



**German Financial Cooperation / KfW Development Bank**  
BMZ Nos. 2015 67 643 (Loan) and 2015 67 650 (Grant)

## **Meghalaya Basin Development Authority (MBDA)** Project Executing Agency



**Climate Change Adaptation Programme in the Himalayas,  
Component III**  
**Protection of Vulnerable Catchment Areas in  
Meghalaya**

## **Project Operational Manual**

June 2025

Implementation Consultants



Deutsche Forstservice GmbH  
Feldkirchen, Germany

in  
joint  
venture  
with



GOPA mbH  
Bad Homburg, Germany

## TABLE OF CONTENTS

LIST OF TABLES.....	iv
LIST OF FIGURES .....	v
LIST OF TEXTBOXES.....	v
LIST OF ANNEXES .....	v
ABBREVIATIONS AND ACRONYMS .....	vii
ADDRESSES.....	xii
DOCUMENT HISTORY .....	xiii
1. INTRODUCTION.....	1
2. PROJECT DESCRIPTION.....	2
2.1 Objective (Outcome) .....	2
2.2 Expected Results (Outputs) and Activities.....	2
2.3 Scope .....	4
2.4 Stakeholders.....	4
2.5 Project Strategy .....	9
2.5.1 Phased community engagement .....	9
2.5.2 Free, Prior and Informed Consent (FPIC) .....	10
2.5.3 Financial Participatory Approach (FPA) .....	11
2.5.4 Village-Level Micro-Action Plans (VLMAP) .....	13
2.5.5 Forest Management Plans (FMP) .....	15
2.5.6 Payments for Ecosystem Services (PES) .....	17
2.5.7 Operations and Maintenance (O&M) Fund .....	19
2.5.8 Training and capacity building .....	20
2.5.9 Secondary / other stakeholder engagement .....	20
2.5.10 Environmental & Social (E&S) safeguards.....	20
2.6 Approach to Watershed Management Planning .....	21
2.6.1 Village-Level Micro-Action Plans (VLMAP) .....	22
2.6.2 Micro-Watershed Plans (MWP) .....	23
2.6.3 Catchment Area Plans (CAP) .....	23
2.7 Menu of Project Measures .....	24
2.8 Selection of Communities .....	26
2.9 Schedule and Timeframe .....	27
3. PROJECT IMPLEMENTATION ARRANGEMENTS .....	29
3.1 Project Executing Agency (PEA) .....	30
3.2 KfW Development Bank (KfW) .....	30
3.3 Governing Council (GC) .....	30

3.4	Project Steering Committee (PSC) .....	31
3.5	State Project Management Unit (SPMU) .....	32
3.6	Catchment Management Units (CMU) .....	34
3.7	Village Project Implementation Committees (VPIC) .....	35
3.8	Village Community Facilitator (VCF) .....	36
3.9	Integrated Village Cooperative Societies (IVCS) .....	36
3.10	Implementation Consultant (IC) .....	37
4.	ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY REQUIREMENTS .....	40
4.1	Legal Framework .....	40
4.2	Stakeholder Analysis .....	40
4.3	Baseline Conditions .....	40
4.4	Community Engagement Planning Framework (CEPF) .....	43
4.5	Environmental and Social Management Framework (ESMF) .....	44
5.	PROJECT ACTIVITIES .....	47
5.1	Output 1 – Knowledge-Based Participatory Planning and Implementation and Capacity Building .....	47
5.1.1	Micro-watershed planning .....	47
5.1.2	Knowledge Management (KM) and communication .....	47
5.1.3	Orientations / awareness / campaigns / workshops / training and capacity building .....	47
5.2	Output 2 – Forests and Other Ecosystems Protection of the Selected Catchment Areas are Enhanced .....	48
5.2.1	Forest ecosystems protection and restoration .....	48
5.2.2	Soil and Water Conservation (SWC) .....	48
5.2.3	Implementation support on Natural Resources Management (NRM) activities .....	49
5.3	Output 3 – Livelihoods of the Vulnerable Communities in the Catchment Areas Improve .....	49
5.4	Output 4 – Adoption of Best-Practice Project Management .....	49
6.	TRAINING AND CAPACITY BUILDING .....	51
6.1	Introduction .....	51
6.2	Training Needs Assessment at SPMU and CMU Level .....	51
6.2.1	Key findings .....	51
6.2.2	Training Management Strategy .....	52
6.2.3	Implementation and Monitoring .....	52
6.2.4	Sustainability .....	53
6.3	Training Needs Assessment at Community Level .....	53

6.4	Training Plan.....	53
7.	BUDGET AND COST NORMS.....	54
7.1	Overall Budget Allocation .....	54
7.2	Detailed Budget .....	54
7.3	Cost Norms.....	58
8.	PROCUREMENT AND CONTRACTUAL PROVISIONS .....	62
8.1	Terms and Methods used in Procurement.....	63
8.2	Procurement of Consulting Services .....	67
8.3	Procurement of Goods, Works, Plant and Non-Consulting Services .....	69
8.4	Execution of the Tender Process .....	70
8.5	Procurement of Small Scale Investments with Villages / Villagers.....	73
9.	FINANCIAL MANAGEMENT .....	76
9.1	Planning and Budgeting .....	76
9.2	Fund Flow .....	77
9.3	Internal Control .....	77
9.3.1	Delegation of financial power.....	79
9.3.2	Mode of payments.....	79
9.3.3	Controls on payments.....	80
9.3.4	Controls on training expenses .....	81
9.3.5	Controls on vehicle use .....	81
9.3.6	Controls on advances.....	82
9.3.7	Reconciliations .....	82
9.3.8	Controls on fixed assets .....	83
9.3.9	Use of eProposal.....	83
9.4	Accounting .....	83
9.4.1	Accounting policies.....	83
9.4.2	Method of accounting .....	84
9.4.3	Books and records to be maintained .....	84
9.5	Financial Reporting .....	85
9.6	Audits.....	85
10.	DISBURSEMENT.....	88
10.1	General Provisions.....	88
10.1.1	Disbursement Request .....	88
10.1.2	General disbursement provisions .....	89
10.1.2.1	Bank details.....	89
10.1.2.2	Currency of disbursement.....	90

10.1.2.3	Liability limitation .....	90
10.1.2.4	Disbursement Advice.....	90
10.1.2.5	Documentation .....	90
10.1.3	Additional confirmations .....	91
10.2	Disbursement Procedures.....	91
10.2.1	Direct Disbursement Procedure (Consultant) .....	91
10.2.2	Simplified Reimbursement Procedure (with Auditor).....	92
11.	MONITORING AND EVALUATION.....	94
11.1	Monitoring .....	95
11.1.1	Monitoring of Progress .....	95
11.1.2	Monitoring of Outputs / Results .....	95
11.1.3	Third-party verification of implemented Project measures .....	95
11.1.4	Monitoring of Project Outcome / Objective and Framework Conditions .....	96
11.1.5	Monitoring of ESHS performance and compliance .....	96
11.1.6	Monitoring of relevant BMZ standard indicators.....	96
11.1.7	Use of a MIS .....	109
11.2	Evaluation .....	109
12.	REPORTING.....	110
12.1	Inception Report.....	110
12.2	Semi-Annual Progress Reporting .....	111
12.3	Serious Incident Reporting .....	112
12.4	Project Completion Report .....	113

## LIST OF TABLES

Table 1:	Selected pilot villages .....	9
Table 2:	FPA budget per village .....	13
Table 3:	Area and number of households-based VLMAP budget allocations per village .....	14
Table 4:	Comparison of GREEN Meghalaya and GREEN Meghalaya Plus PES schemes .....	17
Table 5:	Summary Project implementation schedule .....	28
Table 6:	Abstract of human resources at SPMU .....	32
Table 7:	Abstract of human resources at the Ganol CMU.....	34
Table 8:	Abstract of human resources at the Umiew CMU .....	35
Table 9:	Staffing detail of Implementation Consultant.....	38
Table 10:	Land use of Umiew catchment.....	41
Table 11:	Land use of Greater Ganol catchment .....	42
Table 12:	Summary E&S risk categorization of Project activities by WB ESS .....	45

Table 13:	Project costs by output and source of funding per No-Objected Inception Report.....	54
Table 14:	Project costs by output / activity and source of funding per Global Work and Budget Plan .....	55
Table 15:	Estimate of the proportion of labour costs of physical measures.....	59
Table 16:	Exemplary cost estimate of a contour bund .....	59
Table 17:	Exemplary cost estimate of an erosion control gabion check dam .....	60
Table 18:	Exemplary cost estimate of an earthen embankment with cement concrete core wall.....	61
Table 19:	Tender modalities for the procurement of consulting services.....	67
Table 20:	Tender modalities for the procurement of goods, works and non-consulting services .....	70
Table 21:	Delegation of Financial Power .....	79
Table 22:	Stakeholders and their roles and responsibilities in the M&E system.....	94
Table 23:	Monitoring of Outputs / Results.....	98
Table 24:	Monitoring of Outcome / Objective and Framework Conditions.....	101
Table 25:	Monitoring of ESHS Performance and Compliance .....	103
Table 26:	Monitoring of relevant BMZ standard indicators .....	107

## LIST OF FIGURES

Figure 1:	Umiew catchment villages .....	5
Figure 2:	Greater Ganol catchment villages.....	6
Figure 3:	Three-tiered approach to watershed management planning .....	22
Figure 4:	Project organization chart .....	29
Figure 5:	Land use / land cover map of Umiew catchment.....	41
Figure 6:	Land use / land cover map of Greater Ganol catchment .....	42

## LIST OF TEXTBOXES

Textbox 1:	Procurement and Contractual Provisions in a Nutshell .....	62
Textbox 2:	Financial Management in a Nutshell .....	76
Textbox 3:	Disbursement in a Nutshell .....	88
Textbox 4:	Table of Content of Semi-Annual Progress Reports.....	111

## LIST OF ANNEXES

Annex 1:	Updated Results Matrix per No-Objected Inception Report
Annex 2:	List of targeted Project villages
Annex 3:	ESCOPE screening for VLMAP activities
Annex 4:	Documentation deemed to be required for the justification of the reimbursement of expenditures through the Simplified Reimbursement Procedure
Annex 5:	Template of the Memorandum of Agreement between MBDA and VPICs for the implementation of VLMAPs

## LIST OF SEPARATELY AVAILABLE DOCUMENTS

- Separate Agreement.
- Inception Report, approved by KfW on 21 February 2025
- Global Work and Budget Plan (GWBP), submitted to KfW on 02 September 2024.
- Annual Work and Budget Plans (AWBP).
- KfW no-objected Procurement Plans.
- Free, Prior and Informed Consent (FPIC) Guidelines, approved by KfW on 12 April 2024.
- Financial Participatory Approach (FPA) Guidelines, approved by KfW on 07 June 2024.
- Village-Level Micro-Action Plan (VLMAP) template, approved by KfW on 10 April 2025.
- Cost Norms for VLMAP measures, approved by KfW on 12 March 2025.
- GREEN Meghalaya Plus Payment for Ecosystem Services (PES) Guidelines, approved by KfW on 20 May 2025.
- Forest Management Planning (FMP) Guidelines, approved by KfW on 20 May 2025.
- Procurement Guidelines, acknowledged by KfW on 03 July 2024.
- Community Procurement Guidelines, approved by KfW on 05 June 2025.
- Memorandum of Agreement (MoA) template between MBDA and the VPICs for the implementation of VLMAPs, conditionally approved by KfW on 05 June 2025.
- Financial Management and Monitoring Guidelines, approved by KfW on 13 August 2024.
- Communication Strategy, approved by KfW on 12 March 2025.
- Knowledge Management Strategy, approved by KfW on 12 March 2025.
- Grievance Redress Mechanism (GRM), approved by KfW on 28 November 2024.
- Community Engagement Planning Framework (CEPF) and Environmental and Social Management Framework (ESMF), approved by KfW on 23 September 2024.
- Training Needs Assessment (TNA) Report, shared with KfW for information on 30 August 2024.
- Global Training Plan, approved by KfW on 12 March 2025.
- Guidelines for Village Community Facilitators, approved by KfW on 10 April 2025.
- Monitoring and Evaluation (M&E) Guidelines, approved by KfW on 25 June 2025.
- Semi-Annual Progress Reports.

All these documents are available from

[https://drive.google.com/drive/folders/1gFlqc\\_ww6sqErnmOaBugiW0oh7rP37E3?usp=drive\\_link](https://drive.google.com/drive/folders/1gFlqc_ww6sqErnmOaBugiW0oh7rP37E3?usp=drive_link)

## ABBREVIATIONS AND ACRONYMS

AAC	Annual Allowable Cut
ABC	Attitudinal and Behavioural Change
ADC	Autonomous District Council
AoI	Area of Influence
ANR	Assisted Natural Regeneration
APD	Additional Project Director
APO	Annual Plan of Operation
AR	Artificial Regeneration
AWBP	Annual Work and Budget Plan
BMC	Biodiversity Management Committee
BMZ	Federal Ministry for Economic Cooperation and Development
BRS	Bank Reconciliation Statement
CAAA	Controller of Aid Accounts & Audit
CACWHP	Climate Adaptative Community-Based Water Harvesting Project (proposed)
CAG	Comptroller and Auditor General
CBO	Community Based Organization
CC	Cement Concrete
CC	Climate Change
CEO	Chief Executive Officer
CEPF	Community Engagement Planning Framework
CFO	Chief Financial Officer
CIFOR-ICRAF	Center for International Forestry Research and World Agroforestry
CLLMP	Community-Led Landscapes Management Project
CMU	Catchment Management Unit
CoA	Chart of Accounts
CoE	Centre of Excellence
COM	Community Operational Manual
CPD	Chief Project Director
CPM	Catchment Project Manager
DA	Direct Award
DC	Deputy Commissioner
DFS	Deutsche Forstservice GmbH
DoA	Department of Agriculture
DPD	Deputy Project Director
EC	Executive Committee
EGH	East Garo Hills
EHS	Environmental, Health and Safety
EKH	East Khasi Hills
EoI	Expression of Interest
ESCOP	Environmental and Social Code of Practice
ESCP	Environmental and Social Commitment Plan
ESHS	Environmental, Social, Health and Safety
ESMF	Environmental and Social Management Framework

ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standards
EUR	Euro
E&S	Environmental and Social
FAR	Fixed Asset Register
FBMP	Forest and Biodiversity Management in the Himalaya, Nagaland, Project
FBS	Fixed Budget Selection
FC	Financial Cooperation
FED	Forest & Environment Department
FIDIC	Fédération Internationale des Ingénieurs Conseils
FMP	Forest Management Plan
FPA	Financial Participatory Approach
FPIC	Free, Prior and Informed Consent
GAP	Gender Action Plan
GBV	Gender-Based Violence
GC	Governing Council
GHADC	Garo Hills Autonomous District Council
GHG	Greenhouse Gas
GIS	Geographic Information System
GoI	Government of India
GoM	Government of Meghalaya
GRC	Grievance Redressal Committee
GREEN	Grassroot level Response towards Ecosystem Enhancement and Nurturing
GRM	Grievance Redress Mechanism
GST	Goods and Services Tax
GTAI	Germany Trade and Investment GmbH
GWBP	Global Work and Budget Plan
ha	Hectare
HR	Human Resources
HRM	Human Resources Management
HWC	Human-Wildlife Conflict
H&S	Health and Safety
IAS	Indian Administrative Service
IBDLP	Integrated Basin Development and Livelihood Promotion Programme
IC	Implementation Consultant
ICARE	Informed Conscious and Responsible Existence
ICB	International Competitive Bidding
ICIMOD	International Centre for Integrated Mountain Development
IFAD	International Fund for Agricultural Development
IFS	Indian Forest Service
IGA	Income Generating Activity
IIM	Indian Institute of Management
INR	Indian Rupee
INRM	Institute of Natural Resources Management

IR	Inception Report
ISAE	International Standard on Assurance Engagements
IT	Information Technology
ItB	Invitation to Bid
IVCS	Integrated Village Cooperative Societies
JFMC	Joint Forest Management Committee
JICA	Japan International Cooperation Agency
JPY	Japanese Yen
JV	Joint Venture
KfW	KfW Development Bank
KHADC	Khasi Hills Autonomous District Council
LCB	Limited Competitive Bidding
LCS	Least Cost Selection
LRP	Livelihood Restoration Plan
MAP	Medicinal and Aromatic Plant
MBB	Meghalaya Biodiversity Board
MBDA	Meghalaya Basin Development Authority
MBMA	Meghalaya Basin Management Agency
MCCC	Meghalaya Climate Change Centre
MegARISE	Protection of Vulnerable Catchment Areas in Meghalaya (Project)
MegLIFE	Community-Based Forest Management and Livelihoods Improvement in Meghalaya (Project)
Megha-LAMP	Meghalaya Livelihood and Access to Markets Project
MegSPCB	Meghalaya State Pollution Control Board
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Scheme
MIS	Management Information System
MNREDA	Meghalaya New and Renewable Energy Development Agency
MoA	Memorandum of Agreement
MRV	Measurement, Reporting and Verification
MSRLS	Meghalaya State Rural Livelihood Society
MWP	Micro-Watershed Plan
M&E	Monitoring and Evaluation
NAPCC	National Action Plan on Climate Change
NCB	National Competitive Bidding
NEEDS	North East Educational & Development Society
NEHU	North Eastern Hill University
NEN	North East Network
NERCRMS	North Eastern Region Community Resource Management Society
NESFAS	North East Society for Agroecology Support
NGO	Non-Government Organization
NIRD&PR	National Institute of Rural Development and Panchayati Raj
NIT	National Institute of Technology
NRM	Natural Resources Management
NTFP	Non-Timber Forest Product

N.N.	Nomen Nominandum
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OHS	Occupational Health and Safety
O&M	Operations and Maintenance
PACS	Primary Agricultural Credit Society
PCCF	Principal Chief Conservator of Forest
PEA	Project Executing Agency
PES	Payment for Ecosystem Services
PFMS	Public Financial Management System
PHED	Public Health and Engineering Department
PM	Person-Month
POM	Project Operational Manual
PRA	Participatory Rural Appraisal
PSC	Project Steering Committee
PWD	Public Works Department
Q	Price Quotation
QBS	Quality Based Selection
QCBS	Quality and Cost-Based Selection
RfA	Request for Application
RfP	Request for Proposal
RfQ	Request for Quotation
RIL	Reduced Interest Loan
SALT	Sloping Agricultural Land Technology
SAPCC	State Action Plan on Climate Change
SEP	Stakeholder Engagement Plan
SHG	Self-Help Group
SIRD	State Institute of Rural Development
SLM	Sustainable Land Management (Project)
SNA	Single Nodal Account
SOE	Statement of Expenditures
SoR	Schedule of Rates
SPMU	State Project Management Unit
SRLMP	State Rural Livelihood Mission
SRP	Simplified Reimbursement Procedure
SWC	Soil and Water Conservation
SWGH	South West Garo Hills
S&WCD	Soil and Water Conservation Department
TDS	Tax Deducted at Source
TNA	Training Needs Assessment
ToR	Terms of Reference
UAV	Unmanned Aerial Vehicle
UC	Utilization Certificate
VCF	Village Community Facilitator

VEC	Village Employment Council
VPIC	Village Project Implementation Committee
VLMAP	Village-Level Micro-Action Plan
WB	World Bank
WGH	West Garo Hills
WUGIC	Water Users Group Implementation Committee

## ADDRESSES

DFS Deutsche Forstservice GmbH

Wittelsbacherstr. 11

[REDACTED]

GOPA Worldwide Consultants GmbH

Hindenburgring 18

[REDACTED]

DEVOPSYS Consulting Pvt. Ltd.

156, Rail Vihar, Sector 33

[REDACTED]

North East Society for Agroecology Support

Kerie Ville, Arbuthnott Road, Laitumkhrah

Shillong, Meghalaya

Tel. +91 9362313910

E-Mail: [infonesfas@gmail.com](mailto:infonesfas@gmail.com)

Web: [www.nesfas.in](http://www.nesfas.in)

Meghalaya Basin Development Authority (MBDA)

MegLIFE office, 2<sup>nd</sup> Floor, Shalom Building

Lower Laichumere

Shillong - 793001, Meghalaya

## DOCUMENT HISTORY

Version	Date	Remarks
0	[REDACTED]	Authors: Ralph Lennertz, Adrian Marbaniang, Steffen Schuelein, B.K. Tiwari, Nand Kishor Agrawal, Pradeep Kumar Keshava, Kajal Chakraborty, Amba Jamir. Reviewers: SPMU, Ralph Lennertz, Adrian Marbaniang.
1	[REDACTED]	Authors: Ralph Lennertz, Adrian Marbaniang, Steffen Schuelein, B.K. Tiwari, Nand Kishor Agrawal, SPMU (incorporation of KfW comments + completion of missing sections).
2	[REDACTED]	Authors: Ralph Lennertz, Adrian Marbaniang, Steffen Schuelein, B.K. Tiwari, Nand Kishor Agrawal, SPMU (incorporation of KfW comments + completion of missing sections).
2.1	[REDACTED]	Editor: Ralph Lennertz [REDACTED]
2.2	[REDACTED]	Editor: Ralph Lennertz (Annex 6 – VPIC By-Laws added).

## 1. INTRODUCTION

Meghalaya is one of the hot spots for Climate Change (CC) vulnerability in India which faces environmental and economic threats to sustainability of its natural resource, food production, water availability, forest biodiversity and livelihoods. CC and its variability in the temperature and rainfall regime may adversely affect the production and productive capacity of agriculture, fisheries, forests etc. The south-western monsoon from May to September brings torrential rains and flash floods in many parts of the State, especially in the low altitude areas bordering Assam and Bangladesh. These rains cause heavy environmental and economic loss to the State through soil erosion, silting of water bodies, loss of rural infrastructure besides destabilisation of riverbanks and riverine ecosystem. Moreover, during dry seasons (winters), the State faces acute shortage of water that adversely impacts livelihoods of the vulnerable and natural resources dependent communities.

To minimize the risks of CC and to increase productivity and incomes in rural areas, the Indian and German Governments have agreed to support the introduction of sustainable, climate-adapted and participatory management natural resources in selected Indian states in the catchment area of the Himalayas. After Manipur and Tripura, the "*Protection of Vulnerable Catchment Areas in Meghalaya (MegARISE)*" Project is the third Component of the "*Programme on Climate Change Adaptation in the Himalaya Region*" co-financed by the Federal Republic of Germany through KfW, with a focus on sustainable community forestry and Soil and Water Conservation (SWC).

Project appraisal took place from [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Project will contribute to the implementation of the Indian National Action Plan on Climate Change (NAPCC) as well as to the related missions (i.e., Green India Mission, Mission on Himalayan Ecosystems, National Mission on Strategic Knowledge on Climate Change and National Water Mission). Furthermore, the Project is aligned to the priority areas of the Meghalaya State Action Plan on Climate Change (SAPCC).

The estimated total cost of the Project amounts to approximately EUR 41 million. The Financial Cooperation (FC) contribution amounts to EUR 33 million, with EUR 1 million as Grant and EUR 32 million as Loan.

Project implementation is scheduled over a period of 7 years, from 25 November 2022 to 24 November 2029, originally divided into a one-year "*Inception Phase*", a five year "*Implementation Phase*" and a one-year "*Consolidation and Maintenance Phase*". Deadline for requesting disbursements is 30 December 2030.

## 2. PROJECT DESCRIPTION

### 2.1 Objective (Outcome)

The objective of the Project is to increase climate resilience of treated ecosystems and watershed livelihoods in the selected project areas. The Project is expected to (i) maintain forest cover while increasing crown coverage, (ii) increase total income as well as income diversity of the target population, (iii) increase water discharge and quality by rejuvenating natural resources of water, adopting water conservation and harvesting measures, enhancing their ecological and hydrological processes and by that reducing climate vulnerability of the target group, and (iv) establish innovative mechanisms (including Payment for Ecosystem Services [PES] and new administrative structure of catchment areas) for planning and management of natural resources financed by GoM.

Critical assumptions to fully achieve the objective are twofold:

- GoM supports and promotes implementation of its 2019 State Water Policy;
- Umiew and Ganol catchments are under the Meghalaya Protection of Catchment Area Act 1990.

### 2.2 Expected Results (Outputs) and Activities

To accomplish the Project objective, the results matrix (Annex 1 to the Inception Report, updating the erstwhile results matrix annexed to the Separate Agreement) and the implementation schedule (Section 2.10 of the Inception Report, updating the erstwhile implementation schedule annexed to the Separate Agreement) set forth the results to be achieved and the activities to be implemented to that end:

- 1) **Output 1:** Knowledge-based participatory planning and implementation and capacity building.
  - Village Project Implementation Committees (VPIC) receive support through village facilitators.
  - Establish knowledge management and communication strategy and systems (project website is developed and made operational, project learnings are documented).
  - Conduct Training Needs Assessment (TNA).
  - Design and implement training programmes.
  - Build capacity of the target community for livelihood promotion and catchment management.
  - Cooperation with a consortium of regional and (inter-)national universities or research institutions to conduct applied research on impacts of land use forms and land use practices on water balance.
- 2) **Output 2:** Forests and other ecosystems of the selected catchment areas are enhanced.
  - Micro-Watershed Plans (MWP) in accordance to well accepted national standards are developed: 77 MWPs
  - Producing of seedlings.
  - Forests are protected and restored through natural regeneration, afforestation and plantations based on forest protection agreements: 6,400 ha
  - Community nurseries are established.

- Soil and Water Conservation (SWC) measures in open forest areas, grassland and culturable wastelands are performed.
- Multi-purpose plants are used for soil stabilization: 2,080 ha
- Drainage line treatment with civil structure and vegetative means is undertaken.
- Forest fires are controlled.
- Water, silt and weather monitoring stations are established.
- Spring sheds are developed.
- Project villages participate in an active Payment for Ecosystem Services (PES) scheme: 68 villages

3) **Output 3:** Livelihoods of the vulnerable communities in the catchment areas improve.

- Community livelihood plans (forestry, horticulture, agriculture) are developed through consultation.
- Primary water harvesting structures are made under the project and water distribution system is developed by the GoM.
- Horticulture is promoted.
- Sloping Agricultural Land Technology (SALT) is promoted and training on SALT is conducted: 2,430 ha
- An Operation and Maintenance (O&M) system for the assets created with support of the project is established and operational.

4) **Output 4:** Adoption of best-practice project management

- Catchment Management Units (CMU), Village Project Implementation Committees (VPIC) and State Project Management Unit (SPMU) are established, and professional staff is recruited in time as per the Human Resources (HR) plan.
- Comprehensive Monitoring and Evaluation (M&E) system is developed and implemented.
- Social audit of the project is conducted.
- Environment and Social Management Framework (ESMF) and Community Engagement and Planning Framework (CEPF) is developed and adopted.
- Grievance Redress Mechanism (GRM) is established.
- Administrative, fiduciary and procurement systems acceptable to KfW are setup.
- Progress of the project is reported semi-annually to KfW.

The detailed Results Matrix, updated and completed during the inception phase, submitted to and no-objected by KfW together with the Inception Report, s [REDACTED]

## 2.3 Scope

Per no-objected Inception Report, the Project is to be implemented as an open programme in the Umiew and Greater Ganol catchments that notably secure the water supply for the two largest cities / towns in Meghalaya, i.e. Shillong and Tura. Accordingly, the Project area comprises 64 micro-watersheds with ca. 131 villages in the Greater Ganol catchment in three Districts (West Garo Hills [WGH], South West Garo Hills [SWG] and East Garo Hills [EGH]) and 13 micro-watersheds with ca. 94 villages in the Umiew catchment in one District (East Khasi Hills [EKh]).

Figure 1 shows the Umiew catchment villages. Figure 2 shows the villages in the Greater Ganol catchment.

## 2.4 Stakeholders

### **Project Execution Agency (PEA):**

The Meghalaya Basin Development Authority (MBDA) is the Project Execution Agency (PEA).

### **Institutional Stakeholders:**

MBDA is implementing the Project in coordination and with the support of the following Government institutions:

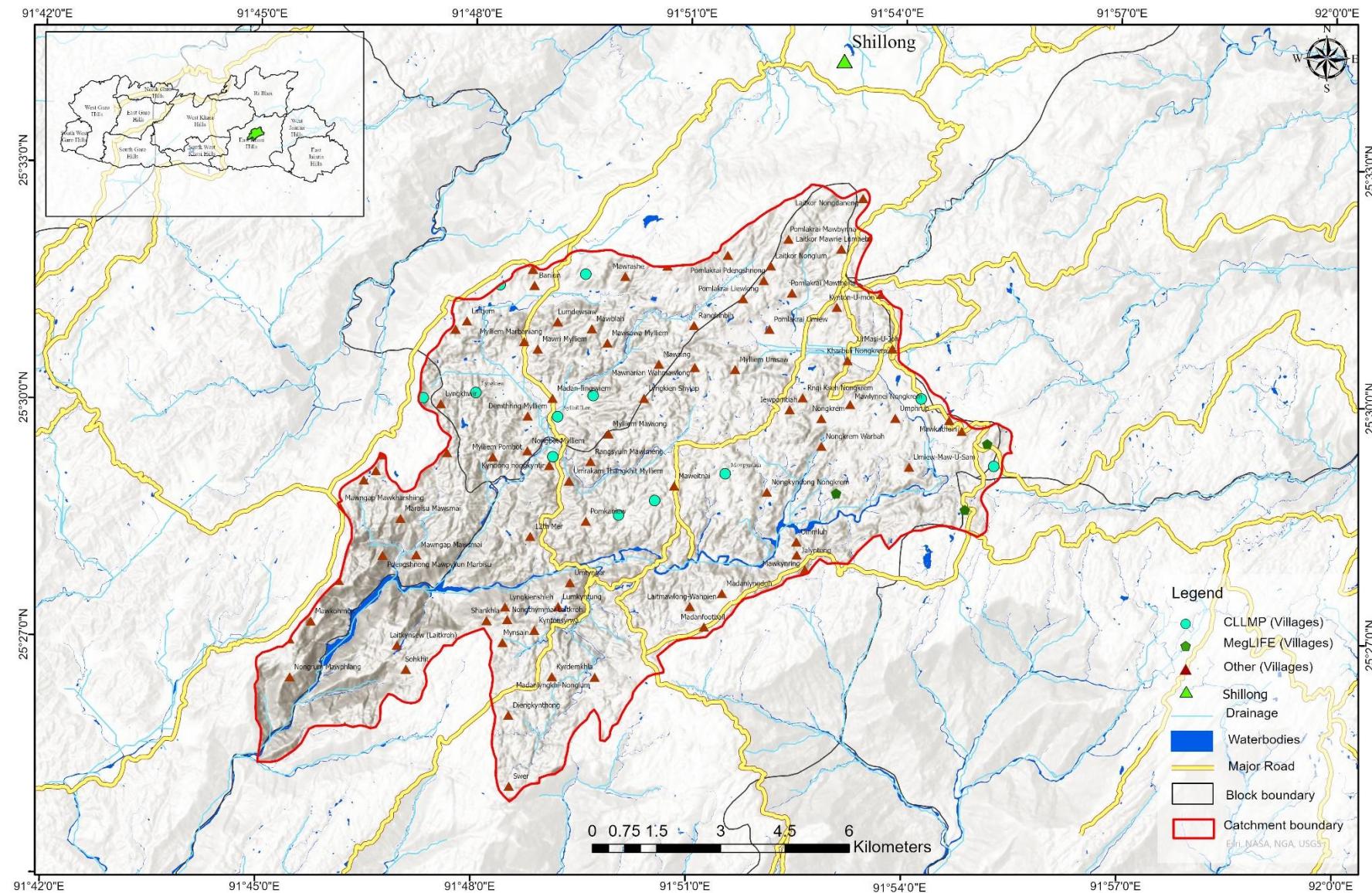
- Agriculture and Farmers' Welfare Department, incl. Horticulture;
- Community and Rural Development Department;
- Department of Labour, Employment and Skill Development;
- District Council Affairs Department;
- Finance Department;
- Forest and Environment Department;
- Planning, Investment Promotion and Sustainable Development Department;
- Public Health Engineering Department;
- Soil and Water Conservation Department;
- Water Resources Department.

Representatives of all these Departments are members of the Project's Governing Council (GC) (cf. Section 3.3) and/or Project Steering Committee (PSC) (cf. Section 3.4).

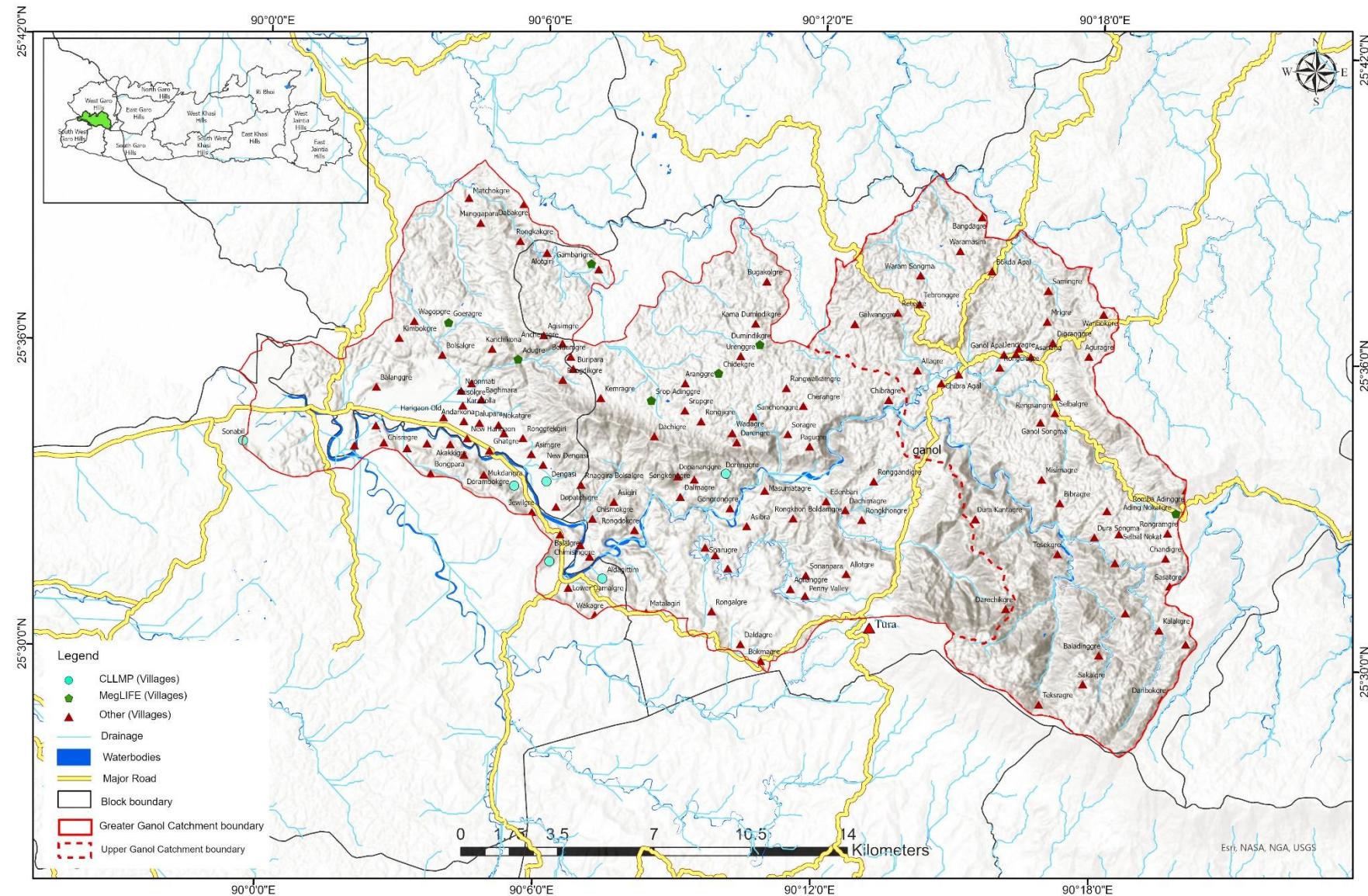
### **Target Group:**

The target group of the Project consist of the rural, mostly indigenous population with traditional land use rights who are highly dependent of the use of natural resources residing in the Umiew catchment (mainly Khasi people) respectively in the Ganol catchment (mainly Garo people).

The two tribes of the Project areas in Meghalaya have distinct customary, cultural, economic and political institutions as well as local languages differing from each other.



**Figure 1: Umiew catchment villages**



**Figure 2: Greater Ganol catchment villages**

Khasi people predominantly inhabit the Districts of East Khasi Hills, West Khasi Hills, Ri Bhoi, South West Khasi Hills and Eastern West Khasi Hills, together constituting Khasi Hills Autonomous District Council (KHADC) headquartered at Shillong.

Most villages in Khasi Hills have forest patches which can be a (i) village forest (*Law Shnong*) from where they collect firewood or lumber for day to day needs, (ii) a village protected forest (*Law Adong*) from where timber can be extracted for community needs or to help newly wedded couple built houses on the decision of the village durbar, (iii) Group of village Forest (*Law Raid*) belonging to the *Syiem Raid* who may allot the land and forest to the people of the villages of their *Raid* depending on their needs, (iv) Sacred Forest (*Law Kyntang*, *Law Lyngdoh*, *Law Niam*) which are patches of forests set aside based on religious beliefs for posterity and often serve the purpose of water resource conservation and provide various kinds of ecosystem services (Gurdon, 1914, Tiwari et al. 2010).

The Khasi people depend on the forests for firewood, construction timber, medicinal herbs, wild edibles viz. mushrooms, nuts, leafy vegetables, tubers, small animals, etc., and marketable Non-Timber Forest Products (NTFP), viz. bay leaf, wild pepper, broom grass, packing leaf, bamboo, etc. (Tiwari and Kumar 2008).

Garo people live in East Garo Hills, North Garo Hills, West Garo Hills, South Garo Hills and South West Garo Hills Districts, together constituting Garo Hills Autonomous District Council (GHADC) headquartered at Tura.

In matrilineal Garo society, a woman as head of a particular clan in a village is given the title of a *Nokma*. As the village head she also enjoys rights over land and natural resources in an *A'king land* (community land / area). Traditionally, the woman is a village head while the husband is supposed to assist her. But over the years, things have changed and men, e.g. the husband of *Nokma*, have taken over the centre stage for taking decisions related to village affairs (Lahiri and Das 2010).

In Garo society, female descendants are recognised as rightful owners of the *A'king land* belonging to a particular *Mahari* (clan). The *Nokma* has all the powers relating to the land to be exercised on the advice of the *Chras* (maternal uncles) of the clan. The *Nokma* plays a very important role in any land-based activity, particularly shifting agriculture (*Jhum*) as she is the sole authority to distribute the community land to the villagers.

Both Khasi and Garo are matrilineal and therefore inheritance is from mother's side. After getting married, the man lives in his wife's house. While the property is owned by women, the men govern the society and domestic affairs and manage the property. Gender disparities (disadvantages for women) also exist in the State, being maximum in West Garo Hills (Nayak and Ray 2007). Therefore, the representation of women in decision making on Project activities and in the overall participatory process shall be encouraged and supported.

Both tribes have strong traditional institutions; however, their structure and function vary a great deal. Villages of both tribes are rather homogenous in ethnicity but differentiated in clans. These differences vary between villages, but are stronger in East Khasi Hills than in West Garo Hills, where the leadership institution and function of the *Nokma* is still quite powerful, e.g. stronger than the *Rangbah Shong* in Khasi Hills, but also not fully comparable. In East Khasi Hills the local institution of the *Syiem* is a special case of land-allocation leadership that needs to be considered in the applicable areas (e.g. Mylliem Block).

Consultation and representation of the village leadership in the Project process is crucial and shall specifically include the different clans. Each Clan Council is headed by the Chief of the Clan locally known as *Rangbah Kur* who generally represents the Clan in decision making.

The results of a baseline survey conducted by the Centre of Excellence (CoE) for Natural Resource Management and Sustainable Livelihoods under MBDA in September 2024, analysing the prevailing socio-economic and bio-physical conditions in the Project and control villages to establish a baseline before the start of the implementation of Project activities for impact assessment, are available as separate document.

Annex 2 lists the names of the targeted Project villages in the Umiew and in the Greater Ganol catchments.

### **Other Stakeholders:**

Apart from the target group and the stakeholders who are member of the Project's GC (cf. Section 3.3), the Project shall engage with the following secondary stakeholders to share information, create awareness, coordinate activities and/or secure convergence:

- Government Departments:
  - Animal Husbandry and Veterinary Department;
  - Commerce and Industries Department;
  - Department of Labour, Employment and Skill Development;
- Government Institutions / Programs:
  - Institute of Natural Resources Management (INRM);
  - Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA);
  - Meghalaya Biodiversity Board (MBB);
  - Meghalaya Climate Change Centre (MCCC);
  - Meghalaya New and Renewable Energy Development Agency (MNREDA);
  - Meghalaya State Pollution Control Board (MegSPCB);
  - Meghalaya State Rural Livelihood Society (MSRLS);
  - North Eastern Region Community Resource Management Society (NERCRMS);
  - State Rural Livelihood Mission (SRLMP);
- Externally funded Projects:
  - Community-Based Forest Management and Livelihoods Improvement in Meghalaya (MegLIFE) Project;
  - Meghalaya Livelihood and Access to Markets Project (Megha-LAMP)
  - Sustainable Land Management (SLM) Project;
  - (Proposed) Climate Adaptative Community-Based Water Harvesting Project in Meghalaya (CACWHP);
- Local Authorities:
  - Autonomous District Councils (ADC) Khasi Hills and Garo Hills;
  - Block Offices;
  - *Rangbah Shnong, Nokma*;
  - Biodiversity Management Committee (BMC);
  - Joint Forest Management Committee (JFMC)
  - Village Employment Council (VEC);
- Local Research and Training Institutions:
  - Indian Institute of Management (IIM) Shillong;
  - National Institute of Rural Development and Panchayati Raj (NIRD&PR);

- National Institute of Technology (NIT) Meghalaya;
- North Eastern Hill University (NEHU);
- State Institute of Rural Development (SIRD);
- Civil Society and NGOs:
  - Bethany Society;
  - Informed Conscious and Responsible Existence (ICARE);
  - Meghalaya Water Foundation;
  - North East Educational & Development Society (NEEDS);
  - North East Network (NEN).

## 2.5 Project Strategy

For its successful implementation, the Project relies on the strategic elements described in the following Sections.

### 2.5.1 Phased community engagement

Following the Free, Prior and Informed Consent (FPIC) process (cf. Section 2.5.2), the engagement with communities started with 5 villages per catchment (10 villages in total) on a pilot basis (cf. Table 1). These villages were selected based on the following key criteria: (i) strong local leadership at the village level, (ii) village size preferably between 50 – 100 Households (HH), and (iii) good geographical distribution within the catchment to facilitate future cross village exposure visits from new neighbouring communities.

**Table 1: Selected pilot villages**

Sr. Nr.	Village	Block	District	Population [No. of HH]	Comment / justification for priority selection
<b>Umiew catchment</b>					
1	Demthring Mylliem	Mylliem	East Khasi Hills	86	These villages were selected due to their ample land availability, strong community willingness, supportive leadership, and strategic locations, though three villages have more HHs than preferred.
2	Mylliem Marbaniang	Mylliem	East Khasi Hills	157	
3	Mawrashe	Mylliem	East Khasi Hills	130	
4	Mawkhanpasir	Mylliem	East Khasi Hills	200	
5	Mylliem Pombot	Mylliem	East Khasi Hills	70	
<b>Ganol catchment</b>					
6	Durakalakgr e	Rongram	West Garo Hills	73	These villages were selected due to their ample land availability, strong community willingness, supportive leadership, and strategic locations, though two villages have less and one village has more HHs than preferred.
7	Mandal Nokat	Samanda	West Garo Hills	25	
8	Rengsangre	Rongram	West Garo Hills	230	
9	Sebal Nokat	Rongram	West Garo Hills	20	
10	Selbalgre	Rongram	West Garo Hills	175	

Only “No-Regret Measures” could be implemented not triggering any E&S safeguards instruments

The “No-Regret Measures” consist of the following:

- Trainings required for the engagement of the communities following the Financial Participatory Approach (FPA, cf. Section 2.5.3).
- Exposure visits to communities having recently been engaged through FPA in projects with similar measures [REDACTED].
- Implementation of the winning project ideas.
- Establishment of community nurseries in selected villages to be managed by Self-Help Groups (SHG) or Village Organizations (VO).

[REDACTED] the engagement with the remaining communities has started following a phased approach by batches of manageable size so that the flow of activities will not suffer undue interruptions that could lead to the loss of the communities' momentum and trust into the Project.

## 2.5.2 Free, Prior and Informed Consent (FPIC)

Free, Prior and Informed Consent (FPIC) is the right of Indigenous People to give or to withhold consent to the initiation of Project activities that may affect them. Once given, the consent can be withdrawn at any stage, allowing Indigenous People to negotiate the conditions under which the Project activities will be designed, implemented, monitored and evaluated.

FPIC is a mandatory requirement for all KfW projects that affect the land or access to natural and cultural resources of ethnic minorities (“Indigenous Peoples”). FPIC is applicable in the Project due to the predominant presence of two Indigenous Peoples of Meghalaya, the Garo in the Ganol catchment and the Khasi in the Umiew catchment as distinct social and cultural groups with collective attachment to the landscape and forest areas in Meghalaya.

The principles of FPIC are as follows:

- **Free:** Consent is given voluntarily and without coercion, intimidation or manipulation. A process that is self-directed by the community from whom consent is being sought, unencumbered by coercion, expectations or timelines that are externally imposed.
- **Prior:** Consent is sought sufficiently in advance of any authorization or commencement of activities, at the early stages of a development or investment plan, and not only when the need arises to obtain approval from the community.
- **Informed** refers mainly to the nature of the engagement and type of information that should be provided prior to seeking consent and also as part of the on-going consent process.
- **Consent** is a collective decision made by the rights-holders and reached through the customary decision-making processes of the communities.

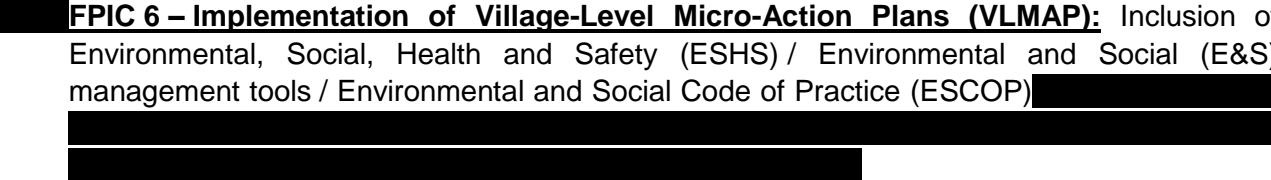
FPIC is understood as an iterative process from Project start to completion. The major stages are as follows:

- 1) **FPIC 1 – Project introduction and initial consultations with village communities:** Initial information and consultation at Block level administrations; explanation of the Project to village community; internal deliberation among the village community about the willingness to cooperate with the Project, resulting eventually in the signing of an Expression of Interest (EoI) to participate in the Project; formation of the Village Project Implementation Committee

(VPIC); identification of a Village Community Facilitator (VCF); eventually establishment of community nurseries and/or construction / renovation of community halls as “*no regret measures*”.

- 2) **FPIC 2 – Participatory Rural Appraisal (PRA):** Participatory mapping and identification of main issues relevant for forest plantation, agriculture, water management / springs, catchment area and landscape planning, as well as assessment of challenges related to socio-economic development and environmental / pollution issues and identification of priorities of the different village groups (incl. involving women groups and vulnerable people); introduction of the Grievance Redress Mechanism (GRM).
- 3) **FPIC 3 – Preparation of the Financial Participatory Approach (FPA) contests:** Information and theme setting of the contests; formation and training of the FPA Facilitation Team; formation and training of the Jury.
- 4) **FPIC 4 – Implementation of the Financial Participatory Approach (FPA):** Implementation of 3 consecutive contests: (i) story-telling for adults and drawing for children, (ii) sustainable livelihoods and (iii) community infrastructure for Soil and Water Conservation (SWC); ranking of the stories / drawings / proposals; award of cash prizes; refinement of the first ranking proposals of the second and third contest; funding for the implementation of the winning proposals.
- 5) **FPIC 5 – Participatory development of Village-Level Micro-Action Plans (VLMAP)** including forest and other ecosystem restoration, SWC and community livelihoods, based on an integrated, ridge to valley watershed management approach, paying attention to the inclusion of all community members (youth, women, elderly and disabled people).

**FPIC 6 – Implementation of Village-Level Micro-Action Plans (VLMAP):** Inclusion of Environmental, Social, Health and Safety (ESHS) / Environmental and Social (E&S) management tools / Environmental and Social Code of Practice (ESCOPE)



## 2.5.3 Financial Participatory Approach (FPA)

The Financial Participatory Approach (FPA) is a method that uses direct financial resources through cooperative competitions and awards and thus increases people's intrinsic motivation to drive their own development. It aims to create constructive, inclusive, and participatory development dynamics at the community, village, watershed and catchment levels.

FPA encourages people to gain new experiences, learn from others, and strengthen their own capacity for development in line with their own priorities and a more sustainable use of their natural resources. It emphasizes discovery, adaptation, and meaningful experiences tailored to fit each community's unique situation. FPA is deeply rooted in a people-centred model of community development, integrating established practices and fostering innovation to tackle local issues effectively. It provides a flexible framework for project implementation while remaining steadfast in its pursuit of the overarching goal.

Key features of FPA are:

- **Empowerment:** Local communities are directly involved in designing, implementing, and evaluating project activities, respecting their knowledge and decision-making abilities.
- **Transparency:** “*The rules of the game*” are defined and implemented by the community, with decisions explained and processes recorded.
- **Trust:** The Project demonstrates trust by making direct payments to the individuals and community for their achievements. Contests, that are at the heart of the approach, held to reward and implement the best of their own ideas, promote trust and responsibility, fostering sustainability.

FPA is at the heart of community mobilization and participatory watershed and livelihood planning. FPA is based on the following principles:

- **All initiatives come from the people:** FPA thrives when communities autonomously explore and adopt development solutions, devoid of external influence, ensuring grassroots-driven initiatives.
- **The role of the Project staff is limited to facilitation:** FPA facilitates without suggesting solutions. It encourages community-driven initiatives, avoiding expert roles unless requested.
- **Cooperative competition generates best ideas and practices:** FPA fosters creativity through friendly competition, encouraging community members to explore solutions to local challenges. Winning ideas receive recognition and support.
- **Direct financing supports successful generation and implementation of ideas:** FPA emphasizes financial support to nurture and implement winning ideas. Seed money capitalizes and kick-starts creativity, while co-funding elevates winning plans. Collective savings further sustain initiatives, fostering trust and long-term sustainability.
- **Mobilization of learning, knowledge, and experience:** FPA fosters dynamic exchanges within and between communities, integrating external expertise when identified and requested by themselves. It encourages self-identification of knowledge and technical needs.
- **FPA makes constructive use of tensions:** Classical development methods prioritize harmony and consensus. In contrast, FPA leverages cooperative competition to foster constructive tension and drive development, embracing societal realities for change.
- **Media exposure reinforces the impact of FPA:** Media exposure boosts pride, ownership, and community dynamism, fostering quality and exchanges beyond their own boundaries, amplifying the recognition and impact of FPA initiatives.
- **FPA progresses through iterative learning cycles:** shaped by community-identified themes and local culture and economic rhythms. Each cycle aims to enhance outcomes based on feedback.

FPA uses several tools to activate the people to take better charge of their own development and that generate a cognitive development learning process, viz:

- **Participatory Rural Appraisal (PRA)**, to comprehend:
  - the socio-economic situation, notably demographic profile, available infrastructure and services, land holding pattern, migration pattern, livelihoods, skills, village-level institutions, SHGs, ongoing Government schemes and projects;
  - environmental and natural resources related challenges, opportunities and priorities, notably land use and land use change, farming practices, forest resources, water sources, spring types, erosion, pollution.

- **Contests and awards:** Recommended are three consecutive contests:
  - 1) Story-telling and drawing (for children) on nature;
  - 2) Sustainable livelihood activities that prioritize community benefit, social acceptance, technical feasibility, economic viability, and environmental sustainability;
  - 3) Community infrastructure for Soil and Water Conservation (SWC).
 Certificates and cash prizes will be awarded to the five top-ranked stories / drawings / proposals of each contest.
- **Capitalisation:** Co-funding will be allocated to the first ranked proposals of the second and third contest for their implementation after refinement to ensure their feasibility, budget permitting.

The budget per village available for the implementation of FPA is shown in Table 2.

**Table 2: FPA budget per village**

Contests	1st Prize INR	2nd Prize INR	3rd Prize INR	1 <sup>st</sup> – 3 <sup>rd</sup> runners-up Prizes INR	Total INR
<b>Contests budget items</b>					
1.a. Story Telling	3,000	2,000	1,000		6,000
1.b. Drawing (class V and below)	1,500	1,200	1,000	3 x 500	5,200
1.c Drawing (class VI and above)	2,000	1,500	1,200	3 x 700	6,800
2. Sustainable Livelihoods	7,000	5,000	3,000		15,000
3. Community Infrastructure for SWC	8,000	6,000	4,000		18,000
Total award money					51,000
Preparation cost, including gifts / cash for performers					70,000
<b>Budget for FPA contests per village</b>					<b>121,000</b>
<b>Budget for implementation of winning idea (part of the budget for Output 2 [3<sup>rd</sup> contest] and Output 3 [2<sup>nd</sup> contest])</b>					
2. Sustainable livelihoods					4,50,000
3. Community Infrastructure for SWC					5,50,000
<b>Budget for implementation per village</b>					<b>10,00,000</b>
					0

## 2.5.4 Village-Level Micro-Action Plans (VLMAP)

Once a village has expressed its willingness to participate in the Project through the submission of an EoI as step 1 of the FPIC process (cf. Section 2.5.2), and the community has been engaged through FPA (cf. Section 2.5.3), a Village-Level Micro-Action Plan (VLMAP) (cf. Section 2.6.1) will be prepared by the Village Project Implementation Committee (VPIC, cf. Section 3.7) with the assistance of the Project's CMU. Based on recognized watershed development principles, the VLMAP comprises measures for (i) forest and other ecosystems enhancement as well as (ii) livelihoods improvement aligned with community needs.

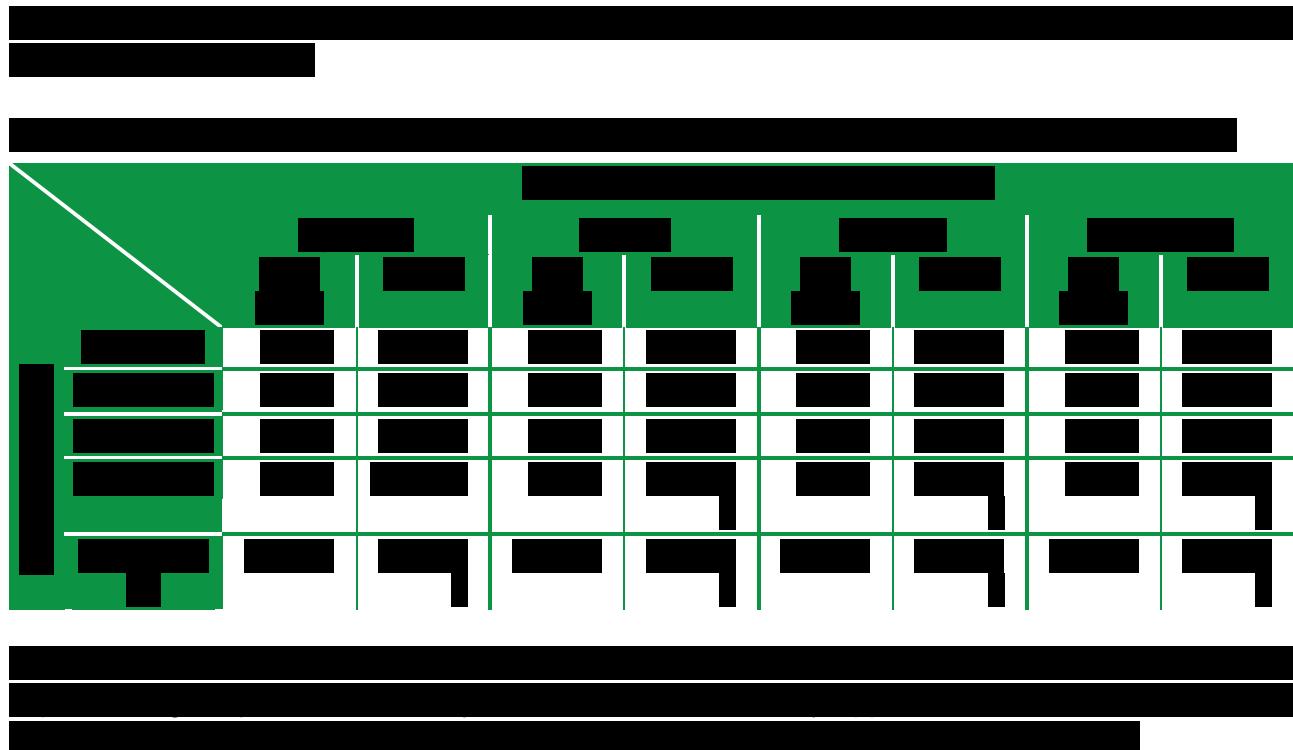
The VLMAP is one of the instruments used by the Project to develop comprehensive action plans at the village level. It builds on the FPA and adheres to the overarching FPIC guidelines. The VLMAP serves as a dynamic document and forms the foundation for ownership, decision-making and actions at the village level while aligning with the broader conservation and management strategies at the micro-watershed and catchment levels.

The preparation of the VLMAP takes advantage of the results of the PRA conducted during step 2 of the FPIC process as well as eventually of some of the proposals submitted by community members for the second and third FPA contests which were not ranked first. Additionally, the technical and financial expertise of the CMUs and SPMU staff plays a crucial role in finalizing the list of activities and budget for the activities to be implemented in the village as per the overall framework and standards of micro-watershed development.

The VLMAP budget for each village will be determined based on two primary factors: the availability of land for forestry and SWC measures and the number of households:

- Forestry and SWC measures (Output 2): Villages with smaller areas of land available for forestry and SWC treatments will receive a lower allocation than the villages which have larger area for investment under this output.
- Livelihood Activities (Output 3): Villages with fewer households will be allocated a smaller budget for livelihood activities compared to those with a higher number of households.

The overall budget for a village will be a combination of these two factors - land availability for treatment and household count. These allocations are indicative, providing flexibility for the CMUs to adjust them with 10% plus or minus as per their assessment of the need and community's motivation. While finalising the VLMAP, the CMUs will use their own judgment to decide the overall allocation for the village.



After validation of the VLMAP by the concerned CMU, its endorsement by the community's General Body and its approval by SPMU, a Memorandum of Agreement (MoA) will be concluded

between MBDA and the VPIC for the implementation of the VLMPA. [REDACTED]

---

Plan implementation by the VPIC with the assistance of the Project's CMU staff will be done based on annual work and budget plans to be submitted to SPMU for review and approval. The concerned CMU will conduct annual reviews to assess progress and to prepare an updated work and budget plan for the upcoming year. There is no need to revise the entire VLMPA; only the summary of interventions and the annual work and budget plan should be updated.

---

---

---

[REDACTED] Works will as much as possible be executed by the community members themselves. In normal circumstances, funding will be provided by the CMU to the VPIC in quarterly tranches, but in exceptional cases, funds will be released to the VPIC as and when requisitioned.

To foster community ownership, a beneficiary contribution (in kind or in cash) of at least 10% of the total labour costs of each VLMPA is desired. The cash equivalent of this beneficiary contribution should be credited to the Operations and Maintenance (O&M) Fund (cf. Section 2.5.7) to be set up at village level to ensure that all assets created under the Project continue to be maintained beyond the Project period.

Detailed Village-Level Micro-Action Planning Guidelines including a VLMPA template and a model VLMPA, approved by KfW on 10 April 2025, are available as separate documents.

Since the VLMPA preparation and approval takes time, KfW agreed on 11 March 2025 that some measures identified as priorities by the community ("No-Regret Measures") may be implemented immediately, following the approved cost norms (cf. Section 7.3), without waiting for the formal approval of the VLMPA or of the annual work and budget plan.

## 2.5.5 Forest Management Plans (FMP)

Following the Supreme Court judgement of 12 December 1996 on the 1995 civil writ petition no. 202 filed by T.N. Godavarman Thirumulpad against the Union of India, "*the felling of trees in all forests is to remain suspended except in accordance with working plans of the State Governments, as approved by the Central Government*". If at all, the use and valorisation of the timber resources for purposes beyond the own needs of the local population (e.g. for house construction, etc.) requires a duly approved plan. The Project will assist the VPICs in the preparation and approval of simple Forest Management Plans.

The stand composition and structure of the forests is inventoried by VCF using quadratic sample plots measuring 31.62 m x 31.62 m for the enumeration of trees, bamboos and areca nuts, plus 2 sub-plots measuring 3 m x 3 m each for the gathering of data on plant biodiversity. The data are collected with the help of a mobile app. Data processing, analysis and the preparation of FMPs is done by the CoE for Natural Resource Management and Sustainable Livelihoods under MBDA. The Annual Allowable Cut (AAC) is conservatively estimated as 50% of the annual yield calculated using the Von Mantel method (dividing twice the volume of the growing stock by the rotation).

Detailed Forest Management Planning Guidelines including a model FMP approved by KfW on 20 May 2025 are available as separate documents.

## 2.5.6 Payments for Ecosystem Services (PES)

Launched on 14 June 2022, the state-wide Grassroot level Response towards Ecosystem Enhancement and Nurturing (GREEN) Meghalaya scheme is meant to support villages, communities, clans or individuals who commit to conserve and protect natural forests. The scheme provides financial support over a period of 5 years. Permissible activities comprise the collection of minor forest produce for household use, nature tourism that does not involve construction or physical alteration of the forest landscape, and water collection for local consumption. Prohibited activities comprise grazing, felling of trees, mining, *Jhumming* or agricultural activities, hunting, introduction of exotic or invasive species, construction of permanent structures and any other activities that lead to conversion of forests into non-forests. In 2024, this scheme underwent a revision based on an appraisal of its past implementation. The revised GREEN Meghalaya Plus scheme launched on 01 October 2024 widens the scope and increases the benefits as shown in Table 4.

**Table 4: Comparison of GREEN Meghalaya and GREEN Meghalaya Plus PES schemes**

	GREEN Meghalaya	GREEN Meghalaya Plus
Scope	Natural forests including pine trees and bamboo reserves	
	Minimum area: 2 ha	Minimum area: 1 ha
	Conservation & protection period: 30 years	
	Financial support period: 5 years	
Financial Support	Base amount: 8,000 INR/ha/year	Base amount: 10,000 INR/ha/year
	Benefit for Very Dense Forests, forests traditionally recognised as Sacred Grove, forests with Living Root Bridge or forests located in eco-sensitive zones around protected areas (National Parks and Wildlife Sanctuaries) or in wildlife corridors: 2,000 INR/ha/year	Benefit for Dense Forests: 5,000 INR/ha/year
	Benefit for forests notified as Community Reserve with the Forest Department or covered under a Working Scheme with the Autonomous District Council: 5,000 INR/ha/year	Benefit for forests located near Eco-Sensitive Zones (ESZ) around Wildlife Sanctuaries / National Parks, Sacred Groves, Living Root Bridges, Elephant Corridors, and Forests featuring tourism potential sites such as waterfalls and caves: 5,000 INR/ha/year
	Maximum amount: 15,000 INR/ha/year	Maximum amount: 20,000 INR/ha/year
Financial Support for Community Forests	First 50 ha: full amount indicated above	
	Next 50 ha: 50% of amount indicated above	
	Additional ha above 100 ha: 25% of amount indicated above	
Financial Support for Individual Forests	First 25 ha: full amount indicated above	
	Next 25 ha: 50% of amount indicated above	
	Additional ha above 50 ha: 25% of amount indicated above	
Payment of Funds	Year 1: 100 %	
	Years 2 to 5: 0% to 100% according to results of annual verification	
Use of Funds	Year 1: 100% for prescribed forest conservation / restoration activities	Funds can be used at the discretion of the beneficiaries except for prohibited activities detrimental to the environment
	Years 2 to 5: 50% for prescribed forest conservation / restoration activities, 50% for	

	GREEN Meghalaya	GREEN Meghalaya Plus
	community developmental activities such as footpath repair, school / community hall repair and maintenance, etc..	

Permissible activities comprise the collection of minor forest produce for household use, ecotourism that does not involve concrete construction or physical alteration of the forest landscape, water collection for local consumption, and construction of water harvesting structures for the supply of drinking water to surrounding villages. Prohibited activities comprise grazing, felling of trees, mining, *Jhumming* or agricultural activities, hunting, introduction of exotic or invasive species, construction of permanent structures and any other activities that lead to conversion of forests into non-forests.

Applications to participate in the GREEN Meghalaya Plus scheme are to be submitted through the Meghalaya Basin Management Agency's (MBMA) Green Field Associates (GFA), or alternatively through the *Dorbar's* or Village Headman's Office or through the Block Office, where the applications will be retrieved by the GFAs. Prior to the signing of a Memorandum of Understanding (MoU) between the applicant and MBDA, the following process has to be completed:

- 1) Forest boundary and condition verification: Done in the field by MBMA's GFAs with the assistance of trained VCFs. The data will be uploaded to the web-based Management Information System (MIS) for vetting by SPMU.
- 2) Eligibility assessment: SPMU reviews and verifies the uploaded data against the eligibility criteria.
- 3) Orientation of the applicant: Coordinated by the GFA in collaboration with resource persons from SPMU, the orientation provides detailed insights into the scheme as well as into the rights and responsibilities of both parties of the MoU.

After the MoU is signed between the applicant (now referred to as beneficiary) and MBDA, the amount of the initial tranche is calculated based on the principles shown in Table 4 and disbursed to the beneficiary.

The tranches for years 2 to 5 will be calculated based on the results of the annual verifications carried out by MBDA's GFAs. Instead of sophisticated measurements involving complex methodologies, proxy indicators are appraised on the ground over a horizontal distance of 25 m left and right along line transects resulting in a sampling intensity of 3% to 10% of the forest area. For each proxy indicator, the findings are translated into a score as follows:

- Absence of felling of trees: 40 (no felling) to 0.
- Absence of forest fires: 10 (no fire) to 0.
- Absence of grazing: 5 (no grazing) to 0.
- Assisted Natural Regeneration (ANR): 2 (very good implementation) to 0.
- Gap planting: 2 (very good implementation) to 0.
- Absence of mining: 8 (no mining) to 0.
- Absence of *Jhumming* / agriculture: 3 (no *jhumming* / agriculture) to 0.
- Absence of hunting: 3 (no hunting) to 0.
- Absence of cash crops: 5 (no cash crop) to 0.
- Absence of permanent structures (except for eco-tourism): 10 (no permanent structure) to 0.
- Absence of other non-forestry activities: 5 (no other non-forestry activity) to 0.
- Presence of sign board: 3 (sign board present) or 0.
- Prevention of grazing: 4 (fencing effective) to 0.

The scores by proxy are totalled into a global Measurement, Reporting and Verification (MRV) score which determines the amount to be paid:

- 0% of the annual amount for a MRV score of less than 70.
- 80% of the annual payment for a MRV score between 70 and 79.
- 90% of the annual payment for a MRV score between 80 and 89.
- 100% of the annual payment for a MRV score of 90 and above.



## 2.5.7 Operations and Maintenance (O&M) Fund

To ensure the sustainability and long-term maintenance of all assets created under the Project, an Operations and Maintenance (O&M) Fund will be established at the village level. This fund will have a designated bank account specifically for meeting the institutional and operational needs associated with maintaining the Project's assets beyond the Project period.

The O&M Fund will be built through contributions from the beneficiaries (10% of the labour costs) and through a matching amount of 10% from the Financial Contributions (FC). The VPIC will transfer the community contributions to the O&M Fund account simultaneously with the payment of the wages to the labourers. At the end of each calendar year, MBDA will transfer an amount equivalent to the cumulated annual VPIC contributions from the FC to the O&M Fund account. Interest earned will also contribute to the O&M Fund.

During the Project period, the O&M Fund will be managed by the VPIC. Withdrawals for maintenance purposes will require written consent from MBDA to ensure that the funds are used judiciously and for their intended purpose. During the initial two to three years of the VL MAP implementation, no withdrawals from the O&M Fund will be permitted. This restriction is intended to allow the fund to grow and accumulate sufficient resources for future maintenance needs. In exceptional cases such as natural disasters like flash floods or excessive rains, or other unforeseen anthropogenic issues that may cause damage to the assets, the VPIC may be authorized by MBDA to utilize these funds earlier, from the third year of operation.

To maintain transparency and accountability, separate records will be meticulously kept for the O&M Fund. These records will track all contributions, transfers, withdrawals, and expenditures, ensuring that the funds are managed responsibly.

After the Project period concludes, the management of the O&M Fund will be entrusted to the competent Integrated Village Cooperative Societies (IVCS) (cf. Section 3.9) or, in their absence, to the respective Village Employment Council (VEC).

Detailed guidelines for the constitution, administration and use of the O&M Fund are available as separate document.

## 2.5.8 Training and capacity building

Capacity building is an essential component of the Project. It is more than training, and includes the following:

- **Human Resources Development:** Equipping personnel with the knowledge, skills and access to information, training and professional development so that they may perform to agreed standards cost-effectively.
- **Organizational Development:** Reviewing and agreeing on policy and functions, elaborating management structures, processes, procedures and management relationships within the Project (including the participating communities), with MBDA as well as with other sectors, agencies, NGOs and projects.
- **Institutional Development:** Ensuring that there is legal authority for regulatory changes to improve productivity and performance routinely, and that lessons learned (best practices) through the Project are adopted by the GoM.

An initial Training Needs Assessment (TNA) with focus on the Project staff at SPMU and CMU level has analysed the gap between the competencies required for a particular job and the competencies possessed by the job incumbent (cf. Section 6.2). It served as basis for the elaboration of a Training Management Strategy and of a Global Training Plan covering the entire Project duration, comprising (i) classroom and field trainings, (ii) local, national, and international exposure visits, and (iii) participations in conferences / seminars. The Global Training Plan will be updated annually based on M&E results and emerging needs.

The training needs at the community level will be assessed progressively as the engagement of new communities progresses.

Experience during Project implementation will highlight areas in which a training programme is not the solution to all capacity development or Human Resource Management (HRM) requirements. For example, discipline or re-assignment, job re-design, or better management and communication may in certain instances be required rather than training.

The initial Global Training Plan approved by KfW on 11 March 2025 is available as separate document.

## 2.5.9 Secondary / other stakeholder engagement

Apart from the target group and the stakeholders who are member of the Project's GC (cf. Section 3.3) and/or PSC (cf. Section 3.4), SPMU and the CMUs will engage with the other stakeholders (cf. Section 2.4) to share information, create awareness, coordinate activities and/or secure convergence based on specific Stakeholder Engagement Plans (SEP).

## 2.5.10 Environmental & Social (E&S) safeguards

The Project will be implemented in compliance with KfW's Sustainability Guideline (2023) and the relevant standards therewith, namely WB Environmental and Social Standards (ESS), the WB Group's General and sector specific Environmental, Health and Safety (EHS) Guidelines as well as the Guidelines on Incorporating Human Rights Standards and Principles, including Gender, in Programme Proposals for Bilateral German Technical and Financial Cooperation.

SPMU and the CMUs will ensure adherence of the Project implementation with the environmental and social requirements by developing and implementing

- an Environmental and Social Management Framework (ESMF),
- a Community Engagement and Planning Framework (CEPF) including FPIC procedures (cf. Section 2.5.2) and a strong focus on equal involvement of women and men as well as on the involvement of vulnerable groups and of minority groups (where applicable), and
- a Grievance Redress Mechanism (GRM) as well as related trainings.

Environmental and social risks mitigation measures will be implemented as identified in the ESMF and CEPF and further detailed in the related VLMAPs as far as these measures are relevant to the plans.

The CEPF cum ESMF approved by KfW on 23 September 2024 is available as separate document.

## 2.6 Approach to Watershed Management Planning

Watershed management planning will be done consistent with the 2021 Guidelines for New Generation Watershed Development Projects published by the Department of Land Resources, Ministry of Rural Development, Govt. Shifting from the earlier approach concentrating on SWC and siltation reduction measures, watershed development nowadays adopts an integrated, ridge to valley approach, focusing on the management of the biological, physical and social elements in the landscape within a watershed's boundaries. The main principles of the approach are as follows:

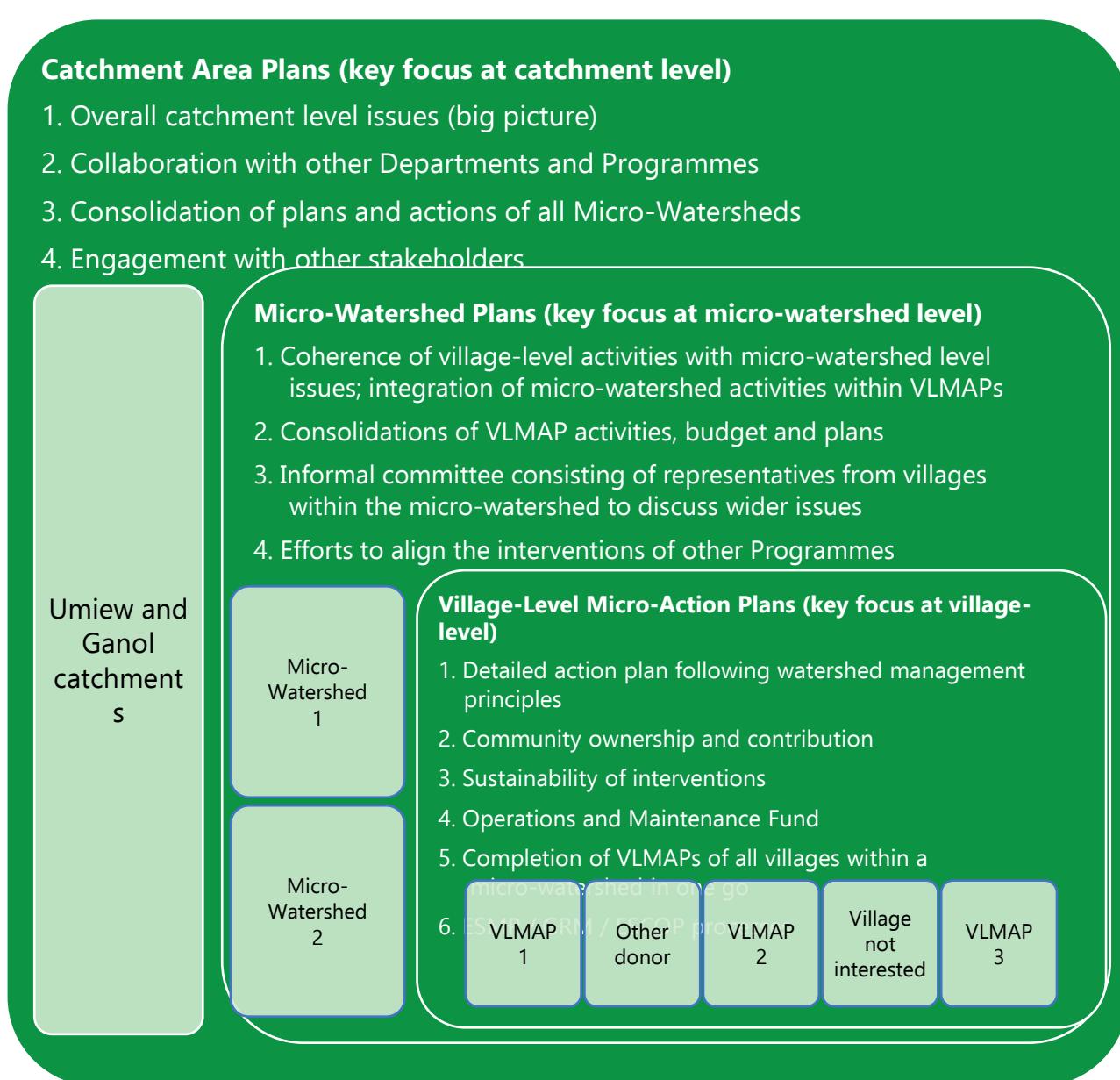
- Prioritization of vegetative measures over mechanical / engineering treatments, focusing on trees, cropping systems, soil moisture conservation and management and soil organic matter.
- Emphasis on realizing effective use of rain water through integrated measures to enhance water percolation for storage of rainfall and supplementing moisture deficits with water harvested by small water harvesting structures like staggered contour trenches, rainwater percolation pits, ponds, check dams, etc.
- Risk management for adaptation to and mitigation of adverse effects of climate variability through crop systems diversification and integrated farming systems – agroforestry, (modified) Sloping Agricultural Land Technology (SALT), horticulture crops, small-scale livestock production, aquaculture, fish sanctuaries, etc., diversifying livelihood portfolios.
- Focus on community empowerment and greater role for village-level institutions in the planning process with a view to accommodating the local social and traditional strengths.
- Rejuvenation of springs by taking up appropriate spring-shed activities.

Starting from the bottom with the effective managers of the landscape, the Project pursues a three-tier approach to watershed management planning:

- Preparation of Village-Level Micro-Action Plans (VLMAP) at the village level;
- Consolidation of VLMAPs into Micro-Watershed Plans (MWP) at the micro-watershed level;
- Aggregation of MWPs into Catchment Area Plans (CAP) at the catchment level.

Figure 3 depicts the scope / hierarchy of the three-tiered watershed plans.

All these plans are dynamic, i.e. subject to periodic updates during the Project period. Since the communities would have gained experience, it is expected that they will update the plans and seek support from other projects or line Departments once the MegARISE Project expires.



**Figure 3: Three-tiered approach to watershed management planning**

## 2.6.1 Village-Level Micro-Action Plans (VLMAP)

Village-Level Micro-Action Plans (VLMAP) are the primary unit of planning, implementation and monitoring of measures for (i) forest and other ecosystems enhancement and (ii) livelihoods improvement (cf. Section 2.7) supported by the Project, based on recognized watershed development principles.

For each village within the Project area that is not supported by the CLLMP nor by the MegLIFE Project (cf. Annex 2) and willing to participate, a VLMAP will be developed with the support of the concerned CMU, based on KfW approved cost norms (cf. Section 7.3).

The VLMAPs are to be implemented by the VPICs (cf. Section 3.7). Funding of the activities comes from the KfW, the GoM and community contributions (desired are 10% of the total labour costs).

With assistance of the CMUs, the VLMAPs will be revised annually.

Detailed Village-Level Micro-Action Planning Guidelines including a VLMAP template and a model

## 2.6.2 Micro-Watershed Plans (MWP)

All VLMAPs prepared with the support of the Project that are located in a specific micro-watershed will be consolidated into a Micro-Watershed Plan (MWP). VLMAPs that span several micro-watersheds will be consolidated into the MWP where the majority of the village habitations are located to avoid redundancy. An informal committee consisting of one representative each from the villages within the micro-watershed will meet semi-annually to discuss and address issues at the micro-watershed level.

A MWP will consist of the following:

- A micro-watershed map showing essential features such as the location of the Project villages and of critical springs monitored for water discharge and quality;
- An abstract of the planned activities from all VLMAPs within the micro-watershed;
- Identification of activities eventually requiring collaboration among Project villages, e.g. stream or spring-shed treatments and/or value addition units, to be added to existing VLMAPs and implemented by the concerned VPICs after informal coordination between village leaders;
- Identification of activities eventually requiring coordination with other Projects (e.g. MegLIFE);
- A semi-annually updated abstract of the effectively implemented activities from all VLMAPs within the micro-watershed.

## 2.6.3 Catchment Area Plans (CAP)

All MWPs prepared by the Project based on VLMAPs in a specific catchment will be aggregated into a Catchment Area Plan (CAP).

A CAP will consist of the following:

- A catchment map showing essential features such as the location of the Project villages;
- A summary description of the catchment and key issues;
- An annually updated abstract of the planned activities from all MWPs within the catchment;
- Identification of activities that are not VLMAP-based, e.g. related to field processing units;
- An annually updated abstract of the effectively implemented activities from all MWPs within the catchment.

## 2.7 Menu of Project Measures

Outlined below is a list of eligible Project measures related to the Project outputs to be achieved, referred to as the "*Menu of Measures*". Not all activities listed need be implemented; rather, a community may select from the menu according to its needs. It's crucial to emphasize that the list provided below offers options for consideration, allowing for flexibility based on the local context. However, it's imperative to ensure that any activity chosen aligns with the Project objectives. Activities that may cause harm to people, animals or the environment, or are ecologically unsustainable, should be avoided and not implemented.

### **Output 2: Forest and other ecosystems of the selected catchment areas are enhanced:**

- 2.1 Forest ecosystems protection and restoration:
  - 2.1.1 Upgrading / setting up and management of Community Nurseries.
  - 2.1.2 Setting up and management of Central Nurseries.
  - 2.1.3 Training on Natural Resources Management (NRM) activities.
  - 2.1.4 Assisted Natural Regeneration (ANR).
  - 2.1.5 Afforestation / reforestation / Artificial Regeneration (AR) with mixed indigenous / local species.
  - 2.1.6 Peripheral fencing (earthen bund, life fence, cut bamboo).
  - 2.1.7 Individual tree guards (excluding plastic ones).
  - 2.1.8 Payment for Ecosystem Services (PES) (Community Forest Reserves, Water Sources, etc.).
  - 2.1.9 Fire management / protection (fire lines / fire breaks, patrolling).
  - 2.1.10 Preparation of Forest Management Plans (FMP).
- 2.2 Soil and Water Conservation (SWC):
  - 2.2.1 Reinforced Cement Concrete (RCC) check dam.
  - 2.2.2 Cement Concrete (CC) check dam.
  - 2.2.3 Bench terrace.
  - 2.2.4 Cement Concrete (CC) retaining wall.
  - 2.2.5 Erosion control gabion check dam.
  - 2.2.6 Erosion control gabion wall.
  - 2.2.7 Contour bund.
  - 2.2.8 Earthen peripheral bund.
  - 2.2.9 Earthen embankment with Cement Concrete (CC) core.
  - 2.2.10 Reinforced Concrete (RCC) water tank.
  - 2.2.11 Water filtration tank.
  - 2.2.12 Roof top rainwater harvesting.
  - 2.2.13 Water conservation pond with spillway dam.
  - 2.2.14 Loose boulder check dam.
  - 2.2.15 Dug out pond.
  - 2.2.16 Gully plug.
  - 2.2.17 Planting of Medicinal and Aromatic Plants (MAP) primarily for soil stabilization.
  - 2.2.18 Staggered contour trenches
  - 2.2.19 Spring chamber development.
  - 2.2.20 Halfmoon terrace (boulder).

- 2.2.21 Halfmoon terrace (bamboo).
- 2.2.22 Roof rainwater percolation pit.
- 2.2.23 Recharge pit.
- 2.2.24 Deep percolation pit.
- 2.2.25 Stone peripheral bund.
- 2.2.26 Improved washing platform with filter.
- 2.2.27 Setting up and maintenance of weather, water and silt monitoring stations.

**Output 3: Livelihoods of the vulnerable communities in the catchment areas improve:**

- 3.1 Water harvesting and storage for livelihood activities:
  - 3.1.1 Primary water harvesting and distribution structures.
  - 3.1.2 Dug out pond, Jalkund.
- 3.2 Farm-based activities:
  - 3.2.1 (Modified) Sloping Agricultural Land Technology (SALT).
  - 3.2.2 Agroforestry.
  - 3.2.3 Fruit farming / horticulture with mixed indigenous / local species.
  - 3.2.4 Cultivation of local food (Sweet Potato, Yam, Tapioca, Sohphlang [*Flemingia vestita*]), Millet, which can be linked to IGA.
- 3.3 Off Farm-based activities:
  - 3.3.1 Support of small-scale livestock production.
  - 3.3.2 Apiculture.
  - 3.3.3 Aquaculture ponds.
  - 3.3.4 Fish sanctuary.
  - 3.3.5 Other livelihood activities (handicrafts, etc.).
  - 3.3.6 Non-Timber Forest Products (NTFP) collection and value addition.
  - 3.3.7 Promotion of local and indigenous food products (not a VL MAP activity).
  - 3.3.8 Setting up and management of field processing units (not a VL MAP activity).
  - 3.3.9 Human Wildlife Conflict (HWC) prevention and compensation measures (to be determined) (particularly relevant for the Ganol catchment).

## 2.8 Selection of Communities

The environmental and social criteria for selecting communities and sites are, at minimum, based on a “*Do No Harm*” approach, and further on an approach that is inclusive of the poorest and most vulnerable members of the community. The following community / site selection criteria will be critical:

- **Target group status:** Communities should consist of vulnerable people (single women headed households, people with disabilities, old aged, landless and other extremely poor families) that could be supported by the Project's pro-poor approach.
- **Opportunities for sustainable forest management and micro-watershed development:** Opportunities for afforestation and/or regeneration and subsequent sustainable forest management in the area and also opportunities for SWC as part of an integrated, ridge to valley watershed management approach are a must. (**Output 2**).
- **Livelihood potential:** Adequate commodities, resources in the landscape for increasing the opportunity of supporting meaningful livelihoods interventions must be available or known. (**Output 3**).
- **Institutional commitment:** Local institutions (*Dorbar* and *Nokma*) must be committed to participate in the Project (evidenced along the FPIC process through the issuance of the EoI to participate in the Project, through the documentation of the participation in the PRA and in the preparation of the VL MAP, culminating in the signing of a Memorandum of Agreement [MoA] for the implementation of the VL MAP) and have the capacity to ensure safeguarding environmental and social standards with the support of properly trained VCFs.
- **Not part of any current or recent externally assisted projects** such as CLLMP, Megha-LAMP, MegLIFE.

Basic “*Do No Harm*” criteria shall be applied when selecting sites and villages:

- Villages should not be selected if the FPIC of communities to participate in the Project and commitment to changing their land and forest management behaviour cannot be established during the first socialization.
- Villages should not be selected if readiness to create (or update) a participatory VL MAP is not given in communities.
- Sites should not be located on disputed land or areas of violent conflict.
- Sites should not require the physical relocation or forced eviction of people.
- Sites should not be located where known cultural heritage could be endangered.
- Sites should not be selected if the activities could endanger, degrade or convert natural forests or habitats.

For the selection of the first 5 communities per catchment to be engaged with on a pilot basis after the approval of the FPIC guidelines but prior to the approval of the ESMF and CEPF, the following additional criteria should be observed:

- Strong local leadership at the village level.
- Village size preferably between 50 - 100 households.
- Strategic geographical distribution within the catchment to facilitate future cross village exposure visits from new neighbouring communities.

## 2.9 Schedule and Timeframe

Project implementation is scheduled over a period of 7 years, from 25 November 2022 to 24 November 2029, initially with a one year inception phase, a five years implementation phase and a one year consolidation and maintenance phase. [REDACTED]

The Request for Application (RfA) for the provision of the Implementation Consultant (IC) services was published on 08 December 2022, with a deadline for submission of pre-qualifications until 13 January 2023, subsequently extended to 20 January 2023. The results of the prequalification were published on 06 April 2023.

The Request for Proposal (RfP) for the provision of the IC services was published on 07 June 2023, with a deadline for submission of proposals until 26 July 2023. On 13 October 2023, the Joint Venture (JV) DFS – GOPA was invited to contract negotiations, resulting in the signing of the consulting services contract on 01 November 2023 over a duration of 84 months. 01 December 2023 marks the official start of the IC services.

On account of the time spent for the onboarding of the IC, the PEA and KfW agreed during a videoconference held on 30 January 2024 to extend the inception period until 31 October 2024. Without an extension of the Project period and with an unaltered consolidation and maintenance phase of 1 year, the implementation phase is reduced to 4 years, in principle with only 2 monsoon seasons (2025 and 2026) for plantation establishment to be able to carry out plantation maintenance for at least 3 years (the Forest and Environment Department [FED] cost norms as well as the Feasibility Study and the DPR actually foresee plantation maintenance incl. beating up during 4 years after planting).

A summary Project implementation schedule is shown in Table 5. The detailed Global Work and Budget Plan (GWBP) as well as Annual Work and Budget Plans (AWBP) are available as separate documents.

**Table 5: Summary Project implementation schedule**

Output / Activity	Project Year 1				Project Year 2				Project Year 3				Project Year 4				Project Year 5				Project Year 6				Project Year 7						
	Q1	Q2	Q3	Q4																											
	2023				2024				2025				2026				2027				2028				2029						
	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A		
<b>Inception</b>																															
<b>Implementation</b>																															
<b>Consolidation</b>																															
<b>Output 1: Knowledge-based participatory planning &amp; implementation and capacity building</b>																															
1.1 Micro-Watershed Planning																															
1.2 Knowledge Management & Communication																															
1.3 Awareness / Training / Workshops / CB																															
<b>Output 2: Forests and other ecosystems of the selected catchment areas are enhanced</b>																															
2.1 Forest Ecosystems Protection & Restoration																															
2.1.1 Nurseries establishment & management																															
2.1.2 Forest restoration																															
Planting																															
Maintenance																															
2.1.3 Forest protection & conservation																															
2.2 Soil & Water Conservation																															
2.3 Implementation support on NRM activities																															
<b>Output 3: Livelihoods of the vulnerable communities in the catchment areas improve</b>																															
3.1 Water Harvesting & Storage																															
3.2 Farm-Based Activities																															
3.3 Off-Farm Activities																															
<b>Output 4: Adoption of best-practice project management</b>																															
4.1 Setting-up of Project Implementation Structure																															
4.2 Setting-up of Project Management System																															
4.3 Planning																															
4.4 Implementation (administrative aspects)																															
4.5 Monitoring, Evaluation & Coordination																															
4.6 Stakeholder Engagement																															
4.7 ESHS Compliance																															

### 3. PROJECT IMPLEMENTATION ARRANGEMENTS

The Project's organizational chart is depicted in Figure 4.

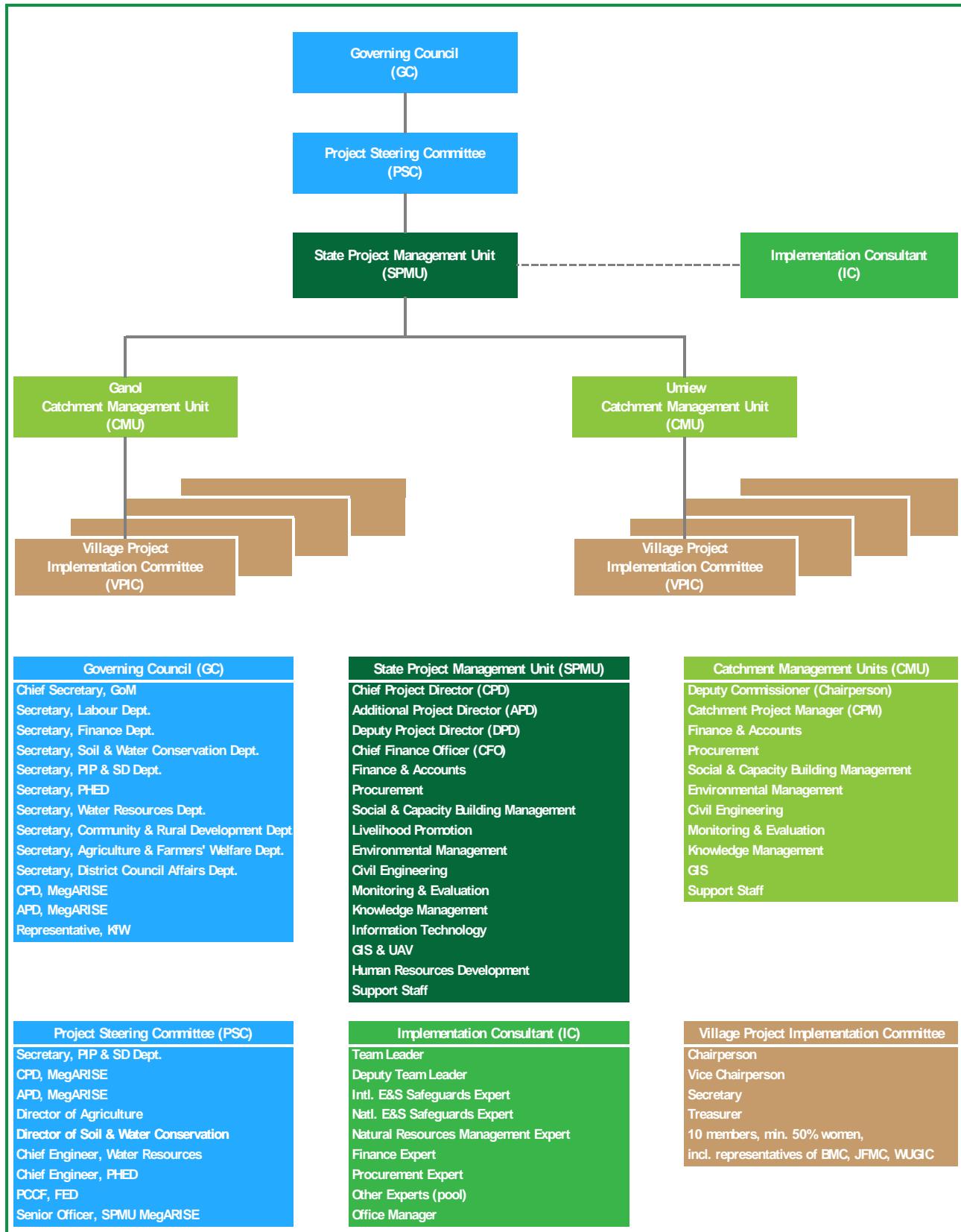


Figure 4: Project organization chart

### **3.1 Project Executing Agency (PEA)**

Per Loan, Grant, Project and Separate Agreements, the Meghalaya Basin Development Authority (MBDA) is the designated Project Executing Agency (PEA), bearing the overall responsibility for the implementation of the Project.

### **3.2 KfW Development Bank (KfW)**

The roles of KfW are as follows:

- Refinance the Loan granted in accordance with the conditions of the Loan Agreement with interest subsidies from low-interest budget funds provided by the Federal Republic of Germany for projects that meet development-policy eligibility criteria, complying with the OECD requirements for recognition as Official Development Assistance (ODA).
- Disburse the Loan and the Grant in accordance with the progress of the Project and upon request of the PEA via the Borrower.
- Inspect at any time such books and records and all other documentation relevant to the implementation and operation of the Project as well as any and all auditor's and accountant's reports prepared on the Loan and the Grant by the Borrower's, respectively by the PEA's own departments and statutory auditors, and visit the Project and all the installations related thereto.

### **3.3 Governing Council (GC)**

The Project's Governing Council (GC) was constituted with GoM notification No. PLR.38/2018/Pt.10 dated 17 November 2023. It consists of the following members:

• Chief Secretary, GoM	Chairperson
• Senior most Secretary, Labour Department, GoM	Member
• Senior most Secretary, Finance Department, GoM	Member
• Senior most Secretary, Soil & Water Conservation Department, GoM	Member
• Senior most Secretary, Planning, Investment Promotion & Sustainable Development Department, GoM	Member
• Senior most Secretary, Public Health Engineering Department, GoM	Member
• Senior most Secretary, Water Resources Department, GoM	Member
• Senior most Secretary, Community & Rural Development Department, GoM	Member
• Senior most Secretary, Agriculture & Farmers' Welfare Department, GoM	Member
• Senior most Secretary, District Council Affairs Department, GoM	Member
• Chief Project Director, MegARISE	Member
• Additional Project Director, MegARISE	Member Secretary
• Representative from KfW	Observer

The GC may co-opt any official as a member of the committee as deemed necessary.

The main responsibility of the GC is to review and monitor the physical and financial project progress against the annual plans. It will review the functioning of the SPMU regularly and any coordination required with other stakeholders at State level will be facilitated for smooth implementation of the Project. The key roles and responsibilities of the GC are as follows:

- Approve the Operation Manual including Financial Rules and Accounting Procedures prepared for the State Project Management Unit (SPMU).
- Approve Annual Plan of Operations (APO) and annual budget of the Project.
- Monitor physical and financial progress of the Project regularly.
- Advise / resolve issues and problems related to fund flow from the GoM to the Project, if any.
- Facilitate convergence and coordination of Project with other government departments and institutions.
- Appoint an auditor to audit accounts of Project.
- Approve policies and guidelines on gender mainstreaming.

The GC shall meet once a year.

### **3.4 Project Steering Committee (PSC)**

The Project Steering Committee (PSC) was constituted with GoM notification No. PLR.38/2018/Pt.11 dated 17 November 2023. It consists of the following members:

• Senior most Secretary, Planning, Investment Promotion & Sustainable Development Department, GoM	Chairperson
• Chief Project Director, MegARISE	Member
• Additional Project Director, MegARISE	Member Secretary
• Director of Agriculture, GoM	Member
• Director of Soil & Water Conservation, GoM	Member
• Chief Engineer, Water Resources, GoM	Member
• Chief Engineer, Public Health Engineering Department, GoM	Member
• Representative from the Officer of the Principal Chief Conservator of Forests (PCCF), Forest & Environment, GoM	Member
• Senior Officer of SPMU	Member

The PSC may co-opt any official as a member of the committee as deemed necessary.

The key roles and responsibilities of the PSC are as follows:

- Oversee implementation of the Project as per Operation Manual including Financial Rules and Accounting Procedures.
- Ensure compliance with policies and guidelines on catchment management, E&S safeguards etc.
- Decide and approve proposals on procurement / Procurement Plans of Goods & Services as required under the Project.
- Closely monitor the physical and financial progress of the Project by organizing regular meetings with field level offices and suggest next plan of actions.
- Propose Annual Plan of Operations (APO) for approval of the Governing Council.

- Approve contractual posts, remuneration and allowances etc.
- Prepare modifications and/or changes in components / subcomponents of the Project with justification, when required, and submit to Governing Council for onward submission to Nodal Department (Finance, GoM) and KfW and approval.

The PSC shall meet once a year.

### 3.5 State Project Management Unit (SPMU)

The State Project Management Unit (SPMU) has been established in Shillong as a separate unit. It is headed by a Chief Project Director (CPD), assisted by an Additional Project Director (APD). Table 6 provides an abstract of the present status of the staffing situation at SPMU level as compared to the Feasibility Study and the actual requirement.

**Table 6: Abstract of human resources at SPMU**

Position	Number Per Feasibility	Number Required	Name(s) / Remarks
<b>Staff on deputation</b>			
Chief Project Director (CPD)	1	1	Mr. Sampath Kumar, IAS (Addl. Charge)
Additional Project Director (APD)	1	1	Mr. D.B. Gunanka, IFS (Addl. Charge)
<b>Staff hired from the market</b>			
Deputy Project Director (DPD)	1	1	Mr. James Kharkongor
Chief Finance Officer (CFO)	1	1	Mr. Debashish Rudra (Addl. Charge)
Finance & Accounts	4	4	Mr. Nathaniel Kharkongor Mr. Kenneth Cameo Wankhar Mr. David Marbaniang Ms. Ibashongdor Malngiang
Project Management		1	Ms. Bratati Purkayastha (Addl. Charge)
Procurement	3	3	Mr. Sanborson Lyngdoh N.N. yet to be recruited N.N. yet to be recruited
Social & Capacity Building Management	-	2	Mr. Ribanteilang Dkhar N.N. yet to be recruited
Livelihood Promotion		1	Ms. Bashisha Nongshli
Environmental Management	-	2	Mr. Iaisan Ryngkat Lyngdoh N.N. yet to be recruited
Civil Engineer	-	3	Mr. Louistarwell Kharkhrang Mr. Raynold Marwein N.N. yet to be recruited
Monitoring & Evaluation (M&E)	4	2	Mrs. Evamary Diengdoh Ms. Larinda Sun

Position	Number Per Feasibility	Number Required	Name(s) / Remarks
Knowledge Management	3	5	Mr. Alan Dylan Marwein Ms. Silangchi M. Sangma Mr. Gordon Steven Pde Mr. George Micheal Jonsoi Mr. Dashanbor Lyngkhoi
Information Technology (IT)	-	2	Mr. Khamborlang Malngiang (Addl. Charge) Mr. Hamebansan Sawian (Addl. Charge)
Geographic Information system (GIS) & Unmanned Aerial Vehicles (UAV)	-	4	Mr. Fettleman Dohling (Addl. Charge) Ms. Norita Nongbet Sohlang Mr. Diteistar Lyngdoh Nonglait (Addl. Charge) Mr. Shane Johanan Manners
Human Resources Development	2	2	Ms. Sucielia Mylliemngap (Addl. Charge) Mr. Menaki Adapgre Marak
General Administration	1	-	
Support Staff	7	7	Mr. Carey Garrett Thangkiew Ms. Gracia Lyngdoh Mr. Healthy Kharsohton Mr. Ady Ravin Myrthong Mr. Lamphrang Kharraw Mr. Ohipaia Laloo N.N. yet to be recruited

With notification No. PER.36/2011/Pt.VIII/125 of GoM dated 04 August 2023, MBDA Chief Executive Officer (CEO), Mr. Sampath Kumar, IAS, and MBDA Executive Director, Mr. D.B. Gunanka, IFS, have been assigned as MegARISE Chief Project Director (CPD) and Additional Project Director (APD), respectively. Mr. James Kharkongor has been hired from the market as Deputy Project Director (DPD) with effect from 04 August 2023.

Among others, SPMU is tasked to:

- Assure physical and financial achievement of the Project;
- Assure adequate annual budgetary provision and effective utilization;
- Assure sufficient and timely flow of funds for the Project activities;
- Maintain adequate and competent financial management staff;
- Assure appropriate accounting of Project expenditures;
- Assure oversight on Project funds spent on the different levels and institutions;
- Control assets created under the Project;
- Guide, supervise and monitor the operations of the Catchment Management Units (CMU);
- Develop a Community Operational Manual (COM) in a participatory manner;
- Prepare and submit periodic MIS reports to GoM and KfW;
- Arrange training and capacity building programmes for stakeholders;

- Maintain all records for physical and financial transaction of the Project;
- Preparation and timely submission of financial reports and Disbursement Requests in cooperation with the Implementation Consultant (IC);
- Timely submit annual assurance engagement (external audit) reports to KfW.

### 3.6 Catchment Management Units (CMU)

The Catchment Management Units (CMU) have been established at both catchments under the Project as local Project implementation bodies under supervision of the SPMU. Ganol CMU is located in Tura, WGH, while Umiew CMU is located in Shillong, EKH. They are chaired by the respective Deputy Commissioners (DC).

Table 7 and Table 8 provide abstracts of the required staffing at CMU level (for the Ganol and for the Umiew CMU, respectively) as compared to the Feasibility Study. All CMU staff are hired from the market.

**Table 7: Abstract of human resources at the Ganol CMU**

Position	Number Per Feasibility	Number Required	Name(s) / Remarks
Regional Project Coordinator	-	1	Mr. Sitaram Sah (Addl. Charge)
Catchment Project Manager (CPM)	1	1	Ms. Tangkame D. Marak
Finance & Accounts	2	2	Mr. Christ N. Areng N.N. yet to be recruited
Procurement	-	1	N.N. yet to be recruited
Social & Capacity Building Management	2	1	Ms. Anitya G. Momin
Environmental Management	5	2	Ms. Derime Rongsilchi P. Marak Mr. Sengnang R. Marak
Field Engineer	3	2	Mr. Lopez Ch. Marak Mr. Beyching T. Sangma
Monitoring & Evaluation	2	2	Mr. Nawash D. Sangma N.N. yet to be recruited
Knowledge Management	-	1	N.N. yet to be recruited
Geographic Information System (GIS)	2	1	Mrs. Suhsengmon Lating (Addl. Charge)
Project Management	-	2	Ms. Silchira M. Sangma Mr. Ajay Hajong
Multi-Tasking Assistants (MTA)	-	5	Mr. Dimbirth M. Sangma, MTA Mr. Kheobirth D. Sangma, MTA Ms. Domera Ch. Sangma, MTA Ms. Preditha D. Shira, MTA Mr. Sengkram D. Sangma, MTA

Position	Number Per Feasibility	Number Required	Name(s) / Remarks
Support Staff	4	3	Mr. Salguri Chekam A Sangma, MTA & Driver Mr. Akon Hajong, MTA & Driver Ms. Sengsilchi M. Sangma, MTA & DEO

**Table 8: Abstract of human resources at the Umiew CMU**

Position	Number Per Feasibility	Number Required	Name(s) / Remarks
Catchment Project Manager (CPM)	1	1	Mr. Pynshngain Rymmai
Finance & Accounts	2	2	Ms. Evangeline Kharmujai N.N. yet to be recruited
Procurement	-	1	N.N. yet to be recruited
Social & Capacity Building Management	2	2	Ms. Shuhunlang Nongrum Ms. Rose Christine M. Kharsyntiew
Environmental Management	5	3	Ms. Niwancy Bareh Mr. Donlang N. War Ms. Bandarihun Kharlor
Field Engineer	3	2	Ms. Holda Thabah Mr. Banri Kupar Nongsiej
Monitoring & Evaluation	2	2	Mr. Rabelson Nongrang Ms. Rupa Vanessa Mukhim
Knowledge Management	-	1	N.N. yet to be recruited
Geographic Information System (GIS)	2	1	Mr. Baniaineh Khongmalai
Project Management	-	1	Ms. Darishisha Marbaniang
Support Staff	4	2	Mr. Pynshngainlang Marbaniang N.N. yet to be recruited

Among others, CMUs are tasked to:

- Assure the implementation of the VLMPAs;
- Work closely with and seek support from other line departments, Autonomous District Councils (ADC) and local communities.

### 3.7 Village Project Implementation Committees (VPIC)

At village level, the Project will be implemented by the Village Project Implementation Committee (VPIC) under the supervision and with assistance of the concerned CMU. The VPIC will work closely with designated bodies / traditional institutions. Slight variation among Khasi Hills and Garo Hills areas will exist as each of these areas has a different degree of traditional community organization exercising their power and having a different relationship between the people and the land. In general, Village Council / *Dorbar* or village headman (*Rangbah Shnong* or *Nokma*) should be the first point of contact at the onset of the Project implementation. Village Council or its

headman will provide support to the Project team in convening public meetings, identifying potential beneficiaries and resources. Wherever appropriate the Village Employment Council (VEC) may be involved to ensure convergence with various Government schemes.

The VEC Chairman may also be designated as VPIC's Chairperson. On selection of the members of the VPIC, there should be at least two representatives from each household (which comprises one male member and one female member) except households with single mothers and vulnerable groups, they can be part of the general body. The Executive Committee of the VPIC will comprise 9, 11 or 13 village members with at least 50% women representation including representatives from the Joint Forest Management Committee (JFMC), the Biodiversity Management Committee (BMC) and the Water Users Group Implementation Committee (WUGIC).

### **3.8 Village Community Facilitator (VCF)**

Village Community Facilitators (VCF), in general trained youths from the target villages with minimum educational qualification, will be selected by the VPICs with the mutual consent of the CMUs. The VCFs have the following tasks:

- Provide support to the CMUs in the preparation of VLMAPs.
- Assist in organizing meetings at the village level and ensure proper record keeping.
- Facilitate the implementation of Project activities at the village level.
- Serve as a link between the village community and the CMU.
- Mobilize and engage the community in Project activities.
- Monitor and report the progress of Project activities at the village level.
- Assist in capacity building activities for the community members.
- Ensure proper documentation of all village-level Project activities and maintain records.

For their services, the VCFs will receive a monthly base remuneration of INR 3,000. From the second year onwards, the monthly base remuneration will be increased by INR 500 per year (i.e. to INR 3,500 in year 2, INR 4,000 in year 3, etc.). In addition, VCFs in service for at least one year will be entitled to an additional monthly incentive of up to INR 2,000 based on performance. Performance criteria are (i) the number of VPIC meetings attended and documented (INR 40 per meeting, max. INR 400/month), (ii) site visits attended to facilitate VPIC activities (lumpsum of INR 175/month for at least 20 days of field work), (iii) the number of VPIC records other than cashbooks and vouchers maintained (INR 15 per record, max. INR 225/month), (iv) recording / maintaining cashbook and vouchers (lumpsum of INR 500/month), (v) facilitating trainings (lumpsum of INR 200/month), and (vi) additional need-based work asked by the Catchment Project Manager (CPM) (lumpsum of INR 500/month). Furthermore, the GoM has assured that each and every VCF will be getting a tablet for Project-related activities

Detailed VCF Guidelines approved by KfW on 10 April 2025 are available as separate document.

### **3.9 Integrated Village Cooperative Societies (IVCS)**

Integrated Village Cooperative Societies (IVCS) have been officially recognized as Primary Agricultural Credit Societies (PACS) by GoM as per Notification No. COD.12/2015/69 dated 2 February 2021.

In Meghalaya, the formal banking network struggles to provide comprehensive financial services to all households due to challenging topography and limited transport and communication infrastructure. Residents of remote villages often face difficulties accessing basic banking services, such as deposits and withdrawals, let alone credit and other financial services. Issues include lengthy travel distances, cumbersome banking procedures, language barriers, and insufficient financial literacy, leading to poor savings habits and reliance on distant bank branches primarily for withdrawing MGNREGA wages. Existing cooperative institutions like Service Cooperative Societies / PACS also face governance and operational challenges.

To address these issues, GoM supports the creation of local Community Based Organizations (CBO) like IVCS. These local institutions are better positioned to understand and respond to community needs quickly and effectively. They are also trusted more by local residents and fit well with the democratic tribal culture, which supports cooperative efforts.

For IVCS to be economically viable and sustainable, increasing member enrolment and funding is crucial. Member funding provides low-cost, low-risk capital, enhancing the IVCS's autonomy and reducing reliance on external support. Additionally, engaging in diverse economic activities can help sustain the IVCS beyond initial project phases.

Beyond thrift and lending, many IVCS are engaging in various economic activities, including operating grocery stores, aggregating agricultural produce, fruit plantations, nurseries, and pig breeding. These activities have been particularly beneficial during the pandemic, providing essential commodities and facilitating the distribution of agricultural produce.

In conclusion, IVCS play a crucial role in enhancing financial and economic services in the remote villages of Meghalaya, addressing gaps left by traditional banking systems, and supporting local development.

### **3.10 Implementation Consultant (IC)**

The Implementation Consultant (IC) is to support the PEA in Project implementation as part of the SPMU, and to work closely with and under the guidance of the Project Director.

The Joint Venture (JV) DFS Deutsche Forstservice GmbH and GOPA Worldwide Consultants GmbH of Germany in association with Sub-Contractors DEVOPSYS Consulting Pvt. Ltd. and North East Society for Agroecology Support (NESFAS) of India are providing the IC services. A corresponding consulting services contract with MBDA over a duration of 84 months was signed on 01 November 2023. 01 December 2023 marks the official start of the IC services with the introduction of Deputy Team Leader Mr. Adrian Marbaniang to the PEA by the IC's Backstopper Dr. Johannes Dietz. Team Leader Mr. Ralph Lennertz took up his first assignment on 06 January 2024.

Among others, the IC is tasked to support the PEA in:

- 1) Elaborating the details of the Project design;
- 2) Designing and implementing the tender process in compliance with KfW procurement and sustainability guidelines as well as with international Environmental, Social, Health and Safety (ESHS) standards;

## 3) In particular:

- a) Project management including the preparation of guidelines according to KfW procedures (e.g. operational planning, procurement, financial management, reporting);
- b) Review and endorsement of Annual Operational Plans as well as environmental and social risk management documents of the Project before they are submitted to KfW for No-Objection;
- c) Assistance to SPMU in the preparation of technical concepts and financial norms for Project investments (forestry, horticulture, nursery management, soil and water conservation, etc.);
- d) Assistance to the SPMU in the development and oversight of the implementation of ESHS requirements;
- e) Countersigning of reports and documents to be submitted to KfW;
- f) Validating and countersigning of Disbursement Requests as “*Certifying Party*”.

To this end, IC avails of the human resources shown in Table 9.

**Table 9: Staffing detail of Implementation Consultant**

Position	Name	Person-Months [PM]
<b>Key Experts</b>		
K-1 Team Leader	Mr. Ralph Lennertz	30.00
K-2 Deputy Team Leader	Mr. Adrian Marbaniang	52.00
K-3 Social & Environmental Safeguards Expert (intl.)	Mr. Steffen Schuelein	4.00
K-4 Social & Environmental Safeguards Expert (natl.)	Mr. Brajesh Tiwari	7.00
K-5 Natural Resource Management Expert	Mr. Nand Kishor Agrawal	12.00
K-6A Finance Expert	Mr. Kajal Chakraborty Mr. Nath Dhrubajyoti	8.00
K-6B Procurement Expert	Mr. Pradeep Kumar Keshava	3.25
<b>Pool (Non Key) Experts</b>		
E-1 SWC & Spring-Shed Development Expert	Mr. Himanshu Kulkarni	4.00
E-2 Water Harvesting & Storage Infrastructure Expert	Mr. Pradip Kumar	3.00
E-3 Sloping Agricultural Land Technology Expert	N.N.	3.00
E-4 Climate Change Adaptation & Livelihoods Expert	Mr. Amba Jamir	3.00
E-5 IGA, Value Chains & Marketing Expert	N.N.	3.00
E-6 Knowledge Management & Communication Expert	Ms. Alethea Kordor Lyngdoh	3.00
E-7 Training Needs Assessment Expert	Mr. Pius Ranee	3.00
E Unallocated		2.00
<b>Office Administrator</b>		
Office Administrator	Ms. Ruth Marbaniang Ms. Amanda Pde	84.00



## **4. ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY REQUIREMENTS**

The Community Engagement Planning Framework (CEPF) cum Environmental and Social Management Framework (ESMF) received KfW's No-Objection on 23 September 2024. The document comprises a brief Project description, an analysis of the legal and institutional framework, a stakeholder analysis, an assessment of the baseline conditions, the CEPF and the ESMF, including the corresponding implementation arrangements.

### **4.1 Legal Framework**

At national level there is a variety of legal and institutional provisions that are likely to affect the execution of the Project. These include the Articles and Schedules of the Constitution of India, Acts passed by the Parliament of India and Rules made therein, Policies promulgated by GoI, National Action Plans and Notifications issued by various Departments and Ministries of the GoI as well as the Meghalaya State laws and Autonomous District Council (ADC) regulations and Customary Laws. A total of 15 national plus 13 State and ADC Policies and Legislations are summarily presented in the CEPF & ESMF.

The hierarchy of the laws is as follows: Articles and Schedules of the Constitution of India > GoI Acts > GoM Acts > Autonomous District Acts > Customary Laws. Under most Acts, Rules & Regulations have been framed to facilitate implementation of the Acts.

Additionally, for a KfW supported Project, the international E&S Standards apply as specified in the Environmental and Social Commitment Plan (ESCP) / Separate Agreement. The Project will be implemented in compliance with the KfW Sustainability Guideline (2023), and its reference standards as the WB ESS 1-10, among others. Overall, no major gaps between the National Legislation and the International Safeguards as relevant for the Project were identified. Gaps mainly relate to non-enforcement of existing regulations e.g. in terms of use and access restrictions or selective implementation of regulations, due to livelihood needs.

Both national and international standards need to be respected. However, if any of both is identified to be stricter, then this stricter / higher standard shall be applied.

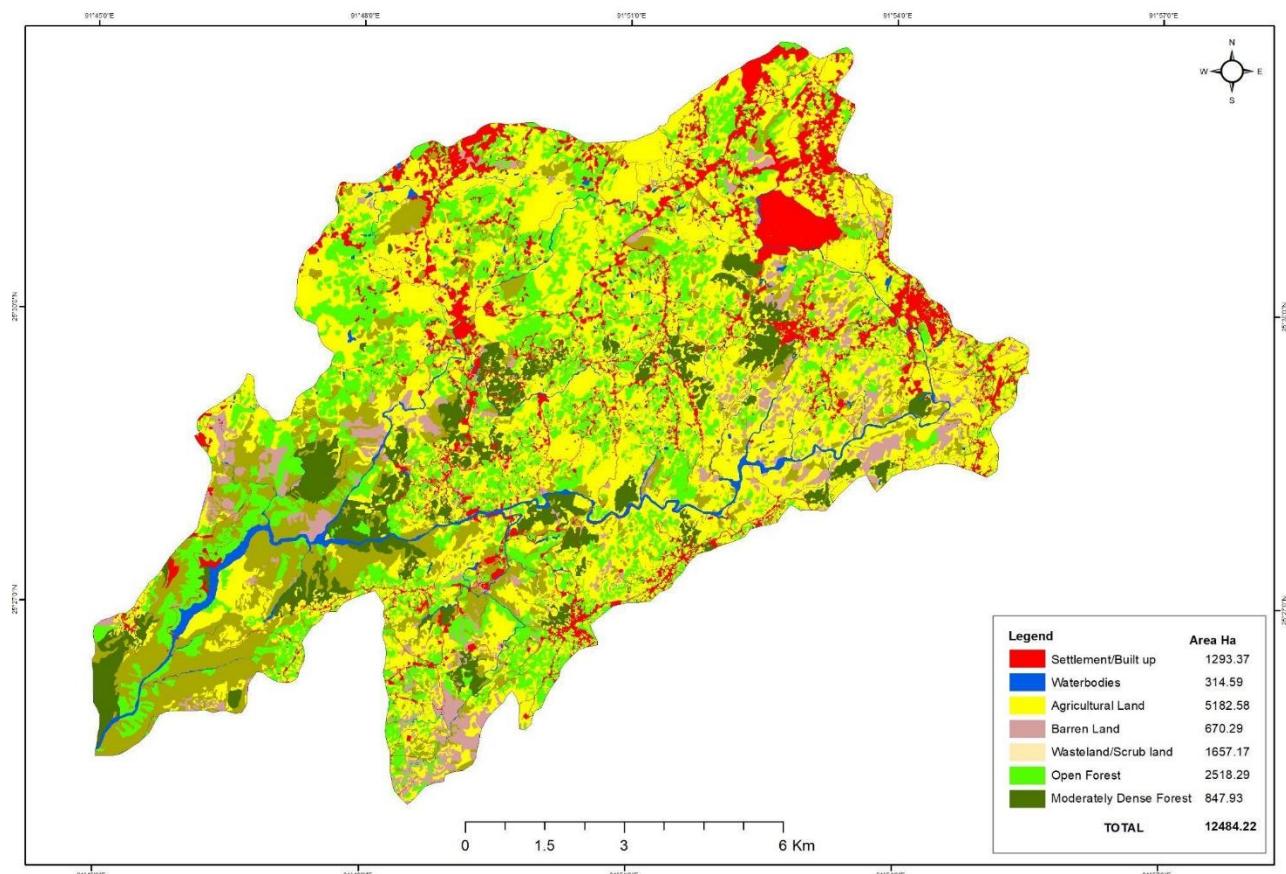
### **4.2 Stakeholder Analysis**

For all stakeholders mentioned in Section 2.4 plus some more stakeholders notably at village level (SHGs, etc.), the stakeholder matrix of the CEPF & ESMF summarizes the roles and responsibilities, and defines the form of engagements, the means of communication and the frequency of engagements.

### **4.3 Baseline Conditions**

The CEPF & ESMF summarizes the baseline conditions in the Ganol and Umiew catchments with regards to the global biophysical and socio-economic conditions, with a focus on land use / land cover, the forests, the Indigenous People (cf. also Section 2.4) as well as women and gender issues.

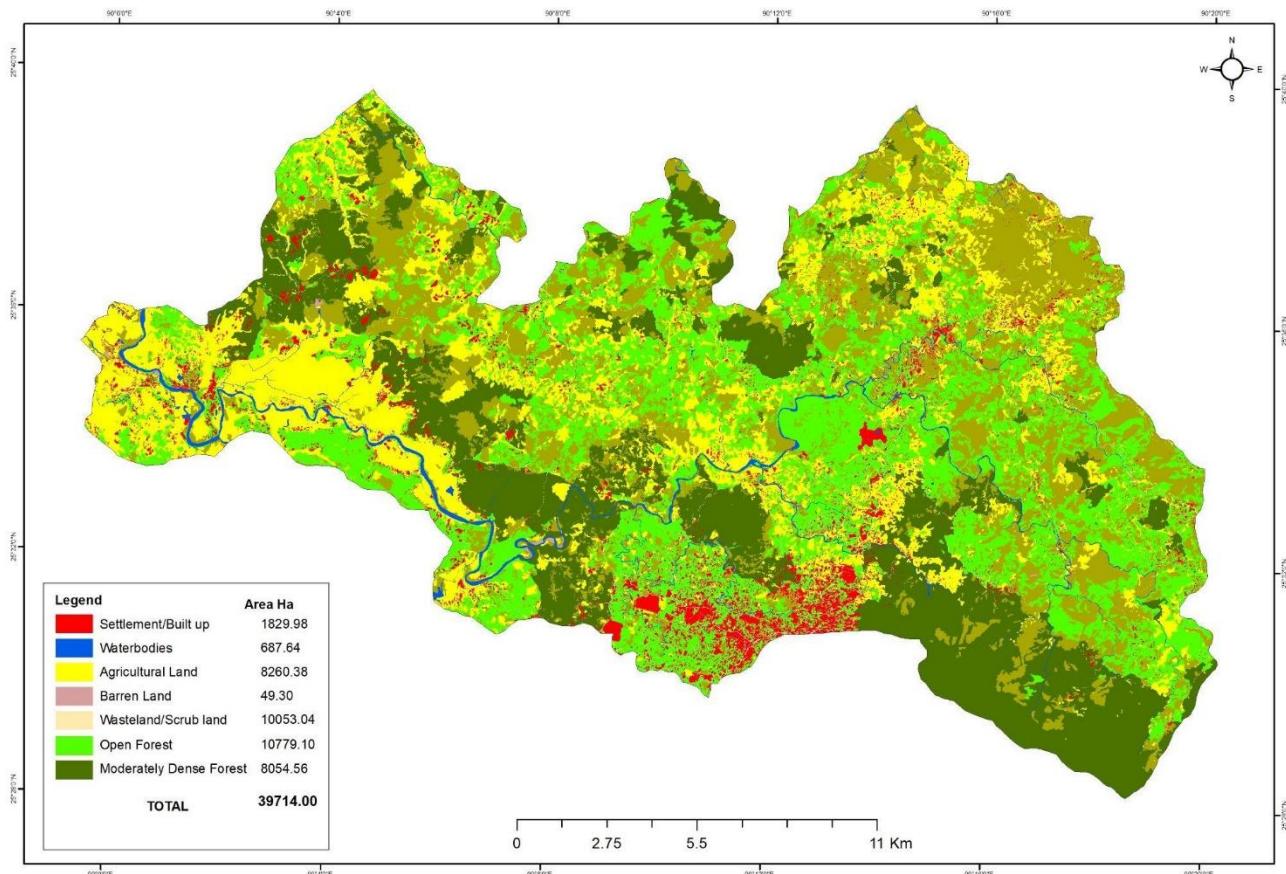
Figure 5 and Table 10 show the land use / land cover of the Umiew catchment, Figure 6 and Table 11 the land use / land cover of the Greater Ganol catchment.



**Figure 5: Land use / land cover map of Umiew catchment**

**Table 10: Land use of Umiew catchment**

Land Use	Area [ha]	Area [km <sup>2</sup> ]	% of Total Area
Agricultural land	5,182.58	51.83	41.51
Barren land	670.29	6.70	5.37
Culturable waste land / scrub land	1,657.17	16.57	13.27
Dense Forest: 40% above canopy density	847.93	8.48	6.79
Open forests: 10 - 40% canopy density	2,518.29	25.18	20.17
Grassland	0.00	0.00	0.00
Settlement / Built up	1,293.37	12.93	10.36
Waterbodies	314.59	3.15	2.52
<b>Total</b>	<b>12,484.22</b>	<b>124.84</b>	<b>100.00</b>



**Figure 6: Land use / land cover map of Greater Ganol catchment**

**Table 11: Land use of Greater Ganol catchment**

Land Use	Area [ha]	Area [km <sup>2</sup> ]	% of Total Area
Agricultural land	8,260.38	82.60	20.80
Barren land	49.30	0.49	0.12
Culturable waste land / scrub land	10,053.04	100.53	25.31
Dense Forest: 40% above canopy density	8,054.56	80.55	20.28
Open forests: 10 - 40% canopy density	10,779.10	107.79	27.14
Grassland	0.00	0.00	0.00
Settlement / Built up	1,829.98	18.30	4.61
Waterbodies	687.64	6.88	1.73
<b>Total</b>	<b>39,714.00</b>	<b>397.14</b>	<b>100.00</b>

The results of a baseline survey conducted by the Centre of Excellence (CoE) for Natural Resource Management and Sustainable Livelihoods under MBDA in September 2024, analysing the prevailing socio-economic and bio-physical conditions in the Project and control villages to establish a baseline before the start of the implementation of Project activities for impact assessment, are available as separate document.

The PRA and VLMP preparation will provide further details that will be compiled into village profiles for every Project village.

## 4.4 Community Engagement Planning Framework (CEPF)

The CEPF assembles all planning provisions that are relevant for the interaction between the Project and the target group as well as more broadly with all Project stakeholders. The processes with the target group include the following:

### **Free, Prior and Informed Consent (FPIC)**

Detailed Project-specific FPIC Guidelines approved by KfW on 12 April 2024 are available as separate document. The process is summarily described in Section 2.5.2. It encompasses six steps from Project introduction and initial consultations with village communities to the implementation of the VLMAPs by the communities. FPIC is a continuous process, not a one-time activity.

### **Financial Participatory Approach (FPA)**

Detailed Project-specific FPA Guidelines approved by KfW on 07 June 2024 are available as separate document. The process is summarily described in Section 2.5.3.

### **Village-Level Micro-Action Planning**

Detailed Village-Level Micro-Action Planning Guidelines including a VLMAP template and a model VLMAP, approved by KfW on 10 April 2025, are available as separate documents. The process is summarily described in Section 2.5.4. The hierarchy and process of the preparation of VLMAPs, Micro-Watershed Plans (MWP) and Catchment Area Plans (CAP) is described in Section 2.6.

### **Livelihood Restoration Planning**

In compliance with the ESCP, which is part of the Separate Agreement, any losses of livelihoods from land based economic activities which may result from land use planning will be addressed by providing adequate household- and/or community level livelihood restoration measures commensurate to the livelihood losses as part of the VLMAP and based on the identification of negatively impacted households through the PRA / VLMAP.

As the Project does not lead to physical resettlement, only economic losses are relevant to compensate people who are directly affected by Project activities, e.g. through access or use restrictions or damages to productive assets. The directly affected people are eligible even if they are not the titled owners!

Livelihood restoration guidance for the integration of livelihood restoration measures into the VLMAPs will be developed and become part of the VLMAP preparation Guidelines.

### **Grievance Redress Mechanism (GRM)**

The Project has established and implements a responsive, accessible and culturally sensitive three-tier Grievance Redress Mechanism (GRM) at village, catchment and State level. [REDACTED]

[REDACTED] The Grievance Redressal Committees (GRC) at State and catchment level are operational. The GRCs at village level will be established progressively as soon as the VPICs are formed.

The GRM foresees the following steps which are described in detail in the GRM guideline document:

- GRM awareness and information of potentially impacted villages.
- Content of a grievance description / complaint submission.
- Uptake channels for complaints at village, catchment and State level.
- Check of eligibility / acceptability of complaints.
- Processing and documentation of received complaints / three tier GRM.
- Procedure in case of no resolution / Legal Court procedure.
- GRM process record keeping.

### **Stakeholder Engagement Plan (SEP)**

Effective stakeholder engagement is essential for the success of the Project. Engaging with stakeholders ensures that the diverse interests and concerns of all parties are considered, promoting transparency, collaboration and community support.

Specific Stakeholder Engagement Plans (SEP) will support SPMU and the CMUs to strategically and efficiently inform and coordinate with stakeholders about the Project activities, especially with those that are not part of the Project communities (who are engaged through the FPIC process). This includes the coordination with other government programmes and other donor projects, as well as with the private sector, NGOs, religious organisations, etc., that need to be informed and consulted about the Project and with whom synergies can be developed.

Annex 1 of the CEPF provides specific draft SEPs for SPMU and the CMUs to be operationalized, implemented and eventually updated as required.

### **Gender Action Plan (GAP)**

Actions to improve Gender imbalances and increase the involvement of women in Project activities are integrated in the community engagement approaches. Especially in PRA and FPA the participation of women is encouraged and inbuilt into the process. The Project will also ensure that women are involved in the establishment and priority decision making of VLMAPs and are consulted prior to the implementation of community-based infrastructure activities. Specific gender provisions shall be integrated into the VLMAP guideline. If this is found insufficient, a separate Gender Action Plan (GAP) will be established after the first field level experiences with FPA, community nurseries and VLMAPs.

## **4.5 Environmental and Social Management Framework (ESMF)**

The ESMF supports the assessment of the risks and potential impacts that may occur during implementation of Project activities. It sets out the principles, guidelines and procedures to assess E&S risks, and proposes measures to reduce, mitigate, and/or offset potential adverse E&S impacts and enhance positive impacts and opportunities of the Project and its activities. The overall principles of impact reduction are to be applied in the following hierarchy: 1. Avoidance, 2. Minimization and 3. Mitigation / Compensation.

The ESMF performs a detailed E&S risk categorization and a E&S screening of potential impacts of the Project measures (cf. Section 2.7) to identify the requires E&S management tools. Table 12 provides a summary of the E&S risk assessment of the broad Project measures by WB ESS.

Impact significance:

Substantial	Medium	Low	Negligible	Positive
-------------	--------	-----	------------	----------

**Table 12: Summary E&S risk categorization of Project activities by WB ESS**

ESS 1-10	Impact / Risk	Impact Significance	Mitigation strategy
1 Assessment and Management of Environmental and Social Risks and Impacts	Risk of negative impacts if Social and Environmental issues are overlooked.	Moderate (B)	No ESIA requirement. Baseline Study, PRA and VLMAP preparation including CEPF / ESMP approaches (use of ESCOP questionnaires in planning to avoid negative impacts).
2 Labor and Working Conditions	Risk of injuries and accidents during implementation of works.	Minor (C)	Commensurate Worker's H&S / OHS Guideline to be established and respected in implementation.
3 Resource Efficiency and Pollution Prevention and Management	Risk of unsustainable resource use and pollution through liquid and solid wastes, hazardous wastes.	Minor (C)	Use of local construction materials where possible. Waste management guideline to be prepared. No littering. No use of pesticides in Project activities.
4 Community Health and Safety	Risk of accidents and injuries; risk of Human Wildlife Conflicts (HWC).	Minor (C)	Awareness raising and training for health & safety; study which HWC measures can reasonably and effectively be implemented.
5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Risk of land use conversion / economic displacement (access and use restrictions).	Moderate (B)	All activities to be checked and Livelihood Restoration Plan (LRP) to be established for all Project Affected Persons (PAP).
6 Biodiversity Conservation and Sustainable Management of Living Natural Resources	External risks; cumulative impacts (e.g. deforestation, monoculture plantations, mining and river pollution etc). Pesticides risk water & soil pollution and are harmful to humans- Invasive species may harm ecosystems.	Moderate (B)	Analysis of external threats to be included in VLMAP assessment and planning of activities. No promotion of monoculture plantations. No use of pesticides / chemicals in nurseries and plantations. No introduction of invasive species through the Project; preference to indigenous species (plants, fish, livestock).
7 Indigenous Peoples / Sub-Saharan African Historically Underserved Traditional Local Communities	Entire target population belongs to IP communities.	Moderate (B+)	Implementation of FPIC process from start to end; implementation of GRM, women inclusion in community decision making, focus on vulnerable people.

ESS 1-10	Impact / Risk	Impact Significance	Mitigation strategy
8 Cultural Heritage	Not applicable.		Cultural sites will not be affected or disturbed; coordination with local leadership to respect traditional customs / rituals.
9 Financial Intermediaries	Not applicable.		Not applicable.
10 Stakeholder Engagement and Information Disclosure	Lack of stakeholder engagement could lead to less ownership and sustainability.	Moderate (B+)	Community consultation and participation in prioritization and decision making of community nurseries, FPA, VLMAPs, LRP, etc. Women involvement. Avoidance of elite capture.

- For E&S impacts with a moderate significance, an Environmental and Social Management Plan (ESMP) has to be developed. Bigger infrastructure construction works are likely to require an ESMP. Decision based on specific project and location.
- Other impacts with rather low significance can be mitigated with appropriate Environmental and Social Codes of Practice (ESCOP). Self-implemented projects by communities are likely to fall in this category. A Project-specific ESCOP covering 4 major topics, namely (i) preferential treatment of local elites, (ii) forestry activities (nurseries, afforestation / reforestation and forest protection), (iii) SWC activities and (iv) livelihood including agriculture and livestock activities has been developed which will become an integral part of the VLMAPs.
- Activities which cause negative social impacts, such as access and use restrictions or changes in availability of resources need to be mitigated with Livelihood Restoration Plans (LRP). Susceptible activities for LRP are: plantation works, re-afforestation of *Jhum* areas or pasture lands, SWC measures, etc., if they come along with land requirements or access and use restrictions.
- Activities with negligible or positive impacts may work with a checklist to identify how positive impacts may be increased.

If required, a Project-specific Operational Health and Safety (OHS) Guideline and a Waste Management Guideline will be prepared.

If adverse impacts arise which cannot be solved in a practical and timely way, corresponding activities or sites should be rejected and activities or Project sites should be prioritized which present less impacts / risks.

## 5. PROJECT ACTIVITIES

The following sections describe the main Project activities per Output as per Global Work and Budget Plan (GWBP).

### 5.1 Output 1 – Knowledge-Based Participatory Planning and Implementation and Capacity Building

#### 5.1.1 Micro-watershed planning

Micro-watershed planning focuses on managing land and water resources to promote sustainable development. It involves assessing natural resources, developing strategies for soil and water conservation, and enhancing local livelihoods. The planning process aims to improve water conservation, soil management, and livelihoods within these micro-watersheds through a series of targeted activities. The following are the sub-activities under this activity:

- Development of technical standards and cost norms for MWPs and livelihoods investments.
- Development of an Operation and Maintenance (O&M) concept for the MWPs and livelihoods investments.
- Development of a VL MAP template and of a model VL MAP.
- Participatory development of VL MAPs.
- Assemblage of VL MAPs into MWPs.
- Assemblage of MWPs into CAPs.

#### 5.1.2 Knowledge Management (KM) and communication

KM and communication ensure that information is effectively captured, managed, and disseminated to support Project success and stakeholder engagement. The following are the sub-activities under this activity:

- Design of KM and communication strategies.
- Implementation / update of KM and Communication strategies:
  - Project website development and maintenance;
  - Preparation and publishing of printed documents;
  - Preparation of radio and video clips;
  - Translation of documents in local languages.
- Facilitation of research on best Project practices with universities / research institutions.

#### 5.1.3 Orientations / awareness / campaigns / workshops / training and capacity building

These activities focus on building the capacity of the community and Project staff through various capacity-building programs related to sustainable natural resource management, livelihood improvement, social inclusion, and fostering community resilience to enhance long-term sustainability and equitable development. The following are the activities under this sub-activity:

- Training Needs Assessment (TNA) on State & District Levels (SPMU, CMUs, Line Departments).
- TNA at Community Level (VPICs and VCFs).
- Design / update of Training Programmes.

- Capacity development programmes:
  - Orientations / awareness / campaigns / workshops / trainings at State, District & Community Levels;
  - Exposure visits;
  - Participation in conferences / seminars;
  - Community awards.

## **5.2 Output 2 – Forests and Other Ecosystems Protection of the Selected Catchment Areas are Enhanced**

This output focuses on conserving and restoring forest ecosystems to enhance biodiversity, improve ecosystem services, and mitigate climate change. The following are the activities under this output:

### **5.2.1 Forest ecosystems protection and restoration**

- Nurseries establishment and management:  
Activities involve the establishment, management and maintenance of nurseries within communities to support reforestation and afforestation activities:
  - Upgrading / establishment of required nurseries;
  - Maintenance and operation of required nurseries.
- Forest restoration:  
Activities focus on restoring degraded forest areas to improve biodiversity, ecosystem services, and resilience to climate change:
  - Restoration of dense forests on slopes > 30%: Gap planting and Assisted Natural Regeneration (ANR), followed by 4 years maintenance;
  - Restoration of open forests on slopes < 30%: Enrichment planting, followed by 4 years maintenance.
- Afforestation: Planting, followed by 4 years maintenance.
- Forest Protection and Conservation  
Activities focus on safeguarding existing forest ecosystems, preventing further degradation, and ensuring sustainable forest management practices:
  - Protection of existing forests through Payments for Ecosystem Services (PES);
  - Forest fire management;
  - Preparation of Forest Management Plans (FMP).

### **5.2.2 Soil and Water Conservation (SWC)**

- SWC measures.
- Drainage line treatment using check dams.
- Cultivation of Medicinal and Aromatic Plants (MAP) and grasses for soil stabilization and income generation.
- Establishment of MAP field processing units.
- Spring-shed development incl. spring chamber development.
- Setting-up and maintenance of weather, water & silt monitoring stations.

## **5.2.3 Implementation support on Natural Resources Management (NRM) activities**

Implementation support on NRM activities involves providing technical assistance, capacity building and resources to ensure the effective execution of sustainable practices for managing natural resources. This support includes guiding the planning, execution, monitoring, and evaluation of activities like SWC, afforestation, and community engagement. The goal is to ensure that NRM initiatives are successful, sustainable, and aligned with local needs and environmental goals.

## **5.3 Output 3 – Livelihoods of the Vulnerable Communities in the Catchment Areas Improve**

This output focuses on improving the livelihoods of vulnerable communities in the catchment through various activities. These include water harvesting and storage techniques to ensure reliable access for irrigation, drinking, and livestock, and the adoption of agroforestry practices like SALT. Additionally, promoting local and indigenous food products and engaging in off-farm activities, such as NTFP collection and value addition of bamboo, will help diversify income sources and enhance economic stability for rural households. The following are the activities under this output:

- Water Harvesting and Storage:
  - Construction of primary water harvesting and distribution structures;
  - Digging of ponds.
- Farm-Based Activities:
  - Establishment and maintenance of SALT / agroforestry models;
  - Livestock;
  - Aquaculture;
  - Promotion of local and indigenous food products.
- Off-Farm Activities:
  - NTFP collection / production and value addition;
  - Other livelihood activities (apiculture, handicrafts, etc.).

## **5.4 Output 4 – Adoption of Best-Practice Project Management**

The following are the activities under this output:

- Setting up of Project implementation structure:
  - Constitution of Governing Council (GC) and Project Steering Committee (PSC);
  - Establishment and staffing of State Project Management Unit (SPMU);
  - Establishment and staffing of Catchment Management Units (CMU);
  - Selection, contractualization and mobilization of Implementation Consultant (IC);
  - Formation of Village Project Implementation Committees (VPIC).
- Setting up of Project management system:
  - Setting-up of financial, contract and procurement management system;
  - Development of contract and financial management and monitoring guidelines;

- Development of procurement guidelines;
- Development of Monitoring and Evaluation (M&E) guidelines;
- Development and maintenance of Management Information System (MIS);
- Compilation of Project Operational Manual (POM);
- Preparation of Community Operation Manual (COM).
- Planning:
  - Preparation / updating and GC approval of Global Work and Budget Plan (GWBP);
  - Preparation / updating and GC approval of Annual Work and Budget Plans (AWBP);
  - Preparation / updating and KfW approval of Procurement Plan;
  - Development / updating of Exit Strategy.
- Implementation (administrative aspects):
  - Procurement of goods, works and services;
  - Contract and financial management;
  - Preparation and submission of Disbursement Requests (DR);
  - Organization of annual external Audits;
  - Project administration / operation.
- Monitoring, Evaluation and Coordination:
  - Facilitation of baseline and endline surveys;
  - Organization of annual independent third party verifications of implemented measures;
  - Organization of mid-term review;
  - Monitoring related activities;
  - Acquisition / maintenance of Remote Management, Monitoring & Verification (RMMV) data (DEM & UAV Imagery);
  - Setting-up and maintenance of a village database;
  - Preparation and submission of Semi-Annual Progress Reports;
  - Preparation and submission of Draft / Final Project Completion Report.
- Stakeholder Engagement:
  - Development and KfW approval of FPIC and FPA guidelines;
  - Selection and sequencing of Project villages;
  - Community consultation (FPIC 1);
  - Participatory Rural Appraisal (PRA) (FPIC 2);
  - FPA Contests and Awards (FPIC 3 + FPIC 4);
  - Development and KfW approval of CEPF;
  - Community participation in VLMAP preparation (FPIC 5);
  - MoA signing and development / inclusion of LRP if required (FPIC 6);
  - Introduction and implementation of GRM;
  - Coordination / convergence with Secondary Stakeholders (SEP).
- ESHS Compliance:
  - Development and KfW approval of ESMF;
  - E&S scoping of planned activities;
  - Development of ESS / ESMPs / ESCOPs;
  - Social Audit and E&S Due Diligence;
  - E&S Monitoring, Reporting and Evaluation.

## 6. TRAINING AND CAPACITY BUILDING

### 6.1 Introduction

The Project recognizes that capacitated stakeholders are crucial for achieving its objectives. To this end, a comprehensive training and capacity building programme will be implemented to address the diverse training needs identified through Training Needs Assessment (TNA) (i) at SPMU and CMU level and (ii) separately and progressively at the community level.

### 6.2 Training Needs Assessment at SPMU and CMU Level

An initial TNA has been conducted from April to June 2024 to identify and prioritize the capacity-building requirements of Project staff at the SPMU and CMU level. A detailed TNA report is available as separate document.

The TNA focused on technical skills, administrative and managerial knowledge as well as soft skills essential for effective Project implementation. The assessment also considered attitudinal and behavioural aspects necessary for a positive and collaborative work environment. The assessment utilized a mixed-methods approach, combining qualitative and quantitative data collection methods, including surveys, interviews, and focus group discussions. Training needs and skill gaps are dynamic and hence assessments need to be repeated periodically.

#### 6.2.1 Key findings

The TNA revealed a significant demand for capacity building across various technical, administrative, and soft skill areas. The priority training needs identified in the TNA have been categorized into high, medium, and low priority based on the demand for training and the current training status of the Project staff. The prioritization will ensure that resources are allocated efficiently to address the most critical skill gaps first. The assessment, amongst others, highlighted the importance of addressing Attitudinal and Behavioural Changes (ABC) to foster a positive work environment, enhance teamwork, and promote accountability.

##### 1) High Priority:

- a) **Technical Skills:** Financial Audits, Bank Reconciliation and Accounting, Budget Planning and Reporting, Procurement Management, Procurement Process Planning & Training, Supplier Management and Negotiation, Training Module Development, Training / Workshop Facilitation, Needs Assessment and Gap Analysis, Project Planning and Target Setting, Change Management & Innovation, Performance Monitoring and Reporting, Horticulture and Nursery Management, Sustainable Land-Use Practices, Social and Environmental Integration, Integrated Pest Management System, Results Based Management, M&E System Development, Legal and Compliance Training, Reporting and Coordination, Communication and Collaboration.
- b) **Soft Skills:** Communication, Team Building, Leadership, Supplier Relationship Management, Stakeholder Engagement and Management Training, Time Management and Efficiency, Data Analysis and Impact Measurement, Knowledge Management and Management Information System (MIS) Strategy, Writing and Content Development, Contract Drafting and Legal Compliance.

2) **Medium Priority:**

- a) **Technical Skills:** Tendering Process and Documentation, Project Management, Agroforestry Implementation, Project Design and Quality Assurance, Technology and Data Management, GIS and Remote Sensing Fundamentals, GIS Lab Operations, Administrative Skills, Documentation, Reporting and Knowledge Management.
- b) **Soft Skills:** Mindfulness, Training of Trainers, Change Management.

3) **Low Priority:**

- a) **Technical Skills:** Stakeholder Engagement and Communication.
- b) **Soft Skills:** Leadership and Team Management, Networking and Peer Learning.

This prioritization will guide the development and implementation of the training plan, ensuring that the most critical training needs are addressed first, followed by medium and low-priority needs as resources permit.

## 6.2.2 Training Management Strategy

To address the identified training needs, a comprehensive Training Management Strategy has been developed. This strategy encompasses a blended learning approach, utilizing a variety of training methodologies, including:

- 1) **Classroom Instruction:** Traditional classroom sessions for foundational knowledge transfer, incorporating active learning techniques and multimedia resources.
- 2) **Hands-On Exercises and Simulations:** Practical exercises and simulations to bridge the gap between theory and practice, allowing participants to apply newly acquired knowledge in controlled environments.
- 3) **Field Visits and Exposure Trips:** Real-world exposure to project sites and relevant organizations to provide practical insights and hands-on experience.
- 4) **Workshops and Seminars:** Interactive workshops and seminars to foster collaboration, encourage knowledge sharing, and develop soft skills.
- 5) **Online Modules and E-Learning:** Flexible, self-paced learning opportunities to supplement in-person training and reinforce understanding.
- 6) **Mentoring and Coaching:** Guidance and support from experienced staff members to newer colleagues, facilitating knowledge transfer and skill development.
- 7) **Interdepartmental Learning and Knowledge Sharing:** Cross-functional training and collaboration to promote a holistic understanding of the Project and enhance organizational effectiveness.
- 8) **Training of Trainers:** Building internal training capacity by equipping select staff members with the skills to design and deliver training programs.

## 6.2.3 Implementation and Monitoring

The Senior Manager, Social and Capacity Building Management at the SPMU, will serve as the Point of Contact for training and capacity building. The Point of Contact will oversee training activities, conduct needs assessments, develop strategic plans and budgets, and ensure alignment with Project goals. A phased implementation approach will be adopted, starting with high-priority areas identified in the TNA. Regular monitoring and evaluation will be conducted to assess the effectiveness of training programs and identify areas for improvement.

## **6.2.4 Sustainability**

To ensure the sustainability of training efforts, the Project will focus on developing internal training capacity through a Training of Trainers program. Training materials and resources will be meticulously documented and stored in a centralized knowledge repository for future reference and reuse. Mentorship and coaching programs will be encouraged to foster continuous learning and knowledge transfer within the Project. Additionally, partnerships with local institutions, resource persons and the integration of training into ongoing Project activities will further enhance the sustainability of capacity-building efforts.

## **6.3 Training Needs Assessment at Community Level**

The training needs at the community level, particularly those of the Village Community Facilitators (VCF), who play a pivotal role as a link between the Project and the community, and who shall assist in the preparation of the VLMAPs, organization of meetings, implementation of activities, record keeping and M&E at village level, will be assessed progressively as the engagement of new communities progresses.

## **6.4 Training Plan**

A Global Training Plan covering the entire Project duration, comprising (i) classroom and field trainings, (ii) local, national, and international exposure visits, and (iii) participations in conferences / seminars, has been approved by KfW on 11 March 2025 (except international exposure visits requiring individual KfW No-Objections) and is available as separate document. This plan will be updated annually based on M&E results and emerging needs.

## 7. BUDGET AND COST NORMS

### 7.1 Overall Budget Allocation

The estimated total cost of the Project amounts to approximately EUR 41 million. The Financial Cooperation (FC) contribution amounts to EUR 33 million, with EUR 1 million as Grant and EUR 32 million as Loan. Table 13 shows the Project costs by output and source of funding per KfW No-Objected Inception Report, based on an exchange rate of EUR 1 = INR 84.

**Table 13: Project costs by output and source of funding per No-Objected Inception Report**

Output	Total Cost (INR Lakh)	Total Cost (EUR Million)	KfW Contribution (INR Lakh)	KfW Contribution (EUR Million)	GoM Contribution (INR Lakh)	GoM Contribution (EUR Million)	(% of Total)
Output 1: Knowledge-based participatory planning & implementation and capacity building	9,87.84	1.176	8,19.00	0.975	1,68.84	0.201	17.09%
Output 2: Forests and other ecosystems of the selected catchment areas are enhanced	1,88,05.80	22.388	1,82,69.54	21.749	5,36.27	0.638	2.85%
Output 3: Livelihoods of the vulnerable communities in the catchment areas improve	33,95.02	4.042	31,71.12	3.775	2,23.90	0.267	6.59%
Output 4: Adoption of best-practice project management	86,40.42	10.286	32,40.22	3.857	54,00.20	6.429	62.50%
<b>Total Base Cost</b>	<b>3,18,29.09</b>	<b>37.892</b>	<b>2,54,99.88</b>	<b>30.357</b>	<b>63,29.21</b>	<b>7.535</b>	<b>19.88%</b>
Contingencies (ca. 8% for FC)	26,10.91	3.108	22,20.12	2.643	3,90.79	0.465	14.97%
<b>Total Project Cost</b>	<b>3,44,40.00</b>	<b>41.000</b>	<b>2,77,20.00</b>	<b>33.000</b>	<b>67,20.00</b>	<b>8.000</b>	<b>19.51%</b>

### 7.2 Detailed Budget

The Project costs per Global Work and Budget Plan (GWBP) further broken down by activities are shown in Table 14.

**Table 14: Project costs by output / activity and source of funding per Global Work and Budget Plan**

Output / Activity	Total Cost			KW Contribution			GoM Contribution		
	INR	EUR	%	INR	EUR	%	INR	EUR	%
<b>Output 1: Knowledge-based participatory planning &amp; implementation and capacity building</b>									
1.1 Micro-Watershed Planning	90,00,000	107,143	0.28				90,00,000	107,143	1.42
1.2 Knowledge Management & Communication	3,83,00,000	455,952	1.20	3,83,00,000	455,952	1.50			
1.3 Awareness / Training / Workshops / OB	4,36,00,000	519,048	1.37	4,36,00,000	519,048	1.71			
1.4 Duties & Taxes	78,84,000	93,857	0.25				78,84,000	93,857	1.25
<b>Total Output 1</b>	<b>9,87,84,000</b>	<b>1,176,000</b>	<b>3.10</b>	<b>8,19,00,000</b>	<b>975,000</b>	<b>3.21</b>	<b>1,68,84,000</b>	<b>201,000</b>	<b>2.67</b>
<b>Output 2: Forests and other ecosystems of the selected catchment areas are enhanced</b>									
2.1 Forest Ecosystems Protection & Restoration	94,90,16,970	11,297,821	29.82	94,90,16,970	11,297,821	37.22			
2.2 Soil & Water Conservation	77,58,76,560	9,236,626	24.38	77,58,76,560	9,236,626	30.43			
2.3 Implementation support on NRM activities	10,20,60,000	1,215,000	3.21	10,20,60,000	1,215,000	4.00			
2.4 Duties & Taxes	5,36,26,840	638,415	1.68				5,36,26,840	638,415	8.47
<b>Total Output 2</b>	<b>188,05,80,370</b>	<b>22,387,862</b>	<b>59.08</b>	<b>182,69,53,530</b>	<b>21,749,447</b>	<b>71.65</b>	<b>5,36,26,840</b>	<b>638,415</b>	<b>8.47</b>
<b>Output 3: Livelihoods of the vulnerable communities in the catchment areas improve</b>									
3.1 Water Harvesting & Storage	9,66,12,000	1,150,143	3.04	9,66,12,000	1,150,143	3.79			
3.2 Farm-Based Activities	9,67,50,000	1,151,786	3.04	9,17,50,000	1,092,262	3.60	50,00,000	59,524	0.79
3.3 Off-Farm Activities	12,87,50,000	1,532,738	4.05	12,87,50,000	1,532,738	5.05			
3.4 Duties & Taxes	1,73,90,160	207,026	0.55				1,73,90,160	207,026	2.75
<b>Total Output 3</b>	<b>33,95,02,160</b>	<b>4,041,692</b>	<b>10.67</b>	<b>31,71,12,000</b>	<b>3,775,143</b>	<b>12.44</b>	<b>2,23,90,160</b>	<b>266,550</b>	<b>3.54</b>
<b>Output 4: Adoption of best-practice project management</b>									
4.1 Setting-up of Project Implementation Structure	50,31,67,000	5,990,083	15.81	15,31,67,000	1,823,417	6.01	35,00,00,000	4,166,667	55.30
4.2 Setting-up of Project Management System	4,20,00,000	500,000	1.32	60,00,000	71,429	0.24	3,60,00,000	428,571	5.69
4.3 Planning									
4.4 Implementation (administrative aspects)	19,09,19,870	2,272,856	6.00	6,19,19,870	737,141	2.43	12,90,00,000	1,535,714	20.38
4.5 Monitoring, Evaluation & Coordination	3,86,00,000	459,524	1.21	3,86,00,000	459,524	1.51			
4.6 Stakeholder Engagement	6,43,35,600	765,900	2.02	6,43,35,600	765,900	2.52			
4.7 ESHS Compliance	66,60,000	79,286	0.21				66,60,000	79,286	1.05
4.8 Duties & Taxes	1,83,60,000	218,571	0.58				1,83,60,000	218,571	2.90
<b>Total Output 4</b>	<b>86,40,42,470</b>	<b>10,286,220</b>	<b>27.15</b>	<b>32,40,22,470</b>	<b>3,857,410</b>	<b>12.71</b>	<b>54,00,20,000</b>	<b>6,428,810</b>	<b>85.32</b>
<b>Total Base Cost</b>	<b>318,29,09,000</b>	<b>37,891,774</b>	<b>100.00</b>	<b>254,99,88,000</b>	<b>30,357,000</b>	<b>100.00</b>	<b>63,29,21,000</b>	<b>7,534,774</b>	<b>100.00</b>
<b>Contingencies</b>	<b>26,10,91,000</b>	<b>3,108,226</b>		<b>22,20,12,000</b>	<b>2,643,000</b>		<b>3,90,79,000</b>	<b>465,226</b>	
<b>Total Project Cost</b>	<b>344,40,00,000</b>	<b>41,000,000</b>		<b>277,20,00,000</b>	<b>33,000,000</b>		<b>67,20,00,000</b>	<b>8,000,000</b>	

Some activities under Output 4 have no or relatively small costs. This is due to the fact that the recurrent staff costs of SPMU and of the CMUs are budgeted under activity 4.1, and operational costs of the same are budgeted under activity 4.4.

The following costs shall be eligible for reimbursement from the Loan through the Simplified Reimbursement Procedure (SRP):

**Output 1: Knowledge-based participatory planning and implementation and capacity building**

- 1.1 Micro-Watershed Planning: None.
- 1.2 Knowledge Management and Communication:
  - 1.2.1 Design of Knowledge Management and Communication strategies: None.
  - 1.2.2 Implementation of Knowledge Management and Communication strategies: All goods, works and services procured per approved Procurement Plan.
  - 1.2.3 Research on best project practices: All goods, works and services procured per approved Procurement Plan.
- 1.3 Orientations / Awareness / Campaigns / Workshops / Training & Capacity Building:
  - 1.3.1 Training Needs Assessment on State and District level: All goods, works and services procured per approved Procurement Plan, and costs of related workshops / meetings per MBDA approved rates.
  - 1.3.2 Training Needs Assessment on State and District level: All goods, works and services procured per approved Procurement Plan, and costs of related workshops / meetings per MBDA approved rates.
  - 1.3.3 Design / Update of training programmes: None.
  - 1.3.4 Capacity Development Programmes: All goods, works and services procured per approved Procurement Plan, and costs of workshops / meetings / trainings / orientations / campaigns / capacity building activities per KfW approved Training Plan and MBDA approved rates.

**Output 2: Forests and other ecosystems of the selected catchment areas are enhanced**

- 2.1 Forest Ecosystems Protection and Restoration: All goods, works and services procured per approved Procurement Plan, costs of the activities of the approved “No-Regret Measures”, costs of the approved VLMAPs up to the thresholds per KfW approved cost norms, costs of PES per KfW approved PES Guidelines, exceptionally other costs with prior KfW approval (e.g. preparation of FMPs by CoE for Natural Resource Management and Sustainable Livelihoods under MBDA).
- 2.2 Soil and Water Conservation: All goods, works and services procured per approved Procurement Plan, costs for the implementation of winning FPA contest 3 proposals per KfW approved FPA Guidelines, costs of the activities of the approved VLMAPs up to the thresholds per KfW approved cost norms, exceptionally other costs with prior KfW approval.
- 2.3 Implementation Support on Natural Resources Management Activities: Salaries and activities-related costs (e.g. travelling allowances, daily allowances, etc.) of Green Field Associates (GFA) employed by the Meghalaya Basin Management Agency (MBMA) with prior KfW approval.

### **Output 3: Livelihoods of the vulnerable communities in the catchment areas improve**

- 3.1 Water Harvesting and Storage: All goods, works and services procured per approved Procurement Plan, costs for the implementation of winning FPA contest 2 proposals per KfW approved FPA Guidelines, costs of the activities of the approved VLMAPs up to the thresholds per approved cost norms, exceptionally other costs with prior KfW approval.
- 3.2 Farm-Based Activities: All goods, works and services procured per approved Procurement Plan, costs for the implementation of winning FPA contest 2 proposals, costs of the activities of the approved VLMAPs up to the thresholds per approved cost norms, exceptionally other costs with prior KfW approval.
- 3.3 Off-Farm Activities: All goods, works and services procured per approved Procurement Plan, costs for the implementation of winning FPA contest 2 proposals, costs of the activities of the approved VLMAPs up to the thresholds per approved cost norms, exceptionally other costs with prior KfW approval.

### **Output 4: Adoption of best-practice project management**

- 4.1 Setting-up of Project implementation structure: None.
- 4.2 Setting-up of Project management system: Only the development and maintenance of the MIS (GWBP activities 4.2.5.1 and 4.2.5.2) per approved Procurement Plan.
- 4.3 Planning: None.
- 4.4 Project implementation (administrative aspects): Only the procurement of goods, works and services per approved Procurement Plan (GWBP activity 4.4.1 and the organization of annual external audits / assurance engagement (GWBP activity 4.4.4) per approved Procurement Plan.
- 4.5 Monitoring, Evaluation and Co-ordination:
  - 4.5.1 Facilitation of baseline and endline surveys: All services procured per approved Procurement Plan, exceptionally other costs with prior KfW approval (e.g. conduct of the baseline survey by CoE for Natural Resource Management and Sustainable Livelihoods under MBDA).
  - 4.5.2 Organization of annual independent third-party verifications of implemented measures: All services procured per approved Procurement Plan.
  - 4.5.3 Organization of mid-term review: All services procured per approved Procurement Plan.
  - 4.5.4 Monitoring related activities: Activities related costs except salaries (e.g. travelling allowances, daily allowances, public transport, hiring of vehicles, fuel, etc.) of Project staff with prior KfW approval.
  - 4.5.5 Acquisition / Maintenance of RMMV data (DEM & UAV Imagery): All goods and services procured per approved Procurement Plan, exceptionally other costs with prior KfW approval.
  - 4.5.6 Setting-up and maintenance of a village database: Salaries and activities-related costs (e.g. travelling allowances, daily allowances, etc.) of Green Field Associates (GFA) employed by the Meghalaya Basin Management Agency (MBMA) with prior KfW approval.
  - 4.5.7 Preparation and submission of Semi-Annual Progress Reports: Costs of printing and distribution of reports per approved Procurement Plan.
  - 4.5.8 Preparation and submission of Draft / Final Project Completion Report: Costs of printing and distribution of reports per approved Procurement Plan.

4.6 Stakeholder engagement:

- 4.6.1 Development and KfW approval of FPIC and FPA guidelines: None.
- 4.6.2 Selection & sequencing of Project villages: None.
- 4.6.3 Community consultation (FPIC 1): Costs of related workshops / meetings per MBDA approved rates.
- 4.6.4 PRA (FPIC 2): Costs of related workshops / meetings per MBDA approved rates.
- 4.6.5 FPA contests & awards (FPIC 3 + FPIC 4): Costs per KfW approved FPA Guidelines.
- 4.6.6 Development & KfW approval of CEPF: None.
- 4.6.7 Community participation in VLMAP preparation (FPIC 5): Costs of related workshops / meetings per MBDA approved rates.
- 4.6.8 MoA signing and development / inclusion of LRP if required (FPIC 6): None
- 4.6.9 Introduction & implementation of GRM: None.
- 4.6.10 Coordination / Convergence with secondary stakeholders (SEP): Costs of related workshops / meetings per MBDA approved rates.

4.7 ESHS Compliance: None.

### 7.3 Cost Norms

Detailed cost norms, MS Excel tables for the preparation of site-specific cost estimates of the eligible project measures and the underlying principles, approved by KfW on 11 March 2025, are available as separate document.

The labour costs are aligned with the minimum wage rates established by the Meghalaya Department of Labour. As of June 2024, the daily rates amount to INR 427 for unskilled labour respectively to INR 517 for skilled labour for both male and female workers. These rates will be updated periodically in accordance with the last revisions announced by the GoM.

The cost norms for plantations and nurseries follow the Schedule of Rates (SoR) of the Meghalaya Forest Department.

For physical measures such as check dams, water storage tanks, and other structures, establishing standard cost norms is impractical due to highly site-specific dimensions and technical requirements. Factors such as terrain, soil type, hydrology, and community needs influence the size, materials, and design of each measure. Similarly, for materials like concrete and steel, specifications and costs can vary significantly, making it unfeasible to define standard costs beforehand.

Instead, composite unit rates - calculated based on measurements such as running meters or cubic meter - have been developed to prepare site-specific cost estimates. These estimates rely on standard rates for materials, labour and technical inputs, tailored to the conditions and requirements of each site. They follow the SoR of the Meghalaya Public Works Department.

Although the PWD SoR take into account material and labour costs, they don't differentiate explicitly between material and labour costs. They also factor in a 15% profit for the contractor. In order to estimate the costs for the Project, the contractor's profit has been removed. Since the Project needs to include people's contribution based on labour inputs, labour costs (which is linked to people's contribution) have been estimated as shown in Table 15.

**Table 15: Estimate of the proportion of labour costs of physical measures**

Measures		Examples	Proportion of labour costs*
a)	Measures that require only labour inputs	Contour bunds, percolation tanks, etc	100%
b)	Measures that require unskilled labour and materials	Loose boulder bund, bamboo fencing	60%
c)	Measures that require skilled & unskilled labour and materials	RCC checkdam, retaining wall	40%

\* General estimate based on calculations of costs for different sub-activities required for different measures. Site specific details developed during actual implementation will vary.

For future updates of the cost norms, the cost estimates in the MS Excel sheets are dynamically linked to a master sheet, enabling real-time updates based on changes in daily wage rates for skilled and unskilled labour, inflation for material costs as well as expected community contributions. When updated, these changes automatically adjust cost calculations across all measure-specific sheets, ensuring accuracy and consistency.

The KfW No-Objection was granted for cost estimates of an initial set of 15 eligible project measures. Cost estimates for the remaining project measures are to be shared with the IC for review and agreement. Table 16, Table 17 and Table 18 show exemplary cost estimates of (i) a contour bund (100% labour costs), (ii) an erosion control gabion check dam (60% labour costs) and (iii) an earthen embankment with cement concrete core (40% labour costs).

**Table 16: Exemplary cost estimate of a contour bund**

2.2.7 MODEL ESTIMATE FOR CONSTRUCTION OF CONTOUR BUND									
Quantity		10 m x 1.2 m x 1 m							
LOCATION -									
(As per Meghalaya PWD Schedule of Rates for Building Works 2021-22)									
ITEM AND S.O.R. No	PARTICULARS	NOS	LENGTH	BREADTH OR WIDTH	HEIGHT OR DEPTH	QUANTITY	UNIT	RATE [INR]	AMOUNT [INR]
1/19.23	Clearing jungle including uprooting of rank vegetation, grass, brush wood, trees and saplings of girth up to 30 cm measured at a height of 1 in above ground level and removal of rubbish up to a distance of 50 in outside the periphery of the area cleared.								
		1	1	10.00	1.20	-	12.00	Sqm	
						Total=	12.00	Sqm	8.00 96.00
2/2.1	Earthwork in excavation by manual means up to a depth of 2 m below the existing ground level for foundation trenches of foundations, footings of column / walls, retaining walls, septic tank etc. including bailing out water where necessary and removal of surplus earth with all lead and lifts as directed and specified for the following classification of soils.								
a	All kinds of soil (ordinary soil / hard soil / dense soil)								
		1	1	10.00	1.20	0.30	3.60	Cum	
						Total=	3.60	Cum	213.00 766.80
3/2.6 b	Earthwork in filling (excluding rock) in trenches, plinth, sides of foundation otc in layers not exceeding 20 cm thick including breaking of clods, consolidating each layer by ramming and watering, lead up to 50 in and lift up to 1.5 in.								
	With borrowed earth / stone dust carriage up to 5 Km								
	Earthfill	1	1	10.00	1.20	1.00	12.00	Cum	294.00 3,528.00
						Total=	12.00	Cum	
									Estimated cost = 4,390.80
									Deduct Contractor Profit 15 % = 658.62
									Total = 3,732.18
									Appropriate Signboard (Lumpsum amount of INR 5,000) 5,000.00
									Grand Total 8,732.18
									Say 9,000.00
									Rate per Meter 900.00

Abstract of Cost Estimate updated to 2024			
Particulars	Mandays	Amount [INR]	Remarks
Total Cost Estimate	-	9,000.00	
Labour Cost (100%)	-	9,000.00	
Unskilled Labour	22	9,000.00	

**Table 17: Exemplary cost estimate of an erosion control gabion check dam**

2.2.5 MODEL ESTIMATE FOR CONSTRUCTION OF GABION CHECK DAM										
Quantity		5 m x 1.2 m x 1.45 m								
LOCATION -		(As per Meghalaya PWD Schedule of Rates for Building Works 2021-22)								
ITEM AND S.O.R. No	PARTICULARS	NOS		LENGTH	BREADTH OR WIDTH	HEIGHT OR DEPTH	QUANTITY	UNIT	RATE [INR]	AMOUNT [INR]
1/19.23	Clearing jungle including uprooting of rank vegetation, grass, brush wood, trees and saplings of girth up to 30 cm measured at a height of 1 in above ground level and removal of rubbish up to a distance of 50 in outside the periphery of the area cleared.									
		1	1	5.00	1.20	-	6.00	Sqm	8.00	48.00
2/2.1	Earthwork in excavation by manual means up to a depth of 2 m below the existing ground level for foundation trenches of foundations, footings of column/ walls, retaining walls, septic tank etc. including bailing out water where necessary and removal of surplus earth with all lead and lifts as directed and specified for the following classification of soils.									
a	All kinds of soil (ordinary soil / hard soil / dense soil)	1	1	5.00	1.20	0.45	2.70	Cum		
						Total=	2.70	Cum	213.00	575.10
3/8.8	Providing dry stone masonry in retaining walls etc. with hammer dressed or blunt chisel dressed stones of heavy section not less than 25 x 25 x 30 cm with proper key stone each not less than 25 x 25 x 75 cm long including filling of trenches and providing of weep holes at 1.20 to 1.50 m apart staggered complete.									
		1	1	5.00	1.20	1.45	8.70	Cum	5,416.00	47,119.20
3	Wire Crates 4 mm Diameter (Market Rate)									
		1	1	5.00	-	4.80	24.00	Sqm		
		2	1	-	1.45	1.20	3.48	Sqm		
					Total=	27.48	Sqm	450.00	12,366.00	
								Estimated cost =	60,108.30	
								Deduct Contractor Profit 15 % =	9,016.25	
								Total =	51,092.06	
								Appropriate Signboard (Lumpsum amount of INR 5,000)	5,000.00	
								Grand Total	56,092.06	
								Say	56,000.00	
								Rate per Meter	11,200.00	

Abstract of Cost Estimate updated to 2024			
Particulars	Mandays	Amount [INR]	Remarks
<b>Total Cost Estimate</b>		<b>56,000.00</b>	
<b>Material Cost (40%)</b>		<b>22,400.00</b>	
<b>Labour Cost (60%)</b>		<b>33,600.00</b>	
<b>Unskilled Labour</b>	<b>81</b>	<b>33,600.00</b>	

**Table 18: Exemplary cost estimate of an earthen embankment with cement concrete core wall**

2.2.9 MODEL ESTIMATE FOR CONSTRUCTION OF EARTHEN EMBANKMENT WITH CEMENT CONCRETE CORE WALL									
Quantity		15 m length with spillway drain 10 m							
LOCATION -		(As per Meghalaya PWD Schedule of Rates for Building Works 2021-22)							
ITEM AND S.O.R. No	PARTICULARS	NOS	LENGTH	BREADTH OR WIDTH	HEIGHT OR DEPTH	QUANTITY	UNIT	RATE [INR]	AMOUNT [INR]
1/19.23	Clearing jungle including uprooting of rank vegetation, grass, brush wood, trees and saplings of girth up to 30 cm measured at a height of 1 in above ground level and removal of rubbish up to a distance of 50 in outside the periphery of the area cleared.								
		1	1	15.00	3.00	-	45.00	Sqm	
						Total=	45.00	Sqm	8.00 360.00
2/2.1	Earthwork in excavation by manual means up to a depth of 2 m below the existing ground level for foundation trenches of foundations, footings of column / walls, retaining walls, septic tank etc. including bailing out water where necessary and removal of surplus earth with all lead and lifts as directed and specified for the following classification of soils.								
a	All kinds of soil (ordinary soil / hard soil / dense soil)								
	Core wall	1	1	15.00	0.40	0.30	1.80	Cum	
	Spillway drain	1	1	10.00	0.80	0.60	4.80	Cum	
						Total=	6.60	Cum	213.00 1,405.80
3/12.5	Providing soling with stone / best quality picked jhama brick, sand packed and laid to level and in panel after preparing the subgrade as directed including all labour and materials and if necessary dewatering, complete.								
b (i)	Stone soling 100 mm thick								
	Core wall	1	1	15.00	0.40		6.00	Sqm	
	Spillway drain	1	1	10.00	1.00		10.00	Sqm	
						Total=	16.00	Sqm	415.00 6,640.00
4/5.1	Plain cement concrete works in foundation bed for footing steps, walls, brick works etc below plinth level as directed and specified including dewatering if necessary, and curing complete (shuttering where necessary shall be measured and paid separately).								
b	1 : 3 : 6 (1 Cement : 3 coarse sand : 6 graded stone aggregate 20 mm nominal size)								
	Core wall - Below GL	1	1	15.00	0.40	0.30	1.80	Cum	
	Core wall - Above GL	1	1	15.00	0.40	1.20	7.20	Cum	
	Spillway drain	1	1	10.00	2.20	0.15	3.30	Cum	
						Total=	12.30	Cum	7,601.00 93,492.30
5/8.6	Providing boulder or stone filling with boulders or stones 15 cm size, 60 cm wide behind the retaining wall etc. complete as directed.								
	U/S Stone pitching	1	1	15.00	5.90	0.25	22.13	Sqm	
						Total=	22.13	Sqm	2,381.00 52,691.53
	Centering and shuttering including strutting, propping etc. and removal of form for all heights complete and as directed by Engineer in charge.								
7/4.5	Columns, Pillars, Piers, Abutments, Posts and struts (using steel).								
	Core wall	1	2	15.00	1.50		45.00	Sqm	
						Total=	45.00	Sqm	609.00 27,405.00
10/15.1	12 mm cement plaster of mix: a. 1 : 6 (1 Cement : 6 Fine Sand)								
b	1 : 6 (1 cement : 6 fine sand)								
	Spillway drain	1	1	10.00	2.20		22.00	Sqm	
						Total=	22.00	Sqm	224.00 4,928.00
11/2.6 b	Earthwork in filling (excluding rock) in trenches, plinth, sides of foundation etc in layers not exceeding 20 cm thick including breaking of clods, consolidating each layer by ramming and watering, lead up to 50 in and lift up to 1.5 in.								
	With borrowed earth/stone dust carriage up to 5 Km								
	U/S Earthfill	1	0.5	10.00	4.50	1.20	27.00	Cum	
	D/S Earthfill	1	0.5	10.00	3.00	1.20	18.00	Cum	
						Total=	45.00	Cum	294.00 13,230.00
	Estimated cost = 2,00,152.63								
	Deduct Contractor Profit 15 % = 30,022.89								
	Total = 1,70,129.74								
	Appropriate Signboard (Lumpsum amount of INR 5,000) 5,000.00								
	Grand Total 1,75,129.74								
	Say 1,75,000.00								
	Rate per Meter 11,666.67								

Abstract of Cost Estimate updated to 2024			
Particulars	Mandays	Amount [INR]	Remarks
Total Cost Estimate		1,75,000.00	
Material Cost (60%)		1,05,000.00	
Labour Cost (40%)		70,000.00	
Skilled Labour	66	35,000.00	
Unskilled Labour	84	35,000.00	

Field conditions may necessitate deviations from the approved cost norms. Deviations from the standard cost estimates may be approved as follows:

- deviations up to 30% by the CMU;
- deviations from 31% to 50% by SPMU;
- deviations of 51% and more by KfW.

## 8. PROCUREMENT AND CONTRACTUAL PROVISIONS

Detailed Project-specific Procurement Guidelines acknowledged by KfW on 03 July 2024 are available as separate document.

### Textbox 1: Procurement and Contractual Provisions in a Nutshell

Procurement of services, works and goods is to be done (i) following the KfW procurement guidelines, (ii) in compliance with the specific conditions of Article 2.3 of the Separate Agreement and (iii) based on a periodically updated KfW approved Procurement Plan, using KfW's standard tender documents and draft contracts. An abstract of the tender modalities according to estimated contract costs for the procurement of consulting services is shown in Table 19, page 67, and for the procurement of goods, works and non-consulting services in Table 20, page 70. In the case of National Competitive Bidding (NCB) and International Competitive Bidding (ICB), tender notices shall be published in at least one local and one national newspaper and, for ICB, also on the website of GTAI ([www.gtai.de](http://www.gtai.de)). Opening and evaluation of Applications / Offers shall be done by an evaluation committee consisting of at least 2 independent members. Upon evaluation of Applications / Offers, the evaluation committee has to prepare and sign a detailed evaluation report that shall be countersigned by the IC prior to its submission to KfW for No-Objection. Cancellation of a tender process and the subsequent steps require KfW's prior No-Objection. The complete documentation of the tender process is to be kept by the PEA for possible inspection by KfW.

Contracts between MBDA and third parties up to EUR 100,000 for small scale investments with villages / villagers such as those for the implementation of activities / investments of proposals selected under the Financial Participatory Approach (FPA) and for the implementation of Village-Level Micro-Action Plans (VLMAP) may be awarded directly provided that they are based on KfW approved unit costs. T [REDACTED]

Procurement is governed in detail by the following documents including their annexes:

- Project Agreement dated 24 November 2022, with 2 annexes.
- Loan Agreement dated 24 November 2022, with 5 annexes.
- Grant Agreement dated 24 November 2022, with 1 annex.
- Separate Agreement dated 28 November 2022, with 10 annexes, most importantly Annex 6 "Procurement Plan Model" and Annex 10 "KfW Guidelines for the Procurement of Consulting Services, Works, Plant, Goods and Non-Consulting Services in Financial Cooperation with Partner Countries", document version January 2019, first update as of January 2021.
- Detailed Project-specific Procurement Guidelines acknowledged by KfW.

Procurement of services, works and goods with FC funds shall be done in accordance with (i) the *"KfW Guidelines for the Procurement of Consulting Services, Works, Plant, Goods and Non-Consulting Services in Financial Cooperation with Partner Countries"*, document version January 2019, first update as of January 2021 (hereinafter referred to as "KfW Procurement Guidelines"), and (ii) with the Procurement Plan as prepared using the model shown in Appendix 2 of the KfW Procurement Guidelines and periodically updated by the PEA and approved by KfW.

The KfW Procurement Guidelines apply without prejudice to the Public Procurement Regulation or other applicable local laws and regulations. Per Section 9.7.3 A of the 2021 Vigilance Manual of

the Central Vigilance Commission, the “*Commission’s guidelines relating to procurement / sales, etc. would not be applicable to projects funded by World Bank and other International Funding agencies*”. In other words, the KfW Procurement Guidelines as incorporated into the Project Agreements prevail.

## 8.1 Terms and Methods used in Procurement

### **General Terms:**

- **Applicant:** Person who submitted an Application in a Tender Process.
- **Application:** Set of documents submitted by an Applicant in order to prove eligibility and qualification to perform the Contract.
- **Bid:** Set of documents submitted by a Bidder in order to participate in a Tender Process for procurement of Works, Goods, Plants and Non-Consulting Services.
- **Bidder:** Person who submitted an Offer in a Tender Process.
- **GTAI:** Germany Trade and Investment GmbH, the economic development agency of the Federal Republic of Germany which publishes diverse project and procurement related information on its website ([www.gtai.de](http://www.gtai.de)).
- **Invitation to Bid (ITB):** Set of documents inviting prequalified Applicants, interested or preselected Persons, as the case may be, to submit a Bid.
- **Joint Venture (JV):** Association with or without a legal personality distinct from that of its members, of more than one Person where one member has the authority to conduct all business for and on behalf of any and all the members of the JV, and where the members of the JV are jointly and severally liable to the PEA for the performance of the Contract.
- **Key Expert:** A single individual professional whose skills, qualifications, knowledge and experience are critical to the performance of the Contract and whose Curriculum Vitae (CV) is taken into account during the evaluation.
- **Offer:** General term for Proposals and Bids.
- **Person:** Any natural or legal person or an association of two or more of the foregoing.
- **Prequalification:** First stage of a Two-Stage Selection to identify a number of eligible and qualified Applicants, who will then be invited to submit an Offer.
- **Proposal:** Set of documents submitted by Bidders in order to participate in a Tender Process for procurement of Consulting Services.
- **Request for Application (RfA):** Set of documents inviting potential Applicants to submit their evidence of qualification to perform the Contract.
- **Request for Proposal (RfP):** Set of documents inviting prequalified Applicants, interested or preselected Persons, as the case may be, to submit a Proposal.
- **Subcontractor:** Person to whom the Contractor subcontracts parts of the Contract while remaining responsible to the PEA during the Contract performance.
- **Terms of Reference (ToR):** Description of the objectives, scope of work, activities, and tasks to be performed, respective responsibilities of the PEA and the Contractor, and expected results and deliverables of a Consulting Services Contract.

### **Review / No-Objection by KfW:**

- **Prior Review:** Before publication or notification to third parties, and preferably before any communication for approval to a national regulatory or supervisory public procurement entity, the PEA shall submit to KfW the documents below as far as applicable in the respective Tender Process. KfW issues No-Objection notices if the proposed documents and decisions comply with the Guidelines.
  - Tender Notice(s)

- Request for Application (RfA), including evaluation details;
- Evaluation report of Prequalification, including opening minutes;
- Request for Proposal (RfP) or Invitation to Bid (ItB), including evaluation method and criteria;
- Evaluation report of Offers, including opening minutes; in the case of separate evaluation of the Technical and Financial Offer, the technical evaluation report shall be sent to KfW for No-Objection before opening of the Financial Offers;
- If applicable, request for pre-award discussions with the next ranked Bidder and for cancellation of the Tender Process with appropriate justification and proposal for further action;
- Prior to Award of Contract, the draft Contract (including the Declaration of Undertaking);
- If applicable, prior to its signature, any subsequent Contract amendments.
- **Simplified Review:** Before publication or notification to third parties, the PEA shall submit to KfW the draft Contract for No-Objection. In the case of serial procurement using the same Tender Documents and Contract specimen, KfW may, after review and No-Objection to the first Tender Process, agree to only review and provide No-Objection to the draft Contract, i.e. the last step in the procurement process.
- **Post Review:** No documents have to be shared, KfW does not provide No-Objection, but the Contract and Tender documents will be subject to the annual external audits.

#### **Tender Procedures:**

- **Direct Award (DA):** Only one preselected, qualified Person is invited to submit an Offer on the basis of a functional description, a specification or Terms of Reference, as the case may be. The PEA shall verify the appropriateness and competitiveness of the Offer as well as the Contract to be concluded and demonstrate the qualification of the selected Bidder. The outcome of this verification shall be documented in writing.
- **Price Quotation (Q):** At least three preselected qualified Persons are requested to submit an Offer. The Request for Quotation (RfQ) shall specify the technical requirements, other relevant information and the evaluation method (generally Least Cost Selection [LCS]). Price Quotation may only be chosen for the procurement of highly standardized commercially obtainable off-the-shelf Goods and Non-Consulting Services, that do not require elaborated specifications / task descriptions by the PEA, nor elaborated technical Offers by the Bidders (e.g. standard vehicles, office supplies, standard computer hard- and software, transport and distribution of Goods, topographical survey, food supplies).
- **Limited Competitive Bidding (LCB):** The Tender Process is restricted to a limited number of preselected (not less than three) qualified Persons, which are invited to submit an Offer. The PEA shall present to KfW a list of the proposed Persons from which Offers will be solicited plus a cost estimate and will demonstrate their qualification for the envisaged activity, i.e. overall experience, human resources, financial resources and expertise in relation to the subject of the Contract. Where insufficient information is available, Bidders shall be requested to submit such qualification details together with the Offers solicited.
- **National Competitive Bidding (NCB):** The Tender Notice is published nationally. However, international Persons shall not be excluded from participation.
- **International Competitive Bidding (ICB):** The Tender Notice is published internationally to attract international Persons to participate in the Tender Process.

### **Submission Methods:**

- One-Envelope Submission: Tender Process in which the technical and financial part of the Offer are submitted in one envelope (in a Single-Stage Selection together with the Bidder's evidence of qualification).
- Two-Envelope Submission: Tender in which the technical and financial part of the Offer are submitted in two separate envelopes.

### **Selection Methods:**

- Single-Stage Selection: Tender Process in which evidence of qualification is submitted together with the technical and financial Offer.
- Two-Stage Selection: The Tender Process is divided into two consecutive stages. In the first stage, the Prequalification, Applicants are required on the basis of a Request for Application (RfA) to demonstrate their qualification in terms of experience, capacity and resources to perform the Contract. Applicants which fulfil the requirements as per RfA are considered prequalified. In the second stage prequalified Applicants are invited to submit a technical and financial Offer.

### **Cancellation of a Tender Process:**

A Tender Process may be cancelled when

- there has been a lack of competition,
- all Offers received are not substantially compliant with the requirements of the Tender Documents,
- none of the technical Proposals meet the minimum requirements,
- all the offered prices are substantially higher than the latest updated cost estimate or the available budget, or
- the underlying fundamental conditions for the Tender Process have changed significantly prior to award of the Contract.

A lack of competition shall not be determined solely on the basis of the number of Offers received. Even when only one Offer is submitted, the Tender Procedure may be considered valid, if (i) the procurement was satisfactorily published, (ii) the qualification criteria were not unduly restrictive and (iii) prices are reasonable in comparison to market values.

The cancellation of a Tender Process and the subsequent steps require KfW's prior No-Objection.

### **Sanctions by KfW for Misprocurement:**

Should KfW reviews reveal at any time the non-compliance with the provisions of the Guidelines by the PEA, KfW is entitled to declare misprocurement and to exercise any of its rights under the Funding Agreement. Where appropriate KfW is entitled to cancel the part of the funds allocated to contracts which have not been procured in compliance with the provisions and is entitled to reimbursement or early repayment in full or in part.

### **Contractual Provisions:**

Contracts shall be based on internationally recognised and accepted model Contracts such as those published by the Fédération Internationale des Ingénieurs Conseils (FIDIC) for Works and Plant. For Consulting Services KfW makes available a model Contract reflecting international best practice. These Contract forms are integrated in KfW's standardised Tender Documents, which the PEA is encouraged to use. The original general conditions of Contract of these model Contracts

shall remain unchanged. Any Project specific adaptation shall be included in their special conditions without substantial modification of the general conditions of Contract.

- Contracts for Goods usually provide for full payment on the delivery and inspection (if required) of the contracted Goods, except for Contracts involving installation and commissioning; for such contracts, a portion of the payment may be made as advance payment and final payment after the Contractor has complied with all its obligations under the Contract.

- Contracts for Works, Plant and Non-Consulting Services may be either Ad Measurement Contracts or Lump Sum Contracts.

Ad Measurement Contracts are most suited when the PEA provided the design for the contractual content and/or the nature of the contractual content is not suitable for lump sum remuneration due to high unforeseen risks. Ad Measurement Contracts usually include an advance payment of up to 20%, regular interim payments depending on the progress and a final payment of up to 10%, payable upon taking over or the issuance of the preliminary acceptance.

Lump Sum Contracts are mostly used when the Contractor is responsible for the design of the Works or Plant to be delivered (e.g. turn-key Contracts, design-build-operate Contracts). Payment terms usually include either regular percentage based instalments or instalments against the achievement of predefined milestones.

- Contracts for Consulting Services may include remuneration on a lump sum or on a time based basis or a combination of both.

Lump Sum Contracts are typically used for feasibility studies, expert opinions, short term advise, construction design and elaboration of Tender Documents. Payment terms usually include either regular percentage based instalments or instalments against the delivery of documents or services.

Time Base Contracts are typically used for implementation supervision services and long term technical assistance or training services. Such Contracts foresee an advance payment of up to 20%, regular interim payments, preferably on a quarterly basis, and a final payment generally between 5% and 10%, payable upon acceptance of the services.

- Advance Payment Guarantee in the same amount as the advance payment is generally conditional for the payment of an advance payment. Depending on the volume and the associated risk, KfW may agree to waive this requirement.

- Taxes, Duties and Levies: Contracts shall have provisions on the treatment of taxes and public duties, payable by the Contractor in the Partner Country. Only identifiable local taxes and public duties directly attributable to the Contact shall be considered in this context (e.g. GST). The PEA will either remunerate the Contractor or pay these taxes and duties on behalf of the Contractor to the tax authorities. The Contract should specify the nature and amounts of taxes and the procedure of invoicing by the Contractor and the mode of payment by the PEA. The Contract shall include a provision for the handling of any changes in local tax law after Award of Contract which has an effect on the cost incurred by the Contractor or its foreign staff and should include the mode of remuneration of an increase or decrease in costs. For the sake of clarity, other local taxes not directly attributable to the Contract (e.g. profit tax, corporate tax, income tax) as well as tax liabilities of the Contractor and its staff outside the Partner Country shall be included in the overhead cost calculation and will not be subject to any separate remuneration.

- Declaration of Undertaking: A Declaration of Undertaking as per Appendix 1 of the KfW Procurement Guidelines duly signed by the Contractor shall be attached to the Contract as an integral part of it.

## 8.2 Procurement of Consulting Services

Consulting Services are services of an advisory / professional nature, including in particular the provision of expert / strategic advice, management services, coaching, policy development, implementation and communication services as well as advisory and project-related services, e.g. feasibility studies, project management, engineering services, supervision of construction, finance and accounting services, as well as training and organizational development.

The tender procedures and selection methods to be used per Separate Agreement according to the contract value for the procurement of consulting services are summarized in Table 19. These are minimum requirements for the tender procedures. Higher levels of e.g. publication methods, deadlines, selection methods, etc. shall be envisaged whenever this makes sense and seems proportionate in relation to the content of the procurement.

**Table 19: Tender modalities for the procurement of consulting services**

Contract Amount / § of Separate Agreement	Tender Procedure / Selection Methods / Evaluation Methods	Review by KfW	Submission Deadline
Up to EUR 20,000 § 2.3.3 (3)	<ul style="list-style-type: none"> <li>• Direct Award (DA), provided that the consultant is particularly or exclusively suitable, an invitation to tender would not bring any economic benefits and the Technical and Financial Proposals are adequate and appropriate.</li> <li>• Single-Stage Selection.</li> <li>• No publication of tender notice.</li> </ul>	Prior	Appropriate to the Contract
EUR 20,001 to EUR 100,000 § 2.3.3 (4)	<ul style="list-style-type: none"> <li>• Limited Competitive Bidding (LCB), min. 3 Bidder.</li> <li>• Single-Stage Selection.</li> <li>• No publication of tender notice.</li> <li>• Typically Quality and Cost Based Selection (QCBS)*.</li> </ul>	Prior, Simplified with KfW approval	Min. 20 days
EUR 100,001 to EUR 200,000 § 2.3.3 (5)	<ul style="list-style-type: none"> <li>• National Competitive Bidding (NCB).</li> <li>• Single-Stage or Two-Stage Selection</li> <li>• Publication of tender notice in at least 1 national and 1 local newspaper.</li> <li>• Typically Quality and Cost Based Selection (QCBS)*.</li> </ul>	Prior, Simplified with KfW approval	Min. 30 days for Pre-qualification Min. 30 days for Proposal
More than EUR 200,000 § 2.3.3 (6)	<ul style="list-style-type: none"> <li>• International Competitive Bidding (ICB).</li> <li>• Two-Stage Selection.</li> <li>• Publication of tender notice in at least 1 national and 1 local newspaper and on GTAI website.</li> <li>• Typically Quality and Cost Based Selection (QCBS)*.</li> </ul>	Prior	Min. 30 days for Pre-qualification Min. 45 days for Proposal

\* Instead of the standard Quality and Cost Based Selection (QCBS), the following evaluation methods for the procurement of consulting services may be used in specific situations:

- Least Cost Selection (LCS) for standard, non-complex services of limited cost.
- Quality Based Selection (QBS) exceptionally for complex projects or for short-term recruitment of individual experts with limited size if rates are well known.
- Fixed Budget Selection (FBS) for small studies and simple services.

### **Qualification Criteria for Consulting Services:**

To be qualified for a Consulting Services Contract Applicants shall demonstrate their qualification in terms of financial capacity, experience and resources in relation to the requirements of the tasks and risks. The verification of the financial capacity of Applicants shall be on the basis of audited income statements and/or balance sheets and take into account the annual turn-over and the profitability of at least the last 3 years. The annual turn-over should be three times the estimated annual payments received out of the Contract amount. Appendix 4 of the KfW Procurement Guidelines shows the recommended criteria and scoring system for the verification of the Applicant's experience and resources.

### **Evaluation Methods of Proposals for Consulting Services:**

- Least Cost Selection (LCS): The Contract is awarded to the lowest-priced, substantially responsive Proposal. A Proposal is considered responsive, if it complies with the minimum requirements as defined in the Tender Documents. LCS may only be envisaged for standard, non-complex Consulting Services.
- Quality and Cost Based Selection (QCBS): The technical evaluation focuses on the proposed concept and methodology as well as on the proposed staff. Technical Proposals are considered responsive if they achieve at least the technical minimum score of 75% of the total points for the Technical Proposal. Appendix 4 of the KfW Procurement Guidelines shows the recommended criteria and scoring system for the technical evaluation. Non-responsive Technical Proposals are rejected at this step.

For Time-Based Contracts, the financial evaluation corrects any computational or arithmetical errors and adjusts the prices if they fail to reflect all inputs, which, in accordance with the RfP, have to be indicated and priced separately, using the highest rates for the corresponding items indicated in the Financial Proposals of competing Proposals.

In the case of a discrepancy between the Technical and Financial Proposals in indicating quantities of input, the Technical Proposal prevails and the evaluation committee shall correct the quantification indicated in the Financial Proposal so as to make it consistent with that indicated in the Technical Proposal, apply the relevant unit price included in the Financial Proposal to the corrected quantity, and correct the total Proposal cost.

For Lump-Sum Contracts, the Bidder is deemed to have included all prices in the Financial Proposal and therefore no price adjustments shall be made.

Notwithstanding the above, the offered price may be adjusted for reimbursable items to allow for comparison, but only for such items explicitly requested to be offered in the RfP.

The weight of the Technical Proposal should generally be 80% for the Technical Proposal and 20% for the Financial Proposal.

The overall score will be calculated by summing up the technical and financial score per Proposal and the Proposal selected for Award of Contract is the one that obtains the highest overall score calculated as follows:

$$PT = WT \times T, \text{ with:}$$

- PT = weighted technical score (points) of the Technical Proposal;
- WT = weight (factor) of the Technical Proposal;
- T = technical score (points) as per technical evaluation.

$$PF = WF \times (Co / C) \times 100, \text{ with:}$$

- PF = weighted financial score (points) of the Financial Proposal;
- WF = weight (factor) of the Financial Proposal;
- Co = lowest evaluated price (monetary units) of all Financial Proposals;
- C = evaluated price (monetary units) of the Financial Proposal.

Overall score  $P = PF + PT$  (whereas  $WT + WF = 1$ ).

- **Quality Based Selection (QBS):** The Contract is awarded to the highest scored Technical Proposal.
- **Fixed Budget Selection (FBS):** A maximum budget is indicated in the RfP and the highest scored Technical Proposal is selected, provided that the price Proposal is within the budget. The maximum budget shall be determined appropriately (neither overestimated nor underestimated on the basis of a detailed assessment of the expert-months / days required and of market prices).

## 8.3 Procurement of Goods, Works, Plant and Non-Consulting Services

**Goods** include commodities, raw material, machinery, equipment, vehicles as well as some services which are incidental or consequential to the supply of goods, e.g. transportation, insurance, installation, commissioning, training and initial maintenance.

**Works** include activities such as construction, repair, rehabilitation, deconstruction, restoration and maintenance of civil work structures as well as some services which are incidental or consequential to and part of such works, e.g. transportation, installation, commissioning and training.

**Plants** consist of equipped facilities, executed on the basis of design, supply, installation, commissioning, maintenance, modification and protection (e.g. power plant, sewage plant or a production facility). The procurement of plants is unlikely to happen in the MegARISE Project.

**Non-Consulting Services** are services normally bid and contracted on the basis of performance of measurable outputs, and for which performance standards can be clearly identified and consistently applied, e.g. topographical and geotechnical surveys, soil investigations, aerial surveys and remote sensing, drilling, aerial photography, satellite imagery, mapping and similar operations, transport and distribution of goods.

The tender procedures and selection methods to be used per Separate Agreement according to the contract value for the procurement of goods, works, plants and non-consulting services are summarized in Table 20. These are minimum requirements for the tender procedures. Higher levels of e.g. publication methods, deadlines, selection methods, etc., shall be envisaged whenever this makes sense and seems proportionate in relation to the content of the procurement.

### **Evaluation Methods of Offers for goods, works and non-consulting services:**

- **Lowest Price:** The Contract is awarded to the qualified Bidder whose Financial Bid has been determined to be the responsive, lowest evaluated Bid (after correction of arithmetical errors) and is substantially responsive to the requirements contained in the Tender Document.
- **Weighted Evaluation:** Similar to Quality and Cost Based Selection (QCBS) for consulting services, each of the Technical and the Financial Bids are evaluated separately and are attributed a score. The weighted scores of both are added up to the combined score. The Bid with the highest evaluated combined score will be awarded the Contract.

**Table 20: Tender modalities for the procurement of goods, works and non-consulting services**

Contract Amount / § of Separate Agreement	Tender Procedure / Selection Methods / Evaluation methods	Review by KfW	Submission Deadline
Up to EUR 10,000 § 2.3.3 (1)	<ul style="list-style-type: none"> <li>• Direct Award (DA).</li> <li>• Single-Stage Selection.</li> <li>• No publication of tender notice.</li> <li>• Lowest Price Selection.</li> </ul>	Post	Appropriate to the Contract
EUR 10,001 to EUR 100,000 § 2.3.3 (4)	<ul style="list-style-type: none"> <li>• Price Quotation (Q), min. 3 Bidder.</li> <li>• Single-Stage Selection in general, Two-Stage Selection for complex works.</li> <li>• No publication of tender notice.</li> <li>• Lowest Price Selection or Weighted Evaluation similar to Quality and Cost Based Selection (QCBS) for consulting services.</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>• Limited Competitive Bidding (LCB), min. 3 Bidder.</li> <li>• Single-Stage Selection in general, Two-Stage Selection for complex works.</li> <li>• No publication of tender notice.</li> <li>• Lowest Price Selection or Weighted Evaluation similar to Quality and Cost Based Selection (QCBS) for consulting services.</li> </ul>	Prior, Simplified with KfW approval	Appropriate to the Contract
EUR 100,001 to EUR 200,000 § 2.3.3 (5)	<ul style="list-style-type: none"> <li>• National Competitive Bidding (NCB).</li> <li>• Single-Stage Selection in general, Two-Stage Selection for complex works.</li> <li>• Publication of tender notice in at least 1 national and 1 local newspaper.</li> <li>• Lowest Price Selection or Weighted Evaluation similar to Quality and Cost Based Selection (QCBS) for consulting services.</li> </ul>	Prior, Simplified with KfW approval	Min. 30 days
More than EUR 200,000 § 2.3.3 (6)	<ul style="list-style-type: none"> <li>• International Competitive Bidding (ICB).</li> <li>• Single-Stage Selection in general, Two-Stage Selection for complex works.</li> <li>• Publication of tender notice in at least 1 national and 1 local newspaper and on GTAI website.</li> <li>• Lowest Price Selection or Weighted Evaluation similar to Quality and Cost Based Selection (QCBS) for consulting services.</li> </ul>	Prior	Min. 30 days for Pre-qualification  Min. 45 days for Offer

## 8.4 Execution of the Tender Process

The following provisions shall be observed during the execution of the Tender Process:

### **Publication of the Tender Notice:**

Tender Notices for National Competitive Bidding (NCB) and International Competitive Bidding (ICB) shall be published in at least 1 national and 1 local newspaper. In addition, Tender Notices for ICB shall also be published on the GTAI website. The publication of Tender Notices in different media shall be made at the same time and in no case prior to GTAI's publication. Appendix 3 of the KfW Procurement Guidelines shows the minimum content of a Tender Notice.

### **Communications, Clarification of Tender Documents and Pre-Bid Meeting:**

Communications between the PEA and (potential) Applicants / Bidders shall be in writing (e.g. mail, e-mail, fax or through a KfW-approved electronic procurement system).

Potential Applicants / Bidders may request clarifications to the Tender Documents prior to the deadline for clarification requests. All clarifications and addenda of Tender Documents shall be in writing. They shall be sent simultaneously to each recipient of the original Tender Documents or published in the same medium as the tender notice in sufficient time to enable potential Applicants / Bidders to take appropriate action, i.e. no later than 10 calendar days prior to the submission deadline.

A pre-bid meeting and/or site-visit for all potential Bidders may be organized by the PEA during the bid submission period in order to obtain on-site information or for the inspection of the available documents.

### **One Application / Offer per Applicant / Bidder:**

Applicants / Bidders (including individual members of any Joint Venture [JV]) shall submit only one Application / Offer, either in their own name or as part of a JV in another Application / Offer. If an Applicant / Bidder, including any JV member, submits or participates in more than one Application / Offer, all Applications / Offers concerned shall be rejected.

Subcontractors may participate in the capacity as Subcontractor in more than one Application / Offer, unless competition would be adversely affected, and this is reflected in the Tender Documents. However, if a Subcontractor's qualification has been taken into account for the qualification of an Applicant this Subcontractor shall only participate in the respective Proposal. If a Subcontractor submits an Application / Offer in its own name, all Applications / Offers concerned shall be rejected.

Key Experts in Proposals for Consulting Services shall not participate in more than one Proposal, unless competition would be adversely affected, and this is reflected in the Tender Documents. In the case the same Key Expert appears in more than one Proposal, all Proposals concerned shall be rejected unless a bidder can demonstrate to have obtained the exclusive right of the respective Key Expert to include its curricula vitae in the proposal before the submission deadline has passed.

### **Opening of Applications / Offers:**

The opening of Applications / Offers shall be conducted by a committee consisting of at least two independent members.

In the case of procurement of Works, Goods and Plant the opening of Applications / Offers shall be conducted very shortly after the deadline time for submission in public in the presence of representatives of the Applicants / Bidders that wish to attend.

When documents (evidence of qualification, technical and financial Offer) are to be submitted in separate envelopes with subsequent evaluation, an opening session shall take place for each envelope. The opening of the second envelope requires KfW's prior No-Objection to the evaluation result of the preceding envelope.

In the public opening session, the name of the Applicant / Bidder and at the public opening of the Financial Offers, the price of the Offer including any alternative Offers or discounts shall be read aloud.

For each (public or non-public) opening session minutes shall be prepared and signed by all members of the committee, and optionally by the representatives of the Bidders that wish to do so.

#### **Preliminary Examination of Applications / Offers:**

The preliminary examination is to verify if the Applicants / Bidders are eligible and if the Applications / Offers received are substantially complete as required by the Tender Documents before proceeding to the detailed evaluation. Applications / Offers from non-eligible Applicants / Bidders or that are not substantially complete shall be rejected. Applications / Offers shall not be rejected for minor technical or administrative nonconformities.

#### **Evaluation of Evidence of Qualification:**

Depending on the nature of the Contract the evaluation of the qualification might be on a pass/fail basis and/or through a scoring system.

The qualification of Subcontractors is usually not taken into account unless the Applicant explicitly requests for it. In such a case the Applicant is obliged to include the respective performance of the Subcontractor bindingly in the Offer as indicated in the Application.

For the procurement of consulting services, applications are considered responsive if they comply with all pass / fail criteria and score at least 70% of the total points. A ranking of all qualified Applicants will be established based on their score and if not otherwise laid down in the Tender Documents, the 5 top ranked Applicants shall be invited to submit a Proposal in the second stage.

For the procurement of works and plant, all Applicants / Bidders considered qualified will be invited to submit a Bid in the case of Two-Stage Selection, or their Bids will be considered further in the case of Single-Stage Selection.

#### **Information and Publication of Prequalified Applicants:**

The PEA shall notify all Applicants in writing of the names of those Applicants who have been prequalified. In addition, those Applicants who have been disqualified will be informed separately.

In the case of an International Competitive Bidding (ICB) and National Competitive Bidding (NCB), the list of prequalified Applicants who will be invited to submit an Offer (prequalification-result notice) shall be published by the PEA after KfW's No-Objection to the prequalification evaluation report preferably in the same medium in which the original tender notice was published, and in case in the case of an ICB also on GTAI's website.

#### **Evaluation of Offers:**

The technical evaluation of Proposals / Bids is to verify if and to which extent the Offer fulfils the technical requirements stipulated in the Tender Documents. Depending on the evaluation methodology the technical evaluation is on a pass / fail basis or on a point system.

The financial evaluation is to correct arithmetical errors, to verify if the offered technical content and the Financial Offer correspond and for price adjustments due to missing items or due to the evaluation method to the extent specified in the Tender Documents.

### **Clarification of Applications / Offers during Evaluation:**

To assist in the examination, evaluation, and comparison of the Applications / Offers, the PEA may, at its discretion, ask Applicants / Bidders in writing for a clarification, given a reasonable time for a response.

### **Evaluation Report:**

Upon evaluation of Applications / Offers, the PEA's evaluation committee has to prepare and sign a detailed evaluation report that is to be countersigned by the IC prior to its submission to KfW for No-Objection.

### **Information of Bidders and Award of Contract:**

Upon successful completion of the pre-award discussions, if any, the PEA shall inform all Bidders on the result of the Tender Process in writing and subsequently award the Contract to the successful Bidder. The information sent to the Bidders shall contain the name and the Contract amount of the winning Bidder and, if relevant, the combined Offer scores of the winner and the respective Bidder.

### **Publication of the Result of the Tender Process:**

In the case of an ICB and NCB upon completion of the Tender Process the PEA shall publish the result of the Tender Process (award or cancellation notice) on GTAI's website, in the case of an ICB, and preferably in the same medium in which the original tender notice was published, in the case of an NCB.

### **Documentation of the Tender Process:**

Appendix 6 of the KfW Procurement Guidelines shows the minimum content of Minutes of Application / Offer Opening and Evaluation Reports.

## **8.5 Procurement of Small Scale Investments with Villages / Villagers**

Per Article 2.3.3 (2) of the Separate Agreement, contracts (MoAs) between MBDA and VPICs up to EUR 100,000 for small scale investments with villages / villagers such as those for the implementation of activities / investments of proposals selected under the Financial Participatory Approach (FPA) and for the implementation of Village-Level Micro-Action Plans (VLMAPs) may be awarded directly provided that they are based on KfW approved unit costs. This is a particular form of procurement which is not described in the "*KfW Guidelines for the Procurement of Consulting Services, Works, Plant, Goods and Non-Consulting Services in Financial Cooperation with Partner Countries*".

### **Community Procurement**

Goods for the implementation of selected FPA proposals and of approved VLMAPs shall be procured by Local Purchase Committees (LPC) formed by the VPICs, each composed of the following:

- Chairperson: a senior VPIC official (excluding the Chairperson and the Secretary of the VPIC Executive Committee), preferably with exposure to Government funded projects / schemes, to preside over LPC meetings, to ensure adherence to the procurement policies, and to approve procurement decisions.

- Secretary: a community member from the VPIC, preferably familiar with any procurement policies, to provide administrative support, to maintain comprehensive procurement records, and to coordinate with the MegARISE Project's teams.
- Three Member Representatives: VPIC members with at least 2 women representatives, to evaluate procurement proposals, to ensure compliance with the guidelines, and to submit evaluation reports to the VPIC Executive Committee.

No vendor nor their relatives may be part of the LPC. The LPC members will be appointed by the Executive Committee of the VPIC and subsequently endorsed by the Catchment Project Manager (CPM). No salaries / honoraria will be paid to the LPC members. The LPC members serve a one-year term, renewable based on performance and Project needs. Newly appointed members undergo training on MegARISE Project procurement policies, procedures and ethical standards. Continuous training ensures that the LPC members stay updated on procurement regulations and best practices.

The LPC performs various functions, including but not limited to:

- Identifying procurement needs and preparation of a village Procurement Plan.
- Recording procurement decisions in the Minutes Register.
- Preparing comparison statements and evaluation reports as per MegARISE Project guidelines.
- Announcing contract awards publicly and issuing supply orders to the winning bidder.
- Preparing the Goods Received Note (GRN) on delivery of goods.
- Verifying and recording goods received in compliance with stock management protocols.
- Reporting to VPIC.

The LPC meets at least twice a month. A quorum of at least 3 members, including the Chairperson or Secretary, is required for official proceedings. Decisions are made by majority voice vote. The Chairperson has the final vote in case of ties. Decisions are to be recorded in the LPC Minutes Register.

The community / village level procurement thresholds (per item per activity) are as follows:

- Up to INR 25,000: Direct Award / purchase without quotation, after verification of the appropriateness and competitiveness of the offer. It is imperative and should be made clear that similar procurement activities are not split up just to be within the threshold limit.
- INR 25,000 to INR 2,50,000: Quotations obtained from at least 3 vendors; LPC evaluates and selects the quotations based on the lowest price evaluation.

In exceptional situations where (i) an adequate market to obtain 3 quotations is not available in the location where the VPIC is located and/or (ii) the cost of transportation etc. outweighs the benefits of seeking quotations from District Head Quarters and other cities / towns, Direct Award should be adopted and the procedure below should be followed:

- The LPC shall document the efforts made to secure quotations, including outreach to all known local vendors.
- A justification shall be included in the procurement file and the Minutes Register stating that less than 3 vendors were available despite reasonable efforts.
- Any procurement proceeding with less than three quotations must be reviewed and approved by the CPM.
- A clear justification for the selection of the vendor should be recorded, ensuring that cost, quality and relevance to the requirement are adequately considered and must be reviewed and approved by the CPM.

- Above INR 2,50,000: Procurement facilitated by the SPMU after LPC approval.

## 9. FINANCIAL MANAGEMENT

Detailed Project-specific Financial Management and Monitoring Guidelines approved by KfW on 13 August 2024 are available as separate document.

### Textbox 2: Financial Management in a Nutshell

Since all costs with the exception of the payments for Implementation Consulting Services shall be pre-financed by the PEA before being reimbursed by KfW following the Simplified Reimbursement Procedure (SRP), the financial management must at first comply with the rules and regulations of the GoI, of the GoM and of the PEA, i.e. the Meghalaya Basin Development Authority (MBDA). For the expected KfW contributions to be effectively reimbursed, it must be ensured that:

- the amounts claimed for reimbursement under the different budget positions stay within the limits of the approved Cost and Financing Plan;
- the procurement of goods, works and services has been done (i) following the KfW procurement guidelines, (ii) in compliance with the specific conditions of Article 2.3 of the Separate Agreement and (iii) based on a periodically updated KfW approved Procurement Plan, using KfW's standard tender documents and draft contracts;
- the payments have been made according to the approved Financial Management and Monitoring Guidelines;
- the documentation required according to the Financial Management and Monitoring Guidelines is available;
- the annual external audit (assurance engagement) reports are presented to KfW not later than 3 months after the end of the calendar year.

Financial management is governed in detail by the following documents including their annexes:

- Project Agreement dated 24 November 2022, with 2 annexes.
- Loan Agreement dated 24 November 2022, with 5 annexes.
- Grant Agreement dated 24 November 2022, with 1 annex.
- Separate Agreement dated 28 November 2022, with 10 annexes, most importantly Annex 3 “*Total Cost and Financing Plan*” and Annex 4 “*Disbursement Procedure*”.
- Detailed Project-specific Financial Management and Monitoring Guidelines approved by KfW.

### 9.1 Planning and Budgeting

To secure proper implementation of the Project, the PEA shall prepare and periodically update a Global Work and Budget Plan (GWBP) as well as Annual Work and Budget Plans (AWBP). Both plans provide for each Project Output (= main budget position) by minor budget positions appropriately detailed information on the activities / sub-activities scheduled (by quarter in the GWBP / by month in the AWBP) together with the responsibilities and the estimated budget (distinguishing among the KfW and GoM contribution) required.

To serve the purpose of KfW (whose reference is the calendar year) as well as of the PEA (whose reference is the Indian Financial Year from 01 April to 31 March), the AWBP may cover a calendar year and in addition the first 3 months of the following year.

The PEA shall transmit to KfW annual disbursement estimates, preferably broken down by quarter, periodically updated as and when required.

## 9.2 Fund Flow

The source of funds for the PEA to incur expenditure for the Project is the GoM. The PEA will submit the Annual Budget for the Project as approved by the GC to the GoM. Based on such Budget, the GoM will allot funds for the Project in its annual budget. Thereafter, funds will be transferred from the GoM treasury to the bank account specifically set up by the SPMU for the Project at the HDFC Bank, Shillong.

The Accounting Centres where the expenditure of the Project will be incurred are as follows:

- SPMU.
- CMU Umiew.
- CMU Ganol.
- The VPICs.

For operational costs at the CMUs, the SPMU will release funds to the CMUs based on quarterly demands (expenditure forecast statements) submitted by the CMUs. Funds will be transferred to the CMU bank accounts opened specifically for the Project.

For VPIC led activities, the SPMU will release funds to the CMUs in tranches as per the terms agreed in the MoAs and the approved VLMAPs.

After receipt of funds from the SPMU, the CMUs will release funds in tranches to the VPICs.

The first tranche of funds shall be transferred to a VPIC once the following conditions are satisfied:

- The VPIC has an approved VLMAP and signed a Village Grand Agreement with the PEA.
- The VPIC has a bank account specifically set up for the Project, with three authorized joint signatories, viz the VPIC's Chairperson, one female Member and the Project's Catchment Project Manager.
- The VPIC has nominated the book-keeper who will maintain the books of accounts.

Quantum and periodicity of payments for the subsequent tranches will depend on the performance of the VPIC, the VLMAP, the submission of Utilization Certificates (UC) and the judgement of the CMU management.

SPMU is in consultation with the bank to initiate Single Nodal Account (SNA) system under the Project for all levels i.e., SPMU, CMUs & VPICs / SHGs / IVCS.

## 9.3 Internal Control

The Internal Controls adopted by the Project shall ensure that:

- the financial reports are reliable and the Project's operations are effective and efficient;
- the activities comply with applicable laws and regulations and no legal contravention is made;
- the risks of loss, fraud, inaccuracy or mistake are minimized;
- the financial management supervision is integrated with the monitoring and evaluation to ensure a close link between the technical / progress reporting and the financial reports as a way to support the validity of the expenditures (i.e., that funds are used for the intended purpose);
- accountability is built in the Project's financial management system;

- all transactions are identified in sufficient detail and recorded on a timely basis at their proper monetary value and properly reflected with appropriate disclosure in the Financial Statements.

The general tone of the Internal Control environment of the Project shall be as follows:

- Transactions shall take place with appropriate authority in terms of concurrence to budget, functional approvals of bills and financial approval for payments. The amount for financial approval of transactions depends on the Delegation of Authority and Financial Powers of MBDA as decided and approved by the Chief Project Director (CPD).
- Transactions shall be recorded forthwith and without delay, and booked under appropriate heads of account, and shall be duly supported by proper supporting documents.
- Unless otherwise expressly authorized, moneys shall not be withdrawn from the Project accounts for investment or deposit elsewhere without the consent of the Additional Project Director (APD) / Deputy Commissioner (DC) of the concerned District as applicable.
- Every functionary shall enforce financial order and strict economy, and exercise sound vigilance at every step and see that all relevant rules and regulations are observed by his/her own office and his/her subordinate authorities.
- No authority shall exercise its power of sanctioning expenditure to pass an order which will be, directly or indirectly, to its own advantage.
- There shall be proper segregation of duties, and persons authorized to make payments shall not be allowed to update the Books of Account.
- A single person shall not handle all aspects of a transaction from beginning to end.
- Planning and assignment of duties shall be done in a manner that every person's activity shall be automatically checked by another.

The Project has applied for registration to come under the purview of the Public Financial Management System (PFMS), through which it will have to account for its receipts and payments.

The VPICs shall, *inter alia*, ensure that:

- all resolutions for procurements, receipt of funds, all procurements and all payments are discussed, authorized and documented appropriately;
- payments are made for Project related activities only and not for other Government schemes;
- the Cash Book is updated for every transaction on real time basis and the Cash Book balance reflected correctly therein;
- payments are made by cheques to the maximum extent possible, the cheque being signed by all signatories;
- cash withdrawals from bank account are done only for those activities which have been agreed in Executive Committee (EC) meetings and accordingly authorized and kept in safe custody with at least 3 members of the EC witnessing the same;
- accessibility and use of cheque books are restricted to persons authorized to do so;
- entries in Muster Roll are complete containing all relevant information and individual signatures and the total amount paid is reconciled with the Cash Book;
- there is clear segregation of roles and responsibilities for procurement, approvals, payments, accounting and custody of cash, and the functions are rotated in every 2 years;
- monitoring of payments against each budget activity is done and the CMU is informed in advance on likely overshooting;

- all books and records are maintained as per prescribed format(s);
- Bank Reconciliation Statements (BRS) are prepared on a monthly basis;
- Utilization Certificates (UC) are submitted to the CMU as per prescribed format on quarterly basis;
- physical progress reports of each activity with photographs containing location information are submitted to the CMU on a regular basis;
- there is no conflict of interest as far as the members in the various committees are concerned.

### 9.3.1 Delegation of financial power

The delegation of financial power shall be those prescribed and approved by MBDA as shown in Table 21.

**Table 21: Delegation of Financial Power**

Nature of Transactions	Approval Authority	Approval Authority Limit
Goods and Services	General Manager – Admin	Up to INR 100,000
	Deputy Commissioner (DC)	Up to INR 200,000
	Additional Project Director (APD)	INR 100,000 to INR 10,00,000
Works	Chief Project Director (CPD)	INR 10,00,000 to INR 50,00,000
	Chairman of MBDA	INR 50,00,000 to INR 1,00,00,000
	Governing Council (GC)	INR 1,00,00,000 and above
Consulting Services and Non-Consulting Services	Chief Project Director (CPD)	Up to INR 50,00,000
	Chairman of MBDA	INR 50,00,000 to INR 1,00,00,000
	Governing Council (GC)	INR 1,00,00,000 and above
Financial Support Assistance	Chief Project Director (CPD)	Up to INR 50,00,000
	Chairman of MBDA	INR 50,00,000 to INR 1,00,00,000
	Governing Council (GC)	INR 1,00,00,000 and above

### 9.3.2 Mode of payments

Efforts shall be made at the SPMU and the CMUs to make payments by online bank transfers to the maximum extent. Strict Information Technology (IT) controls shall be enforced for online payments.

Payments by cheques should be used as the second option for payment by SPMU and the CMUs for which proper controls shall be exercised.

The signatories to cheques at the various levels shall be as follows:

- SPMU: APD and CFO.
- CMUs: DC of the concerned District and the CMU Project Manager.
- VPICs: The Chairperson and one female Member of the VPIC and the CMU Project Manager.

In any case, cash payment by a single voucher shall not exceed the maximum limit for cash payment, which is INR 10,000 as set out in the Income-tax Act of 1961 and the Income Tax Rules, as applicable.

### 9.3.3 Controls on payments

The internal controls on payments shall be as follows:

#### Payments through bank:

- The voucher entry in the Tally Software or the manual voucher prepared at the VPIC shall mention the date, the head of account, the account code, the voucher number and the cheque number (wherever applicable) and description of the transaction along with the name of the payee and the purpose. The signatures of the preparer of the voucher and approver of the payment shall be stated on the voucher. The counter signature of the payee shall be taken on the voucher on payment wherever possible.
- The supporting bills / vouchers which are passed for payment shall be cancelled with rubber stamp "Paid and Cancelled" to prevent duplicate payment.
- For payment of goods received, it shall be ensured that the Goods Receipt Note is mentioned in the Bill / Invoice approved for payment.
- Print out of the bank transactions shall be taken on a monthly basis (also showing the month end balance), and the signature of the APD / CFO and of the DC of the District concerned shall be obtained at the SPMU and the CMU level respectively. Such print outs of the Bank book shall be filed in a chronological manner.
- For online payments, controls need to be in place to ensure that the correct bank account of the payee is used.

#### Controls on issue of cheques:

- Cheques shall be crossed "A/c Payee Only" clearly written on the cheque or by affixing a rubber stamp. There should not be any overwriting.
- Amount of the cheque both in words and figures shall be compared.
- A cheque-safe sticker or a piece of transparent cello tape shall be affixed on the "amount in figures", to prevent tampering with the figure.
- Wherever the account number of the payee is mentioned on the cheque, the correctness of the same shall be double checked.
- The cheque number of each of the cheques issued shall be mentioned in the Bank Book for the VPICs.
- Cheques issued shall be recorded in the Cheque Issue Register. The recipient of the cheque shall counter sign on the Cheque Issue Register.

#### Payments in cash:

- Cash transactions shall be minimized. Petty cash holding will be as per MBDA rules. Cash payments can be permitted for payment of honorarium, local conveyance, payment to workshop participants, payments to petty vendors etc.
- Counter signature of the payee shall be taken on the voucher on payment.
- Print out of the cash transactions shall be taken on a monthly basis (also showing the month end balance) and the signature of the APD / CFO and of the DC shall be obtained at the SPMU and the CMU level respectively.
- Print outs of the cash book shall be filed in a chronological manner.
- Physical verification of cash shall be done from time to time and reconciled with the book balance as reflected in the Tally Software or the cash column of the Cash Book of the VPICs.

### **Payments of salaries:**

- Salaries shall be paid directly to the bank account of the employees through online transfer.
- Salary processing shall be automatically linked with the attendance status, leave status and the salary amount of the employees.
- The Attendance Sheets and the Leave Records shall be meticulously maintained.
- The attendance status and the leave status shall be approved by the Human Resources (HR) personnel primarily and finally cleared by the Administration Department.
- The Finance and Accounts Department shall ensure the exhaustiveness and correctness of the salary data before the transfer to the employee's individual bank account is effected.
- The composition of the salary of an individual (included in the Employee Wise Salary Data) like basic salary, number of days present, and deductions made should be independently verified by the Finance Department from base documents like appointment letter, leave records, attendance records on sample basis from time to time.

### **Payments to Suppliers / Contractors / Consultants:**

- Ensure that the Invoice has been signed by the Supplier / Contractor / Consultant.
- Ensure that functional approval has been obtained confirming the execution of supply of goods / works / services.
- Cross check the invoice with the Goods Receipt Note / Bill of Quantity / payment conditions for correctness and accuracy of the invoice and the rates applied in the invoice with the contracts signed with the supplier / contractor/ consultant.
- Ensure that all deductions as per stipulations of the signed contract / or as per existing law (like Tax Deducted at Source [TDS]) are done and advances paid (if any) are adjusted.
- Ensure in general that the procurement procedures were adhered to.
- Ensure that the Contract Payment Monitoring Form is updated on every payment made.

### **9.3.4 Controls on training expenses**

The following controls are applicable to training expenses:

- Ensure that functional / administrative approval of the training has been obtained.
- Ensure that the list of participants is correct and exhaustive.
- Ensure that per diem costs for the participants (if budgeted for the training) is in accordance with the limits and ceilings as per MBDA rules.
- If the services of any external expert / agency are envisaged for the training, ensure that the hiring of such expert / agency is in line with the Project procurement guidelines.
- Ensure that proper procedures are in place to monitor the training in terms of training schedule, venue, attendance, completion and generation of a training report (wherever required).
- Ensure that proper accounting controls are adhered to, in terms of booking the expenses under the correct head and sharing of the expenses between GoM and KfW.

### **9.3.5 Controls on vehicle use**

The following controls need to be exercised in respect of vehicle use in the Project:

- All long-distance trips by hired cars or owned cars shall be approved by the concerned manager / senior and also cleared by the APD.

- Proper log books shall be maintained for each car used / hired, and these shall be reviewed by the Project Finance Team from time to time.
- All the details of a particular trip shall be properly filled up in the vehicle log book and signed off on every tour completion.
- For hired cars, the bill raised by the car hire agency shall be reconciled with the log book for kilometre reading.
- Reports of accidents shall be brought to the notice of the senior management immediately.

### **9.3.6 Controls on advances**

The internal controls pertaining to advances shall be as follows:

- As a matter of policy, no staff advance / loan (such as salary advance, house loan / personal loan etc.) shall be given out of the Project funds.
- Advance to Suppliers / Contractors / Service Providers can be given if permissible under the terms of the contract with them. Any advance payment is conditional upon the Supplier / Contractor / Service Provider submitting an advance payment guarantee for the same amount and should not exceed 20% of the Contract amount.
- Any advance given shall be backed by proper advance requisition and authorization.
- Travel advances shall not be disbursed before 3 days of the travel. All travel advances shall be settled within 7 days of return from the travel.
- Training advances shall be given not earlier than 7 days prior to the training proposed. All training advances shall be adjusted within 7 days of the completion of the training.
- An Advance Register shall be maintained at the SPMU as well as at the CMUs.
- No further advance shall be given to any person who already has an advance outstanding in his/her name.
- For advances outstanding for more than 3 months at the CMUs, the SPMU shall seek explanation / take actions as appropriate.
- The SPMU and the CMUs shall strictly monitor advances lying in their own books and cause to keep them at a minimum level and take steps to liquidate the same at the earliest.

### **9.3.7 Reconciliations**

The Books of Account in Tally Software shall be cross-tallied with PFMS records on a monthly basis.

The General Ledger balances shall be supported by various subsidiary ledger records and shall be reconciled periodically.

Bank Reconciliation Statements (BRS) shall be prepared on a monthly basis across all Accounting Centres of the Project. BRS at the SPMU and the CMUs shall be prepared with the Tally Software, whereas BRS of the VPICs would be prepared on manual basis.

The CMUs shall reconcile their accounts with the VPICs and also with their respective banks. This should be sent to the SPMU. Based on this, the SPMU can prepare a consolidated statement on a quarterly and annual basis.

### **9.3.8 Controls on fixed assets**

The control procedures to be followed in respect of Fixed Assets are as follows:

- A Fixed Asset Register (FAR) shall be maintained at the SPMU and at the CMUs.
- Physical verification of all fixed assets shall be made across the Project at least once a year and such physical verification shall be documented.
- No Fixed Assets shall be disposed without the consent of the APD or the DC of the concerned District for the SPMU and the CMU, respectively.
- Any employee leaving shall have to handover any fixed asset which had been in his custody and such fact shall be mentioned in the FAR.
- Insurance of high value Fixed Assets shall be made.

### **9.3.9 Use of eProposal**

The Project uses eProposal for its administrative and functional governance. The eProposal system, designed for the movement of digital files, including administrative approvals, is being adopted by various departments under the GoM. MDBA utilizes eProposal for its administrative and functional governance, enhancing effectiveness, transparency and accountability in both inter- and intra-government processes within the Project. The eProposal system increases transparency and accountability in decision-making, facilitates monitoring, and improves data security and performance. Implementing eProposal ensures that documents remain accessible long after projects end, allowing authorized individuals to easily retrieve them.

The following are some of the features of the eProposal system:

- Most procedures followed in the system of physical files have been incorporated in the eProposal system.
- Automatic generation of sanctions with the provision of print-out for enabling signature of the authorized signatory which can thereafter be uploaded into the system.
- Single login for officers holding multiple posts / offices.
- Proposals/ files can be routed to other Departments of the GoM for views and comments.
- A dedicated dashboard is available in the system.

## **9.4 Accounting**

### **9.4.1 Accounting policies**

The Project accounts shall be maintained in double entry system of accounting and the basis of accounting shall be cash basis.

Assets generated out of civil works against VPIC activities shall be charged to expenditure in the books of the Project. However, proper records for such works will have to be kept.

Assets in the form of furniture, equipment, computers, etc. shall be considered as Fixed Assets of the Project. Depreciation on Fixed Assets will be charged on written value basis at the rates prescribed by the Income-Tax Rules.

The accounting year of the Project shall be the financial year, i.e. 01 April to 31 March.

## 9.4.2 Method of accounting

### **SPMU & CMUs:**

The SPMU and the CMUs shall maintain their accounts in Tally Software. The Chart of Accounts (CoA) shall be set up in a manner so that reporting by Project Output (that defines the sharing percentage of costs) can be facilitated. Sub-coding under each account code shall be done to facilitate capturing of detailed information as appropriate. The CoA shall be used uniformly in the SPMU and the CMUs. New account code can be opened only with the express consent of the APD.

The CoA shall be appropriately mapped with the Tally Software which will automatically consolidate the heads of accounts into appropriate groups and sub-groups and hence no separate manual posting will be done. Financial Statements (for monthly, quarterly, semi-annually or annual) or other reports can be directly generated by the software. Appropriate IT controls will have to be in place defining the rights of the users depending on their position and hierarchy.

Entries in the books of the SPMU and the CMU shall be done on real time basis. The Tally Software shall be so configured that entry once passed cannot be deleted and no back dated entries can be done.

The data of the CMUs shall be accessible to the SPMU for viewing, editing and synchronizing for consolidated results of operations and assets / liabilities of the Project as a whole for a chosen period / period end date respectively.

All Accounts and Finance Staff of the Project shall be provided rigorous training in Tally Software.

### **VPICs:**

The VPICs shall maintain their books of account on manual basis.

## 9.4.3 Books and records to be maintained

### **SPMU & CMUs:**

The books of account to be maintained in the Tally Software are Cash Book, Ledger and the Journal Book.

In addition various books shall be maintained by the Project either manually or in MS Excel, namely: Fixed Assets Register, Stock Register, Workshop and Training Expenses Register, Travel Allowance Bill Register, Vehicle Log Book, Cheque Issue Register, Cheque Receipt Register, Salary Register, Attendance Register, Bill Register, Petty Cash Register.

Records to be maintained at the SPMU and the CMUs shall inter-alia include all Bills / Invoices, Goods Receipt Notes, Receipt and Payment Vouchers with all supporting documents, Cheque Books, Cheques received (if any), Bank Statements / Pass Book, Money Receipts for any amount received by the Project, and UCs issued by the VPICs (to be maintained by the CMUs only).

### **VPICs:**

Books to be maintained by the VPICs (on a manual basis) shall include Double Column Cash Book, Bank Reconciliation Statement (BRS), Community Contribution Register, Fixed Asset

Register (FAR), Cheque Issue Register, Cheque Receipt Register, Bill Register, Payment Voucher Register.

Records to be maintained by the VPICs shall include all Bills / Invoices, Goods Receipt Notes, Payment Vouchers, all supporting documents to the Payment Vouchers, Cheque Books, Cheques Received, Fund Transfer Advice from CMUs, Bank Statements / Pass Book, Muster Roll, UCs (to be prepared on a quarterly basis).

Other records to be maintained by the VPIC would be Minute Books of meetings of General Body / Executive Committee / Purchase Committee Members, Visitors' Register and procurement related records.

## 9.5 Financial Reporting

The following Table lists the various reports that shall be generated by the SPMU. This is an indicative list only and the Project may generate other reports as necessary.

Report Name	Accounting Centre	Frequency
Interim Financial Statements	SPMU	Quarterly
Bank Reconciliation Statements	VPICs / CMUs / SPMU	Monthly
Monthly Expenditure Report	CMUs / SPMU	Monthly
Annual Financial Statements	SPMU	Annually
Advance Outstanding Report	CMUs / SPMU	Quarterly
Utilization Certificates Reconciliation	CMUs	Quarterly and Annually

The contents of the Annual Financial Statements shall be as follows:

- Receipts and Payments Account for the fiscal year.
- Income and Expenditure for the fiscal year.
- Balance Sheet as on the year end date.

### Financial Reporting to KfW:

The financial data to be submitted to KfW in the Semi-Annual Progress Reports are the following:

- 1) Loan and Grant Disbursements in EUR.
- 2) Loan and Grant Disbursements in INR.
- 3) Disbursement Status of Expenditure under Simplified Reimbursement Procedure (MBDA).
- 4) Disbursement Status of Expenditure under Direct Disbursement Procedure (IC).
- 5) List of Contracts concluded.
- 6) Register of Assets created by the Project.
- 7) Status of Disbursement per Service / Contract.
- 8) Forecast of disbursements with estimated time and amount of disbursement requests, as well as a preview of the payment schedule until the end of the Project.

## 9.6 Audits

In addition to the internal, external and eventual Comptroller and Auditor General (CAG) of India audits as per GoI and GoM regulations, the Project is subject to particular external audits (called

“assurance engagement”) in compliance with Annex 4 “Disbursement Procedure” to the Separate Agreement. The signed original annual “assurance engagement” audit reports shall be presented to KfW not later than 3 months after the end of the reporting period. Copies of the reports / findings of the other audits may be shared with KfW for information.

The PEA shall assign an external auditor to examine annually in accordance with the International Standard on Assurance Engagements (ISAE 3000 - revised) published by the International Auditing and Assurance Standards Board of the International Federation of Accountants whether the payments were effected in accordance with the relevant agreements (Project, Loan, Grant and Separate Agreements, KfW approved Project specific guidelines, etc.).

The Subject Matter of this external audit are “reimbursements”, i.e. all expenditures incurred by the PEA out of funds pre-financed by the GoM, claimed by the PEA, and reimbursed by KfW from the Loan and Grant, as reflected in the Statements of Expenditures (SOE), Disbursement Requests and Disbursement Advices of the period under review.

The objective of the assurance engagement is to permit the auditor / practitioner to express a conclusion on the Financial Reports, the SOE and the related Disbursement Requests as far as the Subject Matter is concerned, and to obtain reasonable assurance about whether the Subject Matter information is free from material misstatement regarding proper use of KfW funds according to the following criteria:

- The payments to the final beneficiaries have been made in accordance with the conditions of the relevant agreements. Where ineligible expenditures are identified, these should be noted separately in the report.
- Expenditures are supported by relevant and reliable evidence (such as contracts, invoices, Guarantees, etc.). There were no indications that these expenditures had already been financed by other sources. In addition, Project receivables {such as advances, tax claims, etc.) which had not been cleared but reimbursed from KfW funds in former reporting periods have been duly cleared in this reporting period and been used for Project purposes, supported by relevant and reliable evidence.
- The SOEs referred to in the report can be relied upon to support the related Disbursement Requests. Clear linkage exists between the SOEs and the Disbursement Requests presented to KfW and the accounting records of the PEA.
- The procurement process of goods and services financed was in accordance with the Project, Loan, Grant and Separate Agreements.

The signed original annual audit reports shall be presented to KfW not later than 3 months after the end of each calendar year. The audit reports shall:

- include (i) a description of the Subject Matter, (ii) the applied criteria to evaluate the Subject Matter and to express the auditor's / practitioner's conclusion, (iii) the identification of the level of assurance obtained, (vi) an informative summary of work performed, and (v) a description of significant limitations;
- state that taxes or other contributions have not been included in the Disbursement Requests to KfW as the Project, Loan, Grant and Separate Agreements prohibit financing of these costs;
- comprise the auditor's / practitioner's statement on the seriousness of observations noted, including the consequences of specific deficiencies, if any, also in connection with the internal control system;
- Contain the following Annexes:
  - Summary of the auditor's / practitioner's conclusions during the reporting period.

- Schedule showing reimbursements by KfW and disbursements by the PEA to final beneficiaries, in particular showing cumulated figures.
- The SOEs referred to in the report.
- The ToR of the assurance engagement.

## 10. DISBURSEMENT

### Textbox 3: Disbursement in a Nutshell

Disbursement of funds by KfW is made upon submission by the PEA via the Department of Economic Affairs (DEA) of original Disbursement Requests duly signed by the “*Authorized Signatory / Signatories*” and accompanied by the required supporting documents to KfW’s FC Disbursement and Loan Management Department (BKe). Payments for Implementation Consulting Services are made directly to the consultant by KfW following the Direct Disbursement Procedure. All other costs shall be pre-financed by the PEA before being reimbursed by KfW following the Simplified Reimbursement Procedure (SRP). An external auditor to be assigned by the PEA shall perform annually an Assurance Engagement to examine whether the payments claimed for reimbursement were effected in accordance with the Project, Loan, Grant and Separate Agreements and their Annexes. Any original documentation evidencing the proper expenditure of Funds disbursed shall be kept for a minimum of five years after completion of the Project, and shall be accessible for inspection by KfW or any third party instructed by KfW at all times.

Disbursement is governed in detail by the following documents including their annexes:

- Project Agreement dated 24 November 2022, with 2 annexes.
- Loan Agreement dated 24 November 2022, with 5 annexes.
- Grant Agreement dated 24 November 2022, with 1 annex.
- Separate Agreement dated 28 November 2022, with 10 annexes, most importantly Annex 3 “*Total Cost and Financing Plan*” and Annex 4 “*Disbursement Procedure*” with the following attachments:
  - Attachment A-1 “Model for Letter designating Authorized Signatories”;
  - Attachment A-2 “Model for Letter requesting Disbursement Advices via E-Mail”;
  - Attachment B-1 “Model for Disbursement Request (Direct Disbursement Consultant)”;
  - Attachment B-2 “Model for Disbursement Request (Direct Reimbursement)”;
  - Attachment B-3 “Terms of Reference – Assurance Engagement in accordance with ISAE 3000 – revised for funds disbursed under the Reimbursement Procedure or Simplified Reimbursement Procedure Objective”.

In accordance with the Articles 2.1 of the Separate Agreement, the “*Authorized Party*” entitled to request disbursements is the Meghalaya Basin Development Authority (MBDA) via Government of India (Controller of Aid Accounts & Audit [CAAA], Department of Economic Affairs [DEA], Ministry of Finance), represented by the “*Authorized Representative*” and duly appointed “*Authorized Signatories*” (each as defined in Section 10.1.1 below).

### 10.1 General Provisions

#### 10.1.1 Disbursement Request

Any Disbursement Request together with the supporting documents required pursuant to the provisions of Section 10.2 “*Disbursement Procedures*” shall be submitted to KfW in each case by the “*Authorized Signatory / Signatories*”, i.e. individuals who have been authorized to do so by the “*Authorized Representative*” (i.e. MBDA’s Executive Director) and of whom KfW has received specimen original signatures according to the model provided in Attachment A-1 of Annex 4 “*Disbursement Procedure*” to the Separate Agreement (i.e. per letter of 11 August 2023 Shri. D.B. Gunanka, IFS, Executive Director MBDA & APD MegARISE, Shri. James Teiborlang Kharkongor, DPD MegARISE, and Shri. Debashish Rudra, CFO, MBDA).

Disbursement Requests shall

- be based on the models provided in Attachment B-1 (under the Direct Disbursement Procedure) and B-2 (under the Simplified Reimbursement Procedure), respectively, of Annex 4 “*Disbursement Procedure*” to the Separate Agreement;
- indicate the KfW reference number (i.e. No. 2015 67 643 for the Loan and No. 2015 67 650 for the Grant);
- be numbered consecutively throughout the Project;
- be duly signed by the “*Authorized Signatory / Signatories*”; and
- be submitted in original to KfW's FC Disbursement and Loan Management Department (BKe).

Exceptions shall be subject to KfW's prior consent. In case of such exceptions, the PEA releases KfW from all liability regarding any damage resulting from false transmission, due in particular to transmission errors, abuse, misunderstanding, or mistakes.

For Disbursement Requests under the Simplified Reimbursement Procedure, the Implementation Consultant acts as “*Certifying Party*”. Its representative, i.e. the Team Leader, shall sign a declaration of confirmation vis-à-vis KfW through signature and company name and/or full name that

- the payment requested in the Disbursement Request has fallen due, the respective invoice(s) correspond(s) to the underlying contract(s) and all documents required have been presented and comply with the requirements stipulated by the Project, Loan, Grant and Separate Agreements and their Annexes;
- the facts and - to his best knowledge - statements and representations contained in the Disbursement Request and any attachments thereto are true and correct.

## 10.1.2 General disbursement provisions

### 10.1.2.1 Bank details

It is the obligation of the PEA to supply KfW with complete and correct bank details for disbursements including correspondent bank details if relevant. KfW shall not be liable for any damage, loss, costs or liability caused by failed bank transfers including, without limitation, if the amount requested by the PEA cannot be credited to the bank account specified in the Disbursement Request in the currency requested, or if the PEA fails to indicate complete and correct bank account details in the respective Disbursement Request unless such damage, loss, costs or liability was caused by KfW's gross negligence or wilful misconduct.

If KfW determines that the information provided in the Disbursement Request is incomplete or incorrect, KfW is, without incurring any liability (other than in the case of KfW's gross negligence or wilful misconduct), entitled to complete or replace the bank account details by using publicly available information (such as Bankers Almanac for determining the correspondent bank) and/or information set out in the underlying invoice. KfW is entitled to use said account details for all further disbursements, unless a subsequent Disbursement Request by the PEA contains new complete and correct information.

### **10.1.2.2 Currency of disbursement**

Except to the extent that the Project, Loan, Grant or Separate Agreements or their Annexes contain any provision to the contrary, disbursements shall be made in the currency indicated in the Disbursement Request to the bank account specified in the disbursement request.

Notwithstanding the foregoing, if (i) the currency indicated in the Disbursement Request is not readily available to KfW in the amount requested, or (ii) the disbursement in the currency indicated would contravene any law or regulation applicable to KfW, KfW shall give notice to the PEA and, without incurring any liability (other than in the case of KfW's gross negligence or wilful misconduct), be entitled to disregard the Disbursement Request. The foregoing shall be without prejudice to the PEA's right to submit another Disbursement Request for a disbursement in Euro or the currency committed in the Agreement.

If the PEA requests a disbursement in a currency other than the currency committed in the Agreement (the "*Foreign Currency*"), KfW will debit the Project with the total equivalent in the currency committed of the amount expended by KfW for the procurement of the "*Foreign Currency*" (inclusive of incidental expenses). Notwithstanding the foregoing, KfW is entitled to request that the final Disbursement Request shall be for an amount in the currency committed in the Agreement.

If the PEA requests a payment of the equivalent of an amount denominated in one currency (the "*First Currency*") in another currency (the "*Second Currency*") (e.g. equivalent of USD in EUR), KfW shall, unless a clear stipulation to the contrary exists either in the Project, Loan, Grant or Separate Agreements, in their Annexes or in the contract which forms the basis of the payment, be entitled to use a market-oriented exchange rate to convert the amount from the "*First Currency*" to the "*Second Currency*".

### **10.1.2.3 Liability limitation**

KfW shall not be liable for delays caused by transferring banking institutions in the disbursement or remittance of Funds or if the PEA fails to provide a duly executed Disbursement Request in accordance with Sections 10.1.1, 10.1.2.1 and 10.1.2.2 above. If, however, KfW is responsible for any delay, its liability will, other than in cases of gross negligence or wilful misconduct, be limited to the payment of interest accrued.

### **10.1.2.4 Disbursement Advice**

Following each disbursement, KfW shall send a Disbursement Advice to the Borrower / Recipient. Provided that an e-mail address has been communicated to KfW using the model in Attachment A-2 of Annex 4 "*Disbursement Procedure*" to the Separate Agreement, this Disbursement Advice shall be sent via e-mail on the payment date. If no e-mail address is provided, KfW shall send a summary of Disbursement Advices to the Borrower / Recipient by regular mail on a monthly basis.

### **10.1.2.5 Documentation**

Any original documentation evidencing the proper expenditure of Funds disbursed according to the provisions of Annex 4 "*Disbursement Procedure*" to the Separate Agreement (including, but not limited to invoices, certificates, etc.) shall be kept for a minimum of five years after completion of the Project, and shall be accessible for inspection by KfW or any third party instructed by KfW (e.g. auditors) at all times. Upon request, KfW or any third party instructed by KfW shall be furnished with copies of any such documentation.

Since the Implementation Consultant is involved in the financial administration of the Project in a supervisory role, he shall be entitled to receive information directly from KfW with regard to all Project related transactions effected by KfW on behalf of the PEA. This includes KfW's list of contracts and amounts reserved for financing under the Agreement and Disbursement Advices.

### 10.1.3 Additional confirmations

In addition to specific confirmations required for specific disbursement procedures, each Disbursement Request shall in addition contain the following confirmations by the PEA:

#### *General confirmations*

- The "Authorized Signatory" submitting the Disbursement Request on behalf of the PEA is authorized to do so.
- The goods and/or services and/or sub-loans to be financed have not already been financed from other grants or long-term loans.
- The facts, statements and representations contained in the Disbursement Request and any attachments thereto are true and correct.

#### *Representations and warranties*

- All disbursement conditions as stated in the Agreement are fulfilled.
- The Agreement is still in full force and effect and there is neither a reason for termination nor a potential reason for termination.

Each Disbursement Request shall also repeat all the representations (if any) as are required to be repeated pursuant to the Agreement.

The foregoing is without prejudice to any additional confirmations and information which may be required to be provided on the Disbursement Request pursuant to Section 10.2 "Disbursement Procedures".

## 10.2 Disbursement Procedures

The Funds will be disbursed pursuant to the following procedure(s), provided in each case that all conditions for the respective disbursement pursuant to the Project, Loan, Grant and Separate Agreements and their Annexes are fulfilled:

Disbursement Procedure	Measures / Contracts to be financed	According to the Separate Agreement and/or Annex 3 "Total Cost and Financing Plan" to the Separate Agreement
Direct Disbursement Procedure (Consultant)	Consulting Services	Separate Agreement Articles 1.1.10 and 2.1.6
Simplified Reimbursement Procedure (with Auditor)	All other services / budget positions	Separate Agreement Article 1.1.5, Annex 3 "Total Cost and Financing Plan" Outputs 1 - 4

### 10.2.1 Direct Disbursement Procedure (Consultant)

Within the framework of the Direct Disbursement Procedure (Consultant), KfW pays the consultant directly based on the underlying consultant contract. Disbursements will be made upon receipt and

after evaluation of a Disbursement Request submitted to KfW by the PEA in accordance with the stipulations set forth in Section 10.1 “General Provisions”, provided that each Disbursement Request shall contain all the information and confirmations as are required by the model in Attachment B-1 of Annex 4 “Disbursement Procedure” to the Separate Agreement.

Within the framework of the Direct Disbursement Procedure (Consultant), each Disbursement Request shall be accompanied – if applicable according to the underlying consulting contract - by the following Supporting Documents; in each case in accordance with the stipulations set forth Section 10.1 “General Provisions”:

- Copy of consultant’s invoice.
- In case of time-based remuneration, the invoice shall be accompanied by a performance list stating contract value, previous cumulative expenses, current expenses, cumulative expenses and remaining budget as well as, if applicable, the deduction for recovery of the advance payment as well as retention money. A model which may be used is provided in Attachment B-1 of Annex 4 “Disbursement Procedure” to the Separate Agreement.
- In case of price escalation: evidence for the calculation of the contractually agreed index.
- List of expenditures for ancillary expenses / reimbursable costs including date, description of expenditure, amount and-applied exchange rate.

## 10.2.2 Simplified Reimbursement Procedure (with Auditor)

Within the framework of the Simplified Reimbursement Procedure, the PEA shall pay the amounts due in full before submitting a Disbursement Request to KfW. The pre-financed amounts will be reimbursed by KfW upon receipt and after evaluation of a Disbursement Request submitted to KfW by the PEA in accordance with the stipulations set forth in Section 10.1 “General Provisions”, provided that each Disbursement Request shall contain all the information and confirmations as are required by the model in Attachment B-2 of Annex 4 “Disbursement Procedure” to the Separate Agreement.

Payments shall be made to the account stipulated in the Disbursement Request.

A Disbursement Request may be submitted to KfW either every three months beginning with the first payment effected by the PEA or as soon as the total amount pre-financed has reached EUR 1,000,000.00, whichever happens earlier.

In accordance with the terms set forth in Attachment B-2 of Annex 4 “Disbursement Procedure” to the Separate Agreement, the Implementation Consultant, acting as “Certifying Party”, shall certify the invoice(s) submitted by confirming for the benefit of KfW on or prior to the submission of the Disbursement Request that all obligations according to the underlying contract for goods and/or services have been met and payment has fallen due, that all documents presented (including bank guarantees) comply with the conditions of the underlying contracts for goods and/or services, and that the Disbursement Request meets the requirements of the Project, Loan, Grant and Separate Agreements and particularly of Annex 4 “Disbursement Procedure” to the Separate Agreement.

The PEA shall assign an external auditor to examine annually (in compliance with the “*Terms of Reference: Audit of Funds under the Reimbursement Procedure*”, Attachment B-3 of Annex 4 “Disbursement Procedure” to the Separate Agreement) whether the payments were effected in accordance with the Project, Loan, Grant and Separate Agreements and their Annexes. An original

of each audit report shall be sent to KfW in due course after the period under review. The costs for the auditor shall be paid from Project funds.

Annex 4 lists the Project-specific documentation deemed to be required for the justification of the reimbursement of expenditures through the Simplified Reimbursement Procedure.

## 11. MONITORING AND EVALUATION

Detailed Project-specific Monitoring and Evaluation (M&E) Guidelines are available as separate document.

The main purpose of M&E system is to provide comprehensive, periodic and reliable data and information for informed and sound results-based management and decision-making. The M&E system also contributes to the learning processes of the Project, aiming to capture relevant knowledge and disseminate lessons learned in a targeted and strategic manner to facilitate the achievement of the Project objectives and ensure long-term sustainability of the benefits.

The fundamental principles of M&E in the MegARISE Project are as follows:

- M&E contributes to improved project governance and management practices, that is, improved transparency and accountability with evidence-based decision-making.
- M&E is development-oriented, that is, the results will be applied to improve the individual and organizational performance with continuous learning for improved delivery mechanisms.
- M&E is undertaken ethically and inclusively, that is, sensitive and responsible M&E practices respecting the privacy, values, and culture of the community stakeholders inclusive of gender, physical ability, economic status, and ethnicity.
- M&E practice is utilization-oriented, that is, all M&E data and information is strategically gathered, stored, and accessible to all (as per Project policy of disclosure), and utilized during planning, policy development, program designing, and resource allocation.
- M&E system is methodologically sound and appropriate, that is, the M&E follows an established set of standards guided by common sets of indicators, approaches are logical, and findings are systematically analysed and triangulated for credibility.
- M&E is operationally effective, that is, the M&E is effectively embedded across organizational entities, well managed with implementation plans, allocation of adequate human and financial resources, and resilient to organizational changes.
- Responsibility for M&E is shared across all section and sectors of the Project, that is, all members and beneficiaries of the Project take responsibility on M&E, directly or indirectly.

Table 22 summarizes the roles and responsibilities of the stakeholders directly involved in the implementation of the M&E system.

**Table 22: Stakeholders and their roles and responsibilities in the M&E system**

Stakeholder	Roles, Responsibilities & Accountability
SPMU	Coordination; review of aggregate data from CMUs; accountable for the overall strategy and leadership for the Project; undertake periodic reviews, field validations, case studies including good practices, success stories, photo-documentation, etc.; responsible for all Project reports and their accessibility.
CMUs	Responsible for the implementation of Project activities under their jurisdiction; review of the inputs / outputs of different stakeholders under their jurisdiction; aggregation of data / information / reports from IVCSs, VPICs and VCFs for periodic reporting and send over to SPMU on timely basis.
IC	Facilitates and guides the M&E process at different levels to ensure the outputs and efficient & timely data collection, analysis, and reporting. Facilitates in Mid-Term Review / Evaluation, Endline Review / Evaluation, and External Evaluations.
IVCSs, VPICs, VCFs	Implement activities in their respective jurisdiction; collect information / data on input / output regularly; report success and failure stories including grievances.

Stakeholder	Roles, Responsibilities & Accountability
Third Parties	Responsible for baseline and endline surveys, mid-term and end-term evaluations and reports, yearly Third Party Verification of implemented Project measures under Outputs 2 and 3, and yearly assurance engagement of Disbursement Requests under the Simplified Reimbursement Procedure (cf. Section 9.6).

## 11.1 Monitoring

Monitoring occurs at different levels covering the following aspects:

- Monitoring of progress, with reference to the approved Annual Work and Budget Plans (AWBP) and particularly the planned milestones.
- Monitoring of Outputs / Results with reference to the Output-level indicators per approved Results Matrix.
- Third-party verification of implemented Project measures.
- Monitoring of Outcome / Objective with reference to the Output-level indicators per approved Results Matrix, also covering the framework conditions (risks and assumptions).
- Monitoring of Environmental, Social, Health and Safety (ESHS) performance and compliance with reference to the approved CEPF cum ESMF.
- Monitoring of relevant German Ministry for Economic Cooperation and Development (BMZ) standard indicators.

All monitoring data are managed by a cloud-based Management Information System (MIS), adapted from the one used in the MegLIFE Project to the specific needs of the MegARISE Project.

On a random sample basis, the internal monitoring of the implemented Project measures under Outputs 2 and 3 will be subject to an annual independent Third-Party Verification.

### 11.1.1 Monitoring of Progress

The parameters to be acquired, the frequency and the responsibilities of the data collection for the monitoring of Progress (activities / sub-activities as per approved AWBPs) are shown in a detailed table of the M&E Guidelines.

### 11.1.2 Monitoring of Outputs / Results

The modalities of the monitoring of Outputs / Results (with reference to the indicators as per approved Results Matrix) are shown in Table 23.

### 11.1.3 Third-party verification of implemented Project measures

The internal monitoring results pertaining to the Project measures implemented under Outputs 2 and 3 will be verified by an external, independent third-party agency appointed by PEA through tendering.

The Project measures to be verified will be selected every year through a two-stage random sampling as follows:

- In a first stage, 10% of the VPICs in every catchment having implemented Project measures during the year under scrutiny will be selected randomly.
- In a second stage, Project measures implemented by the selected VPICs during the year under scrutiny will be selected randomly for verification until at least 50% of the implemented Project measures are covered. Depending on the type of the Project measure, the said threshold of 50% refers as appropriate to the following:
  - Number (e.g. number of nurseries established and/or maintained);
  - Area (e.g. area of forest restored per type of restoration, area of agroforestry / SALT models established, etc.);
  - Costs, basically for all Project measures which cannot be adequately characterized by number or area (e.g. PES payments made, costs of most SWC measures, costs of water harvesting structures built, etc.).

The described two-stage random sampling of 50% (stage 2) among 10% (stage 1) corresponds to a sampling intensity of 5%.

#### **11.1.4 Monitoring of Project Outcome / Objective and Framework Conditions**

The modalities of the monitoring of Outcome / Objective (with reference to the indicators as per approved Results Matrix) and of the Framework Conditions are shown in Table 24.

#### **11.1.5 Monitoring of ESHS performance and compliance**

The modalities of the monitoring of the ESHS performance and compliance (with reference to the approved CEPF cum ESMF and ESCOP) are shown in Table 25.

#### **11.1.6 Monitoring of relevant BMZ standard indicators**

In relation to the Rio Convention, the Project is classified by BMZ as follows:

- Climate change mitigation: KLM-1 (significant objective).
- Climate change adaptation: KLA-1 (significant objective).
- Biodiversity and tropical forests: BTR-2 (principal objective).

Hence, for BMZ's reporting according to the Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) requirements, the following BMZ standard indicators to be monitored:

##### **Core area 4: Climate, energy, just transition**

- 4.1: Amount of reduced or avoided Greenhouse Gas (GHG) emissions (in t CO<sub>2</sub>eq/year).
- 4.2: Number of people directly supported in coping with the impacts of climate change (disaggregated by gender).
- 4.7: Sequestration of Greenhouse Gas (GHG) emissions (in t CO<sub>2</sub>eq/year).
- 4.8: Absolute GHG emissions (in t CO<sub>2</sub>eq/year).

### **Core area 5: Conserving nature and natural resources, protecting life on Earth**

- 5.2: Area that has been used or managed in a way that conserves biodiversity (in ha).
- 5.4: Number of people who have benefitted directly from a) the conservation, b) restoration, or c) sustainable management of forests (disaggregated by [i] conservation, [ii] restoration and [iii] sustainable management of forests, and therein by gender).
- 5.5: Forest area where German development cooperation has contributed to it's a) conservation, b) sustainable management or c) restoration (in ha, disaggregated by [i] conservation, [ii] sustainable management and [iii] restoration).

The baseline and target values as well as the modalities of the monitoring of the above mentioned standard indicators are shown in Table 26.

Table 23: Monitoring of Outputs / Results

Output	Indicator	Baseline value	Target value	Why? Description	What? Type of Data	Where? Data Source	How? Data Collection Method	Who? Responsibility	When? Frequency
Output 1: Knowledge-based participatory planning and implementation and capacity building.	Indicator 1.a.i: Number of Training Needs Assessments (TNA) undertaken.	0	2 (Project staff + Communities) by end of 2025.	The Project will undertake TNA at the Project staff level (SPMU and CMU) as well as on the community level (VPIC and VCF) to understand the training needs.	Level-wise TNA undertaken. Frequency. No. of project staff assessed (in No., % assessed.) No. of Community members assessed (in No., % assessed). No. of training identified. No. of thematic areas identified.	TNA report. Global Training Plan.	Documents review.	Social & Capacity Building Management Team	Post TNA
	Indicator 1.a.ii: Number of training programmes conducted.	0	214	The Project will build the capacity of the staff and other stakeholders by providing trainings determined by the TNA.	Types of capacity building conducted. No. of capacity building (by types). Target group. No. of participants. Training days. Thematic area covered. Geographical coverage (CMU).	Training data (input via Appverse). Participants feedback.	MIS dashboard review.	Social & Capacity Building Management Team	Semi-Annually
	Indicator 1.b.i: Knowledge Management (KM) strategy developed.	No	Yes	The purpose of the KM strategy is to ensure that right knowledge is captured, shared and applied within an organization or project to improve decision-making, innovation, performance, and learning.	KM strategy document finalized (Y/N). Types of KM activities identified (documentation exercise, knowledge sharing events, newsletter, social media updates etc). Number of KM activities identified.	KM strategy document.	Document review.	KM Team	One Time
	Indicator 1.b.ii: KM strategy implemented.	0	300 activities will be developed by end of the Project	Communication serves as a bridge between the organization and its stakeholders, facilitating the exchange of information, ideas and perspectives.	KM activities implemented. Knowledge Products created (posters, case studies, technical notes, how-to-guide, best practice documents, reels). KM budget cost vs utilization.	KM activities and Products display in the website and MIS.	Website and MIS review.	KM Team	Semi-Annually
	Indicator 1.b.iii: Communication strategy developed.	No	Yes		Communication strategy document finalized (Y/N). Types of Communication activities identified (flyers, posters, videos, newsletter, etc). Number of Communication activities identified.	Communication strategy document.	Document review.	KM Team	One Time
	Indicator 1.b.iv: Communication strategy implemented.	0	550 activities will be developed by end of the Project		Communication activities implemented.	Communication activities and Products display in the website and MIS.	Website and MIS review.	KM Team	Semi-Annually
	Indicator 1.c: Number of academic papers published on impacts of Project interventions.	0	4 by the end of the Project.	The Project intends to document and publish impacts of Project interventions to strengthen its credibility and visibility.	Number of papers published Types of publication. Thematic area covered.	Project documents and reports Published journals or conference proceedings Repositories (project website, MIS).	Documents or Desk review. Field visits. FGD. KII. MIS review.	General Manager (KM)	End-term

Output	Indicator	Baseline value	Target value	Why? Description	What? Type of Data	Where? Data Source	How? Data Collection Method	Who? Responsibility	When? Frequency
Output 2: Forests and other ecosystems of the selected catchment areas are enhanced.	Indicator 2.a: Micro Watershed Plans (MWPs) including appropriate soil and water conservation measures are developed and integrated into respective Catchment Area Plans (CAPs).	0	77 MWPs (64 MWPs in the Greater Ganol catchment plus 13 MWPs in the Umiew catchment) by the end of the Project.	The Project will develop a VLMAP for each and every Project village. Such plans, where villages fall in the same micro watershed, will be integrated into a MWP and in turn MWPs will be integrated into respective CAPs.	No. of VLMAPs developed (CMU-wise). Types of interventions identified and prioritized. Interventions implemented. MWPs developed. CAPs developed.	PRA, PLUP.	VLMAPs: PRA, PLUP. MWPs and CAPs: VLMAP review / MIS review.	Environmental Management Team & GIS Team	VLMAP: Semi- Annually MWPs: Semi- Annually. CAPs: Mid- term
	Indicator 2.b.i: Area under protection and sustainable forest management (including riverside plantations).	Area tbd during the Participatory Rural Assessments (PRA).	Baseline value + 6,400 ha by the end of the Project.	By introducing plantation models in the Project villages, it is expected that Baseline value + 6,400 ha will be brought under protection and sustainable forest management.	Plantation area demarcated and plantations created.	Plantation dashboard.	MIS review.	Environmental Management Team & GIS Team	Semi- Annually
	Indicator 2.b.ii: Project villages with Forest Management Plans (FMP).	0	All Project villages with FMPs by the end of the Project.	The Project will develop a FMP for all the Project villages.	No. of FMPs developed.	Plantation dashboard & GIS.	MIS review.	Environmental Management Team	Mid Term
	Indicator 2.c.: Area under grassland management practices increases.	Area tbd during the Participatory Rural Assessments (PRA).	Baseline value + 2,080 ha by the end of the Project.	By introducing MAP and other grasses for soil stabilization, it is assumed that the Project will bring Baseline value + 2,080 ha under grassland management practices.	Area brought under grassland management practices.	Plantation dashboard & GIS.	MIS review.	Environmental Management Team	Semi- Annually
	Indicator 2.d.: Incidence of forest fire in Project villages has reduced.	Average forest fire incidence in Project villages for the last 10 years (2013 to 2023).	Average forest fire incidence (from 2026 to 2029) in Project villages has reduced by 10% of the baseline value.	Through various Project interventions viz, removing of potential fuels from forest floor, fire line management, distribution of fire safety videos to communities, media campaigns, signboards, fire management training programs, street plays and rallies on fire preventions etc, it is assumed that forest land affected by fires will be reduced.	Forest fire incidence for the last 10 years (2013 to 2023). Fireline's/fire breaks created. Awareness/training programmes conducted on fire management. KM products on fire management. Forest fire incidence (from 2026 to 2029).	Related MIS dashboard. GIS dashboard.	GIS dashboard review. MIS dashboard review.	Environmental Management Team	Mid-term End-term
	Indicator 2.e.: Project villages participate in an active Payment for Ecosystem Services (PES) scheme.	34 villages.	68 villages by end of 2026.	The Project aims to support Project villages actively participating in PES.	No. of beneficiaries. Type of beneficiaries. Area brought under PES. Amount sanctioned and UC received.	Data reported by the field team via Appverse and PES dashboard.	MIS review.	Environmental Management Team & GIS Team	Semi- Annually

Output	Indicator	Baseline value	Target value	Why? Description	What? Type of Data	Where? Data Source	How? Data Collection Method	Who? Responsibility	When? Frequency
Output 3: Livelihoods of the vulnerable communities in the catchment areas improve.	Indicator 3.a.: Agricultural area in the Project villages that has formerly been Jhum (Ganol) or Bun (Umiew) cultivated is managed through SALT or Agroforestry models respectively.	0	2,430 ha by the end of the Project.	It is expected that the Project will bring agricultural land that has formerly been jhum or bun under SALT farming or agroforestry plantation models.	Agricultural land or area demarcated for SALT or Agroforestry Models. Agricultural land or area brought under SALT or Agroforestry Models. Benefiting HHs.	Data reported by the field team via Appverse.	MIS review. GIS data.	Social & Livelihood Management Team & GIS Team	Semi- Annually
	Indicator 3.b.: Water harvesting, storage and improvement structures have been constructed.	tbd during PRA (existing structures).	At least 80% of the Project villages have improved water harvesting / storage structures by the end of the Project.	By introducing interventions such as water harvesting structures, ponds, irrigation canal/dam etc, it is assumed that the Project villages will get access to improved water harvesting/storage structures.	Type of structures implemented. No. of structures implemented. Benefiting HHs.	Data reported by the field team via Appverse.	MIS review. PRA.	Social & Livelihood Management Team	Semi- Annually
	Indicator 3.c.: Operation and Maintenance (O&M) system is established and operational.	0	At least 80% of the assets created with support from the Project have an O&M system implemented by the communities by the end of the Project.	The assumption is that the established O&M system will contribute to optimizing water availability, quality, and resilience, thereby enhancing the overall water management and sustainability efforts in the target area.	Implemented assets utilizing O&M fund.	Data reported by the field team via Appverse.	MIS review.	Social & Livelihood Management Team	Semi- Annually
	Indicator 3.d: Time reported by the households spent towards fetching water has decreased.	tbd by the baseline study.	At least 60% of the households of the participating villages by the end of the Project.	Project measures such as rainwater harvesting structures, piped water networks, storage facilities or reservoirs, drip-irrigation systems, irrigation canal/dam are expected to reduce the time spent by HHs in fetching water	Type of structures implemented. Benefiting HHs. Time spent to fetch water.	Data reported by the field team via Appverse.	MIS review FGD / KII for qualitative data.	Social & Livelihood Management Team	Semi- Annually

Output	Indicator	Baseline value	Target value	Why? Description	What? Type of Data	Where? Data Source	How? Data Collection Method	Who? Responsibility	When? Frequency
Output 4: Adoption of best-practice project management.	Indicator 4.a.: State Project Management Unit (SPMU), Catchment Management Units (CMUs) and Village Project Implementation Committees (VPICs) are established and operational.	0 SPMU, 0 CMUs, 0 VPICs.	1 SPMU, 2 CMUs, 180 VPICs by July 2026.	Efficient operation of the SPMU, CMUs and VPICs will facilitate effective oversight and implementation of designated Project activities within their respective administrative areas or communities.	Staff strength (by no.). Staff strength (by Units). VPICs formed and functional.	For SPMU and CMUs: HR data. For VPICs: Data reported by the field team via Appverse.	MIS review.	PEA	Semi-Annually
	Indicator 4.b.: Reports being generated using the Management Information System (MIS).	0	2 semi-annual M&E reports are generated per year.	Effective utilization of the MIS ensures the timely and accurate generation of reports essential for monitoring and evaluating Project progress.	Progress of project activities.	MIS.	MIS review.	PEA and IC	Semi-Annually
	Indicator 4.c.: Capacity building on ESMF/CEPF requirements, including FPIC, Gender Action Plan and the GRM is regularly provided to the PEA, implementing agencies, local facilitators and communities.	0	2 semi-annual ESHS reports are generated per year.	The Project will build the capacity of the PEA, local facilitators and communities on ESMF/CEPF requirements and GRM and the outcome of the same to be reflected in the ESHS report.	Parameters mentioned in the ESHS (under Annex 6).	MIS.	MIS review.	PEA and IC	Semi-Annually

Table 24: Monitoring of Outcome / Objective and Framework Conditions

Outcome	Indicator	Baseline value	Target value	Why? Description	What? Type of Data	Where? Data Source	How? Data Collection Method	Who? Responsibility	When? Frequency	Risks & Assumptions
Climate resilience of treated ecosystems and watershed livelihoods in the selected project areas is increased	Indicator 1: Forest cover is conserved by the Project.	Forest cover (%) as defined and classified by the Forest Survey of India (FSI) of the Project village area tbd. during Village-Level Micro-Action Plan (VLMAP) preparation.	At least 80% of the Project villages have a forest cover of at least the baseline value by the end of the Project.	By protecting forest through PES, restoration / rehabilitation measures and with forest fire management system, forest cover is assumed to be conserved by the Project.	Village-wise Forest cover (in ha).	LULC of Project Villages.	By recording forest cover of project villages as per LULC. Remote sensing & GIS. Participatory mapping & PLUP.	GIS Team & CMU	PRA. Mid-term. End-term	<p><b>Assumptions:</b></p> <p><b>a) General assumptions relating to policies / Govt of Meghalaya</b></p> <ul style="list-style-type: none"> <li>Govt of Meghalaya supports and promotes implementation of its new Water Policy of 2019.</li> <li>Umiew and Ganol are two of the catchments that are declared as Critical Catchments under the Meghalaya Protection of Catchment Area Act 1990.</li> </ul> <p><b>b) Project related assumptions</b></p> <ul style="list-style-type: none"> <li>Project staffs and communities are well capacitated on the project implementation including</li> </ul>
	Indicator 2.i: Income of the beneficiary households (HH) through sustainable land use and Project interventions has increased.	tbd by the baseline study and HH survey of beneficiaries.	At least 70% of the beneficiary HHs income through sustainable land use and Project interventions exceeds the baseline value by the end of the Project.	By introducing agro-forestry and horticulture with grafted saplings, non-farm-based activities such as aquaculture, apiculture and by providing water harvesting structures, also by engaging in various other project activities, it is assumed that the total income and income diversity of the beneficiary HHs has increased.	Total income from various sources such as salaries, wages, business profits, rental income, government benefits, project activities.	Baseline value: Baseline Study & HH Survey. Target value: Outcome Survey.	FGD, KII, Questionnaire (deploy in Appverse).	Baseline value: VCFs for data collection & Unit Teams for supervision. Outcome Survey: M&E	Before intervention. Mid-term. End-term	
	Indicator 2.ii: Income diversity of the beneficiary	tbd by the baseline study and HH survey of	At least 50% of the beneficiaries' HHs income diversity	Various sources of income such as salaries,					Before intervention. Mid-term.	

	households (HH) has increased.	beneficiaries.	exceeds the baseline value by the end of the Project.		wages, business profits, rental income, government benefits, project activities.				End-term	environment & social standards.
	Indicator 3: Water discharge of critical springs accessible for the Project villages has increased.	Monthly discharge (litres per minute) during the first year of the implementation of the VLMPs.	At least 60% of the springs where spring-shed measures have been implemented see their discharge increased during lean season by the end of the Project.	By introducing spring shed measures such as spring chamber, trenches, recharge pits and afforestation / plantation work, it is expected that the rate of discharge and quality of water has increased.	Rate of discharge of critical springs (litres per min). Methods. Spring shed measures implemented.	Spring mapping and Spring monitoring exercise.	Spring mapping exercise to identify critical spring. Spring monitoring exercise to monitor discharge of critical spring.	VCFs for data collection & Environmental Management Team for supervision	Monthly for monitoring of discharge. Yearly (lean season) to assess the water availability in the springs where the spring shed measures have been implemented	<ul style="list-style-type: none"> <li>Implementation guidelines are available on-time (with No Objection from KfW) as well as uninterrupted human and financial resources.</li> <li>Well-functioning &amp; effective M&amp;E system operating.</li> <li>Timely compilation/availability of semi-annual progress reports including envisaged knowledge products.</li> </ul>
	Indicator 4: Process for the declaration of the Ganol and Umiew catchments as critical catchment areas has been initiated and placed before the Government.	No proposal submitted to the Government.	Proposals for the declaration of the Ganol and Umiew catchment as critical catchment areas are submitted to the Government by end of 2026.	Umiew and Ganol catchments are considered as critical catchments. Hence the Project aims to propose the GoM to include Umiew and Ganol under the Meghalaya Protection of Catchment Area Act 1990.	No. of stakeholder consultations held.	Existing acts/rules Meeting minutes.	Stakeholder consultations Desk review of existing acts and rules Documentation.	Social & Livelihood Management Team	End of Project	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>Forest fire management is inadequately or not inclusively implemented resulting in frequent forest fire.</li> <li>FPIC processes not inclusively established resulting in weak or inadequate community-ownership of the project processes and activities.</li> <li>Land Use Land Cover changes due to economic pressure based on traditional land ownerships of the communities.</li> </ul>

**Table 25: Monitoring of ESHS Performance and Compliance**

Issue	Indicator	Verification Sources	Activity, Methods and Data	Responsibility	Frequency
Assessment and Management of Environmental and Social Risks and Impacts (ESS 1) Implementation of E&S system	<ul style="list-style-type: none"> <li>Checklists and other formats filled in and identified impacts are part of project plan and regular reporting documents.</li> <li>CEPF / ESMF implementation</li> <li>FPIC process implemented</li> <li>ESCOP checklist implementation</li> <li>GRM implementation</li> </ul>	<ul style="list-style-type: none"> <li>Regular reports contain sections of E&amp;S reporting, including the relevant checklists and GRM report</li> <li>No. of EOI.</li> <li>No. of PRA.</li> <li>No. of FPA.</li> <li>No. of ESCOP</li> <li>No. of complaints / proper GRM documentation / logbook</li> </ul>	<ul style="list-style-type: none"> <li>Review the records and periodic reports on ESCOP, GRM to assess the state of implementation of E&amp;S vis-a-vis the targets envisaged.</li> <li>No. of PRA and FPA with dates &amp; participation to be reported.</li> </ul>	Environmental Management, Social Capacity Building & Engineering Teams	Semi-Annually
ESHS monitoring & reporting (ESS 1)	<ul style="list-style-type: none"> <li>KfW template to be filled.</li> <li>Issues identified in the monitoring system addressed according to existing timelines.</li> </ul>	<ul style="list-style-type: none"> <li>Indicators of KfW template and follow-up action.</li> <li>Minutes of discussions.</li> </ul>	<ul style="list-style-type: none"> <li>Data may be collected on the indicators mentioned in the KfW template using standard methods.</li> </ul>	Environmental Management & Social Capacity Building Teams	Semi-Annually

Issue	Indicator	Verification Sources	Activity, Methods and Data	Responsibility	Frequency
Labour and working conditions (ESS 2)	<ul style="list-style-type: none"> <li>Low prevalence of work-related accidents and injuries – no grievous injuries reported.</li> <li>Working Occupational Health and Safety (OHS) system and other required facilities in place and accessible to all.</li> <li>Complete adherence to non-discrimination and equal opportunity.</li> <li>No child or forced labour.</li> <li>Voluntary contribution of labour from community members.</li> </ul>	<ul style="list-style-type: none"> <li>Results of site visits and inspection</li> <li>Training records related to ESHS.</li> <li>Incident records.</li> <li>Grievance mechanism.</li> <li>Formal contracts.</li> <li>Community consent agreements for work contributions in conservation agreements.</li> </ul>	<ul style="list-style-type: none"> <li>Periodic site visit reports submitted by the field staff / VCFs that reports on accidents &amp; injuries.</li> <li>Reviewing the GRM, training records, attendance sheets of labourers to determine participation of women and child labour grievance relating to labour and working conditions.</li> <li>Conducting discussion meetings with the labours, VCFs and KIIs of the village.</li> <li>ESCOP Checklist completed for every village</li> </ul>	Social & Capacity Building Team	Semi-Annually
Serious incident reporting (ESS 2)	<ul style="list-style-type: none"> <li>Due to limited scale of works not very likely, but available in case of need; template for serious incidents to be filled.</li> </ul>	<ul style="list-style-type: none"> <li>Number and severity of incidences.</li> </ul>	<ul style="list-style-type: none"> <li>The number and severity of incidents / accidents recorded &amp; reported via incidence register.</li> </ul>	Social & Capacity Building Team	Semi-Annually
Human Resources Management / Employees (ESS 2)	<ul style="list-style-type: none"> <li>Staff addressing ESHS activities.</li> <li>GRM available for Staff</li> </ul>	<ul style="list-style-type: none"> <li>No. of staff implementing ESHS activities.</li> <li>Internal GRM logbook</li> </ul>	<ul style="list-style-type: none"> <li>Names and number of staff engaged for ESHS and their ranks and responsibilities at CMU and SPMU levels may be recorded and reported.</li> <li>Check for SPMU and CMU staff complaints and document them in anonymous form / ensure follow up</li> </ul>	SPMU Team	Semi-Annually
Community health and safety (ESS 4)	<ul style="list-style-type: none"> <li>Low prevalence of activity related accidents, injuries.</li> <li>Community health improvements.</li> <li>Reduction of HWCs.</li> </ul>	<ul style="list-style-type: none"> <li>Incident records.</li> <li>Grievance mechanism</li> <li>ESCOP checklists</li> </ul>	<ul style="list-style-type: none"> <li>Incidence of accidents on the work sites and human wildlife conflict reported.</li> <li>GRM data for any grievance pertaining to community health and safety.</li> <li>ESCOP checklist completed for every village</li> </ul>	Social & Capacity Building Team	Semi-Annually

Issue	Indicator	Verification Sources	Activity, Methods and Data	Responsibility	Frequency
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement (ESS 5)	<ul style="list-style-type: none"> <li>No harmful impact on vulnerable land users on project terrains</li> <li>Livelihood impact of beneficiary households is improved</li> <li>LRPs in case of use restrictions for vulnerable PAPs</li> </ul>	<ul style="list-style-type: none"> <li>Site visits</li> <li>Analysis of customary land-uses on all project terrains, especially plantation sites</li> <li>ESCOPE Checklists</li> <li>No of LRP measures in VLMAP</li> </ul>	<ul style="list-style-type: none"> <li>All activities to be checked for land use changes / customary uses</li> <li>Livelihood Restoration Measures established for all vulnerable Project Affected Persons (PAP) as part of VLMAP</li> <li>ESCOPE checklist completed for every village</li> <li>Livelihood impact related to socio-economic investments; LRP in case of use restrictions for vulnerable PAPs, Livelihood situation is improved</li> </ul>	Social & Capacity Building Team	Semi-Annually
Resource Efficiency and Pollution Prevention and Management (ESS 6)	<ul style="list-style-type: none"> <li>Community forest protection and improvement efforts are increased and successful.</li> <li>Forest crown cover increased in area of plantation and no additional areas opened up.</li> <li>Better harvest of NTFPs traditionally available.</li> <li>No littering, avoidance of soil and water pollution</li> </ul>	<ul style="list-style-type: none"> <li>Site inspection.</li> <li>Scientific monitoring data on biological / physical indicators</li> <li>MoMs with PAPs and village groups</li> <li>ESCOPE Checklists</li> <li>Documentation of lack of waste management and corrective actions</li> </ul>	<ul style="list-style-type: none"> <li>Scientific Monitoring visits</li> <li>Determine canopy cover using GIS &amp; Remote Sensing.</li> <li>Determine regeneration of trees, (coppice &amp; saplings).</li> <li>Social monitoring by consultation with PAPs and village group members / community members</li> <li>Determine community forest protection &amp; NTFP harvest through FGD &amp; KII</li> <li>ESCOPE checklist completed for every village</li> <li>Pollution prevention and waste management measures are implemented</li> </ul>	Environmental Management & Social Capacity Building Teams & GIS Team	Semi-Annually

Issue	Indicator	Verification Sources	Activity, Methods and Data	Responsibility	Frequency
Indigenous Peoples / Sub-Saharan African Historically Underserved Traditional Local Communities / Community participation (ESS 7)	<ul style="list-style-type: none"> <li>Community satisfaction with MegARISE investments according to VLMAP development and implementation.</li> <li>FPIC Process implemented according to CEPF</li> <li>Community Engagement Process</li> <li>Livelihood Improvement Measures</li> </ul>	<ul style="list-style-type: none"> <li>No. of EOI.</li> <li>No. of PRA.</li> <li>No. of FPA.</li> <li>No. of ESCOP</li> <li>Documentation of FPIC</li> <li>Documentation of VLMAP implementation.</li> <li>GRM implementation.</li> </ul>	<ul style="list-style-type: none"> <li>Determine participation intensity (information sharing, consultation, decision making and Project implementation) using Outcome Survey, FGD, KII and consulting CMU &amp; SPMU office records on gender segregated data on Community participation in FPIC, VLMAP, and GRM.</li> <li>No. of PRA and FPA with dates &amp; participation to be reported.</li> <li>ESCOP checklist completed for every village</li> <li>•</li> </ul>	Social & Capacity Building Team	Semi-Annually
Cultural Heritage (ESS 8)	<ul style="list-style-type: none"> <li>Not applicable, no cultural heritage sites affected</li> <li>For immaterial cultural heritage sites, coordination with local leadership</li> </ul>	<ul style="list-style-type: none"> <li>Site visits / MoM of consultations</li> <li>ESCOP Checklist</li> <li>Check GRM if any complaints</li> </ul>	<ul style="list-style-type: none"> <li>Coordination with local leadership to respect traditional customs / rituals</li> <li>ESCOP checklist completed for every village</li> <li>•</li> </ul>	Social & Capacity Building Team	Semi-Annually
Financial Intermediaries (ESS 9)	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	n.a.	n.a.	n.a.	n.a.
Stakeholder Engagement and Information Disclosure (ESS 10)	<ul style="list-style-type: none"> <li>Public Disclosure and Stakeholder Engagement as part of FPIC process</li> <li>participation in decision making of community nurseries, FPA, VLMAPs, LRP, etc. Women involvement</li> </ul>	<ul style="list-style-type: none"> <li>No of meetings</li> <li>MoM of meetings / records of consultations with PAPs</li> </ul>	<ul style="list-style-type: none"> <li>Documentation of all stakeholder interactions</li> <li>Data storage in MIS and village level records</li> </ul>	Environmental Management & Social Capacity Building Teams	Continuous update

Issue	Indicator	Verification Sources	Activity, Methods and Data	Responsibility	Frequency
Budget	<ul style="list-style-type: none"> <li>Budget spent on ESHS.</li> </ul>	<ul style="list-style-type: none"> <li>No of TA/DA claimed by staff to address ESHS.</li> </ul>	<ul style="list-style-type: none"> <li>Financial progress with respect to utilization of funds allocated for ESHS may be given in the report.</li> </ul>	Social & Capacity Building, Environmental Management Finance & Accounts Teams	Semi-Annually

**Table 26: Monitoring of relevant BMZ standard indicators**

Core Area / Indicator	Target	Disaggregation	Data Source	Responsibility	Frequency
<b><i>Core area 4: Climate, energy, just transition</i></b>					
4.1 Amount of reduced or avoided GHG emissions (insignificant)	Baseline: 0 t CO <sub>2</sub> eq/year Target: 0 t CO <sub>2</sub> eq/year	NA	NA	M&E Team	Semi-Annually
4.2 Number of people directly supported in coping with the impacts of climate change	Baseline: 0 Males + 0 Females Target: 51,000 Males + 55,500 Females	By Gender	MIS	M&E Team	Semi-Annually
4.7 Sequestration of GHG emissions (in t CO <sub>2</sub> eq/year)	Baseline: 0 t CO <sub>2</sub> eq/year Target: 8,800 t CO <sub>2</sub> eq/year	NA	MIS	M&E and Environment Team	Semi-Annually
4.8 Absolute GHG emissions (insignificant)	Baseline: 0 t CO <sub>2</sub> eq/year Target: 0 t CO <sub>2</sub> eq/year	NA	NA	M&E Team	Semi-Annually
<b><i>Core area 5: Conserving nature and natural resources, protecting life on Earth</i></b>					
5.2 Area that has been used or managed in a way that conserves biodiversity (in hectare)	PES: Baseline: 460 ha Target: 1,000 ha  FMP: Baseline: 0 ha Target: 20,000 ha	PES FMP	MIS	PES, Environment Management and M&E Teams	Semi-Annually

Core Area / Indicator	Target	Disaggregation	Data Source	Responsibility	Frequency
5.4 Number of people who have benefitted directly from a) the conservation, b) restoration, or c) sustainable management of forests	<u>Conservation:</u> Baseline: 2,800 Males + 3,000 Females Target: 5,600 Males + 6,000 Females	By category By Gender By IP	MIS	PES and M&E Team	Semi-Annually
5.5 Forest area where German development cooperation has contributed to its a) conservation, b) sustainable management or c) restoration (in hectare)	<u>Conservation:</u> Baseline: 0 ha Target: 9,000 ha <u>Sustainable management:</u> Baseline: 0 ha Target: 20,000 ha <u>Restoration:</u> Baseline: 0 ha Target: 2,400 ha	By category	MIS	M&E, Environment and GIS Teams	Semi-Annually

### **11.1.7 Use of a MIS**

All monitoring data are captured through a mobile app (Appverse) using a series of forms and uploaded into a cloud-based MIS once internet connectivity is available. The MIS has been adapted from the one used in the MegLIFE Project to the specific needs of the MegARISE Project. The MIS includes dashboards that display real-time summaries and visualizations of the collected data, assisting in monitoring progress, identifying gaps, and making informed decisions. The MIS is also designed to generate structured reports, including the data required for the Semi-Annual Progress Reports.

## **11.2 Evaluation**

The Output- and Outcome-level monitoring data will be used for both internal and external evaluations.

Internal evaluations will be done half-yearly in preparation of the Semi-Annual Progress Reports to be submitted to KfW, covering the periods from April to September and from October to March, respectively.

External evaluations by independent third parties appointed by PEA through tendering will be facilitated at mid-term before November 2026 when at least 2 years of Project implementation will have been completed, and at the end of the Project in preparation of the Project Completion Report.

## 12. REPORTING

### 12.1 Inception Report

The Inception Report (IR) has been developed on the basis of the findings of the inception phase. It is supposed to present a description of the eventually revised / adapted methodology and project implementation plan, as well as possible cost impacts. Further points to be included in the IR are, among others:

- Global Work and Budget Plan (GWBP).
- Annual Work and Budget Plan (AWBP).
- Staffing schedule.
- Financial Management Plan.
- Procurement Plan.
- Project Operational Manual (POM).
- FPIC documentation.
- Site selection with FPIC.
- M&E concept with baseline and target values for indicators.
- Other relevant project documents and information, e.g. on land rights and water rights issues.
- Ideas on the following:
  - How to mitigate the impact of erosion control measures on yields.
  - How to compensate the negative effects of individual measures and support communities through livelihood activities.
  - How women can be a major protagonist in the Project and in further development of the region (marketing, post-harvest, integrated pest control, home gardening / vegetable cultivation, etc.).
  - How topics such as carbon sequestration, climate change mitigation and/or climate adaptation be successfully addressed in the Project.
  - Estimate of the Project-related Greenhouse Gas (GHG) Emissions and Emission Reductions according to KfW guidelines.
  - What is the digitalization potential to be tapped in the Project?
  - What scientific contributions (e.g. from the International Centre for Integrated Mountain Development [ICIMOD], the Center for International Forestry Research and World Agroforestry [CIFOR-ICRAF], the Institute of Natural Resources Management [INRM]) could be useful for the Project / be of benefit to the achievement of the Project objectives?

The Inception Report approved by KfW on 21 February 2024 is available as separate document.

## 12.2 Semi-Annual Progress Reporting

The PEA shall report to KfW semi-annually on the progress of the Project using the following table of content, which merges the requirements per Annex 7 to the Separate Agreement and per Annex 1 to the ToR of the Request for Proposal for Implementation Consultant Services for the Project:

### Textbox 4: Table of Content of Semi-Annual Progress Reports

#### ABBREVIATIONS AND ACRONYMS

1. EXECUTIVE SUMMARY
2. PROJECT BACKGROUND
3. DEVELOPMENTS, ACTIVITIES AND PROJECT ACHIEVEMENTS
  - 3.1 Sectoral Developments
    - 3.1.1 Relevant sectoral developments
    - 3.1.2 Other externally funded Projects in the sector
  - 3.2 Implementation of Activities and Outputs as Agreed (w.r.t. the Results Matrix)
    - 3.2.1 Output 1
    - 3.2.2 Output 2
    - 3.2.3 Output 3
    - 3.2.4 Output 4
  - 3.3 Cost and Finance, including GoM Contribution
    - 3.3.1 Simplified Reimbursement (PEA)
    - 3.3.2 Direct Disbursement (IC)
  - 3.4 Time Schedule
  - 3.5 Environmental, Social, Health and Safety Compliance, Security Risks

4. CURRENT SITUATION OF TARGET GROUP / BENEFICIARIES

5. OUTCOME OF MEETINGS

6. PROJECT MANAGEMENT

- 6.1 Governing Council (GC)
- 6.2 Project Steering Committee (PSC)
- 6.3 Project Executing Agency (SPMU / CMUs)
  - 6.3.1 Staffing at SPMU level
  - 6.3.2 Staffing at CMU level
  - 6.3.3 Staffing at VPIC level
- 6.4 Implementation Consultant

7. STATUS / ACHIEVEMENT OF OUTCOMES AND OUTPUTS INCLUDING STATUS OF INDICATORS

- 7.1 Evaluation of Assumptions
- 7.2 Status of Outcome Level Indicators
- 7.3 Status of Output Level Indicators
- 7.4 Status of relevant BMZ Standard Indicators

8. RISKS AND NEED FOR ACTION

ANNEX 1: Updated Results Matrix

ANNEX 2: Report on ESHS Performance and Compliance

ANNEX 3: Glimpses

The semi-annual progress reports shall cover the periods from April to September and from October to March. The reports shall not be submitted later than 4 weeks after the end of the reporting period. The progress reports shall be signed by the PEA and the IC.

If the PEA has charged the IC to write the progress reports, the PEA shall comment on the report or acknowledge its approval of the content by countersigning the reports.

After completion of the Project, the PEA shall report on its further development. KfW shall in due course inform the PEA about the end of the reporting period.

## 12.3 Serious Incident Reporting

Any Serious Incident must be reported immediately after the incident occurred by the PEA to KfW,

- within 72 hours by email as an initial notification, and
- no later than 10 work days after initial notification using the “*Serious Incident Reporting Template*” shown in Annex 9 to the Separate Agreement.

The PEA shall keep KfW informed about any progress in respect of remedial actions as well as any open issues / conflicts with regard to the incident that would require further clarification (e.g. complaints / grievances by the victims’ families, etc.) through regular updates.

A Serious Incident could encompass one or more of the following aspects:

- Health and safety of Project workers (including on-site subcontractors / suppliers / community workers), such as workplace accidents which result in serious injuries or death, discovery of child or forced labour in the Project context including the supply chain, kidnapping of Project staff, grievances on serious Occupational Health and Safety (OHS) - related incidents, etc.
- Health and safety as well as livelihood conditions of- adjacent communities, such as serious injuries, death or substantial loss of assets (e.g. livestock) due to human - wildlife conflicts, accidents in relation to infrastructure established or equipment provided in the Project context (e.g. drowning in canals or water reservoirs), involvement in traffic accidents caused by Project related activities, exposure to hazardous substances, grievances. on serious Community Health and Safety incidents, etc.
- Threats to the social cohesion of communities caused by the Project, such as violent unrest and protests, disputes with local communities and Project personnel, intra- or intercommunal conflicts, etc.
- Human rights violations in the conduct of anti-poaching and/or law enforcement activities which result in death, serious injuries or substantial damage to / confiscation or loss of community or private property, torture in custody, other forms of violence involving Project personnel, contractors / subcontractors and/or members of state security agents (police, gendarmerie, military, etc.) related to Project activities, etc.
- Forced evictions from territories of protected areas or from other sites related to the Project and which results in-demolition of permanent or temporary shelter-and assets, etc.
- Discrimination of local communities’ rights in relation to restrictions on traditional lands, territories, resources or cultural heritage, but in particular regarding indigenous peoples’ rights due to the infringement of the FPIC principle, etc.
- Gender-based violence associated with personnel employed or engaged by the PEA or through third parties, such as sexual exploitation, sexual abuse, or sexual harassment, physical violence against women, etc.
- Environmental risks due to unintended Project consequences which result in serious environmental contamination, destruction or degradation of forests, habitats and natural resources (air, water, soil), etc.

- Legal non-compliances, such as breach of national environmental and social laws, violation of international treaties or threatened legal actions to be filed against the PEA or Project members, resulting in fines or court action.
- Reputational risks to all involved actors, such as negative media coverage, NGO accusations or any other activity that could result in substantial adverse attention of outside parties including media / press reports.

## 12.4 Project Completion Report

One month before completion of the Project, the IC shall submit a draft Project Completion Report to PEA and KfW. The contained information shall comprise at least the following:

- Assessment of goal achievement.
- Review of performance indicators.
- Analysis of planned measures and implemented measures, planned budget vs. incurred budget.
- Audit results and comments, if any.
- Operational risks and recommended / implemented mitigation measures.
- Lessons learned.
- Statement on the closing of accounts and disposal of project / office equipment, if any.

The PEA shall comment on the Project Completion Report or acknowledge its approval of the content by countersigning the report, and submit the report to KfW at the time of the physical completion and commissioning of the Project.

**Annex 1:  
Updated Results Matrix  
per No-Objected Inception Report**

Objectives	Indicators	Sources	Assumptions
<p><b>DC-Programme objective:</b> Public and private sector interventions improve sustainable natural resource management, minimize the risks of climate change and increase productivity, income and employment in rural areas.</p>			
<p><b>Project outcome:</b> Climate resilience of treated ecosystems and watershed livelihoods in the selected project areas is increased.</p>	<p><b>Indicator 1:</b> <i>Forest cover is conserved by the Project.</i>  <i>Baseline value:</i> Forest cover (%) of the Project village area tbd. during Village-Level Micro-Action Plan (VLMAP) preparation.  <i>Target value:</i> At least 80% of the Project villages have a forest cover of at least the baseline value by the end of the Project.</p> <p><b>Indicator 2.i:</b> <i>Income of the beneficiary households (HH) through sustainable land use and Project interventions has increased.</i>  <i>Baseline value:</i> tbd by the baseline study and HH survey of beneficiaries.  <i>Target value:</i> At least 70% of the beneficiary HHs income through sustainable land use and Project interventions exceeds the baseline value by the end of the Project.</p> <p><b>Indicator 2.ii:</b> <i>Income diversity of the beneficiary households (HH) has increased.</i>  <i>Baseline value:</i> tbd by the baseline study and HH survey of beneficiaries.  <i>Target value:</i> At least 50% of the beneficiaries' HHs income diversity exceeds the baseline value by the end of the Project.</p>	<ul style="list-style-type: none"> <li>Baseline study from the inception phase.</li> <li>Reports of MBDA.</li> <li>Consultant reports.</li> <li>External monitoring report.</li> <li>Household surveys.</li> <li>VLMAP.</li> </ul>	<ul style="list-style-type: none"> <li>Government of Meghalaya supports and promotes implementation of its new Water Policy of 2019.</li> <li>Umiew and Ganol are declared as Critical Catchments under the Meghalaya Protection of Catchment Area Act 1990.</li> </ul>

Objectives	Indicators	Sources	Assumptions
	<p><b>Indicator 3:</b> Water discharge of critical springs accessible for the Project villages has increased.  <i>Baseline value: Monthly discharge (litres per minute) during the first year of the implementation of the VLMAPs.</i>  <i>Target value: At least 60% of the springs where spring-shed measures have been implemented see their discharge increased during lean season by the end of the Project.</i></p> <p><b>Indicator 4:</b> Process for the declaration of the Ganol and Umiew catchments as critical catchment areas has been initiated and placed before the Government.  <i>Baseline value: No proposal submitted to the Government.</i>  <i>Target value: Proposals for the declaration of the Ganol and Umiew catchment as critical catchment areas are submitted to the Government by end of 2026.</i></p>		

Objectives	Indicators	Sources	Assumptions
<b>Outputs</b>			
<i>Output 1: Knowledge-based participatory planning and implementation and capacity building.</i>	<b>Indicator 1.a.i:</b> Number of Training Needs Assessments (TNA) undertaken. Baseline value: 0. Target value: 2 (Project staff + Communities) by end of 2025.	<i>All information from regular project monitoring reports.</i>	<ul style="list-style-type: none"> <li><i>Political stability in Meghalaya.</i></li> <li><i>No major natural disasters occur during project period.</i></li> <li><i>Sufficient local labour is available for implementation of project activities.</i></li> <li><i>Efficient, effective, and timely budget planning by the Government of Meghalaya and MBDA.</i></li> <li><i>Sufficient capacity of local communities to supply seedlings for the project.</i></li> <li><i>Free prior and informed consent is sought before preparation of MWPs.</i></li> <li><i>Traditional institutions agree to cooperate in the management of the catchment and allocate land for watershed treatment.</i></li> <li><i>Land on both sides of the main rivers is recognized as community reserve through community</i></li> </ul>
	<b>Indicator 1.a.ii:</b> Number of training programmes conducted. Baseline value: 0. Target value: tbd by the TNA.		
	<b>Indicator 1.b.i:</b> Knowledge Management (KM) strategy developed. Baseline value: No. Target value: Yes.		
	<b>Indicator 1.b.ii:</b> KM strategy implemented. Baseline value: 0. Target value: tbd by the KM strategy.		
	<b>Indicator 1.b.iii:</b> Communication strategy developed. Baseline value: No. Target value: Yes.		
	<b>Indicator 1.b.iv:</b> Communication strategy implemented. Baseline value: 0. Target value: tbd by the Communication strategy.		
	<b>Indicator 1.c:</b> Number of academic papers published on impacts of Project interventions. Baseline value: 0. Target value: 4 by the end of the Project.		

Objectives	Indicators	Sources	Assumptions
<p><i>Output 2: Forests and other ecosystems of the selected catchment areas are enhanced.</i></p>	<p><b>Indicator 2.a:</b> Micro Watershed Plans (MWPs) including appropriate soil and water conservation measures are developed and integrated into respective catchment area plans (CAPs). Baseline value: 0. Target value: 77 MWPs (64 MWPs in Greater Ganol catchment plus 13 MWPs in Umiew catchment) by the end of the Project.</p> <p><b>Indicator 2.b.i:</b> Area under protection and sustainable forest management (including riverside plantations). Baseline value: Area tbd during the Participatory Rural Assessments (PRA). Target value: Baseline value + 6,400 ha by the end of the Project.</p> <p><b>Indicator 2.b.ii:</b> Project villages with Forest Management Plans (FMP). Baseline value: 0. Target value: All Project villages with FMPs by the end of the Project.</p> <p><b>Indicator 2.c:</b> Area under grassland management practices increases. Baseline value: Area tbd during the Participatory Rural Assessments (PRA). Target value: Baseline value + 2,080 ha by the end of the Project.</p>	<p><i>All information from regular project monitoring reports.</i></p>	<p><i>consultations.</i></p> <ul style="list-style-type: none"> <li>• <i>Landowners, farmers and traditional institutions are willing to adopt SALT practices in bun cultivated and Jhum areas.</i></li> <li>• <i>Shillong and Tura city authorities are willing to share the water charges with the community institutions managing their project assets.</i></li> </ul>

Objectives	Indicators	Sources	Assumptions
	<p><b>Indicator 2.d:</b> Incidence of forest fire in Project villages has reduced.</p> <p>Baseline value: Average forest fire incidence in Project villages for the last 10 years (2013 to 2023).</p> <p>Target value: Average forest fire incidence (from 2026 to 2029) in Project villages has reduced by 10% of the baseline value.</p> <p><b>Indicator 2.e:</b> Project villages participate in an active Payment for Ecosystem Services (PES) scheme.</p> <p>Baseline value: 34 villages.</p> <p>Target value: 68 villages by end of 2026.</p>		
<p><i>Output 3: Livelihoods of the vulnerable communities in the catchment areas improve.</i></p>	<p><b>Indicator 3.a:</b> Agricultural area in the Project villages that has formerly been <i>Jhum</i> (Ganol) or <i>Bun</i> (Umiew) cultivated is managed through SALT or Agroforestry models respectively.</p> <p>Baseline value: 0.</p> <p>Target value: 2,430 ha by the end of the Project.</p> <p><b>Indicator 3.b:</b> Water harvesting, storage and improvement structures have been constructed.</p> <p>Baseline value: tbd during PRA (existing structures).</p> <p>Target value: At least 80% of the Project villages have improved water harvesting / storage structures by the end of the Project.</p>	<p><i>All information from regular project monitoring reports.</i></p>	

Objectives	Indicators	Sources	Assumptions
	<p><b>Indicator 3.c:</b> O&amp;M system is established and operational.            Baseline value: 0.            Target value: At least 80% of the assets created with support from the Project have an O&amp;M system implemented by the communities by the end of the Project.</p> <p><b>Indicator 3.d:</b> Time reported by the households spent towards fetching water has decreased.            Baseline value: tbd by the baseline study.            Target value: At least 60% of the households in the benefitted area by the end of the Project.</p>		
<i>Output 4: Adoption of best-practice project management.</i>	<p><b>Indicator 4.a:</b> State Project Management Unit (SPMU), Catchment Management Units (CMUs) and Village Project Implementation Committees (VPICs) are established and operational.            Baseline value: 0 SPMU, 0 CMUs, 0 VPICs.            Target value: 1 SPMU, 2 CMUs by April 2024, 180 VPICs by July 2026.</p> <p><b>Indicator 4.b:</b> Reports being generated using the Management Information System (MIS).            Baseline value: 0.            Target value: 2 semi-annual M&amp;E reports are generated per year.</p>	<i>All information from regular project monitoring reports.</i>	

Objectives	Indicators	Sources	Assumptions
	<p><b>Indicator 4.c:</b> Capacity building on ESMF / CEPF requirements, including FPIC, Gender Action Plan and the GRM is regularly provided to the PEA, implementing agencies, local facilitators and communities.</p> <p>Baseline value: 0.</p> <p>Target value: 2 semi-annual ESHS reports are generated per year.</p>		

Activities within the project	Indicators	Sources	Assumptions
<p>Activities under Output 1:</p> <ul style="list-style-type: none"> <li>• Village Project Implementation Committees (VPIC) receive support through village facilitators.</li> <li>• Establish knowledge management and communication strategy and systems (project website is developed and made operational, project learnings are documented etc.).</li> <li>• Conduct TNA.</li> <li>• Design and implement training programmes.</li> <li>• Build capacity of the target community for livelihood promotion and catchment management.</li> <li>• Cooperation with a consortium of regional and (inter-)national universities or research institutions to conduct applied research on impacts of land use forms and land use practices on water balances.</li> </ul>			<ul style="list-style-type: none"> <li>• Watershed Department has well established watershed planning framework.</li> <li>• MBDA has sufficient infrastructure to provide training to the stakeholders.</li> <li>• Communities are open to try agriculture practices other than bun cultivation and Jhumming.</li> <li>• Sand and silt mining units along the Umiew river and its tributaries are willing to cooperate.</li> <li>• Technical support staff are available in Meghalaya and can be retained during the project period.</li> </ul>
<p>Activities under Output 2:</p> <ul style="list-style-type: none"> <li>• Micro-watershed plans in accordance to well accepted national standards are developed.</li> <li>• Forests are protected and restored through natural</li> </ul>			

Activities within the project	Indicators	Sources	Assumptions
<p><i>regeneration, afforestation and plantations based on forest protection agreements.</i></p> <ul style="list-style-type: none"> <li>• <i>Community nurseries are established.</i></li> <li>• <i>Soil and water conservation measures in open forest areas, grassland and culturable wastelands are performed.</i></li> <li>• <i>Multi-purpose plants are used for soil stabilization.</i></li> <li>• <i>Drainage line treatment with civil structure and vegetative means is undertaken.</i></li> <li>• <i>Forest fires are controlled.</i></li> <li>• <i>Water, silt and weather monitoring stations are established.</i></li> <li>• <i>Spring sheds are developed.</i></li> </ul>			
<p><i>Activities under Output 3:</i></p> <ul style="list-style-type: none"> <li>• <i>Community livelihood plans (forestry, horticulture, agriculture) are developed through consultation.</i></li> <li>• <i>Primary water harvesting structures are made under the project and water distribution system is developed by the GoM.</i></li> <li>• <i>Horticulture is promoted.</i></li> <li>• <i>SALT is promoted and training on SALT is conducted.</i></li> </ul>			

Activities within the project	Indicators	Sources	Assumptions
<ul style="list-style-type: none"> <li>• <i>Producing of seedlings.</i></li> </ul> <p><i>Activities under Output 4:</i></p> <ul style="list-style-type: none"> <li>• <i>Catchment Management Units (CMU), Village Implementation Committees (VIC) and State Project Management Unit (SPMU) are established, and professional staff is recruited in time. as per the HR plan</i></li> <li>• <i>Comprehensive M&amp;E system is developed and implemented.</i></li> <li>• <i>Social audit of the project is conducted.</i></li> <li>• <i>Environment and Social Management Framework (ESMF) and Community Engagement and Planning Framework (CEPF) is developed and adopted.</i></li> <li>• <i>Grievance redress mechanism (GRM) is established.</i></li> <li>• <i>Administrative, fiduciary and procurement systems acceptable to KfW are setup.</i></li> <li>• <i>Progress of the project is reported semi-annually to KfW.</i></li> </ul>			

Activities within the project	Indicators	Sources	Assumptions
<p>Activities under Output 1:</p> <ul style="list-style-type: none"> <li>• Village Project Implementation Committees (VPIC) receive support through village facilitators.</li> <li>• Establish knowledge management and communication strategy and systems (project website is developed and made operational, project learnings are documented etc.).</li> <li>• Conduct TNA.</li> <li>• Design and implement training programmes.</li> <li>• Build capacity of the target community for livelihood promotion and catchment management.</li> <li>• Cooperation with a consortium of regional and (inter-)national universities or research institutions to conduct applied research on impacts of land use forms and land use practices on water balances.</li> </ul>			<ul style="list-style-type: none"> <li>• Watershed Department has well established watershed planning framework.</li> <li>• MBDA has sufficient infrastructure to provide training to the stakeholders.</li> <li>• Communities are open to try agriculture practices other than bun cultivation and Jhumming.</li> <li>• Sand and silt mining units along the Umiew river and its tributaries are willing to cooperate.</li> <li>• Technical support staff are available in Meghalaya and can be retained during the project period.</li> </ul>
<p>Activities under Output 2:</p> <ul style="list-style-type: none"> <li>• Micro-watershed plans in accordance to well accepted national standards are developed.</li> <li>• Forests are protected and restored through natural</li> </ul>			

Activities within the project	Indicators	Sources	Assumptions
<p><i>regeneration, afforestation and plantations based on forest protection agreements.</i></p> <ul style="list-style-type: none"> <li>• <i>Community nurseries are established.</i></li> <li>• <i>Soil and water conservation measures in open forest areas, grassland and culturable wastelands are performed.</i></li> <li>• <i>Multi-purpose plants are used for soil stabilization.</i></li> <li>• <i>Drainage line treatment with civil structure and vegetative means is undertaken.</i></li> <li>• <i>Forest fires are controlled.</i></li> <li>• <i>Water, silt and weather monitoring stations are established.</i></li> <li>• <i>Spring sheds are developed.</i></li> </ul>			
<p><i>Activities under Output 3:</i></p> <ul style="list-style-type: none"> <li>• <i>Community livelihood plans (forestry, horticulture, agriculture) are developed through consultation.</i></li> <li>• <i>Primary water harvesting structures are made under the project and water distribution system is developed by the GoM.</i></li> <li>• <i>Horticulture is promoted.</i></li> <li>• <i>SALT is promoted and training on SALT is conducted.</i></li> </ul>			

Activities within the project	Indicators	Sources	Assumptions
<ul style="list-style-type: none"> <li>• <i>Producing of seedlings.</i></li> </ul> <p><i>Activities under Output 4:</i></p> <ul style="list-style-type: none"> <li>• <i>Catchment Management Units (CMU), Village Project Implementation Committees (VPIC) and State Project Management Unit (SPMU) are established, and professional staff is recruited in time. as per the HR plan</i></li> <li>• <i>Comprehensive M&amp;E system is developed and implemented.</i></li> <li>• <i>Social audit of the project is conducted.</i></li> <li>• <i>Environment and Social Management Framework (ESMF) and Community Engagement and Planning Framework (CEPF) is developed and adopted.</i></li> <li>• <i>Grievance redress mechanism (GRM) is established.</i></li> <li>• <i>Administrative, fiduciary and procurement systems acceptable to KfW are setup.</i></li> <li>• <i>Progress of the project is reported semi-annually to KfW.</i></li> </ul>			

## **Annex 2: List of targeted Project villages**

**Targeted Project villages in the Umiew catchment**

Village	Block	District
12 <sup>th</sup> Mer	Khadarshnong-Laitkroh	East Khasi Hills
Baniun	Mylliem	East Khasi Hills
Demthring	Mylliem	East Khasi Hills
Diengkynthong	Khadarshnong-Laitkroh	East Khasi Hills
Dongiewrim	Mawphlang	East Khasi Hills
Iewpomtiah	Mawryngkneng	East Khasi Hills
Jalynteng	Khadarshnong-Laitkroh	East Khasi Hills
Kharbuli Nongkrem	Mawryngkneng	East Khasi Hills
Kharnongwah	Mawphlang	East Khasi Hills
Kyndong Nongkyntir	Mylliem	East Khasi Hills
Kyntonsyrwa	Khadarshnong-Laitkroh	East Khasi Hills
Kynton-U-Mon	Mawryngkneng	East Khasi Hills
Kyrdemkhla	Khadarshnong-Laitkroh	East Khasi Hills
Ladumrisain	Mawphlang	East Khasi Hills
Laitjem	Mawphlang	East Khasi Hills
Laitkor Mawrie	Mylliem	East Khasi Hills
Laitkor Mawrie Lumheh	Mylliem	East Khasi Hills
Laitkor Nongdaneng	Mylliem	East Khasi Hills
Laitkor Nonglum	Mylliem	East Khasi Hills
Laitkynsew	Khadarshnong-Laitkroh	East Khasi Hills
Laitkyrhong	Mawkynew	East Khasi Hills
Laitmawlong Wahpein	Khadarshnong-Laitkroh	East Khasi Hills
Laitpynter Lummane	Mawphlang	East Khasi Hills
Laitpynter Lumpata	Mawphlang	East Khasi Hills
Laitpynter Synrangkaban	Mawphlang	East Khasi Hills
Lumdewsaw	Mylliem	East Khasi Hills
Lumkyntung	Khadarshnong-Laitkroh	East Khasi Hills

Village	Block	District
Lummawkong	Khadarshnong-Laitkroh	East Khasi Hills
Lumsohriew	Mawphlang	East Khasi Hills
Lynghkwir	Mawphlang	East Khasi Hills
Lynkien Shyiap	Mylliem	East Khasi Hills
Lynkienshieh	Khadarshnong-Laitkroh	East Khasi Hills
Madanfootball	Khadarshnong-Laitkroh	East Khasi Hills
Madanlyngdoh	Khadarshnong-Laitkroh	East Khasi Hills
Madanlyngkhi-Nonglum	Khadarshnong-Laitkroh	East Khasi Hills
Marbisu Mawsmai	Mawphlang	East Khasi Hills
Mawblah	Mylliem	East Khasi Hills
Maweinai	Mylliem	East Khasi Hills
Mawjrong	Khadarshnong-Laitkroh	East Khasi Hills
Mawkathein	Mawryngkneng	East Khasi Hills
Mawkhanpasir	Mylliem	East Khasi Hills
Mawkohmon	Mawphlang	East Khasi Hills
Mawkriah East	Mawphlang	East Khasi Hills
Mawkyning	Khadarshnong-Laitkroh	East Khasi Hills
Mawlynnei Nongkrem	Mawryngkneng	East Khasi Hills
Mawmyrsiang	Khadarshnong-Laitkroh	East Khasi Hills
Mawnarian Wahmawlong	Mylliem	East Khasi Hills
Mawngap Mawkharshiing	Mawphlang	East Khasi Hills
Mawngap Mawsmai	Mawphlang	East Khasi Hills
Mawrashe	Mylliem	East Khasi Hills
Mawreng Mihngi	Mawphlang	East Khasi Hills
Mawri Mylliem	Mylliem	East Khasi Hills
Mawsawa Mylliem	Mylliem	East Khasi Hills
Mawsing	Mylliem	East Khasi Hills

Village	Block	District
Mylliem Marbaniang	Mylliem	East Khasi Hills
Mylliem Mawiong	Mylliem	East Khasi Hills
Mylliem Pombot	Mylliem	East Khasi Hills
Mylliem Umsaw	Mylliem	East Khasi Hills
Mynsain	Khadarshnong-Laitkroh	East Khasi Hills
Nongbet Mylliem	Mylliem	East Khasi Hills
Nongkrem	Mawryngkneng	East Khasi Hills
Nongkyndong Nongkrem	Mawryngkneng	East Khasi Hills
Nongrum	Mawphlang	East Khasi Hills
Nongthymmai (Laitkroh)	Khadarshnong-Laitkroh	East Khasi Hills
Nongthymmai Pdeng	Khadarshnong-Laitkroh	East Khasi Hills
Nongthymmai-Lumthangding	Khadarshnong-Laitkroh	East Khasi Hills
Pdengshnong Mawpyllun Marbisu	Mawphlang	East Khasi Hills
Pomkaniew	Mylliem	East Khasi Hills
Pomlakrai Liewlong	Mylliem	East Khasi Hills
Pomlakrai Mawbynna	Mylliem	East Khasi Hills
Pomlakrai Mawtharia	Mylliem	East Khasi Hills
Pomlakrai Pdengshnong	Mylliem	East Khasi Hills
Pomlakrai Rngi Shyllong	Mylliem	East Khasi Hills
Pomlakrai Umiew	Mylliem	East Khasi Hills
Rangbihbih	Mylliem	East Khasi

Village	Block	District
Rangsyuin Mawlmeng	Mylliem	East Khasi Hills
Rngi Kseh Nongkrem	Mawryngkneng	East Khasi Hills
Sadew	Mylliem	East Khasi Hills
Shankhla	Khadarshnong-Laitkroh	East Khasi Hills
Sohkhit	Khadarshnong-Laitkroh	East Khasi Hills
Steplakrai	Khadarshnong-Laitkroh	East Khasi Hills
Swer	Khadarshnong-Laitkroh	East Khasi Hills
Tiewlieh	Khadarshnong-Laitkroh	East Khasi Hills
Umiew-Maw-U-Sam	Mawryngkneng	East Khasi Hills
Ummluh	Pynursla	East Khasi Hills
Umphrup	Mawryngkneng	East Khasi Hills
Umphyrnai	Mawryngkneng	East Khasi Hills
Umrakam Thangkhit	Mylliem	East Khasi Hills
Umthlong	Mawphlang	East Khasi Hills
Umtngew	Mawryngkneng	East Khasi Hills
Umtynngar	Khadarshnong-Laitkroh	East Khasi Hills
Urmasi-U-Joh	Mawryngkneng	East Khasi Hills
Warbah Nongkrem	Mawryngkneng	East Khasi Hills

### **Targeted Project villages in the Greater Ganol catchment**

Village	Block	District
Abisolagre	Rerapara	South West Garo Hills
Agilanggre	Rongram	West Garo Hills
Agisimgre	Rongram	West Garo Hills
Aguragre	Rongram	West Garo Hills
Akakkigre	Rerapara	South West Garo Hills
Allagre	Rongram	West Garo Hills

Village	Block	District
Allotgre	Rongram	West Garo Hills
Alotgiri	Selsalla	West Garo Hills
Anchenggre	Rongram	West Garo Hills
Andarkona	Rerapara	South West Garo Hills
Angalgre	Rerapara	South West Garo Hills
Aranggre	Rongram	West Garo Hills

Village	Block	District
Asanang	Rongram	West Garo Hills
Asibra	Rongram	West Garo Hills
Asigiri	Rongram	West Garo Hills
Asimgre	Rerapara	South West Garo Hills
Asinagre	Rerapara	South West Garo Hills
Babadam Bolmagre	Rongram	West Garo Hills
Badagonggegre	Rongram	West Garo Hills
Baghmara	Rerapara	South West Garo Hills
Baladinggre	Rongram	West Garo Hills
Balalgre	Rerapara	South West Garo Hills
Balanggre	Rerapara	South West Garo Hills
Bangdagre	Rongram	West Garo Hills
Bibragre	Rongram	West Garo Hills
Bokda Apal	Rongram	West Garo Hills
Bokmagre	Rongram	West Garo Hills
Boldamgre	Rongram	West Garo Hills
Bolsalgre	Selsella	West Garo Hills
Bongpara	Rerapara	South West Garo Hills
Bugakolgre	Rongram	West Garo Hills
Buripara	Rongram	West Garo Hills
Chandigre	Rongram	West Garo Hills
Chandragre	Rongram	West Garo Hills
Cherangre	Rongram	West Garo Hills
Chibandagre	Rerapara	South West Garo Hills
Chibasalgre	Rongram	West Garo Hills
Chibra Agal	Rongram	West Garo Hills
Chibragre	Rongram	West Garo Hills
Chismokgre	Rerapara	South West Garo Hills
Chisregre	Rerapara	South West Garo Hills
Dabakgre	Selsella	West Garo Hills
Dachigre	Rongram	West Garo Hills
Dachimagine	Rongram	West Garo Hills
Daldagre	Rongram	West Garo Hills
Dalmagre	Rongram	West Garo Hills
Dalupara	Rerapara	South West Garo Hills
Darechikgre	Rongram	West Garo Hills
Darengre	Rongram	West Garo Hills
Daribokgre	Samanda	East Garo Hills
Digranggre	Rongram	West Garo Hills
Dopananggre	Rongram	West Garo Hills
Dopatchigre	Rerapara	South West Garo

Village	Block	District
		Hills
Dura Kantagre	Rongram	West Garo Hills
Dura Songma	Rongram	West Garo Hills
Durakalakgre	Rongram	West Garo Hills
Edenbari	Rongram	West Garo Hills
Galwanggre	Rongram	West Garo Hills
Ganol Apal	Rongram	West Garo Hills
Ganol Songma	Rongram	West Garo Hills
Ghatgre	Rerapara	South West Garo Hills
Gongronggre	Rongram	West Garo Hills
Harigaon (Old)	Rerapara	South West Garo Hills
Jendragre	Rongram	West Garo Hills
Jewilgre	Rerapara	West Garo Hills
Jongdikgre	Rongram	West Garo Hills
Kalakgre	Rongram	West Garo Hills
Kama Dumindikgre	Rongram	West Garo Hills
Kanchikona	Rerapara	South West Garo Hills
Karaitolla	Rerapara	South West Garo Hills
Kemragre	Rongram	West Garo Hills
Kimbokgre	Rerapara	South West Garo Hills
Lower Damalgre	Rerapara	South West Garo Hills
Mandal Nokat	Samanda	East Garo Hills
Manggapara	Selsella	West Garo Hills
Masumatagre	Rongram	West Garo Hills
Matalagiri	Rerapara	South West Garo Hills
Matchokgre	Selsella	West Garo Hills
Matchurigre Songgitcham	Rongram	West Garo Hills
Matchurigre Songgitcham B	Rongram	West Garo Hills
Misimagine	Rongram	West Garo Hills
Mrigre	Rongram	West Garo Hills
Mukdangra	Rerapara	South West Garo Hills
New Dengasi	Rerapara	South West Garo Hills
New Harigaon	Rerapara	South West Garo Hills
Nokatgre	Rerapara	South West Garo Hills
Noonmati	Rerapara	South West Garo Hills
Pagugre	Rongram	West Garo Hills
Penny Valley	Rongram	West Garo Hills
Ranggira Bolsalgre	Rerapara	South West Garo

Village	Block	District
		Hills
Rangwalkamgre	Rongram	West Garo Hills
Rengsangre	Rongram	West Garo Hills
Retegre	Rongram	West Garo Hills
Romba Adinggre	Rongram	West Garo Hills
Rongalgre	Rongram	West Garo Hills
Rongchigre	Rongram	West Garo Hills
Rongdikgre	Rongram	West Garo Hills
Rongdokgre	Rongram	West Garo Hills
Ronggandigre	Rongram	West Garo Hills
Ronggrek Mronggre	Rerapara	South West Garo Hills
Ronggrekgiri	Rerapara	South West Garo Hills
Rongjigre	Rongram	West Garo Hills
Rongkakgre	Selsella	West Garo Hills
Rongkhon Boldamgre	Rongram	West Garo Hills
Rongkhongre	Rongram	West Garo Hills
Rongonagre	Rerapara	South West Garo Hills
Rongram Bazar	Rongram	West Garo Hills
Rongramgre	Rongram	West Garo Hills
Sakalgre	Rongram	West Garo Hills
Samingre	Rongram	West Garo Hills
Sanchonggre	Rongram	West Garo Hills
Sangkarigre	Rerapara	South West Garo

Village	Block	District
		Hills
Sasatgre	Rongram	West Garo Hills
Selbal Nokat	Rongram	West Garo Hills
Selbalgre	Rongram	West Garo Hills
Snarugre	Rongram	West Garo Hills
Sonanpara	Rongram	West Garo Hills
Songkonggre	Rongram	West Garo Hills
Soragre	Rongram	West Garo Hills
Sropgre	Rongram	West Garo Hills
Tebronggre	Rongram	West Garo Hills
Teksragre	Rongram	West Garo Hills
Tosekgre	Rongram	West Garo Hills
Urenggre	Rongram	West Garo Hills
Wadagre	Rongram	West Garo Hills
Wagopgre	Rerapara	South West Garo Hills
Wakagre	Rerapara	South West Garo Hills
Wakantagre	Rerapara	South West Garo Hills
Waram Songma	Rongram	West Garo Hills
Waramasim	Rongram	West Garo Hills
Waribokgre	Rongram	West Garo Hills

## **Annex 3: ESCOP screening for VLMAP activities**

This simplified project specific environmental and social checklist is prepared as an Annex to the Village-Level Micro-Action Plan (VLMAP) and shall be completed for each Project village at the stage of selecting proposed measures for financing. The results shall be documented in the Management Information System (MIS). The general Environmental and Social Code of Practice (ESCOP) list with Do's and Don'ts in the CEPF / ESMF remains applicable and shall be used in trainings and VLMAP development.

### **General guiding questions for ESCOP check:**

- Do we take into account all potential negative consequences of our actions that could harm people or nature?
- What are the good practices to avoid or minimize these and enhance the success of the project?

### **HOW TO:**

If an answer to the checklist question is NO, additional questions need to be answered and/or appropriate mitigation measures to be developed. It is suggested to look at all proposed measures in a village at a time, e.g. all plantation sites, several check-dams, etc. Those, which represent a risk shall be looked at more in-depth. Some questions in the three following checklists seem to be repetitive, however, this is due to different perspectives of the topics. Please answer all questions as diligently as possible. In case you don't know or are not sure, tick "NO" and write a comment "tbd at later stage".

**If the specific question is not applicable (n.a.) to the village (e.g. question on introduction of invasive fish species if no fish pond is planned) then answer would be a "YES". => no further action is required.**

- For the MIS only the first 4 columns are required. A "NO" means some questions need to be answered at later stage and/or appropriate mitigation measures taken. At CMU level the entire questionnaire (print or soft-copy) needs to be kept to keep track of the open issues.
- Irrelevant impacts as noise, air pollution, light / radiation, toxic substances, etc., are not specifically asked for (also refer to Menu of Measures – exclusion list).

### **List of VLMAP activities (Forestry, SWC, Livelihood) / per sites in this village:**

Forestry	SWC	Livelihood
1.	1.	1.
2.	2.	2.
3.	3.	3.
...	...	...

### Checklist for Environmental and Social Code of Practice (ESCOP)

#### 0. Preferential Treatment of Local Elites

Nr.	Checking Question	YES (✓)	NO (✗)	Mitigation Strategy (please write answers after the question or mention where answer is explained)
1	Has preferential treatment of local elites been avoided?			<ul style="list-style-type: none"> <li>If NO, what is done to ensure inclusion of benefits for entire community and of vulnerable people?</li> </ul>

#### 1. Forestry (Nurseries and Afforestation / Reforestation Measures)

Nr.	Checking Question	YES (✓)	NO (✗)	Mitigation Strategy (please write answers after the question or mention where answer is explained)
1	Was the selection of nursery and plantation sites agreed with the community leadership and with the affected owners / users?			<ul style="list-style-type: none"> <li>If NO for which site(s) there is a need to undertake further consultations / make agreements? (please list the relevant sites)</li> <li>Is mapping of sites, including boundaries available?</li> <li>Agreement in written form available and documented?</li> <li>Were the principles of voluntary land donation followed?</li> </ul>
2	Is the duration of land allocation agreed?			<ul style="list-style-type: none"> <li>If NO for which site(s) agreements with private owners or community leaders related to use periods still need to be made?</li> <li>For which sites there is only limited use period? How many years?</li> </ul>
3	Are the sites accessible for vehicular or manual transportation of materials?			<ul style="list-style-type: none"> <li>If NO for which site(s) access tracks need to be made?</li> <li>For new access track construction there is a need to manage the risk of erosion / land-slides. (=&gt; mention sites).</li> </ul>
4	Is the area available? (e.g. currently unused land? Is an agreement with former users available?)			<ul style="list-style-type: none"> <li>If NO for which site(s) there are current land users and which uses?</li> <li>Is any of the planned areas used by livestock for grazing or fodder collection? If yes, is there an agreement with prior users?</li> <li>Losses of income for vulnerable users need to be included in socio-economic measures (socio-economic- / LRP-benefits).</li> </ul>
5	Is the planned nursery / plantation site outside of any protected area or habitat of rare / endangered flora and fauna?			<ul style="list-style-type: none"> <li>If NO explain which habitats are affected / which protected areas are nearby and how impacting these is avoided by the project.</li> </ul>
6	Have women been consulted for site selection and decision on species?			<ul style="list-style-type: none"> <li>If NO for which site(s) or activities additional consultations with women are needed?</li> </ul>

Nr.	Checking Question	YES (✓)	NO (✗)	Mitigation Strategy (please write answers after the question or mention where answer is explained)
7	Is the workload for nurseries shared equitably by men as well as women?			<ul style="list-style-type: none"> <li>• Risk is that women have to do all the work alone, while benefits go to the community.</li> <li>• Is this an additional income opportunity for women or a community solidarity work?</li> <li>• If NO for which site(s) or activities additional sharing of workload between men and women is needed?</li> </ul>
8	Are maintenance and regular caring activities assigned to responsible persons e.g. watering, weeding, fertilizing?			<ul style="list-style-type: none"> <li>• If NO for which site(s) or activities additional clarifications and agreements on maintenance tasks are needed?</li> <li>• What arrangements have been made for the maintenance and regular caring activities?</li> <li>• If perennial water source is not available, is the site still suitable (nurseries)?</li> </ul>
9	Is there a clear community benefit sharing agreement?			<ul style="list-style-type: none"> <li>• If NO for which site(s) or activities a benefit sharing agreement is needed?</li> <li>• Were the principles of voluntary land donation followed?</li> </ul>
10	Are appropriate waste management measures in place and implemented? (e.g. for polybags, tree guards, cover nets).			<ul style="list-style-type: none"> <li>• Are the issues and tasks of "No littering" and removal of waste from project sites understood by all?</li> <li>• If NO for which site(s) or activities waste management measures are needed?</li> </ul>
11	Have adapted agroforestry and fruit tree species been included in plantation concept?			<ul style="list-style-type: none"> <li>• If NO for which sites / activities is this an issue?</li> <li>• Which species would be adapted to the village location (altitude / climate, etc.)?</li> <li>• Which species are preferred by people?</li> <li>• Are seedlings available at community nurseries?</li> </ul>
12	Have monocultures been effectively excluded from planning?			<ul style="list-style-type: none"> <li>• If NO for which sites and activities is this an issue?</li> <li>• What are the measures taken to prevent monocultures?</li> </ul>
13	Is chemical pesticide use effectively excluded?			<ul style="list-style-type: none"> <li>• If NO for which sites / activities is this an issue?</li> <li>• If NO which organic pesticides / herbicides can be used alternatively? Are they available? Can they be produced by the community?</li> <li>• Is there a need to modify the choice of species?</li> </ul>
14	Are there sufficient measures to address Human Wildlife Conflict (HWC) risks? (If HWC has not been a problem for last couple of years then mark YES).			<ul style="list-style-type: none"> <li>• If NO are there HWC risks? Which animal species cause most problems?</li> <li>• For which sites / activities is this an issue?</li> <li>• Which measures are suggested?</li> </ul>
15	Is open access without fencing suitable?			<ul style="list-style-type: none"> <li>• If NO for which sites / activities fencing is required?</li> <li>• Which types of fencing are considered? Have costs been assessed realistically?</li> <li>• Is the fencing measure agreed in the community?</li> </ul>

Nr.	Checking Question	YES (✓)	NO (✗)	Mitigation Strategy (please write answers after the question or mention where answer is explained)
16	Are there appropriate worker's Health & Safety (H&S) measures (guideline, trainings and site supervision measures). (if no machines are required and/or no dangerous works are planned then mark YES).			<ul style="list-style-type: none"> <li>• If NO for which sites / activities is this an issue?</li> <li>• If NO for which machines is this an issue?</li> <li>• Organize H&amp;S training for communities and for VCFs regarding work supervision.</li> <li>• Especially if working with machines, but also snake-bites etc. could be an issue</li> </ul> <p>Additional comments:</p>
17	Is a fire management plan available and included in planning documents? (If no fire risk exists then mark YES).			<ul style="list-style-type: none"> <li>• How big is the fire risk? (If Zero =&gt; no action).</li> <li>• If fire risk: Which measures are required? (=&gt;fire breaks / lines).</li> <li>• Are fire awareness and fire-fighting trainings included in the VLMAP?</li> </ul>

Additional comments: \_\_\_\_\_

## 2. Soil and Water Conservation (SWC)

This checklist concerns all planned measures related to water management (drinking water supply, water storage, ground infiltration and recharge of groundwater, increasing moisture content of soil, water harvesting structures, spring chambers, clothes washing places) and planned measures involving soil movement / soil excavations, bunding works or construction of retaining walls, etc.

Nr.	Checking Question	YES (✓)	NO (✗)	Mitigation Strategy (please write answers after the question or mention where answer is explained)
1	Was the selection of sites agreed with the community leadership and the affected owners / users? (for check-dams, water supply intakes, fish ponds, water harvesting structures and other works involving soil movement (bunding, retaining walls, etc.)?			<ul style="list-style-type: none"> <li>• If NO for which site(s) is there a need to undertake further consultations / make agreements?</li> <li>• Is mapping of sites including boundaries available?</li> <li>• Is an agreement in written form available and documented?</li> </ul>
2	Planned new check-dams: Is the size of reservoir below 1 ha? Is the height of dam under 3 m? Is the land to be flooded presently unused?			<ul style="list-style-type: none"> <li>• If any of the questions is "NO" then additional study and site specific ESMP is required.</li> </ul>
3	Is the duration of land allocation agreed?			<ul style="list-style-type: none"> <li>• If NO for which site(s) agreements with private owners or community leaders related to use periods still need to be made?</li> <li>• For which sites is there only a limited use period? How many years? What happens afterwards?</li> </ul>
4	Are the sites accessible for vehicular or manual transportation of materials?			<ul style="list-style-type: none"> <li>• If NO for which site(s) access tracks need to be made?</li> <li>• For access track construction is there a need to manage the risk of erosion / landslides?</li> </ul>
5	Is the area available? (e.g. currently unused land? Is an agreement with former users available?).			<ul style="list-style-type: none"> <li>• If NO for which site(s) are there current land users and which uses are there?</li> <li>• Inclusion of socio-economic benefits for vulnerable existing users (not for land owners) in LRP.</li> </ul>
6	Have women been consulted for site selection and involved in prioritization?			<ul style="list-style-type: none"> <li>• If NO for which site(s) or activities additional consultations with women are needed?</li> </ul>
7	Are maintenance / regular caring activities assigned to responsible persons / groups, e.g. watering, weeding, fertilizing?			<ul style="list-style-type: none"> <li>• If NO for which site(s) or activities additional clarifications and agreements on maintenance tasks are needed?</li> <li>• What are the needs for de-silting of water storages? Who will be responsible?</li> </ul>
8	Is there a clear community benefit sharing agreement?			<ul style="list-style-type: none"> <li>• If NO for which site(s) or activities a benefit sharing agreement is needed?</li> </ul>
9	Is the planned activity outside of any protected area or habitat of rare / endangered flora and fauna?			<ul style="list-style-type: none"> <li>• If NO explain which habitats are affected / which protected areas are nearby and how impacting these is avoided by the project?</li> </ul>

Nr.	Checking Question	YES (✓)	NO (✗)	Mitigation Strategy (please write answers after the question or mention where answer is explained)
10	Is water diversion planned in a way to ensure sufficient downstream flow (water supply / irrigation)?			<ul style="list-style-type: none"> <li>• If NO for which site(s) water flow will be diverted substantially?</li> <li>• Is an arrangement with downstream users available?</li> <li>• Riverbeds / even small streams shall not be dried up through water diversions.</li> </ul>
11	Is the planned source for drinking water safe? (applies only if water shall be used for drinking).			<ul style="list-style-type: none"> <li>• If NO for which site(s) is there a risk of water pollution? =&gt; consider alternative source!</li> <li>• Which pollution sources exist upstream of water intakes? =&gt; Spring shed management.</li> <li>• How are water pollution risks reduced?</li> </ul>
12	Is the risk of water pollution through activities avoided?			<ul style="list-style-type: none"> <li>• If NO for which site(s) is there a risk of water pollution?</li> <li>• Which sources of water pollution affect the project sites?</li> <li>• How are water pollution risks reduced?</li> </ul>
13	Are there appropriate worker's Health & Safety (H&S) measures (guideline, trainings and site supervision)? (especially if working with machines). (if no machines are required then mark YES).			<ul style="list-style-type: none"> <li>• If NO for which sites / activities is this an issue?</li> <li>• If NO for which machines is this an issue?</li> <li>• Organize H&amp;S training for communities and for VCFs regarding work supervision.</li> </ul>

Additional comments: \_\_\_\_\_

### 3. Livelihoods incl. Agriculture & Livestock

This checklist is related to all agricultural, horticultural and livestock production activities.

Nr.	Checking Question	YES (✓)	NO (✗)	Mitigation Strategy (please write answers after the question or mention where answer is explained)
1	Was the selection of sites for agriculture activities agreed with the community leadership and the affected owners/users?			<ul style="list-style-type: none"> <li>• If NO for which site(s) is there a need to undertake further consultations / make agreements?</li> <li>• Is mapping of sites including boundaries available?</li> <li>• Is an agreement in written form available and documented?</li> </ul>
2	Is the duration of land allocation for agriculture agreed (all agricultural activities, e.g. vegetables, agroforestry, SALT, etc.)?			<ul style="list-style-type: none"> <li>• If NO for which site(s) agreements with private owners or community leaders related to use periods still need to be made?</li> <li>• For which sites is there only limited use period? How many years? What happens afterwards?</li> </ul>
3	Is the area available? (e.g. currently unused land?).			<ul style="list-style-type: none"> <li>• If NO for which site(s)?</li> <li>• What is current land use of the area and who are the users?</li> <li>• What measures are proposed to mitigate the impacts of the land use change on the current land users?</li> <li>• Is any of the areas also planned for afforestation?</li> </ul>
4	Is there a clear community benefit sharing agreement?			<ul style="list-style-type: none"> <li>• If NO for which site(s) or activities a benefit sharing agreement is needed?</li> <li>• Will the activity be managed by a group (more difficult) or by individuals? How will elite capture be avoided?</li> <li>• Benefit sharing of income from fish ponds.</li> <li>• Risk of increasing poverty if pond shall be used for fishing competition (=&gt; gambling).</li> </ul>
5	Have women been consulted for site selection for livelihood activities and decision making?			<ul style="list-style-type: none"> <li>• If NO for which site(s) or activities additional consultations with women are needed?</li> </ul>
6	Is the workload for agricultural activities, e.g. vegetables, agroforestry, SALT, etc., shared equitably among men and women?			<ul style="list-style-type: none"> <li>• Risk is that women have to do all the work alone, while benefits go to the community.</li> <li>• Is this an additional income opportunity for women or a community solidarity work?</li> <li>• If NO for which site(s) or activities additional sharing of workload between men and women is needed?</li> </ul>
7	Are maintenance activities assigned to responsible persons / groups, e.g. watering, weeding, fertilizing?			<ul style="list-style-type: none"> <li>• If NO for which site(s) or activities additional clarifications and agreements on maintenance tasks are needed?</li> <li>• What arrangements have been made for the maintenance and regular caring activities?</li> </ul>
8	Is electricity supply for the activity assured / taken into account in the concept? (availability & cost?).			<ul style="list-style-type: none"> <li>• If NO what are the provisions to ensure electricity supply (e.g. processing plants) and sharing of operation cost?</li> </ul>

Nr.	Checking Question	YES (✓)	NO (✗)	Mitigation Strategy (please write answers after the question or mention where answer is explained)
9	Is chemical pesticide use and chemical fertilizers effectively excluded?			<ul style="list-style-type: none"> <li>• If NO for which sites / activities is this an issue?</li> <li>• If NO which organic pesticides / herbicides can be used alternatively? Are they available? Can they be produced by the community?</li> <li>• Is there a need to modify the choice of species?</li> </ul>
10	Have appropriate species of livestock been selected that are adapted to local context and resistant to common diseases?			<ul style="list-style-type: none"> <li>• If NO is there a need to modify the choice of species?</li> </ul>
11	Are appropriate veterinary service and medicines available? (awareness exists?).			<ul style="list-style-type: none"> <li>• If NO are there possibilities for training and self-help? Are there options for convergence?</li> </ul>
12	Fish ponds: Have invasive fish species been effectively excluded from planning?			<ul style="list-style-type: none"> <li>• If NO for which sites and activities is this an issue? =&gt; No invasive fish species.</li> </ul>
13	Have adapted agroforestry and fruit tree species been included in plantation concept? (see forestry checklist).			<ul style="list-style-type: none"> <li>• If NO for which sites / activities is this an issue?</li> <li>• Which fruit tree and fodder plant species would be adapted to the village location (altitude / climate, etc.)?</li> <li>• Which species are preferred by people?</li> <li>• Are seedlings available at community nurseries?</li> </ul>
14	Have monocultures been effectively excluded from planning? (e.g. through intercropping / multiple species agroforestry models, etc.).			<ul style="list-style-type: none"> <li>• If NO for which sites and activities is this an issue?</li> <li>• What are the measures taken to prevent monocultures? E.g. intercropping, SALT etc.?</li> </ul>
15	Is the planned activity outside of any protected area or habitat of rare / endangered flora and fauna?			<ul style="list-style-type: none"> <li>• If NO explain which habitats are affected / which protected areas are nearby and how impacting these is avoided by the project?</li> </ul>
16	Is the viability of processing plants (value chain improvement) for agricultural goods sufficiently assessed? (if n.a. e.g. no processing plant then mark YES).			<ul style="list-style-type: none"> <li>• If NO for which sites and activities is this an issue?</li> <li>• Are the quantities sufficient for the planned scale of the operation?</li> <li>• Are the risks for collective management well checked?</li> </ul>
17	Is market access for the agricultural or livestock produce available?			<ul style="list-style-type: none"> <li>• If NO for which activities is this an issue?</li> <li>• What is planned to improve market access?</li> <li>• Business planning / financial literacy trainings?</li> </ul>
18	Are the production risks (climate variability, price drops, etc.) taken into account?			<ul style="list-style-type: none"> <li>• If NO for which activities is this an issue?</li> <li>• Is there a sufficient diversity in livelihood sources to absorb weather related shocks?</li> </ul>
19	Are there sufficient measures to address Human Wildlife Conflict (HWC) risks / crop raids – livestock losses? (If no incidence of HWC recorded during recent years then mark YES).			<ul style="list-style-type: none"> <li>• If NO: are there HWC risks? Which animal species cause most problems?</li> <li>• For which sites / activities is this an issue?</li> <li>• Which measures are suggested?</li> </ul>

Nr.	Checking Question	YES (✓)	NO (✗)	Mitigation Strategy (please write answers after the question or mention where answer is explained)
20	Are there appropriate worker's Health & Safety (H&S) measures (guideline, trainings and site supervision) for works in place?			<ul style="list-style-type: none"><li>• If NO for which sites / activities is this an issue?</li><li>• If NO for which H&amp;S measure is this an issue?</li><li>• Organize H&amp;S training for communities and for VCFs regarding work supervision.</li></ul>

Additional comments: \_\_\_\_\_

**Annex 4:**  
**Documentation deemed to be required**  
**for the justification of the reimbursement of**  
**expenditures**  
**through the Simplified Reimbursement Procedure**

S. No.	Output / Activity per GWBP	Supporting document(s)	Remarks
1	<b>Knowledge-based participatory planning &amp; implementation and capacity building</b>		Direct Disbursement to IC or GoM contribution.
1.1	Micro-Watershed Planning		
1.1.1	Development of technical standards and cost norms for MWPs & livelihoods investments		
1.1.2	Development of MVP & livelihoods investments O&M concept		
1.1.3	Development of template & model VLMAP		
1.1.4	Participatory development of VLMAPs		
1.1.5	Assemblage of VLMAPs into MWPs		
1.1.6	Assemblage of MWPs into CAPs		
1.2	Knowledge Management & Communication		
1.2.1	Design of Knowledge Management and Communication strategies		Direct Disbursement to IC or GoM contribution.
1.2.2	Implementation / update of Knowledge Management & Communication strategies	1. Provision in KfW approved Procurement Plan. 2. Complete documentation per Procurement GL. 3. Invoice per Contract. 4. Payment Proof (Cheque). 5. Bank Statement.	
1.2.3	Research on best project practices		
1.3	Orientations / Awareness / Campaigns / Workshops / Training & Capacity Building		
1.3.1	TNA on State & District level (SPMU, CMUs, Line Departments)	1. KfW approved Cost Norms for Meetings. 2. Approved Training Proposal cum Budget. 3. Invoice.	Ultimately KfW approved Training Plan with Cost Norms.
1.3.2	TNA at Community Level (VPICs & VCFs)	4. Signed List of Participants. 5. Payment Proof (Cheque). 6. Bank Statement.	
1.3.3	Design / update of Training Programmes		
1.3.4	Capacity Development Programmes		

S. No.	Output / Activity per GWBP	Supporting document(s)	Remarks
2	<b>Forests and other ecosystems of the selected catchment areas are enhanced</b>		
2.1	Forest Ecosystems Protection & Restoration		
2.1.1	Nurseries Establishment & Management	Cf. requirements for VLMAP implementation & Utilization Certificates.	Approved VLMAP and VGA not required for up to 35 nurseries operated by SHGs / VOs under "no regret" measures.  Completion Report signed by Engineer and CPM only required for monitoring and reporting physical achievement but not for reimbursement.
2.1.2	Forest Restoration	Cf. requirements for VLMAP implementation & Utilization Certificates.	Completion Report signed by Engineer and CPM only required for monitoring and reporting physical achievement but not for reimbursement.
2.1.3	Forest Protection and Conservation		
2.1.3.1	Protection of existing forests (PES)	1. KfW approved PES Guidelines. 2. MoU with Beneficiaries. 3. MRV Results (for years 2 to 5). 4. Calculation Sheet for PES. 5. Payment Proof (Cheque). 6. Bank Statement.	
2.1.3.2	Forest fire management	Cf. requirements for VLMAP implementation & Utilization Certificates.	
2.1.3.3	Preparation of FMPs	1. Prior consent of KfW. 2. Approved FMP. 3. Expenses Proof if not lump sum per FMP. 4. Payment Proof (Cheque). 5. Bank Statement.	Implementation by CoE with prior consent of KfW based on: (i) functional description / specifications / ToR, (ii) information evidencing the capacity of CoE to perform the assignment, (iii) implementation schedule along with a breakdown of the estimated cost.

S. No.	Output / Activity per GWBP	Supporting document(s)	Remarks
2	<b>Forests and other ecosystems of the selected catchment areas are enhanced</b>		
2.2	<b>Soil &amp; Water Conservation</b>		
2.2.1	<i>SWC measures</i>	<i>Cf. requirements for VLMP implementation &amp; Utilization Certificates.</i>	
2.2.2	<i>Drainage line treatment using check dams</i>		
2.2.3	<i>Cultivation of MAP and grasses for soil stabilization and income generation</i>		
2.2.4	<i>Establishment of MAP field processing units</i>	<ol style="list-style-type: none"> <li>1. Provision in KfW approved Procurement Plan.</li> <li>2. Complete documentation per Procurement GL.</li> <li>3. Invoice per Contract.</li> <li>4. Payment Proof (Cheque).</li> <li>5. Bank Statement.</li> <li>6. Work per requirements for Utilization Certificates.</li> </ol>	<i>Completion Report signed by Engineer and CPM only required for monitoring and reporting physical achievement but not for reimbursement.</i>
2.2.5	<i>Spring-shed development incl. spring chamber development</i>	<i>Cf. requirements for VLMAP implementation &amp; Utilization Certificates.</i>	
2.2.6	<i>Setting-up and maintenance of weather, water &amp; silt monitoring stations</i>	<ol style="list-style-type: none"> <li>1. Provision in KfW approved Procurement Plan.</li> <li>2. Complete documentation per Procurement GL.</li> <li>3. Invoice per Contract.</li> <li>4. Payment Proof (Cheque).</li> <li>5. Bank Statement.</li> </ol>	
2.3	<b>Implementation support on NRM activities</b>		
		<ol style="list-style-type: none"> <li>1. Prior consent of KfW.</li> <li>2. Expense Proof.</li> <li>3. Monthly Task List.</li> <li>4. Payment Proof (Cheque).</li> <li>5. Bank Statement.</li> </ol>	<i>Implementation by GFAs assisted by specific VCFs with prior consent of KfW based on:</i> <ol style="list-style-type: none"> <li>(i) functional description / ToR of the assignment,</li> <li>(ii) implementation schedule along with a breakdown of the estimated cost (remuneration conditions).</li> </ol>

S. No.	Output / Activity per GWBP	Supporting document(s)	Remarks
3	<b>Livelihoods of the vulnerable communities in the catchment areas improve</b>		
3.1	<b>Water Harvesting &amp; Storage</b>		
3.1.1	<i>Water harvesting and distribution structures</i>	<i>Cf. requirements for VLMAP implementation &amp; Utilization Certificates.</i>	<i>Completion Report signed by Engineer and CPM only required for monitoring and reporting physical achievement but not for reimbursement.</i>
3.1.2	<i>Ponds</i>		
3.2	<b>Farm-Based Activities</b>		
3.2.1	<i>Establishment and maintenance of SALT / agroforestry models</i>	<i>Cf. requirements for VLMAP implementation &amp; Utilization Certificates.</i>	<i>Completion Report signed by Engineer and CPM only required for monitoring and reporting physical achievement but not for reimbursement.</i>
3.2.2	<i>Livestock</i>		
3.2.3	<i>Aquaculture</i>		
3.2.4	<i>Promotion of local &amp; indigenous food products</i>	<ol style="list-style-type: none"> <li>1. Provision in KfW approved Procurement Plan.</li> <li>2. Complete documentation per Procurement GL.</li> <li>3. Invoice per Contract.</li> <li>4. Payment Proof (Cheque).</li> <li>5. Bank Statement.</li> </ol>	
3.3	<b>Off-Farm Activities</b>		
3.3.1	<i>NTFP collection / production and value addition</i>	<i>Cf. requirements for VLMAP implementation &amp; Utilization Certificates.</i>	<i>Completion Report signed by Engineer and CPM only required for monitoring and reporting physical achievement but not for reimbursement.</i>
3.3.2	<i>Other livelihood activities</i>		

S. No.	Output / Activity per GWBP	Supporting document(s)	Remarks
4	<b>Adoption of best-practice project management</b>		
4.1	Setting up of Project Implementation Structure		
4.1.1	<i>Constitution of GC and PSC</i>		
4.1.2	<i>Establishment and staffing of SPMU</i>		GoM contribution.
4.1.3	<i>Establishment and staffing of CMUs</i>		
4.1.4	<i>Selection, contractualization and mobilization of IC</i>		Direct Disbursement to IC.
4.1.5	<i>Formation of VPICs</i>		No specific cost.
4.2	Setting up of Project Management System		
4.2.1	<i>Setting-up of financial, contract and procurement management system</i>		
4.2.2	<i>Development of contract and financial management and monitoring guidelines</i>		
4.2.3	<i>Development of procurement guidelines</i>		
4.2.4	<i>Development of M&amp;E guidelines</i>		
4.2.5	Development and maintenance of MIS	1. Provision in KfW approved Procurement Plan. 2. Complete documentation per Procurement GL. 3. Invoice per Contract. 4. Payment Proof (Cheque). 5. Bank Statement.	Direct Award to CDF/IFMR with KfW No Objection based on: (i) proper justification (unique selling point), (ii) functional description / ToR, (iii) appropriateness and competitiveness of the offer, (iv) qualification of CDF/IFMR
4.2.6	Compilation of POM		No specific cost.
4.2.7	Preparation of COM		
4.3	Planning		
4.3.1	<i>Preparation / updating and GC approval of Global Work and Budget Plan</i>		
4.3.2	<i>Preparation / updating and GC approval of Annual Work and Budget Plans</i>		
4.3.3	<i>Preparation / updating and KfW approval of Procurement Plan</i>		
4.3.4	<i>Development / updating of Exit Strategy</i>		
4.4	Implementation (administrative aspects)		
4.4.1	Procurement of goods, works and services	1. Provision in KfW approved Procurement Plan. 2. Complete documentation per Procurement GL. 3. Invoice per Contract. 4. Payment Proof (Cheque). 5. Bank Statement.	
4.4.2	Contract and financial management		
4.4.3	<i>Preparation and submission of Disbursement Requests (DR)</i>		No specific cost.
4.4.4	Organization of annual external Audits	1. Provision in KfW approved Procurement Plan. 2. Complete documentation per Procurement GL. 3. Invoice per Contract. 4. Payment Proof (Cheque). 5. Bank Statement.	
4.4.5	Project administration / operation		GoM contribution.

Documentation deemed to be required for the justification of the reimbursement of expenditures through the Simplified Reimbursement Procedure

Page 4

S. No.	Output / Activity per GWBP	Supporting document(s)	Remarks
4	<b>Adoption of best-practice project management</b>		
4.5	Monitoring, Evaluation & Coordination		
4.5.1	Facilitation of baseline and endline surveys	1. Provision in KfW approved Procurement Plan. 2. Complete documentation per Procurement GL.	Implementation of baseline survey by CoE with prior consent of KfW based on: (i) functional description / specifications / ToR (ii) information evidencing the capacity of CoE to perform the assignment,, (iii) implementation schedule along with a breakdown of the estimated cost.
4.5.2	Organization of annual independent third party verifications of implemented measures	3. Invoice per Contract 4. Payment Proof (Cheque).	
4.5.3	Organization of mid-term review	5. Bank Statement.	
4.5.4	Monitoring of related activities	1. Prior consent of KfW. 2. Expense Proof. 3. Payment Proof (Cheque). 4. Bank Statement.	Reimbursement of expenditures with prior consent of KfW based on: (i) functional description (type of expenses, e.g. DA & TA of staff, hiring of vehicles, public transport, fuel, etc.), if appropriate with upper thresholds (ii) cost norms for lumpsum payments (e.g. DA & TA, etc.).
4.5.5	Acquisition / maintenance of RMMV data (DEM & UAV Imagery)	1. Provision in KfW approved Procurement Plan. 2. Complete documentation per Procurement GL. 3. Invoice. 4. Payment Proof (Cheque). 5. Bank Statement.	
4.5.6	Setting-up and maintenance of a village database	1. Prior consent of KfW. 2. Expense Proof. 3. Monthly Task List. 4. Payment Proof (Cheque). 5. Bank Statement.	Implementation by GFAs with prior consent of KfW based on: (i) functional description / ToR of the assignment, (ii) implementation schedule along with a breakdown of the estimated cost (remuneration conditions).
4.5.7	Preparation and submission of Semi-Annual Progress Reports	1. Provision in KfW approved Procurement Plan. 2. Complete documentation per Procurement GL. 3. Invoice.	
4.5.8	Preparation and submission of Draft / Final Project Completion Report	4. Payment Proof (Cheque). 5. Bank Statement.	

Documentation deemed to be required for the justification of the reimbursement of expenditures through the Simplified Reimbursement Procedure

Page 5

S. No.	Output / Activity per GWBP	Supporting document(s)	Remarks
4	<b>Adoption of best-practice project management</b>		
4.6	Stakeholder Engagement		
4.6.1	Development and KfW approval of FPIC and FPA guidelines		Direct Disbursement to IC.
4.6.2	Selection & sequencing of Project villages		No specific cost.
4.6.3	Community consultation (FPIC 1) (by batches)	1. KfW approved Cost Norms for Meetings. 2. KfW approved FPIC Guidelines. 3. EoI under FPIC / PRA Report / Minutes of Meeting. 4. Signed List of Participants. 5. Expenditure Detail. 6. Related Invoices. 7. Payment Proof (Cheque with Bank Verified RTGS List). 8. Bank Statement.	
4.6.4	Participatory Rural Appraisal (PRA) (FPIC 2) (by Batches)		
4.6.5	FPA Contests and Awards (FPIC 3 + FPIC 4) (by batches)	1. KfW approved FPA Guidelines. 2. List of Awardees. 3. Contest evaluation report. 4. Expenditure Detail. 5. Related Invoices. 6. Payment Proof (Cheque with Bank Verified RTGS List). 7. Bank Statement.	
4.6.6	Development and KfW approval of CEPF		Direct Disbursement to IC.
4.6.7	Community participation in VLMAP preparation (FPIC 5)	1. KfW approved Cost Norms for Meetings. 2. EOI under FPIC. 3. PRA Report / Minutes of Meeting. 4. Signed List of Participants. 5. Expenditure Detail. 6. Related Invoices. 7. Payment Proof (Cheque). 8. Bank Statement.	
4.6.8	VGA signing / development / inclusion of LRP if required (FPIC 6)		
4.6.9	Introduction and implementation of GRM		No specific cost.
4.6.10	Coordination / convergence with Secondary Stakeholders (SEP)	1. KfW approved Cost Norms for Meetings. 2. Approved Meeting Proposal cum Budget. 3. Invoice. 4. Signed List of Participants. 5. Payment Proof (Cheque). 6. Bank Statement.	
4.7	ESHS Compliance		
4.7.1	Development and KfW approval of ESMF		Direct Disbursement to IC & GoM contribution.
4.7.2	E&S scoping of planned activities		No specific cost.
4.7.3	Development of ESS / ESMPs / ESCOPs		Direct Disbursement to IC & GoM contribution.
4.7.4	Audit and E&S Due Diligence		GoM contribution.
4.7.5	E&S Monitoring, Reporting and Evaluation		No specific cost.

## Supporting documents for VLMAP implementation by VPICs / Utilization Certificates

2.1.1 Nurseries Establishment & Management	1. KfW approved Cost Norms. 2. Approved VLMAP and VGA. 3. Approval of Activity and Budget. 4. Utilization Certificate. 5. Activity-Wise Statement of Expenditure. 6. Muster Roll. 7. Payment Proof (Cheque with Bank Verified RTGS List). 8. Bank Statement.	
2.1.2 Forest Restoration		
2.1.3.2 Forest fire management		
2.2.1 SWC measures		
2.2.2 Drainage line treatment using check dams		
2.2.3 Cultivation of MAP and grasses for soil stabilization and income generation	For goods, services & saplings purchased: 1. KfW approved Community Procurement Guidelines. 2. Procurement Decision in VPIC Minutes Register. 3. Comparison Statement & Evaluation Report. 4. Supply Order. 5. Invoice (for saplings with number of saplings by species). 6. Payment Proof (Cheque). 7. Bank Statement.	
2.2.5 Spring-shed development incl. spring chamber development		
3.1.1 Water harvesting and distribution structures		
3.1.2 Ponds		
3.2.1 Establishment and maintenance of SALT / agroforestry models	For saplings purchased from SHG / VO operated nurseries: 1. MoU with SHG / VO. 2. Procurement Decision in VPIC Minutes Register. 3. Supply Order. 4. Invoice with number of saplings by species. 5. Payment Proof (Cheque). 6. Bank Statement.	
3.2.2 Livestock		
3.2.3 Aquaculture		
3.3.1 NTFP collection / production and value addition		
3.3.2 Other livelihood activities		

**Annex 5:**  
**Template of the Memorandum of Agreement**  
**between MBDA and VPICs**  
**for the implementation of VLMAPs**

**Memorandum of Agreement**  
between  
**Meghalaya Basin Development Authority**  
and  
[REDACTED]  
**Village Project Implementation Committee (VPIC)**  
for  
**Protection of Vulnerable Catchment Areas in Meghalaya**  
**(MegARISE) Project**

This MoA shall remain in effect for a period of [REDACTED] from the date of signing by both parties. The period may be extended based upon the mutual agreement of both the Parties, continued funding and requirement for achieving the desired objectives of the Project.

The Memorandum of Agreement, hereunder referred to as MoA, is entered into by and between:

**Meghalaya Basin Development Authority (MBDA)**, hereinafter referred to as 'MBDA', through the Protection of Vulnerable Catchment Areas in Meghalaya (MegARISE) Project, having its principal place of business at:

**RDL Building, Springside, Lumsohphoh, Nongthymmai, Shillong – 793014 represented by Shri. Gunanka DB, IFS, Additional Project Director (APD), MegARISE Project, MBDA.**

And

[REDACTED] **Village Project Implementation Committee (VPIC)**, hereinafter referred to as 'Grantee', with address at:

[REDACTED] village, [REDACTED] C&RD Block within the District of [REDACTED], Meghalaya, represented by Shri./Smt. [REDACTED], Chairperson, [REDACTED] VPIC, and Shri./Smt. [REDACTED], Secretary, [REDACTED] VPIC.

The above herein after referred to as 'Parties'.

1. **The Government of Meghalaya (GoM)** through MBDA is implementing the **KfW-sponsored** “Protection of Vulnerable Catchment Areas in Meghalaya (MegARISE) Project” which also includes the share of GoM.

1.1 The **Project objective** is to increase the climate resilience of treated ecosystems and watershed livelihoods in the selected Project areas of the Greater Ganol and Umiew catchments.

The Project will engage with communities in accordance with Environmental, Social, Health and Safety (ESHS) Standards, implement participatorily prepared Village-Level Micro-Action Plans (VLMP) focusing on micro-watershed and community livelihood improvement measures and promote the adoption of sustainable natural resource management practices.

1.2 The **Project components** include

- Knowledge-based participatory planning and implementation and capacity building.
- Enhancement of forests and other ecosystems of the selected catchment areas.
- Improvement of livelihoods of the vulnerable communities in the catchment areas.
- Adoption of best-practice project management.

1.3. **Project coverage:** The target of the Project are 131 villages of 64 micro-watersheds of the Greater Ganol catchment plus 94 villages of 13 micro-watersheds of the Umiew catchment. Through the project, 6,400 ha shall be brought under protection and sustainable forest management, the area under grassland management practices shall be increased by 2,080 ha, the incidence of forest fire in the project villages shall be reduced by 10%, Payments for Ecosystem Services (PES) shall be expanded from 34 to 68 beneficiaries, 2,430 ha of agricultural land that has formerly been Jhum or Bun cultivated shall be managed through Sloping Agricultural Land Technologies (SALT) or agroforestry models, water harvesting, storage and improvement structures shall be constructed, and resilience towards water scarcity of the population shall be increased.

1.4 **Project Implementation Partners:** The Project Executing Agency (PEA) is MBDA, and its implementing partners are Soil & Water Conservation Department (S&WCD), Water Resource Department (WRD), Public Health and Engineering Department (PHED), Forest & Environment Department (FED), Department of Agriculture (DoA), District representatives and Autonomous District Councils (ADC).

2. MBDA has selected the [REDACTED] **VPIC** (Grantee) for the implementation of Project activities / deliverables including forest ecosystem protection and restoration, Soil and Water Conservation (SWC) and livelihood improvement through water harvesting and storage, farm-based and off-farm activities listed in **Annexure 1**.

3. **Purpose of MoA:** The purpose of this MoA with [REDACTED] **VPIC** (Grantee) is to outline the scope, terms and conditions of their association with MBDA and their accountability to achieve the Project objectives under this contract.

The overall scope of this MoA is to help MBDA in increasing the climate resilience of treated ecosystems and watershed livelihoods in the selected Project area by carrying out the activities as mentioned at **Annexure 1**, while ensuring accountability. The community members participating in the Project require continuous support under the Project to achieve the Project goal.

4. **Budget and Terms of Disbursement:** The budget allocated under this contract for the assigned activities to be undertaken by the Grantee are detailed in **Annexure 1**. The budget may not exceed 100,000 EUR (84,00,000 INR at the rate of 84 INR per EUR as per the Separate Agreement) for the Project period. The terms of disbursement are at **Annexure 2**. The budget will be disbursed in instalments based on the physical and financial report and Statement of Expenditure (SOE) received (as per the format given at **Annexure 3**).
5. **Partnership Mechanism:** This partnership represents a convergence of intent between the 'Parties', signifying their shared goals and a legal commitment to common actions. The Parties agree that, upon execution of the MoA, the completion of activities will be carried out in a timely manner, in good faith, and with accountability to fulfil their commitments.
6. **Environmental and Social Responsibility:** The Grantee would conduct the activities in a responsible and sustainable manner, minimizing negative environmental and social impacts in alignment with the MegARISE Project's Environmental and Social Management Framework (ESMF) (**Annexure 4**).
7. **Strict adherence and compliance to the operational / financial procedures / guidelines:** The Grantee will comply all relevant guidelines and operational/financial procedures while undertaking the assigned tasks/activities, including the community procurement guidelines as given at **Annexure 5**.
8. **On-Site Coordination and Monitoring of Activities:** MBDA will depute Catchment Management Units (CMU) to ensure the Grantee complies with the scope and activities outlined in this MoA including those mentioned in the Annexures. The concerned CMU will be particularly responsible for:
  - a) Monitoring and coordinating all activities under this MoA and providing relevant support.
  - b) Ensuring the activities performed by the Grantee conform to the scope of this MoA.
  - c) Ensuring the Grantee complies with the terms and conditions of the MegARISE Project activities.
  - d) Preparing / accepting and approving (as the case may be) and submitting the reports / utilization certificates of the Grantee in time to the appropriate authority at MBDA.
  - e) MBDA reserves the right to inspect and monitor all Project-funded activities within the village. However, every effort will be made to ensure that the inspection and monitoring processes are conducted in a respectful and non-intrusive manner, causing no inconvenience or grievance to any party involved.
9. **Operation and Maintenance:** The Grantee is responsible to maintain the plantations, infrastructure and technologies in accordance with the program guidelines and as indicated in **Annexure 6**.

10. **Termination of MoA:** Either of the party, i.e. MBDA or the Grantee may terminate this Agreement with 30 days' written notice. MBDA may also terminate the Agreement or parts of it if:

- a) Funding is unavailable.
- b) The Grantee repeatedly defaults or performs poorly.
- c) A negative performance assessment warrants termination.
- d) The Grantee engages in prohibited practices or embezzlement.

Upon termination, MBDA may recall grants which is in the bank accounts of the Grantee, seize moveable assets, consider lender rights, and freeze the bank account and terminate the accrued rights and obligations as provided under the MoA.

For partial termination, MBDA will complete the appropriate payments, and the Grantee will ensure completion of the ongoing work as mutually agreed, and deliver the goods in progress as the case may be. Adjustments and claims will be addressed according to Agreement provisions.

Termination notices shall specify reasons and take effect within 15 days. Post-termination provisions related to winding up, liquidation, and dispute settlement shall remain in force.

11. **Change and Amendments:** Both the Parties agree that any clauses in this MoA may be subject to change or amendment from time to time, based on the findings of MBDA during the course of the MegARISE Project implementation or as per KfW requirements. Appropriate notification of such changes or amendments will be provided to the duly authorized representative of the Grantee in the form of an amendment to this MoA, duly signed by both the parties hereto.

12. **Force Majeure:** Force Majeure refers to an event beyond a Party's reasonable control, rendering performance of obligations impossible or impractical. Failure to fulfil obligations under this MoA due to Force Majeure will not constitute a breach, provided that the affected Party takes reasonable precautions and informs the other Party promptly. Time frames for actions / tasks may be extended for the duration of Force Majeure hindrance. Disputes over Force Majeure occurrence will be settled through the Dispute Resolution Procedure, with the burden of proof on the claiming Party.

13. **Dispute Settlement:** Any dispute between the parties arising from the interpretation or implementation of this MoA shall be settled amicably through consultations and negotiations between the Parties. If unresolved within 30 days, disputes shall be referred to arbitration conducted in Shillong, governed by the Arbitration and Conciliation Act, 1996.

Arbitration proceedings do not affect the Parties' obligations under this Agreement. The arbitration proceedings and other disputes will be settled / heard solely within the jurisdiction of the courts in Shillong.

14. **Liabilities and Indemnities:**

- MBDA retains full liability towards KfW over the procurement delegated to the Grantee.
- Governing law is Meghalaya & India; jurisdiction is in Shillong courts.
- Amendments require written agreement by all Parties.
- Notices must be in writing and delivered to specified addresses.

**15. Entry in Force** - This MoA comes into force on the date of its signature.

Dated:

**For MBDA**

Name:

Designation:

Signature:

**For VPIC**

Name:

Designation: Chairperson

Signature:

Name:

Designation: Secretary

Signature & Seal:

## ANNEXURES

These annexures are to be used as per the requirements relevant to the concerned, and may be specific to the assigned activities. Annexures which are not required should not be attached or crossed.

### Annexure 1

#### **Scope of Services / Activities to be undertaken by [REDACTED] VPIC and to be financed under the Contract**

The Contract will finance specific activities under the Protection of Vulnerable Catchment Areas in Meghalaya (MegARISE) Project. The interventions will focus on **works, goods, and services** to increase the climate resilience of treated ecosystems and watershed livelihoods in the selected Project areas of the Greater Ganol and Umiew catchments. The primary nature of this assignment is '**works**', with complementary support in goods and services as required.

All activities will be implemented in accordance with the MegARISE Project Community Procurement Guidelines (Annexure 5) and the requirements set by the Meghalaya Basin Development Authority (MBDA).

### Menu of Measures

Outlined below is the KfW approved list of eligible Project measures related to the Project outputs to be achieved, referred to as the "Menu of Measures". Not all activities listed need be implemented; rather, a VPIC may select from the menu according to its needs. It's crucial to emphasize that the list provided below offers options for consideration, allowing for flexibility based on the local context. However, it's imperative to ensure that any activity chosen aligns with the Project objectives. Activities that may cause harm to people, animals or the environment, or are ecologically unsustainable, should be avoided and not implemented. Moreover, this list is subject to be expanded based upon the demands of the community.

#### **Output 2: Forest and other ecosystems of the selected catchment areas are enhanced:**

##### 2.1 Forest ecosystems protection and restoration:

- 2.1.1 Upgrading / setting up and management of Community Nurseries.
- 2.1.2 Setting up and management of Central Nurseries.
- 2.1.3 Training on Natural Resources Management (NRM) activities.
- 2.1.4 Assisted Natural Regeneration (ANR).
- 2.1.5 Afforestation / reforestation / Artificial Regeneration (AR) with mixed indigenous / local species.
- 2.1.6 Peripheral fencing (earthen bund, life fence, cut bamboo).
- 2.1.7 Individual tree guards (excluding plastic ones).
- 2.1.8 Payment for Ecosystem Services (PES) (Community Forest Reserves, Water Sources, etc.).

- 2.1.9 Fire management / protection (fire lines / fire breaks, patrolling).
- 2.1.10 Preparation of Forest Management Plans (FMP).
- 2.2 Soil and Water Conservation (SWC):
  - 2.2.1 Reinforced Cement Concrete (RCC) check dam.
  - 2.2.2 Cement Concrete (CC) check dam.
  - 2.2.3 Bench terrace.
  - 2.2.4 Cement Concrete (CC) retaining wall.
  - 2.2.5 Erosion control gabion check dam.
  - 2.2.6 Erosion control gabion wall.
  - 2.2.7 Contour bund.
  - 2.2.8 Earthen peripheral bund.
  - 2.2.9 Earthen embankment with Cement Concrete (CC) core.
  - 2.2.10 Reinforced Concrete (RCC) water tank.
  - 2.2.11 Water filtration tank.
  - 2.2.12 Roof top rainwater harvesting.
  - 2.2.13 Water conservation pond with spillway dam.
  - 2.2.14 Loose boulder check dam.
  - 2.2.15 Dug out pond.
  - 2.2.16 Gully plug.
  - 2.2.17 Planting of Medicinal and Aromatic Plants (MAP) primarily for soil stabilization.
  - 2.2.18 Staggered contour trenches
  - 2.2.19 Spring chamber development.
  - 2.2.20 Halfmoon terrace (boulder).
  - 2.2.21 Halfmoon terrace (bamboo).
  - 2.2.22 Roof rainwater percolation pit.
  - 2.2.23 Recharge pit.
  - 2.2.24 Deep percolation pit.
  - 2.2.25 Stone peripheral bund.
  - 2.2.26 Improved washing platform with filter.
  - 2.2.27 Setting up and maintenance of weather, water and silt monitoring stations.

### **Output 3: Livelihoods of the vulnerable communities in the catchment areas improve:**

- 3.1 Water harvesting and storage for livelihood activities:
  - 3.1.1 Primary water harvesting and distribution structures.
  - 3.1.2 Dug out pond, Jalkund.
- 3.2 Farm-based activities:
  - 3.2.1 (Modified) Sloping Agricultural Land Technology (SALT).
  - 3.2.2 Agroforestry.
  - 3.2.3 Fruit farming / horticulture with mixed indigenous / local species.
  - 3.2.4 Cultivation of local food (Sweet Potato, Yam, Tapioca, Sohphlang [Flemingia vestita]), Millet, which can be linked to Income Generating Activities (IGA).
- 3.3 Off Farm-based activities:
  - 3.3.1 Support of small-scale livestock production.

- 3.3.2 Apiculture.
- 3.3.3 Aquaculture ponds.
- 3.3.4 Fish sanctuary.
- 3.3.5 Other livelihood activities (handicrafts, etc.).
- 3.3.6 Non-Timber Forest Products (NTFP) collection and value addition.
- 3.3.7 Promotion of local and indigenous food products (not a VLMP activity).
- 3.3.8 Setting up and management of field processing units (not a VLMP activity).
- 3.3.9 Human Wildlife Conflict (HWC) prevention and compensation measures (to be determined) (particularly relevant for the Ganol catchment).

All measures are to be implemented in compliance with the activity- and site-specific, KfW approved cost norms.

## **Annexure 2**

### **Payment Terms**

For the implementation of the VLMAP, the VPIC will be provided with a “implementation fund” of [REDACTED] INR.

The “implementation fund” will periodically be replenished up to the amount spent according to the Statement of Expenditure.

Upon completion of the VLMAP implementation, the remaining balance of the “implementation fund” shall be reimbursed to MBDA incl. the accrued interest.

**Annexure 3**  
**Reporting Formats**

**Statement of Expenditure**

Date: \_\_\_\_\_

SI No.	Particulars	Basic Value	SGST	CGST	IGST	Total Value
	<b>Total</b>					

**Total** \_\_\_\_\_ amount \_\_\_\_\_ in \_\_\_\_\_ words: \_\_\_\_\_

**Prepared by:**  
**(Name and Designation)**

**Verified by:**  
**(Name and Designation)**

**Approved by:**  
**(Name and Designation)**



## MEGHALAYA BASIN DEVELOPMENT AUTHORITY (MBDA)

Office of the State Project Management Unit, MegARISE,  
RDL Building, Springside, Lumsophphoh, Nongthymmai,  
Shillong, Meghalaya - 793014.



Website: <https://megarise.in/>  
megarise.spmu24@gmail.com

Email:

File No.:

Date:

### WORK COMPLETION CERTIFICATE

1. Name of CMU:			
2. Name of Block:			
3. Name of VPIC:			
4. Name of Activity:			
5. Intervention No.			
6. Sanction No. and Date:			
7. Work Order No. and Date:			
8. GPS Location:			
9. Project Cost:	MegARISE Amt.	INR	
	Community Contribution	INR	
	Total Project Cost	INR	
10. Start date:			
11. Completion date:			
12. Total Household benefitted:			

*Certified that the above-mentioned work has been completed as per the Technical Specification.*

*Enclosed:*

1. Plan and Estimate
2. Sanction Order and Work Order
3. Photographs

Chairman/Secretary Name: ..... Signature & Seal: .....

Field Engineer Name: ..... Signature & Seal: .....

Catchment Project Manager Name: ..... Signature & Seal: .....

## Annexure 4

### Environmental and Social Management Framework

The Environmental and Social Management Framework (ESMF) supports the assessment of the risks and potential impacts that may occur during implementation of Project activities. It sets out the principles, guidelines and procedures to assess E&S risks, and proposes measures to reduce, mitigate, and/or offset potential adverse E&S impacts and enhance positive impacts and opportunities of the Project and its activities. The overall principles of impact reduction are to be applied in the following hierarchy: 1. Avoidance, 2. Minimization and 3. Mitigation / Compensation.

The ESMF performs a detailed E&S risk categorization and a E&S screening of potential impacts of the Project measures to identify the required E&S management tools. The following table provides a summary of the E&S risk assessment of the broad Project measures by World Bank (WB) Environmental and Social Standards (ESS).

Impact significance:

Substantial	Medium	Low	Negligible	Positive
<b>ESS 1-10</b>		<b>Impact / Risk</b>	<b>Impact Significance</b>	<b>Mitigation strategy</b>
1 Assessment and Management of Environmental and Social Risks and Impacts		Risk of negative impacts if Social and Environmental issues are overlooked.	Moderate (B)	No ESIA requirement. Baseline Study, PRA and VLMP preparation including CEPF / ESMP approaches (use of ESCOP questionnaires in planning to avoid negative impacts).
2 Labor and Working Conditions		Risk of injuries and accidents during implementation of works.	Minor (C)	Commensurate Worker's H&S / OHS Guideline to be established and respected in implementation.
3 Resource Efficiency and Pollution Prevention and Management		Risk of unsustainable resource use and pollution through liquid and solid wastes, hazardous wastes.	Minor (C)	Use of local construction materials where possible. Waste management guideline to be prepared. No littering. No use of pesticides in Project activities.
4 Community Health and Safety		Risk of accidents and injuries; risk of Human Wildlife Conflicts (HWC).	Minor (C)	Awareness raising and training for health & safety; study which HWC measures can reasonably and effectively be implemented.
5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement		Risk of land use conversion / economic displacement (access and use restrictions).	Moderate (B)	All activities to be checked and Livelihood Restoration Plan (LRP) to be established for all Project Affected Persons (PAP).

ESS 1-10	Impact / Risk	Impact Significance	Mitigation strategy
6 Biodiversity Conservation and Sustainable Management of Living Natural Resources	External risks; cumulative impacts (e.g. deforestation, monoculture plantations, mining and river pollution etc. Pesticides risk water & soil pollution and are harmful to humans- Invasive species may harm ecosystems.	Moderate (B)	Analysis of external threats to be included in VLMAP assessment and planning of activities. No promotion of monoculture plantations. No use of pesticides / chemicals in nurseries and plantations. No introduction of invasive species through the Project; preference to indigenous species (plants, fish, livestock).
7 Indigenous Peoples / Sub-Saharan African Historically Underserved Traditional Local Communities	Entire target population belongs to IP communities.	Moderate (B+)	Implementation of FPIC process from start to end; implementation of GRM, women inclusion in community decision making, focus on vulnerable people.
8 Cultural Heritage	Not applicable.		Cultural sites will not be affected or disturbed; coordination with local leadership to respect traditional customs / rituals.
9 Financial Intermediaries	Not applicable.		Not applicable.
10 Stakeholder Engagement and Information Disclosure	Lack of stakeholder engagement could lead to less ownership and sustainability.	Moderate (B+)	Community consultation and participation in prioritization and decision making of community nurseries, FPA, VLMAPs, LRP, etc. Women involvement. Avoidance of elite capture.

- For E&S impacts with a moderate significance, an Environmental and Social Management Plan (ESMP) has to be developed. Bigger infrastructure construction works are likely to require an ESMP. Decision based on specific project and location.
- Other impacts with rather low significance can be mitigated with appropriate Environmental and Social Codes of Practice (ESCOP). Self-implemented projects by communities are likely to fall in this category. A Project-specific ESCOP covering 4 major topics, namely (i) preferential treatment of local elites, (ii) forestry activities (nurseries, afforestation / reforestation and forest protection), (iii) SWC activities and (iv) livelihood including agriculture and livestock activities is an integral part of the VLMAP.
- Activities which cause negative social impacts, such as access and use restrictions or changes in availability of resources need to be mitigated with Livelihood Restoration Plans (LRP). Susceptible activities for LRP are: plantation works, re-afforestation of Jhum areas or pasture lands, SWC measures, etc., if they come along with land requirements or access and use restrictions.
- Activities with negligible or positive impacts may work with a checklist to identify how positive impacts may be increased.

If adverse impacts arise which cannot be solved in a practical and timely way, corresponding activities or sites should be rejected and activities or Project sites should be prioritized which present less impacts / risks.



## Annexure 5

### Community Procurement Guidelines

#### 1. Introduction

The Local Purchase Committee (LPC) within the Village Project Implementation Committee (VPIC) plays a pivotal role in overseeing procurement activities under the MegARISE Project. This document provides comprehensive guidelines for the formation, responsibilities, and operation of the LPC to ensure adherence to best practices and organizational policies.

#### 2. Objectives

The LPC aims to:

- Ensure transparency, accountability, and efficiency in procurement processes.
- Prepare and update as required a village Procurement Plan.
- Evaluate and approve local purchases or quotations in line with Project requirements and budgetary constraints.
- Prevent conflicts of interest and uphold integrity in procurement activities.

#### 3. Composition of the LPC

The LPC is composed of 5 members:

- **Chairperson:** A senior VPIC official, preferably with exposure to Government-funded projects/schemes (excluding the Chairperson and Secretary of the VPIC Executive Committee).
- **Secretary:** A Community member from VPIC, preferably those familiar with any procurement policies.
- **Member Representatives:** Three (3) VPIC members, with at least 2 women representation. No vendor or their relatives can be part of the LPC.

#### 4. Formation Procedures

- Step 1: Nomination of Members
  - o **Identification:** Members are nominated based on their expertise in procurement, finance, and project management and working in Government-funded projects/schemes. There is no restriction for identification of members since training will be provided by the Project for LPC members.
- Step 2: Appointment
  - o **Formal Appointment:** The LPC members will be appointed by the Executive Committee of the VPIC and subsequently endorsed by the Catchment Management Unit (CMU). Appointed members will receive appointment letters detailing their roles, responsibilities, and term duration. No salaries/honorarium will be paid to the LPC members.
  - o **Term Duration:** Members serve a one-year term, renewable based on performance and Project needs.
- Step 3: Training and Orientation:
  - o **Induction Training:** Newly appointed members undergo training on MegARISE Project procurement policies, procedures, and ethical standards.
  - o **Sustained Capacity Enhancement:** Continuous training ensures members stay updated on procurement regulations and best practices.

## 5. Roles and Responsibilities

- **Chairperson:** Presides over LPC meetings, ensures adherence to procurement policies, and approves procurement decisions.
- **Secretary:** Provides administrative support, maintains comprehensive procurement records, and coordinates with the MegARISE Project's Teams, including Finance, Procurement and Project Management.
- **Member Representatives:** Evaluate procurement proposals, ensure compliance with guidelines, and submit evaluation reports to the VPIC Executive Committee (EC).

## 6. Meeting Procedures

- **Frequency:** LPC meets at least twice a month, ideally at least 2 working days before the meeting of the EC of the VPIC, or as needed to review procurement requests and decisions.
- **Quorum:** A quorum of at least three (3) members, including the Chairperson or Secretary, is required for official proceedings.
- **Decision-Making:** Decisions are made by majority voice vote; the Chairperson has the final vote in case of ties. These decisions are to be recorded in the Minutes Register of the LPC

## 7. Community / Village Level Procurement Guidelines and Thresholds

Community / Village Level Procurement thresholds follow MegARISE Procurement Guidelines:

- **Up to INR 25,000 (per item per activity):** Direct Award/purchase without quotation, after verification of the appropriateness and competitiveness of the offer. It is imperative and should be made clear that similar procurement activities are not split up just to be within the threshold limit.
- **INR 25,000 to INR 2,50,000 (per item per activity):** Quotations obtained from at least three vendors\*; LPC evaluates and selects the vendors based on the lowest price evaluation.

\*In exceptional situations where:

- o An adequate market to seek 3 quotations is not available in the location where the VPIC is located;
- o The cost of transportation etc. outweighs the benefits of seeking quotations from district headquarters and other cities/towns), a direct contracting method should be adopted, and the conditions below should be followed:
  - The LPC should document the efforts made to secure quotations, including outreach to all known local vendors
  - A justification should be included in the procurement file and the Minutes Register stating that less than three (3) vendors were available despite reasonable efforts.
  - Approval by CMUs: Any procurement proceeding with less than three quotations must be reviewed and approved by the CMUs.
  - Justification for Vendor Selection: A clear justification for the selection of the vendor should be recorded, ensuring that cost, quality, and relevance to

the requirement are adequately considered and must be reviewed and approved by the CMUs.

- **Above INR 2,50,000 (per item per activity):** Procurement facilitated by State Project Management Unit (SPMU) after LPC approval.

## 8. Functions of the LPC

The LPC performs various functions including (but not limited to):

- Identifying procurement needs and preparation of a village Procurement Plan.
- Prepare, finalize, and issue direct purchases to potential suppliers.
- Recording procurement decisions in the Minutes Register.
- Preparing comparison statements and evaluation reports as per State Project Management Unit (SPMU) guidelines
- Announcing contract awards publicly and issuing supply orders to the winning bidder.
- Preparing the Goods Received Note (GRN) on delivery of goods.
- Verifying and recording goods received in compliance with stock management protocols.
- Reporting to VPIC twice a month, and more often if needed.

## 9. Amendments

Guideline amendments shall be proposed and approved by the Competent Authority (SPMU).

## 10. Conclusion

The LPC under VPIC is pivotal in ensuring transparent, accountable, and efficient procurement processes for the MegARISE Project. Adherence to these guidelines promotes ethical standards and supports Project objectives effectively.

## **Annexure 6**

### **Operation and Maintenance**

The Grantee is responsible to maintain the plantations, infrastructure and technologies in accordance with the Project guidelines. This commitment includes:

#### **1. Quality Assurance**

- To actively monitor the quality of construction and installation work undertaken by vendors / contractors.
- To identify any work that falls below the prescribed standards or if machinery or equipment does not meet specifications, to promptly hold the respective vendors or contractors accountable.

#### **2. Certificate of Completion / Acceptance**

- To sign off the Certificate of Completion / Acceptance only upon satisfactory completion of the plantation / construction work or satisfactory installation of the equipment or machinery.

#### **3. Guarantee / Warranty Management**

- To diligently track and manage all guarantees or warranties associated with the infrastructure and technologies to ensure timely repairs and replacements within the guarantee or warranty period.
- To ensure:
  - o Guarantee:
    - That the vendor guarantees that the product will perform for a certain period as described in the specifications.
    - That if the product fails to meet the performance specifications, the VPIC may, within the Guarantee Period, request a refund or replacement.
    - To make timely guarantee claim on discovering any performance issue.
  - o Warranty Coverage:
    - That the vendor warrants that the product will be free from defects in materials and workmanship under normal use for a certain period from the date of delivery.
    - That in the event of a defect covered by this warranty, the vendor agrees to either repair or replace the defective product at no additional charge to the VPIC, or to provide a refund of the purchase price, at the vendor's sole discretion.
    - To make a timely warranty claim to the vendor in writing in case any defect is discovered.

#### **4. Safety and Security**

- The VPIC pledges that the machinery and equipment are handled with the utmost care to avoid any damage during use, transport, or storage.
- To ensure appropriate measures are taken to prevent theft or unauthorized use.
- To routinely check, to identify and address any potential safety hazards or security vulnerabilities.

- To report any damage or malfunction to the service vendor after the warranty period to prevent further issues and extend the operational lifespan of the machinery and equipment.
- To implement controlled access to prevent unauthorized personnel from entering the premises of the newly constructed civil works or building housing the machinery
- To ensure that the vendor adheres to local and national codes and safety standards on building design.

## 5. Operations and Maintenance (O&M) Fund

To ensure the sustainability and long-term maintenance of all assets created under the Project, an Operations and Maintenance (O&M) Fund will be established at the village level. This fund will have a designated bank account specifically for meeting the institutional and operational needs associated with maintaining the Project's assets beyond the Project period.

The O&M Fund will be built through contributions from the beneficiaries (10% of the labour costs) and through a matching amount of 10% from the Financial Contribution (FC). The VPIC will transfer the community contributions to the O&M Fund account simultaneously with the payment of the wages to the labourers. At the end of each calendar year, the MBDA will transfer an amount equivalent to the cumulated annual VPIC contributions from the FC to the O&M Fund account. Interest earned will also contribute to the O&M Fund.

During the Project period, the O&M Fund will be managed by the VPIC. Withdrawals for maintenance purposes will require written consent from MBDA to ensure that the funds are used judiciously and for their intended purpose. During the initial two to three years of the VLMP implementation, no withdrawals from the O&M Fund will be permitted. This restriction is intended to allow the fund to grow and accumulate sufficient resources for future maintenance needs. In exceptional cases such as natural disasters like flash floods or excessive rains, or other unforeseen anthropogenic issues that may cause damage to the assets, the VPIC may be authorized by MBDA to utilize these funds earlier, from the third year of operation.

To maintain transparency and accountability, separate records will be meticulously kept for the O&M Fund. These records will track all contributions, transfers, withdrawals, and expenditures, ensuring that the funds are managed responsibly.

After the Project period concludes, the management of the O&M Fund will be entrusted to the competent Integrated Village Cooperative Societies (IVCS) or, in their absence, to the respective Village Employment Council (VEC).

## **Annex 6: VPIC By-Laws**

## THE BY-LAWS

### OF

The \_\_\_\_\_ Village Project Implementation Committee (VPIC)

## Protection of Vulnerable Catchment Areas in Meghalaya

### NAME, ADDRESS AND AREA OF OPERATION

The village institution shall be called the \_\_\_\_\_ Village Project Implementation Committee. It shall be referred to here-in-after as the VPIC.

The address of the VPIC shall be \_\_\_\_\_ Village \_\_\_\_\_ Post Office \_\_\_\_\_ District \_\_\_\_\_.

The area of operation of the VPIC shall cover the following village: \_\_\_\_\_

### DEFINITIONS

In these by-laws, unless there is anything repugnant in the subject or context:

- i) "**Catchment Management Unit (CMU)**" means the local implementation body of the Protection of Vulnerable Catchment Areas in Meghalaya (MegARISE) Project in a particular catchment, namely the Umiew catchment in East Khasi Hills District and the Ganol catchment in West Garo Hills, South West Garo Hills and East Garo Hills Districts;
- ii) "**Catchment Project Manager**" means the officer in-charge of the MegARISE Project's CMU in a particular catchment;
- iii) "**Conflict Resolution Group**" means a group consisting of representatives of the concerned Village Council, Village Headman / Nokma, Village Project Implementation Committee (VPIC), and a representative of the MegARISE Project's CMU.
- iv) "**Village Project Implementation Committee (VPIC)**" means the unregistered body established in each participating village for the implementation of the MegARISE Project.
- v) "**Executive Committee**" means the executive body of the VPIC;
- vi) "**General Body**", means the General Body of the VPIC;
- vii) "**Government**" means the Government of Meghalaya;
- viii) "**Project Executing Agency (PEA)**" means the Meghalaya Basin Development Authority (MBDA);
- ix) "**Self-Help Group (SHG)**" means any organized group of persons, who collectively by mutual help are able to enhance their economic status through resource-based activities;

- x) "**Site Specific Plan**" means a sub-component of the VLMAP which is a technically appropriate plan for the site;
- xi) "**Sustainable Forest Management**" means management which is economically viable, environmentally benign and socially beneficial, and which balances present and future needs;
- xii) "**User Group**" means a group of persons dependent upon a common natural resource for sustaining its livelihood need;
- xiii) "**Village Community Facilitator (VCF)**" means trained youths from the target villages with minimum educational qualification, who shall provide support to the CMUs in preparation of VLMAPs, organizing meetings, record keeping and implementation of activities at village level; and
- xiv) "**Village-Level Micro-Action Plan (VLMAP)**" means a holistic management and development plan of the area selected for participatory management in line with the Project's objectives;

## OBJECTIVES

The objectives of the VPIC shall be:

- i) to get involved and support community led interventions to increase climate resilience of treated ecosystems and watershed livelihoods of the village;
- ii) to arrange for the plantation, improvement, protection and/or management of the forests / forest area under the jurisdiction of the VPIC, as mentioned in the VLMAP with special reference to the prevention of degradation and erosion and to utilization of forest produce (grass, water, fodder, medicinal plants, etc.) to the best advantages of the members in terms of sustainable forest / natural resource-based livelihoods to supplement their income and to improve the discharge and quality of water within the catchments;
- iii) to undertake measures / activities as approved in a VLMAP to restore degraded forests through adoption of Project activities such as community nurseries for taking up tree plantations, bamboo enrichment and plantation of multiple tree species (for diversification to deal with climate threats), rehabilitation of spring catchments, protection of forests from fires and undertaking such individual or communal adaptation practices that are found to be effective to deal with the imminent threats from climate change;
- iv) and to undertake such other activities as are incidental to or conducive to the attainment of the above objectives.

## GENERAL BODY

All the members of the VPIC on a given date shall constitute the General Body of the VPIC, which will comprise one adult male and female from every household. New members shall get their names registered in the Membership Register with the Secretary. New members generally would mean any newly married couples, as recognized by the communities, within the village / VPIC who

establish a new household and settled within the village / VPIC, or any migrated household legally settled in the village / VPIC and accepted / recognized by the communities as such.

1. The General Body of members shall meet once in six months. A meeting of the General Body shall be convened by the Member Secretary.
2. In case of an emergent situation, if 20% of the total members submit a requisition / application to the Chairperson, Vice-Chair or any member of the Executive Committee, a meeting of the General Body shall have to be called within 7 days of such requisition / application.
3. The Member Secretary shall verbally or in writing inform all the members at least 7 days in advance, specifying the date, place and time and agenda of the General Body meeting. The written information / notice of a General Body meeting shall be affixed on the walls of at least two conspicuous places, designated by the General Body itself.
4. The quorum of the meeting shall be two-third of the total number of members, out of which at least 50% should mandatorily be female members.
5. The decisions in these meetings will be subject to the will of the majority. The issues for discussion / decision shall be raised either verbally by the members in the meeting or by conveying the same in writing to the Member Secretary. In the latter case, the issue shall be raised by the Member Secretary and, if desired so, the name of the member conveying the issue shall not be disclosed.
6. The Chairperson or, in his absence, the Vice-Chair shall preside over meetings of the General Body. When both are absent, the members present shall elect a Chair for the meeting.
7. Every member of the General Body shall have one vote. Voting by proxies shall not be allowed at the General Body. When the votes are equal, the Chair of the General Body shall have a casting vote.
8. Without prejudice to the general provisions of the preceding by-law, the General Body shall have the following powers and duties:
  - i) to approve the VL MAP for the implementation of the Project activities and sharing of the usufructs / benefits;
  - ii) to approve the amendments in by-laws framed for the VPIC;
  - iii) the election, suspension and removal of the elected members of the Executive Committee;
  - iv) amendments in the VL MAP; however, such amendments shall be valid subject to the approval by the concerned Catchment Project Manager.
  - v) Transaction of any other business with the permission of the Chair of the General Body.
9. Each member present at general meeting shall be entitled to exercise one vote only. The Chair shall have a casting vote.
10. All business discussed or decided at a General Body meeting shall be recorded in a proceeding register by the Member Secretary, which shall be signed by all the members at the end of the meeting.

11. A copy of the proceedings of the meeting shall be sent to the CMU, through the concerned VCF.

## **MEMBERSHIP**

1. Any individual shall be eligible for admission as a member of the VPIC, if he/she is:
  - i) one adult female and one adult male from every household of the village over 18 years in age and of sound mind (should there be unfortunately demise of any current member of any household, he/she would be replaced by the next senior most adult member of the household);
  - ii) bonafide resident in the area of operation of the VPIC;
  - iii) of good character; and right holder (including landless right holders).
2. No individual shall be eligible for admission as a member of the VPIC, if:
  - i) he/she has applied bankruptcy; or
  - ii) he/she has been declared as insolvent; or
  - iii) he/she has been sentenced for any offence involving dishonesty or moral turpitude within 5 years preceding the date of his admission as a member.
3. A member may be expelled for one or more of the following reasons:
  - i) ceasing to reside in the area of operation of the VPIC;
  - ii) conviction of a criminal offence involving dishonesty or moral turpitude;
  - iii) application for bankruptcy;
  - iv) an action which may be held by the General Body to be dishonest or contrary to the interest, reputation and stated objectives of the VPIC.
4. A person shall cease to be member of the VPIC in one or more of the flowing circumstances:
  - i) death;
  - ii) withdrawal after six month's notice to the Secretary of the VPIC;
  - iii) permanent insanity;
  - iv) declaration of bankruptcy.

## **EXECUTIVE COMMITTEE**

1. Executive Committee shall consist of 7 to 13 members (depending upon the population) where at least 50% should be women. The constitution of Executive Committee of the VPIC shall be as follows:

i) Chairperson	to be elected by the General Body;
ii) Vice-Chair	to be elected by the General Body;
iii) Member Secretary cum Treasurer	to be elected by the General Body;
iv) Other Members	to be elected by the General Body;
iv) Representative - local women / SHG group ex-officio member;	

v) Three Members to be co-opted from the village level committees constituted by other Departments of the Government

vi) Other co-opted members would be the village teacher/s, pastor/s, prominent social worker/s, retired Govt / Non-Govt staff of the village whose experience could be valuable for the VPIC.

2. The elections of the Executive Committee shall be held every two years. The elected members of the Executive Committee shall hold once for a period of two years from the date of assumption of office.

3. The election shall be conducted through casting single ballot by the members of the General Body or by means of General Consensus amongst the members.

4. The members of the Executive Committee shall meet once every fortnight.

5. The information regarding the meeting shall be given to the members by the Member Secretary well in time.

6. In emergent circumstances, the meeting of the Executive Committee shall be called on the verbal / written requisition of at least three members of this committee. Such meeting shall be called within 3 days of submission of such requisition to the Chairperson / Member Secretary of the Committee.

7. The quorum of the meeting shall have to be two-third of the total number of members of the Executive Committee; only then the decisions taken in the meeting shall stand valid.

8. If the Chairperson of the meeting is a male, the Vice-Chair should be a female and vice-versa. Neither of the two should belong to the same household.

9. The Executive Committee shall have the following powers and duties:

- i) To prepare a schedule for the activities enlisted in the VL MAP, to be implemented by the VPIC. The schedule shall include the specific distribution of funds and labour activity wise and the provision for monitoring of the progress. The beneficiaries of a particular activity shall have to contribute in terms of labour. If the same is not possible, they shall be delegated the responsibility to supervise the progress of the ongoing works.
- ii) To prepare a list of activities to be carried out and the corresponding budget every six months, and to get the same approved by the General Body.
- iii) Members of the Executive Committee shall carry out the inspection of the areas in question once in a month and shall impart necessary directions or take proper action in case any drawback / irregularity is found.
- iv) To take appropriate action under the relevant Act / Rules against an individual who violates any of the rules mentioned in the VL MAP. The Executive Committee shall summon such offender either in its meeting or in the General Body and shall initiate action against him/her as per the recorded procedure, in case the reply is not found satisfactory.
- v) The Executive Committee shall not initiate any legal action against an individual without affording him/her an opportunity to be heard.
- vi) The Executive Committee shall not carry out any change in the VL MAP on its own.
- vii) The Executive Committee shall employ any person for a work / activity mentioned in the schedule and shall disburse honorarium as per prescribed Project norms or agreed

Government norms for such work. The Executive Committee shall decide the terms and conditions for the same.

10. All business discussed or decided at a meeting of the Executive Committee shall be recorded in a proceeding register by the Secretary, which shall be signed by all the members at the end of the meeting.

## **FUNDS AND MAINTENANCE OF ACCOUNTS**

1. Funds shall be generated by the VPIC through contributions by members and sale of usufructs under these regulations. All funds, including those received from the Project, Line Departments and non-government sources shall be utilized through the micro-planning process.
2. Funds received by the VPIC shall be deposited in the Bank account which will be in the name of the concerned VPIC in a nationalized bank or scheduled bank or co-operative bank or post office, and the account shall be operated under the signatures of the Chairperson, one female member of the Executive Committee and the Catchment Project Manager, MegARISE.
3. The Member Secretary cum Treasurer shall maintain the account of Revenue and Expenditure of the VPIC in a proper Account / Cash Book. The account so maintained shall be placed before the Executive Committee as well as the General Body. The funds from all sources shall be utilised only on activities enlisted in the VL MAP. The withdrawal of funds from the Bank account shall be affected through signing of cheques only.
4. The VPIC shall elect an Audit & Accounts Committee comprising of 3 members. This committee shall carry out the inspection of the works done and the accounts maintained by the Executive Committee and if it comes across any discrepancy / irregularity, the same shall be intimated to the General Body.
5. The VPIC shall seek the advice of certain experts on important matters. No honorarium shall be payable for such service; although the travelling expenses can be reimbursed to such experts.
6. The Treasurer shall be entitled to keep an amount of INR 1,000 only as petty cash in case of an emergent situation. In case of any additional income, he/she shall get the amount deposited in the bank, within 3 days of its receipt.
7. The Treasurer shall be entitled to spend an amount of INR 1,000 only in case of an emergency, with the prior permission of the Chairperson of the Executive Committee.
8. The accounts of the VPIC shall be audited by an empanelled auditor on an annual basis and shall be shared with the Project's CMU.

## **CHAIRPERSON**

The Chairperson has the following responsibilities:

- i) To provide leadership to the VPIC. For undertaking different responsibilities, he/she shall seek the help of the other members of the Executive Committee.

- ii) To preside over the meetings of the Executive Committee and General Body.
- iii) To facilitate decision-making in the Executive Committee on all matters.
- iv) To sign and authenticate all documents on behalf of the VPIC.
- v) To sign Memoranda of Understanding / Agreements with any department / agency (after due approval from Executive Committee) on behalf of the VPIC.
- vi) To prepare, plan and arrange for the implementation of the VL MAP with the agreement and cooperation of other members of the Executive Committee.
- vii) To sign cheques (Bank) on account of expenditure duly approved by the Executive Committee.
- viii) To coordinate with other departments / agencies / non-government agencies.
- ix) To carry out regular inspection of the Project works such plantations, stream rejuvenation, grass improvement, livelihood development, fire prevention and control etc., and to take steps for the improvement of forest and natural resources.
- x) To supervise the working of the Executive Committee and to give necessary directions from time to time.
- xi) To operate Grievance Redressal Mechanism at the village level.

### **MEMBER SECRETARY**

The Member Secretary has the following responsibilities:

- i) To organize the meetings of Executive Meeting, General Body and meetings with MegARISE Project authorities and other agencies and record in proceeding registers.
- ii) To affix relevant information pertaining to the VPIC and Project works on notice boards for general awareness and to transmit relevant and necessary information to all the members of the VPIC especially pertaining to the decisions, plans, budgetary provision, institutional rules and regulations etc.
- iii) To assist the Chairperson in fulfilling his duties and responsibilities.

### **TREASURER**

The Treasurer has the following responsibilities:

- i) To maintain the cash / accounts books and registers, and other related records pertaining to the VPIC. He/she shall also look after the records and files pertaining to the VPIC and keep them with proper care.
- ii) To operate the Bank Account on behalf of the VPIC account with the Chairperson of the Executive Committee.
- iii) To maintain all records pertaining to revenue and expenditure, profit and loss, demands, resolutions for new expenditures, bills and vouchers etc. related to VPIC.
- iv) To assist the Executive Committee in preparation of Budget every six month.
- v) To issue receipts pertaining to revenue and expenditure and to ensure spending of money the works for which the money has been duly approved by the Executive Committee.

- vi) To ensure regular audit of the accounts of the VPIC from the empanelled auditors and to supply the audit report to the Project's CMU with signature of the Chairperson and Member Secretary cum Treasurer himself/herself.
- vii) To carry out correspondence regarding the Project with other departments agencies and Project authorities.

## SETTLEMENT OF DISPUTE

1. In case of any dispute / grievance in relation to Project specific matters, the VPIC will take initiative to settle it together with the VCF / the Catchment Project Manager, and in case the dispute / grievance is not resolved, the Catchment Project Manager shall refer the dispute, along with his/her report to the Additional Project Director (APD) of the MegARISE Project. The APD, after hearing the complainants, shall resolve the dispute / grievance within 30 days from the date of receipt of the report of the Catchment Project Manager. Should this not be resolved then the Grievance Redress Mechanism (GRM) and its decision making at the higher levels will need to be applied.
2. In case of any dispute between two villages or between the VPIC and the CMU, an application shall be submitted to the APD of the MegARISE Project for settlement of the same.
3. An appeal shall lie from the decision of the APD to be filed within 30 days from the date of decision. The APD shall settle the same within 30 days from the date of filing of the appeal, after affording an opportunity of hearing the conflict parties. The decision of the APD shall be final and binding on the parties. The APD shall send a copy of the decision to the VPIC and the Catchment Project Manager concerned free of cost.

## MISCELLANEOUS

1. **Funds:** The MegARISE Project shall release funds to the VPIC based on the VLMAP and subject to the availability of funds and satisfactory performance of functions by the VPIC.
2. **Coordination meetings:** There shall be quarterly meetings of the Executive Committee of the VPIC with the VCF and the Project's CMU, wherein there will be review and feedback on the various Project related matters. The meeting will also be used to discuss, plan and coordinate various matters.

### 3. Operations & Maintenance

The VPIC will need to maintain an Operations & Maintenance (O&M) fund which will be contributed from each household (amount to be decided during the General Body meeting) towards the maintenance of assets that will be created through the Project funds. A separate register will be maintained by the Member Secretary cum Treasurer of the VPIC on funds contributed towards O&M. All assets funded by the MegARISE Project will be owned and maintained by the VPIC.

### 4. Powers of the Government

Notwithstanding anything contained in these regulations, the Government shall have the powers to issue directions to the VPIC on participatory watershed management processes, micro-planning, coordination, monitoring, fund and implementation mechanisms.

## 5. **Dissolution of the VPIC**

The VPIC will be dissolved with the successful completion of the MegARISE Project.