

**CONFORMED COPY**

**CREDIT NUMBER 3637 IN**

# **Project Agreement**

**(Gujarat Emergency Earthquake Reconstruction Project)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**STATE OF GUJARAT**

**Dated June 4, 2002**

**CREDIT NUMBER 3637 IN**

## **PROJECT AGREEMENT**

AGREEMENT, dated June 4, 2002, between INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association) and the STATE OF GUJARAT, acting by its Governor (Gujarat).

WHEREAS by the Development Credit Agreement of even date herewith between India

(the Borrower) and the Association, the Association has agreed to make available to the Borrower an amount in various currencies equivalent to three hundred and fifty six million Special Drawing Rights (SDR356,000,000), on the terms and conditions set forth in the Development Credit Agreement, but only on condition that Gujarat agree to undertake such obligations toward the Association as are set forth in this Agreement;

WHEREAS Gujarat, in consideration of the Association's entering into the Development Credit 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 Development Credit Agreement, the Preamble to this Agreement and in the General Conditions (as so defined) have the respective meanings therein set forth.

(a) "Building Codes" means the relevant Building Codes made applicable in Gujarat;

(b) "Central Implementation Review Group" means the Central Implementation Review Group to be maintained by Gujarat pursuant to paragraph 7(b) of Schedule 2 to this Agreement;

(c) "Dam Safety Panels" mean the Dam Safety Panels to be maintained by Gujarat pursuant to paragraph 3 of Schedule 2 to this Agreement;

(d) "Environmental and Social Analysis Report" means the environmental and social analysis report dated March 11, 2002 as amended from time to time, carried out by Gujarat, satisfactory to the Association, to assess, among other things, the environmental and social impacts associated with the Project; mechanisms for mitigating and monitoring adverse impacts of carrying out the Project, including the rehabilitation of temporary shelter sites, impacts associated with repairs and strengthening of roads and bridges, debris, rubble and material management; and an emergency preparedness plan for selected dams;

(e) "Environmental Management Plan" means the environmental management plan prepared and adopted by Gujarat, contained in the Environmental and Social Analysis Report and satisfactory to the Association, as such plan may be updated from time to time by agreement of the Borrower and the Association, setting forth the measures to be taken by Gujarat for mitigating and monitoring the adverse environmental and social impacts resulting from the implementation and operation of the Project;

(f) "Housing Recovery Plan" means the Housing Recovery Plan to be maintained by Gujarat pursuant to paragraph 7 (a) of Schedule 2 to this Agreement;

(g) "Housing Rehabilitation Policy Framework" means the Housing Rehabilitation

Policy Framework to be maintained by Gujarat pursuant to paragraph 7 (a) of Schedule 2 to this Agreement;

(h) “Project Implementation Plan” means the Project Implementation Plan of Gujarat for the carrying out the Project, dated March 22, 2002 and amended from time to time, as agreed with the Association;

(i) “Resettlement Framework” means the resettlement framework adopted by Gujarat for the Gujarat State Highway Project (Loan 4577 IN), for which the Bank assisted with financing pursuant to a Loan Agreement dated October 18, 2000, between the Borrower and the Bank; and

(j) “Tribal Development Plan” means the Tribal Development Plan to be implemented by Gujarat pursuant to paragraph 6 (d) of Schedule 2 to this Agreement.

## **ARTICLE II**

### **Execution of the Project**

Section 2.01. (a) Gujarat declares its commitment to the objectives of the Project as set forth in Schedule 2 to the Development Credit Agreement, and, to this end, shall carry out the Project, through its relevant departments and agencies under the overall coordination of the GSDMA, with due diligence and efficiency and in conformity with appropriate administrative, financial and technical 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 and Gujarat shall otherwise agree, Gujarat shall carry out or shall cause GSDMA to carry out the Project in accordance with the Implementation Program set forth in Schedule 2 to this Agreement.

(c) Gujarat shall make the proceeds of the Credit available to GSDMA in accordance with arrangements and procedures satisfactory to the Association for the purpose of enabling the Authority to coordinate the implementation of the Project.

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. (a) Gujarat 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.

(b) For the purposes of Section 9.06 of the General Conditions and without limitation thereto, Gujarat shall:

(i) prepare, on the basis of guidelines acceptable to the Association and furnish to the Association not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose

between the Association and Gujarat, a plan for the future operation of the Project; and

- (ii) afford the Association a reasonable opportunity to exchange views with Gujarat on said plan.

Section 2.04. (a) Gujarat 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) Gujarat 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 Gujarat of its obligations under this Agreement.

Section 2.05. Gujarat shall afford the Association a reasonable opportunity to exchange views with Gujarat on any matters relating to the Operational Manual.

### **ARTICLE III**

#### **Financial Covenants**

Section 3.01. (a) Gujarat shall, or shall cause GSDMA to maintain a financial management system, including records and accounts, satisfactory to the Association, and prepare financial statements in a format acceptable to the Association, adequate to reflect in accordance with sound accounting practices its operations and financial condition, and to register separately the operations, resources and expenditures related to the Project, of the departments and agencies of Gujarat and of GSDMA responsible for carrying out the Project.

(b) Gujarat shall, or shall cause GSDMA to:

- (i) have the records and accounts 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 Association;
- (ii) furnish to the Association as soon as available, but in any case not later than six months after the end of each Fiscal Year, 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 and accounts as well as the audit thereof, as the Association shall from time to time reasonably request.

Section 3.02. (a) Without limitation upon the provisions of Section 3.01 of this Agreement, Gujarat shall take, or shall cause GSDMA to take, necessary measures to enable Gujarat or GSDMA, as the case may be, not later than October 2003, or such later date as the Association shall agree, to prepare, in accordance with guidelines acceptable to the Association, and furnish to the Association not later than 45 days after the end of each calendar quarter, a Project Management Report for such period in respect of the Project that:

- (i) (A) sets forth actual sources and applications of funds for the Project, both cumulatively and for the period covered by said report, and projected sources and applications of funds for the Project for the six-month period following the period covered by said report, and (B) shows separately expenditures financed out of the proceeds of the Credit during the period covered by said report and expenditures proposed to be financed out of the proceeds of the Credit during the six-month period following the period covered by said report;
- (ii) (A) describes physical progress in Project implementation, both cumulatively and for the period covered by said report, and (B) explains variances between the actual and previously forecast implementation targets; and
- (iii) sets forth the status of procurement under the Project and expenditures under contracts financed out of the proceeds of the Credit, as at the end of the period covered by said report.

(b) Upon taking such necessary measures referred to in paragraph (a) of this Section, Gujarat shall prepare, or cause GSDMA to prepare, in accordance with guidelines acceptable to the Association, and furnish to the Association not later than 45 days after the end of each calendar quarter a Project Management Report for such period.

Section 3.03. (a) Without limitation upon the provisions of Section 3.01 of this Agreement, Gujarat shall, beginning with the first period ending September 30, 2002 and until completion of the Project, provide to the Association a certificate of expenditure from an independent auditor acceptable to the Association, in accordance with appropriate accounting principles and procedures acceptable to the Association, evidencing the expenditures of its departments and GSDMA in respect of the Project, for the six-month period ending September 30 and the Fiscal Year ending March 31.

(b) The certificates referred to in paragraph (a) of this Section 3.03 shall be provided to the Association by no later than: (i) November 30 of a Fiscal Year for the first six-month period of that Fiscal Year ending September 30; and (ii) June 30 of the following Fiscal Year for the Fiscal Year ending March 31.

#### **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 Gujarat 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 Gujarat 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 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. 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:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI) or 64145 (MCI)	(202) 477-6391

For Gujarat:

Chief Secretary  
Government of Gujarat  
Gandhinagar  
Gujarat, 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 Gujarat may be taken or executed by its Secretary, Finance Department, or such other person or persons as Gujarat shall designate in writing, and Gujarat 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 R. Lim

Country Director, India

STATE OF GUJARAT

By /s/ S. G. Mankad

Authorized Representative

**SCHEDULE 1**

**Procurement and Consultants' Services**

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 provisions of the following Parts of this Section I.

Part B:        International Competitive Bidding

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.

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.

(a)      Preference for Domestically Manufactured Goods:

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 to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part B.

(b) Notification and Advertising:

The invitation to bid for each contract estimated to cost \$10,000,000 equivalent or more 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

The following may be procured under contracts awarded on the basis of competitive bidding advertised nationally, in accordance with procedures satisfactory to the Association: (a) works under Parts A, B, C and D of the Project estimated to cost less than \$10,000,000 equivalent per contract, up to an aggregate amount not to exceed \$225,100,000 equivalent; and (b) goods estimated to cost less than \$200,000 equivalent per contract, up to an aggregate amount not to exceed \$14,900,000 million.

2. International and National Shopping

Goods estimated to cost less than \$50,000 equivalent per contract, up to an aggregate amount not to exceed \$6,400,000 equivalent, may be procured under contracts awarded on the basis of International and National Shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

3. Procurement of Small Works through Community Participation

Small repair and reconstruction works of schools estimated to cost less than \$50,000 equivalent per contract, up to an aggregate amount not to exceed \$300,000 equivalent, related to civil works under Part C of the Project shall be procured in accordance with procedures acceptable to the Association as per paragraph 3.15 of Procurement Guidelines.

4. Procurement for Private Housing

Goods and works required for reconstruction and repair of damaged private houses estimated to cost less than the equivalent of \$10,000 per unit, up to an aggregate amount not to exceed the equivalent of \$197,200,000 equivalent may be procured by beneficiaries in accordance with the established local private sector or commercial practices acceptable to the Association.

Part D: Review by the Association 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 Association 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 Association, and with the provisions of said paragraph 1.

2. Prior Review

The procedures set forth in paragraph 2 and 3 of Appendix 1 to the Guidelines shall apply to: (a) contract for works in accordance with the provisions of Part B of this Section I; (b) each contract for goods estimated to cost the equivalent of \$200,000 or more, awarded in accordance with the provisions of Part B of this Section I; (c) first three contracts for goods, irrespective of value, awarded in accordance with the provisions of Part C.1 of this Section I; and (d) each contract for works estimated to cost the equivalent of \$500,000 or more, awarded in accordance with the provisions of Part C.1 of this Section I.

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

1. Consultants' services shall be procured in accordance with (a) the provisions of the Introduction and Section IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers", published by the Association in January 1997 and revised in September 1997 and January 1999, subject to the modifications thereto set forth in paragraph 2 of this Part A (the Consultant Guidelines), and (b) the provisions of the following Parts of this Section II.

Part B: Quality- and Cost-based Selection

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, paragraph 3 of Appendix 1 thereto, Appendix 2 thereto, and the provisions of paragraphs 3.13 through 3.18 thereof applicable to quality- and cost-based selection of consultants.

Part C: Other Procedures for the Selection of Consultants

1. Least Cost Selection

Services estimated to cost less than \$200,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

2. Selection Based on Consultant's Qualifications

Services estimated to cost less than \$200,000 equivalent per contract up to an aggregate amount not to exceed the equivalent of \$2,000,000 may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.7 of the Consultant Guidelines.

3. Individual Consultants

Services for tasks that meet the requirements set forth in paragraph 5.1 of the Consultant Guidelines shall be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.3 of the Consultant Guidelines.

4. Service Delivery Contractors

Services to be provided by social workers, Dam Safety Panel members and trainers shall be procured in accordance with the provisions of paragraph 3.19 of the Consultant Guidelines and procedures acceptable to the Association.

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

1. Selection Planning

Prior to the issuance to consultants of any requests for proposals, the proposed plan for the selection of consultants under the Project shall be furnished to the Association for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Consultant Guidelines. Selection of all consultants' services shall be undertaken in accordance with such selection plan as shall have been approved by the Association, and with the provisions of said paragraph 1.

2. Prior Review

(a) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 1, 2 (other than the third subparagraph of paragraph 2(a)) 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 qualifications, experience, terms of reference and terms of employment of the consultants shall be furnished to the Association for its prior review and approval. The contract shall be awarded only after the said approval shall have been given.

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**

1. Gujarat shall implement or shall cause GSDMA to implement the Project in accordance with the Project Implementation Plan and the Operational Manual.

2. Gujarat shall carry out or cause to be carried out all civil works under the Project to be financed out of the proceeds of the Credit in accordance with design standards and technical specifications satisfactory to the Association. Such standards and specifications shall include, inter alia: (i) seismic and cyclone resistance features; and (ii) adequate measures for mitigating adverse environmental impact.

3. Gujarat shall maintain GSDMA, and two Dam Safety Panels with composition, powers, functions and resources satisfactory to the Association, and shall assist in carrying out of preparation and implementation of emergency preparedness plan for selected dams in accordance with the Environmental and Social Analysis.

4. Gujarat shall not carry out or cause to be carried out any activities under the Project involving any relocation of people to new areas unless:

(a) such relocation is carried out in accordance with the Resettlement Framework and a Resettlement Plan, satisfactory to the Association, prepared in accordance with the Resettlement Framework and the Environmental and Social Analysis, provided, however, that any large-scale relocation (i.e., larger than 25 families) is carried out with the prior agreement of the Association;

(b) such resettlement plan referred to in clause (a) of this paragraph, shall be prepared by an agency experienced in planning and implementing resettlement plans, satisfactory to the Association; and

(c) to the extent practicable, Gujarat makes available land for such relocation that is owned by it and is free from encumbrances and encroachments and or occupants or obtains such land which are made available to it on a voluntary basis, with or without compensation, in accordance with procedures satisfactory to the Association, provided that if compensation is to be paid, it shall be determined in accordance with the resettlement plan referred to in clause (a) of the paragraph 4, Resettlement Framework and the Environmental and Social Analysis.

5. Gujarat shall implement or shall cause GSDMA to implement the environmental mitigation, monitoring, institutional strengthening and other measures set out in the Environmental Management Plan in accordance with the objectives, policies, procedures, time schedule and other provisions set out therein and shall not take any action which would prevent or interfere with such implementation.

6. Gujarat shall:

(a) carry out a program of social assessment, in accordance with procedures and terms of references satisfactory to the Association, identifying the social needs of the people affected by the implementation of the Project with particular reference to vulnerable groups focusing, inter alia, on women, children, scheduled castes, scheduled tribes, minorities, the disabled, destitute and aged, identifying appropriate recovery programs for those affected, improving the effectiveness of institutions involved in the recovery program, formulating future disaster preparedness, identifying land acquisition and resettlement-rehabilitation issues;

(b) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, a quarterly report setting out the progress in carrying out the assessment referred to in clause (a) of this paragraph;

(c) based on the results of the assessment pursuant to clause (a) paragraph 6, take such measures, satisfactory to the Association, for managing the social dimensions of the recovery program;

(d) without limitation to clause (c) of this paragraph, prepare one or more Tribal Development Plans (TDP), satisfactory to the Association where the assessment carried out pursuant to clause (a) of this paragraph, identifies the presence of tribal groups affected by the implementation of the Project, such plan to be prepared in accordance with the Environmental and Social Analysis; and

(e) implement under terms and conditions satisfactory to the Association, TDPs as referred to in clause (d) of this paragraph.

7. Gujarat shall:

(a) maintain the Housing Rehabilitation Policy Framework (Housing Framework) and a Housing Recovery Plan (Housing Plan), and without prejudice to paragraphs (1) and (2) hereof, implement Part A of the Project in accordance with such Housing Framework and Housing Plan and with the objectives of ensuring that the housing options include features that encourage public-private participation, the options available to beneficiaries are owner-driven and that the selection process is participatory;

(b) maintain the Central Implementation Group established by Gujarat with composition, powers, functions and resources satisfactory to the Association for purposes of implementation, monitoring and quality review of Part A of the Project; and

(c) maintain the institutional framework set out in the Housing Framework and the Housing Plan in a manner satisfactory to the Association.

8. Gujarat shall take necessary measures to ensure that:

(a) revisions made from time to time to Building Codes are made applicable in the state in accordance with appropriate administrative procedures;

(b) appropriate action is taken by urban local bodies in the Affected Areas to adopt and enforce Building Codes by no later than September 30, 2002; and

(c) appropriate guidelines for construction of safe buildings are evolved for rural areas and disseminated throughout the state.

9. Without prejudice to paragraph (2) hereof, Gujarat shall: (a) carry out or cause to be carried out, construction works under Part B of the Project in accordance with approvals provided by a Dam Safety Panel referred to in paragraph (3) hereof; and

(b) implement measures, satisfactory to the Association, on the non-structural aspects of dam safety, including training of Project staff associated with flood forecasting and flood monitoring, training of village/taluka level government functionaries and village representatives on disaster preparedness operations, preparation and implementation of reservoir operation and maintenance.

10. Gujarat shall maintain a quality control mechanism, satisfactory to the Association, applicable to construction works under Part B of the Project.

11. Gujarat shall provide quarterly reports to the Association within 15 days after the end of each quarter describing the progress achieved to date in implementing the Project. All such reports shall be prepared in a format satisfactory to the Association.

12. Gujarat shall provide to the Association technical and quality audit in respect of the implementation of the Project in accordance with terms of reference and a timetable satisfactory to the Association.

13. Gujarat shall:

(a) continue its initiative in preparing, and endeavor to complete by September 30, 2002, a disaster management policy, satisfactory to the Association, focusing on capacity building, education and communication for the purpose of reducing the impact of disasters and ensuring better preparedness; and

(b) by December 31, 2002, introduce in its legislative assembly a draft of a disaster management bill, with the objective of establishing a sustainable long-term disaster management system.

14. Gujarat shall cause GSDMA:

(a) to maintain throughout the life of the Project, a finance/management professional to function as a controller of accounts, whose qualifications and experience shall be satisfactory to the Association;

(b) to maintain a chartered accountant firm as internal auditors with terms and references satisfactory to the Association; and

(c) to advance funds to the line departments only upon receiving a confirmation from the line departments that: (i) a separate bank account has been opened in the name of GSDMA to be used specifically for the Project; and (ii) an official has been designated by the relevant line department to interact with GSDMA on financial matters.

15. Gujarat 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 Association, the carrying out of the Project and the achievement of the objectives thereof;

(b) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about September 30, 2003, a report integrating the results of the monitoring and evaluation activities performed pursuant to subparagraph (a) of this paragraph, 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 such Part of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review with the Association, by October 31, 2003, or such later date as the Association shall request, the report referred to in subparagraph (b) of this paragraph, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

