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**LOAN NUMBER 9650-IN**

# **Project Agreement**

**(Uttarakhand Climate Responsive Rainfed Farming Project)**

**between**

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

**and**

**STATE OF UTTARAKHAND**

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

E-mail:


wmd-ua@nic.in;

AGREED as of the later of the two dates written below.

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

By Arnab Bandyopadhyay  
**Authorized Representative**  
**Name:** Arnab Bandyopadhyay  
**Title:** Acting Country Director  
**Date:** 08-Aug-2024

**STATE OF UTTARAKHAND**

By   
**Authorized Representative**  
**Name:** Anand Bardhan  
**Title:** Additional Chief Secretary  
**Date:** 14-Aug-2024

## SCHEDULE

### Execution of the Project

#### Section I. Implementation Arrangements

1. The Project Implementing Entity (“PIE”) shall vest the responsibility for overall management and coordination of implementation of the Project to the Watershed Management Directorate (“WMD”) under its Watershed Directorate.  
Anand Bardhan  
Additional Chief Secretary
2. The PIE shall maintain, throughout Project implementation, the High-Powered Committee/Steering Committee (“HPC/SC”), headed by the PIE’s Chief Secretary, with composition, resources and terms of reference, to be responsible for: (a) strategic oversight of the Project; and (b) approvals and the overall coordination and monitoring of the Project; all as set forth in the Project Implementation Plan (“PIP”).  
14-Aug-2024
3. Without limitation upon the provisions of this paragraph above, the PIE shall:
  - (a) maintain, throughout Project implementation period, the Project Management Unit (“PMU”) within WMD, headed by a Project Director, multidisciplinary and competent staff in adequate numbers, all with experience, qualification, and under terms of reference, acceptable to the Bank, which unit shall be provided with such power, financial resources, functions, and competencies, as shall be required for it to carry out day-to-day management and implementation of the activities under the Project, all acceptable to the Bank including overall budgeting, disbursement, auditing, procurement, financial management, safeguards, monitoring, reporting and evaluation activities; all as set forth in the PIP;  
Anand Bardhan  
Additional Chief Secretary  
14-Aug-2024
  - (b) for each district involved in the Project, designate and thereafter maintain throughout the period of implementation of the Project, a District Project Management Unit (“DPMU”): (i) headed by a deputy project director with composition, resources, qualifications, experience, and terms of reference acceptable to the Bank; and (ii) provided with powers, functions and competencies acceptable to the Bank; and
  - (c) maintain, throughout Project implementation, the Field Implementation Units, to execute the Project at the GP levels and watershed clusters with composition, resources, qualifications, experience, and terms of reference acceptable to the Bank, to be responsible for field implementation in specific geographic areas, including: (a) supervision and quality assurance of works; (b) financial management, progress and expense reporting to the PIU; and (c) ensuring social and environmental safeguards compliance; all as set forth in the PIP.

**B. Sub-projects.**

1. The Project Implementing Entity shall make Sub-grants to Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Bank.
2. The Project Implementing Entity shall make each Sub-grant under a Sub-grant Agreement with the respective Beneficiary on terms and conditions approved by the Bank, which shall include the following: The Project Implementing Entity shall obtain rights adequate to protect its interests and those of the Borrower and the Bank, including the right to: (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-loan, or obtain a refund of all or any part of the amount of the Sub-grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Sub-loan Agreement; and (ii) require each Beneficiary to: (A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Borrower; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works and services to be financed out of the Sub-loan in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the Sub-project and the achievement of its objectives; (E) (1) 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, resources and expenditures related to the Sub-project; and (2) at the Bank's or the Borrower's or the Project Implementing Entity's request, have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Borrower, the Bank and the Project Implementing Entity; (F) enable the Borrower, the Bank and the Project Implementing Entity to inspect the Sub-project, its operation and any relevant records and documents; and (G) prepare and furnish to the Borrower, the Bank and the Project Implementing Entity all such information as the Borrower or the Bank or the Project Implementing Entity shall reasonably request relating to the foregoing.
3. The Project Implementing Entity shall exercise its rights under each Sub-grant Agreement in such manner as to protect the interests of the Borrower, the Bank and the Project Implementing Entity and to accomplish the purposes of the Loan. Except as the Borrower and the Bank shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate or waive any Sub-grant Agreement or any of its provisions.

**C. Environmental and Social Standards**

1. The Project Implementing Entity shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Project Implementing Entity shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Project Implementing Entity shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Project Implementing Entity shall ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Project Implementing Entity shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to

resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

6. The Project Implementing Entity shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

#### **D. Project Implementation Plan**

1. Not later than the Effective Date, the PIE, through the PMU, shall prepare and adopt, and, thereafter, maintain throughout the implementation of the Project, the PIP, acceptable to the Bank, containing detailed guidelines and procedures for the implementation of the Project including, *inter alia*: (a) the details of the Project activities, including results framework and overall budget; (b) the Project implementation arrangements; (c) the format of the interim unaudited financial reports to be submitted under the Project; (d) the Project's administrative, accounting, auditing, reporting, and financial management requirements; (e) procurement requirements; (f) the Project's environmental and social safeguard requirements including the community operations manual; (g) the list of Selected Micro-watersheds under the Project; and (h) the Project's monitoring and evaluation, and reporting requirements.
2. The PIE, through the PMU, DPMUs and Field Implementation Units, shall implement the Project in accordance with the provisions of this Agreement and the PIP.
3. The PIE shall refrain from amending, suspending, waiving, and/or voiding any provision of the PIP, whether in whole or in part, without the prior written concurrence of the Bank.
4. In the event of a conflict between the provisions of the PIP, on the one hand, and those of this Agreement and/or the legal agreements on the other hand, the provisions of the latter Agreements shall govern.
5. The PIE shall provide, as needed, the funds, facilities, services, and other resources required for the Project.

#### **F. Contingent Emergency Response**

1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of its Respective Parts of the Project ("Contingent Emergency Response Part"), the PIE shall ensure that:
  - (a) a manual ("CERC Manual") is prepared and adopted in form and substance acceptable to the Bank, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or

institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;

- (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Bank;
  - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
  - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Bank.
2. The PIE shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to the Bank.
3. The PIE shall ensure that:
- (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and ESCP, and in form and substance acceptable to the Bank; and
  - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Bank.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

## **Section II. Project Monitoring, Reporting and Evaluation**

1. The PIE shall, through the PMU, monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of indicators acceptable to the Bank. Each such Project Report shall cover the period of [one calendar semester], and shall be furnished to the Borrower



not later than [two weeks] after the end of the period covered by such report for incorporation and forwarding by the Borrower to the Bank of the overall Project Report.

2. The PIE, through the PMU, shall: (a) prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank no later than thirty (30) months from the Effective Date, a consolidated mid-term review report for the Project, summarizing the results of the monitoring and evaluation activities carried out from the inception of the Project, and setting out the measures recommended to ensure the efficient completion of the Project and to further its objective; and (b) review jointly with the Bank, said report 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 such report and the Bank's views on the matter.