

Public Disclosure Authorized

OFFICIAL DOCUMENTS

LOAN NUMBER 8828-IN

Project Agreement

(Meghalaya Community-Led Landscapes Management Project)

between

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

and

STATE OF MEGHALAYA

PROJECT AGREEMENT

AGREEMENT entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and the STATE OF MEGHALAYA ("Project Implementing Entity"), (the "Project Agreement") in connection with the Loan Agreement ("Loan Agreement") of the Signature Date. 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) apply to and form 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 objective of the Project. To this end, the Project Implementing Entity shall carry out the Project, through the MBMA, in accordance with the provisions of Article V of the General Conditions, and the Schedule to this Agreement, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

ARTICLE III — REPRESENTATIVE; ADDRESSES

- 3.01. The Project Implementing Entity's Representative is Chief Secretary, Government of Meghalaya.
- 3.02. For purposes of Section 10.01 of the General Conditions:
 - (a) the Bank's address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank's Electronic Address is:

Telex:	Facsimile:
248423(MCI) or 64145(MCI)	1-202-477-6391

3.03. For purposes of Section 10.01 of the General Conditions:

(a) the Project Implementing Entity's addresses is:

State of Meghalaya
Chief Secretary/ Chairman
Meghalaya Basin Management Agency
Meghalaya State Housing Cooperative Society Complex
Nongrim Hills
Shillong 793 003
Meghalaya; and

(b) the Project Implementing Entity's Electronic Address is:

Facsimile:

+91-364-222-5978

AGREED, as of the latest of the two dates written below.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By 

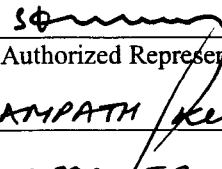
Authorized Representative

Name: HISHAM ABDO

Title: ACTING COUNTRY DIRECTOR, INDIA

Date: APRIL 16, 2018

STATE OF MEGHALAYA

By 

Authorized Representative

Name: P. SAMPATH KUMAR

Title: COMMISSIONER AND SECRETARY

Date: APRIL 16, 2018

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall vest the overall responsibility for the implementation of the Project activities in the MBMA. To this end, the Project Implementing Entity shall:
 - (a) make available the Loan proceeds to the MBMA in accordance with the PIP;
 - (b) ensure that the MBMA maintain throughout the Project implementation period, an SPMU, headed by a Project Director, assisted by multi-disciplinary and competent staff, all with experience and qualifications, in numbers and under terms of reference agreed with the Bank and set out in the PIP; which unit shall be provided with such powers, financial resources, functions and competencies, agreed with the Bank, as shall be required for it to carry out the day-to-day implementation of the activities under the Project, including evaluating the recommendations made by the DPMUs, ensuring the Project's compliance with the Safeguard Documents, and monitoring and evaluation requirements; and
 - (c) ensure that the MBMA maintain throughout the Project implementation period: (i) the DPMUs within each District, with functions, composition and responsibilities acceptable to the Bank, including guiding and supervising the Project, reviewing and approving the community-led NRM plans submitted to the SPMU; and (ii) maintain throughout the Project implementation period, such number of the BPMUs for the support of each Village, as needed, with functions, composition and responsibilities acceptable to the Bank, including, supporting the VNRMCs, providing trainings and demonstrations and monitoring the implementation of the Project at the village level.
2. Prior to the selection of the Villages, the Project Implementing Entity shall, through Participating Training Agencies, enable the training of the Project stakeholders and Beneficiary(ies).
3. Prior to the carrying out of the Project activities in any given Village under Part 2 of the Project, the Project Implementing Entity shall cause the MBMA (acting through its district and block level units) to require the constitution of the

VNRMCs for the submission of EoI from any Village based on the satisfaction of the criteria specified in the Community Operations Manual.

B. Project Documents

1. For purposes of carrying out Part 2.A and Part 2.B of the Project, and prior to the implementation of any activity thereunder, the Project Implementing Entity shall prepare and adopt a Community Operations Manual, acceptable to the Bank, setting forth, inter alia the guidelines on the preparation of community-led NRM plans, criteria for selection of activities in the NRM plans, milestones to be achieved, the participatory planning processes to be adopted and the eligibility criteria for the provision of Village Grants, as such manual may be revised, updated or supplemented from time to time with the prior written concurrence of the Bank.
2. The Project Implementing Entity shall ensure that the MBMA and the Project Beneficiaries carry out the Project in accordance with the Project Implementation Plan and/or the Community Operations Manual provided however that in the event of conflict between the provisions of said manuals, on the one hand, and those of this Agreement and/or the Loan Agreement, on the other hand, the provisions of this Agreement and/or the Loan Agreement shall prevail.
3. The Project Implementation Entity shall refrain from amending, suspending, waiving, and/or voiding any provision of the Project Implementation Plan, the Community Operations Manual, whether in whole or in part, without the prior written concurrence of the Bank.

C. Safeguards

1. The Project Implementing Entity shall, through the MBMA:
 - (a) ensure, and cause the Beneficiary(ies) to ensure, that the Project (including any activities carried out under the Village Grants and the Innovation Grants) is carried out pursuant to, and in compliance with, the objectives, policies, procedures, time schedules, compensation arrangements and other provisions set forth in the Safeguard Documents; and
 - (b) refrain from taking any action which would prevent or interfere with the implementation of the Safeguard Documents, including any amendment, suspension, waiver, annulment and/or voidance of any provision of the Safeguard Documents, whether in whole or in part, without the prior written agreement of the Bank.
2. The Project Implementing Entity shall cause the MBMA to maintain monitoring and evaluation protocols and record keeping procedures agreed with the Bank and adequate to enable the Borrower, Project Implementing Entity, the MBMA and/or

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.

3. The Project Implementing Entity shall, through MBMA, ensure, and cause the Beneficiary(ies) to ensure, that each contract for civil works under the Project (including any activities carried out under the Village Grants and the Innovation Grants) include the obligation of the relevant contractor to comply with the relevant Safeguard Documents applicable to said civil works.
4. The Project Implementing Entity, through the MBMA shall maintain and operate, throughout the period of implementation of the Project, a multi-layered and multi-level grievance redress mechanism acceptable to the Bank for the handling of any stakeholder complaints arising out of the implementation of their activities under the Project.
5. In the event of any conflict between any provisions of any of the Safeguard Documents, on the one hand, and any of the provisions of this Agreement or the Loan Agreement, on the other hand, the provisions of this Agreement and the Loan Agreement shall prevail.

D. Innovation Grants

1. For purposes of implementing Part 1.A of the Project, the Project Implementing Entity, through the MBMA, shall ensure that Innovation Grants are made exclusively to eligible Beneficiary(ies), in accordance with the eligibility criteria and procedures detailed in the PIP.
2. The Project Implementing Entity, through the MBMA, shall:
 - (a) enter into an Innovation Grant Agreement with the respective Beneficiary(ies) under the terms and conditions set forth in the PIP; and
 - (b) cause the release of funds by the DPMU/SPMU to the Beneficiary(ies) in a timely manner.
3. The Project Implementing Entity, through MBMA, shall ensure that the Innovation Grant Agreement contains terms adequate to protect the interests of the Project Implementing Entity and the Bank, including:
 - (a) the requirement that all activities financed by an Innovation Grant be carried out in accordance with the PIP and the Procurement Regulations, with due diligence and efficiency and in accordance with sound technical, financial, environmental and managerial standards, including the Anti-Corruption Guidelines and the Safeguard Documents, and that adequate

records to reflect the financing, operations, resources and utilization of the funds be maintained;

- (b) that the Innovation Grant Agreements contain a detailed list of the eligible expenditures that can be financed through the Innovation Grant(s);
- (c) that each Beneficiary: (i) establish and/or maintain policies and procedures that would allow the MBMA, Project Implementing Entity, and/or the Bank to carry out supervision and monitor the implementation of the activities; (ii) prepare and furnish to the MBMA, Project Implementing Entity, and/or the Bank, all such information that the MBMA, Project Implementing Entity, and/or the Bank shall reasonably request in relation to the Innovation Grant; and (iii) accept physical or documentary inspections by the MBMA, Project Implementing Entity, and/or the Bank for the monitoring of, and in relation to, the carrying out of the activities financed under the Innovation Grant;
- (d) the right of the MBMA to suspend or terminate the right of the Beneficiary to use the proceeds of the Innovation Grant upon failure by the Beneficiary to perform any of its obligations under the Innovation Grant Agreement(s); and
- (e) that each Beneficiary shall consent to the Project Implementing Entity's right of restitution of any amounts of the Innovation Grant disbursed under the Innovation Grant Agreement with respect to which fraud and corruption has occurred, or with which an ineligible expenditure has been paid.

E. Village Grants

1. For purposes of implementing Part 2.A and Part 2.B of the Project, the Project Implementing Entity through the MBMA, shall ensure that Village Grants are made exclusively to eligible VNRMC(s), in accordance with the eligibility criteria and procedures detailed in the Community Operations Manual.
2. The Project Implementing Entity, through the MBMA, shall:
 - (a) upon the DPMU's approval of the EoIs submitted by the respective VNRMCs, and recommended to the SPMU, enter into a Village Grant Agreement between each VNRMC and the concerned DPMU under terms and conditions, set forth in the Community Operations Manual; and
 - (b) cause the installment-wise release of funds by the DPMU/SPMU to the VNRMC(s) in a timely manner.

3. The Project Implementing Entity, through MBMA, shall ensure that the Village Grant Agreement contain terms adequate to protect the interests of the Borrower and the Bank, including:
 - (a) the requirement that all activities financed by a Village be carried out in accordance with the Community Operations Manual and the Procurement Regulations, with due diligence and efficiency and in accordance with sound technical, financial, environmental and managerial standards, including the Anti-Corruption Guidelines, and the Safeguard Documents, and that adequate records to reflect the financing, operations, resources and utilization of the funds be maintained;
 - (b) the relevant milestones or outputs to be achieved by the VNRMC(s);
 - (c) the list of ineligible activities and/or expenditures that cannot be financed through the Village Grant(s);
 - (d) that the VNRMC: (i) establish and/or maintain policies and procedures that would allow the MBMA, Project Implementing Entity, and/or the Bank to carry out supervision and monitor the implementation of the activities; (ii) prepare and furnish to the MBMA, Project Implementing Entity, and/or the Bank, all such information that the MBMA, Project Implementing Entity, and/or the Bank shall reasonably request in relation to the Village Grant; and (iii) accept physical or documentary inspections by the MBMA, Project Implementing Entity, and/or the Bank for the monitoring of, and in relation to, the carrying out of the activities financed under the Village Grant;
 - (e) the right of MBMA to suspend or terminate the right of the Beneficiary to use the proceeds of the Village Grant upon failure by the Beneficiary to perform any of its obligations under the Village Grant Agreement(s); and
 - (f) that each Beneficiary shall consent to the Project Implementing Entity's right of restitution of any amounts of the Village Grant disbursed under the Village Grant Agreement with respect to which fraud and corruption has occurred, or with which an ineligible expenditure has been paid.

Section II. Project Monitoring, Reporting and Evaluation

1. The Project Implementing Entity shall monitor and evaluate the progress of Project, and cause MBMA to prepare Project Reports 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 calendar quarter, and shall be furnished by MBMA 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 cause VNRMCs to: (a) prepare and provide to the Borrower and the Bank the Project execution/completion report referred to in Section 5.08 (c) of the General Conditions; and (b) provide all such information as the Borrower or the Bank shall reasonably request for the purposes of that Section.