (a) of this Section, for such Fiscal Year as so audited, and (B) an opinion on such statements and report of such audit, by said auditors, of such scope and in such detail as the Bank shall have reasonably requested; and
- (iii) furnish to the Bank such other information as the Bank may from time to time reasonably request, concerning such records, accounts and financial statements, and the audit thereof, and said auditors.

Section 3.02. (a) Tamil Nadu shall prepare and furnish to the Bank a Financial Monitoring Report, in form and substance satisfactory to the Bank, which:

- (i) sets forth sources and uses of funds for the Project, both cumulatively and for the period covered by said report, showing separately funds provided under the Loan, and explains variances between the actual and planned uses of such funds;
- (ii) describes physical progress in Project implementation, both cumulatively and for the period covered by said report, and explains variances between the actual and planned Project implementation; and

- (iii) sets forth the status of procurement under the Project, as at the end of the period covered by said report.

(b) The first Financial Monitoring Report shall be furnished to the Bank not later than 45 days after the end of the first calendar quarter after the Effective Date, and shall cover the period from the incurrence of the first expenditure under the Project through the end of such first calendar quarter; thereafter, each Financial Monitoring Report shall be furnished to the Bank not later than 45 days after each subsequent calendar quarter, and shall cover the period not covered by the previous Financial Monitoring Report until the end of such calendar quarter.

#### **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 Loan Agreement becomes effective.

Section 4.02. This Agreement and all obligations of the Bank and of Tamil Nadu thereunder shall terminate on the date on which the Loan Agreement shall terminate in accordance with its terms, and the Bank shall promptly notify Tamil Nadu thereof.

Section 4.03. All this 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, telex or facsimile 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. Deliveries made by facsimile transmission shall also be confirmed by mail. The addresses so specified are:

For the Bank:

International Bank for  
Reconstruction and Development  
1818 H Street, NW  
Washington, DC 20433  
United States of America

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

For Tamil Nadu

Chief Secretary  
Government of Tamil Nadu  
Secretariat  
Fort St. George, Chennai  
Tamil Nadu, India

Facsimile:

91-44-  
25672304

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, or by Tamil Nadu on behalf of the Borrower under the Loan Agreement, may be taken or executed by the Chief Secretary of Tamil Nadu or such other person or persons as the Chief Secretary shall designate in writing, and the Chief Secretary shall furnish to the Bank 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 BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By /s/ Michael Carter

Country Director  
India

STATE OF TAMIL NADU

By /s/ K.S. Sripathy

Authorized Representative



## **SCHEDULE 1**

### **Procurement**

#### Section I. Procurement of Goods and Works

##### Part A: General

Goods and works shall be procured in accordance with the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits", published by the Bank in January 1995 and revised in January and August 1996, September 1997 and January 1999 (the Guidelines) and the following provisions of Section I of this Schedule.

##### Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods and works shall be procured under contracts awarded in accordance with the provisions of Section II of the Guidelines and paragraph 5 of Appendix 1 thereto.

2. The following provisions shall apply to goods and works to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part B, and, where applicable, Subprojects to be procured under contracts awarded in accordance with the provisions of paragraph 5 of Part C of this Schedule.

(a) Prequalification

Bidders for civil works contracts under Part A.1 and Subprojects under Part A.4 of the Project shall be prequalified in accordance with the provisions of paragraphs 2.9 and 2.10 of the Guidelines.

(b) Grouping of contracts

To the extent practicable, contracts for goods shall be grouped in bid packages estimated to cost \$200,000 equivalent or more each.

(c) Preference for domestically manufactured goods and domestic contractors

The provisions of paragraphs 2.54 and 2.55 of the Guidelines and Appendix 2 thereto shall apply to goods manufactured in the territory of the Borrower and works to be carried out by domestic contractors.

(d) Dispute Review Board

Each contract for works estimated to cost \$10,000,000 equivalent or more shall include the provisions for a dispute review board set forth in the standard bidding documents for works referred to in paragraph 2.12 of the Guidelines.

(e) Notification and Advertising

The invitation to prequalify or bid for each contract estimated to cost \$10,000,000 equivalent or more, and each contract for a Subproject, irrespective of its value, shall be advertised in accordance with the procedures applicable to large contracts under paragraph 2.8 of the Guidelines.

Part C: Other Procurement Procedures

1. National Competitive Bidding

Goods estimated to cost less than \$200,000 equivalent per contract, up to an aggregate amount not to exceed \$1,410,000 equivalent, and works under Parts A and B of the Project estimated to cost less than \$10,000,000 per contract, up to an aggregate amount not to exceed \$110,620,000, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

2. International or National Shopping

Goods estimated to cost less than \$30,000 equivalent per contract, up to an aggregate amount not to exceed \$1,230,000 equivalent, may be procured under contracts awarded on the basis of international or national shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

3. Direct Contracting

Goods which are of a proprietary nature and costing \$240,000 equivalent or less in the aggregate, may, with the Bank's prior agreement, be procured in accordance with the provisions of paragraph 3.7 of the Guidelines.

4. Procurement of Small Works

Works estimated to cost less than \$50,000 equivalent per contract, up to an aggregate amount not to exceed \$8,850,000 equivalent, may be procured under lump-sum, fixed-price contracts awarded on the basis of quotations obtained from three (3) qualified domestic contractors in response to a written invitation. The invitation shall include a detailed description of the works, including basic specifications, the required completion date, a basic form of agreement acceptable to the Bank, and relevant drawings, where applicable. The award shall be made to the contractor who offers the

lowest price quotation for the required work, and who has the experience and resources to complete the contract successfully.

5. BOT Procurement

Subprojects shall be constructed, operated and subsequently transferred under contracts awarded to private sector participants on the basis of international competitive bidding procedures in accordance with the provisions of Section II of the Guidelines, subject to the provisions of paragraph 3.13 (a) thereof. Goods, works and services required for Subprojects shall then be procured in accordance with the applicable procedures of the respective private sector participants.

6. Force Account

Works which meet the requirements of paragraph 3.8 of the Guidelines, and costing \$2,500,000 equivalent or less in the aggregate, may, with the Bank's prior agreement, be carried out by force account in accordance with the provisions of said paragraph of the Guidelines.

Part D: Review by the Bank of Procurement Decisions

1. Procurement Planning

Prior to the issuance of any invitations to prequalify for bidding or to bid for contracts, the proposed procurement plan for the Project shall be furnished to the Bank for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Guidelines. Procurement of all goods and works shall be undertaken in accordance with such procurement plan as shall have been approved by the Bank, and with the provisions of said paragraph 1. The procurement plan shall be updated every six months during the execution of the project and each updated plan shall be furnished to the Bank for its review and approval.

2. Prior Review

With respect to each contract for: (i) Subprojects; (ii) works estimated to cost the equivalent of \$3,000,000 or more; and (iii) goods estimated to cost the equivalent of \$500,000 or more, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

Section II. Employment of Consultants

Part A: General

Consultants' services shall be procured in accordance with the provisions of Sections I and IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in January 1997 and revised in September 1997, January 1999 and May 2002 (the Consultant Guidelines), paragraph 1 of Appendix 1 thereto, Appendix 2 thereto and the following provisions of this Section.

Part B: Quality- and Cost-based Selection

1. Except as otherwise provided in Part C of this Section, consultants' services shall be procured under contracts awarded in accordance with the provisions of Section II of the Consultant Guidelines, and the provisions of paragraphs 3.13 through 3.18 thereof applicable to quality- and cost-based selection of consultants.

2. The following provision shall apply to consultants' services to be procured under contracts awarded in accordance with the provisions of the preceding paragraph: the short list of NGOs and consultants for services estimated to cost less than \$200,000 equivalent per contract may comprise entirely national consultants in accordance with the provisions of paragraph 2.7 and footnote 8 of the Consultant Guidelines.

Part C: Other Procedures for the Selection of Consultants

1. Selection Under a Fixed Budget

Services for evaluation and implementation of R & R activities under Part A.3 of the Project, black spot identification, design and evaluation under Part B.2 of the Project, and implementation of institutional strengthening activities, development of road management system, information technology needs analysis, development of road safety policy and action plan, and carrying out of road user satisfaction surveys under Part C of the Project, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.5 of the Consultant Guidelines.

2. Single Source Selection

Services for training, and specialized advisory services for institutional strengthening and road safety activities under Part C of the Project, up to an aggregate amount not to exceed \$1,000,000 equivalent, may, with the Bank's prior agreement, be procured in accordance with the provisions of paragraphs 3.8 through 3.11 of the Consultant Guidelines.

3. Individual Consultants

Services for tasks that meet the requirements set forth in paragraph 5.1 of the Consultant Guidelines, up to an aggregate amount not to exceed \$1,240,000 equivalent, shall be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.4 of the Consultant Guidelines.

Part D: Review by the Bank of the Selection of Consultants

1. Selection Planning

A plan for the selection of consultants, which shall include contract cost estimates, contract packaging, and applicable selection criteria and procedures, shall be furnished to the Bank for its review and approval prior to the issuance to consultants of any requests for proposals. Such plan shall be updated every six months during the execution of the Project, and each such updated plan shall be furnished to the Bank for its review and approval. Selection of all consultants' services shall be undertaken in accordance with such selection plan (as updated from time to time) as shall have been approved by the Bank.

2. Prior Review

(a) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of \$200,000 or more, the procedures set forth in paragraphs 2, 3 and 5 of Appendix 1 to the Consultant Guidelines shall apply.

(b) With respect to each contract for the employment of individual consultants estimated to cost the equivalent of \$50,000 or more, the report on the comparison of the qualifications and experience of candidates, and the qualifications, experience, terms of reference and terms of employment of the consultants, shall be furnished to the Bank for its prior review and approval. The contract shall be awarded only after the said approval shall have been given. The provisions of paragraph 3 of Appendix 1 to the Consultant Guidelines shall also apply to such contracts.

3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Consultant Guidelines shall apply.

## **SCHEDULE 2**

### **Implementation Program**

#### Institutional Provisions

1. Tamil Nadu shall maintain:

(a) a high-level Empowered Committee, whose mandate, composition and terms of reference shall be satisfactory to the Bank, to oversee the implementation of the Project and make policy decisions as required;

(b) a Project Steering Committee, whose mandate, composition and terms of reference shall be satisfactory to the Bank, to take decisions on procurement matters, based on the recommendations of the Evaluation Committee; and

(c) an Evaluation Committee, whose mandate, composition and terms of reference shall be satisfactory to the Bank, to evaluate bids and submit its recommendations to the Project Steering Committee for approval.

2. Tamil Nadu shall ensure that HD shall:

(a) maintain a Project Management Team (PMT), to be headed by a Project Director, who shall be assisted by the requisite number of officers, all of whom shall have qualifications and experience acceptable to the Bank, including:

(i) adequate technical and engineering staff both at headquarters and in its field offices to meet the engineering and contract management needs of the Project;

(ii) a Financial Controller; and

(iii) an accountant in each of the field offices;

(b) maintain:

(i) an Environmental and Social Management Cell, consisting of suitably qualified and experienced officers, to oversee the implementation of each EMP/RU, the EMP/RS, the ERMP/RM and the RAP both at headquarters and in its field offices; and

- (ii) state-level and district-level Grievance Redress Committees to provide a two-tier mechanism to deal with grievances related to or arising out of the RAP; and
- (c) maintain a computerized project financial management system to adequately record the resources, flow of funds and expenditure for the Project.

3. Tamil Nadu shall :

- (a) carry out the ISAP in accordance with the terms thereof; and
- (b) establish and thereafter maintain an ISAP implementation cell, consisting of suitably qualified and experienced officers, to manage the implementation of the ISAP.

#### Data Collection and Management

4. Tamil Nadu shall undertake an annual road condition and traffic survey of the Core Road Network, using a methodology and according to a format which shall be acceptable to the Bank, and provide, not later than February 28 in each year, beginning on February 28, 2005, a copy of the survey report to the Bank.

5. Tamil Nadu shall:

(a) on not less than three occasions during the implementation period of the Project, undertake surveys and thereafter publish the results thereof, using a methodology and according to a format which shall be acceptable to the Bank, to assess road users' satisfaction with road infrastructure and the performance of HD;

(b) ensure that such surveys shall be completed and the results thereof published:

- (i) in the case of the first survey, not later than nine months after the Effective Date;
- (ii) in the case of the second survey, not later than December 31, 2006; and
- (iii) in the case of the final survey, not later than Closing Date.

6. Tamil Nadu shall cause HD to develop and install a functional road maintenance management system, the output of which shall be applied to all periodic maintenance

works on the Core Road Network prior to MTR, and thereafter progressively extended each year so as to be applied to all periodic maintenance works on the road network under the control of HD prior to the completion date of the Project.



7. Tamil Nadu shall produce and make public:

(a) not later than May 15 of each year, beginning on May 15, 2004, an Annual Business Plan, according to a format which shall be acceptable to the Bank, setting forth HD's plans, forecasts and benchmarks for that Fiscal Year; and

(b) not later than May 15 of each year, beginning on May 15, 2005, an Annual Report of HD, according to a format which shall be acceptable to the Bank, demonstrating actual performance during the preceding Fiscal Year in terms of the plans, forecasts and benchmarks set forth in the preceding Fiscal Year's Annual Business Plan.

8. Tamil Nadu shall cause HD to conduct an annual road sector workshop to obtain feedback from major stakeholders, including representatives of relevant departments of Tamil Nadu, road user and transport associations, relevant NGOs, business and agricultural interests, and the road construction industry, on progress achieved during the preceding year with service delivery improvements and sector reform, and communicate annually to the Bank the results of such forum.

#### Maintenance Management

9. Without prejudice to its counterpart funding obligations under this Project, Tamil Nadu shall, with effect from Fiscal Year ending on March 31, 2005, increase and thereafter maintain its actual maintenance expenditure for roads under the control of HD at a level which is not less than the equivalent of 80 percent of the requirements as specified in the Borrower's 11th Central Finance Commission Norms or any successor thereto, as the case may be.

10. Tamil Nadu shall, not later than March 31, 2004, establish and make effective, and thereafter maintain, a Road Maintenance Fund duly equipped and fully funded to meet maintenance requirements for the Core Road Network along with a board to manage the Road Maintenance Fund.

11. Tamil Nadu shall cause HD to take steps to ensure that, not later than December 31, 2006, tenders shall have been invited in view of having performance-based contracts awarded for actual implementation of routine maintenance for a total of not less than 500 km of the Core Road Network.

#### Environment and Social Safeguards Management

12. Tamil Nadu shall cause HD to collect and submit quarterly consolidated reports on compliance with social and environmental safeguard measures under the Project, giving details of measures taken in furtherance of each EMP/RU, the EMP/RS, the ERMP/RM

and the RAP, conditions, if any, which interfere or threaten to interfere with the smooth implementation of each EMP/RU, EMP/RS, ERMP/RM and RAP, and remedial measures taken or required to be taken to address such conditions.

13. No proposal for civil works under Part A.1 of the Project or Subprojects shall be considered for implementation under the Project unless a feasibility study report and an EMP/RU have been duly prepared and reviewed by, and found acceptable to, the Bank, and all other social and environmental safeguard measures as set forth in the EMP/RS and RAP have been complied with to the satisfaction of the Bank.

14. Tamil Nadu shall carry out an annual resettlement implementation impact assessment study to assess changes in the living standards of PAPs, including, not later than six months after the Closing Date, a final impact assessment study to measure the achievements of final targets established under the Project and changes in living standards of PAPs, using indicators, baseline values and control population as shall have been agreed with the Bank.

15. Tamil Nadu shall cause HD to ensure that no stretches of roads or highways under the Project shall be handed over to contractors for construction activities unless such stretches shall be free of encumbrances, and all R & R-related impacts have been satisfactorily addressed along such stretches in accordance with the RAP, including full payment of compensation for loss of land and other assets, and other assistance to PAPs.

16. Tamil Nadu shall cause HD to ensure that, prior to the issue of any invitation for bids for road maintenance and safety works under Part B of the Project, social and environment screening reports, and action plans for mitigation shall have been duly prepared, and reviewed by, and found acceptable to, the Bank.

#### Mid-Term Review and Reporting

17. Tamil Nadu shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators satisfactory to the Bank, the carrying out of the Project and the achievement of the objective thereof;

(b) prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank, on or about September 30, 2005, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review with the Bank, by December 31, 2005, or such later date as the Bank shall request, the report referred to in paragraph (b) of this Section, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of the said report and the Bank's views on the matter.

18. Without limitation upon the provisions of Section 3.02 of this Agreement and paragraph 12 of this Schedule, Tamil Nadu shall:

(a) not later than 45 days after the end of each calendar quarter, beginning not later than 45 days after the end of the first calendar quarter after the Effective Date, submit to the Bank a quarterly report on the progress of the Project according to a format set forth in the Project Implementation Plan; and

(b) for a period of two years following the Closing Date, continue to conduct annual monitoring of the environmental impact of the Project, and report accordingly to the Bank.

#### Public Private Partnership

19. For purposes of Part A.4 of the Project, Tamil Nadu shall conclude an agreement (the Concession Agreement) with each successful private sector participant, on terms and conditions acceptable to the Bank, for the implementation of the Subproject, giving details of the scope and cost of the Subproject, the contribution of Tamil Nadu to the cost of goods and works which shall not exceed 80% of the total cost thereof, and the proposed schedule of disbursements for the release of Tamil Nadu's contribution.