Global Environment Facility
Project Agreement

(Ecosystems Service Improvement Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the Global Environment Facility

and

STATE OF CHHATTISGARH

Dated August 16, 2017
PROJECT AGREEMENT

AGREEMENT dated AUGUST 16, 2017, entered into between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF"); and STATE OF CHHATTISGARH ("Chhattisgarh") ("Project Agreement") in connection with the Grant Agreement of same date between India ("Recipient") and the World Bank ("Grant Agreement").

The World Bank and Chhattisgarh hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard Conditions (as defined in the Appendix to the Grant Agreement) constitute an integral part of this Agreement. To this end, all obligations and responsibilities of the Recipient set forth in Article II, Sections 4.02 through 4.06 of Article IV, and Articles V, VI and VII of the Standard Conditions, as well as any references therein to the Grant Agreement, shall also be construed, mutatis mutandis, as obligations and responsibilities of Chhattisgarh and references to the Project Agreement, respectively.

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

Article II
The Project

2.01. Chhattisgarh declares its commitment to the objectives of the Project. To this end, Chhattisgarh shall carry out Parts 1, 2.(a), 2.(b) and 4 of the Project (whenever implemented within its territory/jurisdiction) in accordance with the provisions of Article II of the Standard Conditions, and shall provide, promptly as needed, the funds, facilities, services and other resources required for its Respective Parts of the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the World Bank and Chhattisgarh shall otherwise agree, Chhattisgarh shall carry out its Respective Parts of the Project, through its State Forest Department, in accordance with the provisions of the Schedule to this Agreement.
3.01. Chhattisgarh’s Representative is the Chief Secretary of Chhattisgarh.

3.02. The World Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433
United States of America

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

3.03. Chhattisgarh’s Address is:

Mahanadi Bhawan
Naya Raipur
Chhattisgarh

Facsimile:
+91 771 222 1206
AGREED at NEW DELHI, India, as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an implementing agency of the Global Environment Facility

By

Authorized Representative

Name: HISHAM ABDI
Title: ACTING COUNTRY DIRECTOR, INDIA

STATE OF CHHATTISGARH

By

Authorized Representative

Name: R.B.P. SINGH
Title: ADDITIONAL PRINCIPAL CHIEF CONSERVOR OF FOREST
SCHEDULE

Execution of Chhattisgarh's Respective Parts of the Project

Section 1. Implementation Arrangements

A. Institutional Arrangements

Throughout the period of implementation of the Project, Chhattisgarh shall maintain a Project Implementation Unit housed within the State Forest Department and supported by a multi-disciplinary team of suitably qualified personnel, with experience, qualifications, functions, and terms of reference acceptable to the World Bank, including experts in the forestry, environment, and social sectors, which shall be responsible for, *inter alia*, the day-to-day management of the activities under its Respective Parts of the Project, including overall budgeting, disbursement, auditing, procurement, financial management, environmental and social safeguards, monitoring, reporting and evaluation of Project activities.

B. Anti-Corruption

Chhattisgarh shall ensure that its Respective Parts of the Project are carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Safeguards

1. Chhattisgarh shall:

   (a) carry out its Respective Parts of the Project, in accordance with the Environmental and Social Management Framework and Tribal Development Framework, and the required plan(s) and assessment(s) prepared, and/or to be prepared thereunder, in each case in a manner and in substance agreed with the Association (together, the "Safeguard Documents");

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

   (c) ensure that the Project shall not: (i) involve Involuntary Resettlement; and (ii) introduce any restrictions on community access to natural resources unless voluntarily agreed to and documented by said communities through a consultative process satisfactory to the World Bank; and
(d) ensure that the environmental and social screening criteria set forth in the Environmental and Social Management Framework and Tribal Development Framework are consistently applied at all times in a manner satisfactory to the World Bank.

2. Without limitation on the provisions of Section II.A.1 of this Schedule, Chhattisgarh shall take all measures necessary on its part to regularly collect, compile, and submit to the Recipient, as part of the Project Reports, information on the status of compliance with the Safeguard Documents, providing details of:

(a) measures taken in furtherance of such instruments;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such instruments; and

(c) remedial measures taken or required to be taken to address any conditions referred to in the preceding sub-paragraph (b).

D. Annual Action Plan and Project Implementation Plan

1. Chhattisgarh shall:

(a) by no later than February 28 of each year during the period of implementation of the Project, prepare an Annual Action Plan covering its respective Project activities to be carried out the following Fiscal Year, which plan shall be of such scope and detail as set forth in the Project Implementation Plan;

(b) immediately furnish such draft Annual Action Plan to: (i) the Project Management Unit for consolidation; (ii) the World Bank for comment; and (iii) the Project Steering Committee for approval; and

(c) thereafter, ensure that Project activities are carried out in accordance with the Annual Action Plan as approved by the Project Steering Committee after taking into consideration the World Bank’s views and recommendations.

2. Chhattisgarh shall carry out its Respective Parts of the Project in accordance with the Project Implementation Plan. Chhattisgarh shall not amend, delete or waive any provision of the Project Implementation Plan without the World Bank’s prior written approval. To the extent of any inconsistency between the provisions of the Project Implementation Plan and those of this Agreement, the latter shall prevail.
Section II.  **Project Monitoring, Reporting and Evaluation.**

A. **Project Reports**

1. Chhattisgarh shall monitor and evaluate the progress of its Respective Parts of the Project and prepare Project Reports for its Respective Parts of the Project in accordance with the provisions of Section 2.06 (b)(i) of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient and the World Bank not later than forty-five (45) days after the end of the period covered by such report.

2. Chhattisgarh shall provide to the Recipient not later than three (3) months after the Closing Date, for incorporation in the report referred to in Section 2.06(b)(ii) of the Standard Conditions all such information as the Recipient or the World Bank shall reasonably request for the purposes of that Section.

B. **Financial Management, Financial Reports and Audits**

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

2. Chhattisgarh shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. Chhattisgarh shall have its financial statements referred to above audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank. Each audit of these financial statements shall cover the period of one fiscal year of Chhattisgarh. Chhattisgarh shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the World Bank not later than nine (9) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the World Bank.

Section III.  **Procurement**

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