Project Agreement

(Capacity Augmentation of the National Waterway – 1 (Jal Marg Vikas) Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

INLAND WATERWAYS AUTHORITY OF INDIA

Dated February 2, 2018
LOAN NUMBER 8752-IN

PROJECT AGREEMENT

Agreement dated FEBRUARY 2, 2018, entered into between
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
(“Bank”) and the INLAND WATERWAYS AUTHORITY OF INDIA (“Project
Implementing Entity”) (“Project Agreement”) in connection with the Loan Agreement
(“Loan Agreement”) of same date between INDIA (“Borrower”) and the Bank. The Bank
and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Loan Agreement)
constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement
have the meanings ascribed to them in the Loan Agreement or the General
Conditions.

ARTICLE II — PROJECT

2.01. The Project Implementing Entity declares its commitment to the objectives of the
Project. To this end, the Project Implementing Entity shall carry out the Project in
accordance with the provisions of Article V of the General Conditions, and shall
provide, promptly as needed, the funds, facilities, services and other resources
required for the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and
except as the Bank and the Project Implementing Entity shall otherwise agree, the
Project Implementing Entity shall carry out the Project in accordance with the
provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity’s Representative is either the Chairperson or the
Vice-Chairperson of the IWAI, acting severally.

3.02. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433
United States of America
Facsimile:
1-202-477-6391

3.03. The Project Implementing Entity’s Address is:

Inland Waterways Authority of India
(Ministry of Shipping)
Head Office, A-13, Sector 1
Noida, 201301
Uttar Pradesh
India

Facsimile:
+91-120-2543973
AGREED at New Delhi, India, as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: Sunaied Kamal Ahmads
Title: Country Director, India

INLAND WATERWAY AUTHORITY OF INDIA

By

Authorized Representative

Name: Pravir Pandey
Title: Vice Chairman
SCHEDULE.

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. For purposes of implementing the Project, the Project Implementing Entity shall:

(a) maintain throughout the period of Project implementation a Project Oversight Committee (the "POC"); (i) chaired by the Chairperson of IWAI, and with a composition/membership agreed with the Bank, including senior officers of Ministry of Shipping, IWAI, as well as representatives of the Participating States and the Central Water Commission; and (ii) vested with such powers, functions and competencies, agreed with the Bank, as shall be required to exercise policy guidance for, and exercise the general oversight of, the implementation of Project activities, including the assessment of quarterly Project Reports submitted by PMU and PIUs;

(b) maintain throughout the period of Project implementation a Project Management Unit team (the "PMU") which shall be: (i) headed by the Vice-Chairperson of IWAI as Project Director, assisted by competent staff, all with experience and qualifications, in numbers and under terms of reference agreed with the Bank; and (ii) provided with such powers, financial resources, functions and competencies, acceptable to the Bank, as shall be required for it to carry out the day-to-day implementation of Project activities, including carrying out procurement, financial management and monitoring, preparing engineering design, guaranteeing inter-institutional coordination with the Ministry of Shipping, the Participating States and other line agencies/stakeholders, and implementing external communications campaigns and complying with reporting activities, as well as ensuring compliance with/implementation of the Safeguard Documents (including the screening of Project activities pursuant to the Consolidated EIA, Consolidated SIA, and RPF and preparation of EAs/EMPs, SIAs and RAPs), and the timely implementation of any land acquisition and resettlement activities, and the prompt payment of compensation therefor;

(c) established, by no later than two (2) months after the Effective Date, and thereafter maintain throughout the period of Project implementation, at least six (6) Project Implementation Units (the "PIUs") located in Kolkata, Patna, Varanasi, Haldia, Farakka and Sahibganj, which units shall be: (i) headed by a Regional Director of IWAI, assisted by competent staff, all
with experience and qualifications, in numbers and under terms of reference agreed with the Bank; and (ii) provided with such powers, financial resources, functions and competencies, acceptable to the Bank, as shall be required for them to provide implementation support to the PMU and coordinate with the Participating States and local authorities any land acquisition, resettlement and rehabilitation activities for Displaced Persons, utilities relocation and/or the processing and securing of any required statutory clearances;

(d) hire, by no later than three (3) months after the Effective Date, and thereafter maintain throughout the period of implementation of the Project, the services of two technical support services consulting firms ("TSSC") with qualification and experience and under terms of reference agreed with the Bank, in order to assist each of the PIUs with the execution of Project activities within their jurisdictions, including: (i) preparation of Project activities; (ii) mobilization of Project teams; (iii) review of designs; (iv) Project monitoring and evaluation, and preparation of progress and completion reports; (v) Project coordination; (vi) quality assurance, controls and post construction consultancies; and (vii) the implementation/carrying out of EA(s)/EMP(s), SIA(s) and RAP(s);

(e) by no later than six (6) months after the Effective Date, develop in consultation with the Participating States/stakeholder agencies, and thereafter implement throughout Project implementation, an operational framework for the management of Project financed assets, in a manner and substance satisfactory to the Bank; and

(f) by no later than twelve (12) months after the Effective Date, develop design standards for vessels suitable for navigation in the different Project stretches of the National Waterways 1, covering different types of cargo, and in compliance with the Inland Vessels Act.

B. Finance & Accounts Manuals

1. The Project Implementing Entity shall carry out the Project in accordance with the provision of the Finance & Accounts Manual; provided however that in the event of conflict between the provisions of said manual, on the one hand, and those of this Agreement, on the other hand, the provisions of this Agreement shall prevail.

2. The Project Implementing Entity shall refrain from amending, suspending, waiving and/or voiding any provisions of the Finance & Accounts Manual, whether in whole or in part, without the prior written concurrence of the Bank.

C. Anti-Corruption
The Project Implementing Entity shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

1. The Project Implementing entity shall:

   (a) carry out the Project in accordance with the EA(s)/EMP(s), the SIA(s), and the RAP(s), prepared and/or to be prepared pursuant to paragraph 2 of this sub-section, in accordance with the objectives, policies, procedures, time schedules, compensation arrangements and other provisions set forth in the CIA, the Consolidated EIA, the Consolidated SIA and the RPF (together, the “Safeguard Documents”), in each case in a manner and in substance satisfactory to the Bank; and

   (b) refrain from taking any action which would prevent or interfere with the implementation of the Safeguard Documents, including any amendment, suspension, waiver, and/or voidance of any provision of the Safeguard Documents, whether in whole or in part, without the prior written concurrence of the Bank.

2. The Project Implementing Entity shall refrain from awarding any civil works to contractors and/or undertaking any activities under the Project, until and unless:

   (a) the proposed civil works/activities have been screened by the PMU in accordance with the guidelines, standards and procedures set forth in the Consolidated EIA and RPF;

   (b) all of the respective EA(s)/EMP(s), SIA(s), and/or RAP(s) required for such civil works/activities pursuant to the Consolidated EIA and RPF has/have been prepared and submitted to the Bank for review and the Bank has notified the Project Implementing Entity in writing of its no-objection thereto; and

   (c) the foregoing Safeguard Documents have been publicly disclosed by the Project Implementing Entity in local language(s) at the relevant Project’s sites, at least sixty (60) days prior to the award of the contract for the related works.

3. The Project Implementing Entity shall ensure, prior to commencing any civil works under the Project, that: (a) all necessary governmental permits and clearances for such civil works shall have been obtained from the competent governmental authority/ies and submitted to the Bank; (b) all pre-construction conditions imposed by the governmental authority/ies under such permit(s) or clearance(s) shall have been complied with/fulfilled; and (c) all required
resettlement measures set forth in the applicable RAP(s) shall have been fully executed, including the full payment of compensation prior to displacement and/or the provision of relocation assistance to all Displaced Persons, as per the entitlements provided in the RPF and/or the applicable RAP(s).

4. The Project Implementing Entity shall ensure that each contract for civil works under the Project includes the obligation of the relevant contractor to comply with the relevant Safeguard Documents applicable to such civil works commissioned/awarded pursuant to said contract.

5. The Project Implementing Entity shall maintain monitoring and evaluation protocols and record keeping procedures acceptable to the Bank and adequate to enable the Borrower and the Bank to supervise and assess, on an on-going basis, the implementation of/compliance with the Safeguards Documents, as well as the achievement of the objectives thereof.

6. The Project Implementing Entity shall ensure that the following Project expenditures are financed exclusively out of the Project Implementing Entity's own resources, and, to this end, shall provide, as promptly as needed, the resources required therefor, namely:

   (a) all land acquisition required for the purpose of the Project; and

   (b) any compensation, resettlement and rehabilitation payment to Displaced Persons in accordance with the provision of the RAPs.

7. In the event of any conflict between the provisions of any of the Safeguard Documents, on the one hand, and the provisions of this Agreement or the Loan Agreement, on the other hand, the provisions of this Agreement and the Loan Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation.

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports the Project in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of indicators agreed with the Bank. Each such Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the Borrower and the Bank not later than forty five (45) days after the end of the period covered by such report.

2. The Project Implementing Entity shall: (a) prepare the Project execution/completion report referred to in Section 5.08 (c) of the General
Conditions; and (b) furnish it to the Borrower and the Bank not later than six (6) months after the Closing Date.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.

2. Without limitation on the provision of Part A of this Section, the Project Implementing Entity shall prepare and furnish to the Borrower and the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the calendar quarter, in form and substance agreed with the Bank.

3. The Project Implementing Entity shall have its Project Financial Statements referred to above audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity, commencing in the fiscal year in which the first withdrawal of Loan funds was made. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Borrower and the Bank not later than nine (9) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Bank.

Section III. Procurement

All goods, works and services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement.