

उत्तराखण्ड UTTARAKHAND

G 833803

MEMORANDUM OF UNDERSTANDING

Between

The State Government of Uttarakhand  
(represented by the Secretary, Rural Development Department)

And

Uttarakhand Jalagam Vikas Ekai  
(Uttarakhand Watershed Development Unit)  
(represented by the Project Director, Uttarakhand Jalagam Vikas Ekai)

The Memorandum of Understanding is made on the 17...day of July...2013 between the State Government of Uttarakhand acting through the Secretary, Rural Development Department and Uttarakhand Jalagam Vikas Ekai (Uttarakhand Watershed Development Unit) an autonomous body registered under the Societies Registration Act, 1860 on 17/11/2012 and having registration Number 242/2012-2013 in the State of Uttarakhand and acting through Project Director hereinto referred as UJVE.

Whereas;

- The Government of India has secured a loan from the International Fund for Agricultural Development (IFAD) (hereinafter referred as 'the Fund') equivalent to SDR 56,700,000 (Fifty six million seven hundred thousand only) for the purpose of assisting in financing the Project expenditures under the Integrated

1

Additional Director (M&E)  
Watershed Management Directorate  
Uttarakhand, Dehradun

(निजीय) (निजीय)  
सचिव  
ग्राम विकास  
उत्तराखण्ड शासन

Livelihood Support Project (ILSP) and has entered into Financing Agreement with IFAD on 1st February, 2012 ;

- b) The State Government of Uttarakhand has agreed to carry out its part of the Project and caused the Uttarakhand Jalagam Vikas Ekai to carry out such part of the Project with due diligence and efficiency in conformity with appropriate administrative, financial and management practices and other resources required for the Project and has entered into a Project Agreement with IFAD on 1<sup>st</sup> February, 2012 ;
- c) The State Government of Uttarakhand has constituted a Central Project Coordination Unit (CPCU) as per Schedule 1 of the Project Financing Agreement of ILSP;
- d) Uttarakhand Jalagam Vikas Ekai has been duly constituted under the Societies Registration Act , 1860 as a separate autonomous body for implementing the Project activities as mentioned in Schedule 1 of the Financing Agreement referred to above;
- e) The Government of India has agreed to make available to the Government of Uttarakhand, the proceeds of the above loan on a grant/loan basis as envisaged in Financing Agreement for the implementation of the ILSP ;
- f) The State Government of Uttarakhand and Uttarakhand Jalagam Vikas Ekai, a project party defined in the Financing Agreement are committed to the goal and objectives of the Integrated Livelihood Support Project and shall carry out the Project:
  - i. With due diligence and efficiency;
  - ii. In conformity with appropriate administrative, engineering, financial, economic, operational, environmental and agricultural development practices (including rural development practices) and good governance;
  - iii. In accordance with plans, design standards, specifications, procurement and work schedules and construction methods agreed to by the State Government and IFAD (the Fund);

iv. In accordance with the provisions of the relevant Agreement, the AWPBs, and the Procurement Plan so as to ensure the sustainability of its achievements over time.

(g) NOW THEREFORE the State Government of Uttarakhand (hereinafter referred to as the first party) and Uttarakhand Jalagam Vikas Ekai (hereinafter referred to as the second party) hereby agree as follows:

## 1. PROCEDURE FOR SANCTION OF GRANT

- 1.1 Funds towards the approved Project cost of the second party for each year will be provided by the first party through the Central Project Coordination Unit (CPCU) as grant against an approved Annual Work Plan Budget of the second party;
- 1.2. The first party through CPCU shall release the approved budget to the second party on a six monthly/quarterly basis in a timely manner for the anticipated expenditures of the second party for implementation of approved activities under respective components specified in the Financing Agreement;
- 1.3 The share of State Government of Uttarakhand as shown in the Financing Agreement shall also be released to the second party against the approved budget of the second party in a like manner, on six monthly/ quarterly basis; however, the State Government may release the share timely in one installment or so, as the case may be;
- 1.4 From the second year onwards of the Project, the second party shall provide adequate evidence of appropriate use of previously released funds before the first installment for the operating expenditures is released by the first party to CPCU on behalf of Government of Uttarakhand);
- 1.5 The release of the subsequent installment by the first party for the subsequent six/three month's operating expenditures shall be made only upon the second party furnishing :
  - (i) utilisation certificate for the previous year's grant ;
  - (ii) evidence of utilisation of at least 60% of the amount of first installment released for the concerned year;
- 1.6 Any funds released by the first party for the project activities which are unutilized at the end of the financial year shall remain with the Second party and the latter shall use these for the subsequent year as per the approved AWPB and the Procurement Plan for that year;

1.7 Any bank interest accrued on the grant released to the second party shall be used for eligible expenditure of project implementation against approved AWPB.

## 2. OBLIGATION OF THE SECOND PARTY

The Second party shall :

- 2.1 Comply with the terms & conditions governing the release of grant by the first party;
- 2.2 Undertake project related procurement of goods, works and services in accordance with the provisions of Uttarakhand Procurement Rules, 2008 (with project specific modifications) consistent with IFAD Procurement Guidelines;
- 2.3 Coordinate and implement component's activities, including procurement, in consultation with IFAD and under the guidance of Project Steering Committee;
- 2.4 Prepare AWPBs and annual procurement plans and submit them to CPCU;
- 2.5 Finalize and execute partnership agreements/contracts with NGOs, service providers and specialized institutions for implementing various project activities;
- 2.6 Establish an effective M&E and MIS system to track sub-component's progress;
- 2.7 Prepare and submit consolidated annual and quarterly progress reports to CPCU;
- 2.8 Supervise and monitor its respective component related activities and their progress towards achieving physical, financial and outcome related targets;
- 2.9 Prepare financial statements and prepare statements of expenditures for submission to CPCU;
- 2.10 Submit annual audit reports and RIMS data to CPCU; and
- 2.11 Liaise with the State administration, line agencies and other Project Parties to ensure coordination in project implementation;

  
Additional Director (M&E)  
Watershed Management Directorate  
Uttarakhand, Dehradun

  
(विनोद फोनिया)  
सचिव  
ग्राम्य विकास  
उत्तराखण्ड शासन

2.12 Recruit/engage new project personnel through temporary assignment/deputation from government departments or through advertisement;

2.13 Facilitate and enable visits of the agents and/or representatives of the First Party and the Fund from time to time to visit and inspect the Project, including any and all sites, works, equipment and other goods used for Project-related purposes.

### 3. OBLIGATIONS OF THE FIRST PARTY

The first party shall :

3.1 Incorporate the annual budget requirements including its counterpart funding exclusive of financial institutions credit financing and beneficiary contribution to the project into the State Budgetary Estimates every year;

3.2 Make available to the second party requisite quantum of funds, at least the first instalment of the grant within three months from the start of the financial year and subsequent instalments in a prompt and timely manner to enable the second party to undertake the activities against an approved Annual Work Plan in a smooth and orderly way; and

3.3 Provide additional resources from its own budgetary support to the second party to support project activities, if so deemed necessary by the first party;

3.4 Facilitate the efforts of the second party for convergence and dovetailing of government programmes with the project activities by issuing appropriate administrative orders or directions;


3.5 Render or arrange to render such technical assistance and guidance as may be needed by the second party, and delegate appropriate administrative and financial powers for an effective and efficient implementation of the Project;

3.6 Not assign, waive, suspend, abrogate, amend or otherwise modify any provisions of this Agreement without the prior consent of the Fund.

### 4. ACCOUNTING, FINANCING AND AUDIT ARRANGEMENTS

4.1 The second party shall keep the funds of the Project received from the first party representing IFAD share as well as the one representing State Government of Uttarakhand share in separate accounts and render annual

  
Additional Director (M&E)  
Watershed Management Directorate  
Uttarakhand, Dehradun

  
(दिनेश कोनिया)  
सचिव  
ग्राम्य विकास  
उत्तराखण्ड शासन

accounts and utilisation certificate for the grant released for the previous year;

- 4.2 The second party shall also furnish to the first party at regular intervals expenditure claims in the prescribed form for seeking reimbursement of IFAD loan towards eligible expenditures, in accordance with the procedure prescribed for the purpose;
- 4.3 The financial statements of the second party shall be audited by an independent Chartered Accountant firm engaged through CPCU. The second party shall comply with the provisions of the IFAD Project Audit Guidelines and shall submit the audit report along with the financial statements and the Annual Reports of the society to the first party through CPCU by end of August every year; and
- 4.4 The accounts of the society would also be subject to audit by the Comptroller and Auditor General of India under the provisions of Comptroller and Auditor General (Duties, Terms & Conditions of Service) Act 1971, as amended from time-to-time,

## 5. REPORTING OBLIGATIONS

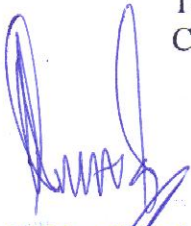
The second party shall furnish to the Fund and the first party through CPCU, periodic progress reports on the Project, in such form and substance as the Fund/First party shall reasonably request. At a minimum, such reports shall address (i) quantitative and qualitative progress made in implementing the Project and achieving its objectives, (ii) problems encountered during the reporting period, (iii) steps taken or proposed to be taken to remedy these problems, and (iv) the proposed programme of activities and the progress expected during the following reporting period.


The second party shall submit to the first party and the Fund through CPCU detailed financial statements of the operations, resources and expenditures related to the Project for each Fiscal Year prepared in accordance with standards and procedures acceptable to the Fund and deliver such financial statements to the Fund within four (4) months of the end of each Fiscal Year.

The second party shall promptly furnish to the Fund and the First Party through CPCU such other reports and information as the Fund shall reasonably request on any financial matter relating to the Financing or the Project or any Project Party.

## 6. INTERPRETATION

The decision of the Principal Secretary and Forest & Rural Development Commissioner, Government of Uttarakhand in regard to interpretation of any

  
Additional Director (M&E)  
Watershed Management Directorate  
Uttarakhand, Dehradun


  
(विनोद शेरनिया)  
जल संवर्धन  
ग्राम्य विकास  
उत्तराखण्ड शासन

clause in this Memorandum of Understanding (MoU) will be final and binding on both the parties.


## 7. SETTLEMENT OF DISPUTES

The two parties to this MoU agree to act in good faith and in a spirit of mutual understanding and accommodation to facilitate the achievements of the goals set under the Project.


In WITNESS WHERE OF the Parties hereto have caused this MoU to be signed in their respective names as of the day and year first above written.


  
**Secretary**  
**Rural Development Department**  
**FOR AND ON BEHALF OF**  
**THE STATE GOVERNMENT OF**  
**UTTARAKHAND**

(विनोद फोनिया)  
सचिव  
ग्राम्य विकास  
उत्तराखण्ड शासन

  
**Project Director**  
**FOR AND ON BEHALF OF**  
**Uttarakhand Jalagam Vikas Ekai**

**Additional Director (M&E)**  
**Watershed Management Directorate**  
**Uttarakhand, Dehradun**

  
1. Witness  
(Pawan Kumar)

  
2. Witness  
(A. K. Singh)  
उप निदेशक  
जलागम प्रबन्ध निदेशालय  
उत्तराखण्ड, देहरादून