

**Development Cooperation between the Governments of  
India and Germany**

**Climate Change Adaptation Programme in the Himalaya  
Component III: Meghalaya – Protection of Vulnerable Catchment Areas in Meghalaya  
KfW appraisal mission, 27 October — 2 November 2021**

**Minutes of Meeting**

A KfW mission (hereafter: 'the Mission') comprising of Mr. Frank Brösamlen, Senior Portfolio Manager, Mr. Hubertus Kraienhorst, Senior Forestry Expert, Mr. Jonas Müller, Portfolio Manager, and Sangeeta Agarwal, Senior Sector Specialist - NRM from KfW Development Bank, carried out the project appraisal of the proposed Project from October 27 to November 2, 2021. The Mission discussed the design of the project with the stakeholders at state, catchment, and watershed level.

During the Mission, discussions were held with Dr. Vijay Kumar, IAS, Commissioner and Secretary of Planning, Mr. Sampath Kumar, IAS, CEO MBDA, Mr. Shantanu Sharma, IAS, Executive Director MBDA, Mr. Ram Singh, IAS, Deputy Commissioner of West Garo Hills, officials of Soil and Water Conservation Department (S&WCD), officials of Meghalaya Basin Development Authority (MBDA), and representatives of different departments of the Government of Meghalaya. During the field visits made with officials from S&WCD and MBDA, the Mission team had the opportunity to interact with village heads and villagers from a large number of villages from Ganol and Umiew catchments to see and discuss the ground situations. The Mission team also met with officials from World Bank prior to the appraisal mission.

The Mission would like to express its gratitude to MBDA, S&WCD and the participating district authorities for the excellent support to the Mission and for their kind hospitality during the stay.

The following minutes will be used by both sides as a reference document for further discussions in the preparation for the project. They do not constitute a binding document. It is mutually understood that all statements and remarks and all understandings reached are subject to approval by KfW's Board of Management and by the German Government. Likewise, statements of the Indian side are subject to approval of the relevant higher authorities. These minutes include adaptations concerning the feasibility study report that shall be incorporated in the final Project concept.

**I. Background Information**

1. The project ("Project") in Meghalaya is envisaged to be the third of three components under the Indo-German programme "Climate Change Adaption in the Himalaya (CCA)" with a focus on sustainable community forestry and soil and water conservation.
2. In Meghalaya the effects of climate change on natural resources range from changes in biodiversity, reduced ecosystem services (such as water, soil conservation and micro-climate) to occurrence of natural hazards such as droughts, floods and landslides. Population pressure and the devastation of natural biodiversity were the main factors that make Meghalaya and other similar places in the North Eastern Region highly sensitive to climate change with other critical factors being the low productive livelihood assets, land degradation and deforestation.
3. These factors typify the proposed project area and target group in the two very different catchment areas Umiew and Ganol that ensure the water supply of the two largest cities in Meghalaya – Shillong and Tura - respectively. The core problem in the project area can be defined as the vulnerability of the landscapes to the effects of climate change. This

vulnerability is due in part to degraded natural resource conditions and a history of unsustainable usage patterns.

4. The preliminary design of the FC Project in Meghalaya has been prepared by a consultant team together with MBDA and S&WCD in 2020. The feasibility study (FS) team in Meghalaya was requested to identify, prioritize and budget project measures that would contribute to the programme for climate change Adaptation in the Himalaya with the broad objectives of reducing forest degradation and increasing incomes of the target groups, as well as promoting forest restoration and adaptation to climate change in India. The results of this assignment are documented in the draft feasibility study report "Protection of vulnerable catchment areas in Meghalaya" (Agreco / SUVIGYA) (August, 2020).
5. The following agreements are based on the above reports and on discussions and field trip observations during the course of the Mission:

## II Project Design

### Details of the Project

6. The overall objective of the FC programme with its different components reads: Investments in sustainable community forestry models improve natural resources, minimize climate-related risks and increase rural productivity and income for the local population. The proposed measure shall serve to improve rehabilitation, protection, and sustainable use of forest, their productivity and water resources as well as to develop and strengthen the resilience of forests and vulnerable population against climate change.
7. The Project outcome is agreed as: Climate resilience of treated ecosystems and of the communities in the selected project areas is improved.
8. The envisaged 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 will be aligned to the priority areas of the Meghalaya State Action Plan on Climate Change (SAPCC).
9. Indicators to measure the Project outcome will include:
  - *Indicator 1:* Forest cover is maintained while crown coverage is increased
    - Baseline value: To be determined in the baseline study
    - Target value: To be determined in the baseline study
  - *Indicator 2:* Total income as well as income diversity of target population increased
    - Baseline value: To be determined in the baseline study
    - Target value: To be determined in the baseline study
    - *Comment on indicator 2:* If possible and approved by the German government, indicator 2 will be closer adjusted to the Project interventions.
  - *Indicator 3:* Water discharge and quality has increased by rejuvenating natural sources of water, adopting water conservation and harvesting measures, enhancing their ecological and hydrological processes and by that reducing climate vulnerability of the target group.
    - Baseline value: To be determined in the baseline study
    - Target value: To be determined in the baseline study

- *Comment to indicator 3:* A proposal for the reformulation of the indicator will be prepared by MBDA and sent to KfW until end of December together with the draft detailed project report (DPR).
- *Indicator 4:* Innovative mechanisms (including Payment for Environmental Services (PES) and new administrative structure of catchment areas) for planning and management of natural resources are established and financed by the Government of Meghalaya.
  - Baseline value: To be determined in the baseline study
  - Target value: To be determined in the baseline study
- For measurement of indicators, it is envisaged to use existing partner monitoring systems as much as possible.

10. The following outputs (1-4) with their main indicators to be financed under the Project are envisaged:

1. Forest and other ecosystems of the selected catchment areas are enhanced:

The purpose of this output is to conserve soil and enhance forest/ green cover and water availability on lands that are exposed and vulnerable to climate change through participative micro-planning approaches and innovative financing models. Activities include:

- Micro-watershed plans in accordance to well accepted national standards are developed
- Forests are protected and restored through natural regeneration, afforestation and plantations based on forest protection agreements
- Community nurseries are established
- Soil and water conservation measures in open forest areas, grassland and culturable wastelands are performed
- Multi-purpose plants are used for soil stabilisation
- 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.

Compared to the feasibility study report, the project will follow a slightly modified approach with regards to forest measures by

- Incentivising communities to protect and extend existing forests through payments of incentives based on a yearly monitoring of efficiency of forest protection measures
- Focus on natural regeneration wherever possible (especially in Ganol catchment) instead of planting trees
- Supporting transformation of conifer forests to broadleaf forests (especially in Umiew catchment) by underplanting in pine forests on a model basis wherever appropriate.
- Technical measures as described in the feasibility study (ANR, gap planting, afforestation) will be enriched with a protection component for existing forests (payment of a yearly incentive per ha). The two models of the FS "Dense forests: above 40 % canopy" and "Open Forest 10-40 % of forest canopy" will be handled in a flexible way. Measures will be applied according to actual field conditions, urgency of measures with regard to watershed management and willingness of target groups to participate. By this, more forests can be included into the project to increase impact of

Project measures. Therefore, all forest areas in Ganol and Umiew catchments shall be included in the Project. In case sufficient funds are available it shall be decided already in an early stage of the Project to extend these activities to other important watersheds of the state.

Wherever possible, payments to the target group shall be provided as an incentive for forest protection and follow the principle of "Payment for Environmental Services" (PES) and less "cash for work" (e.g., payment of a protection fee per ha of existing forests; stretching payments for afforestation over a period of 5 years in equal yearly instalments to provide incentives for tree growth rather than for planting of trees). Basic principles of the modified concept will be developed and shared with KfW latest by the end of the first quarter of 2022.

GoM aims for financing of the PES by the end of the Project out of own resources or end-user paid. Milestones in the process of preparing the approval of such a system by GoM shall be proposed together with the draft DPR.

## 2. Livelihoods of the vulnerable communities in the catchment areas improve:

The output enhances income and livelihoods of the communities through horticulture, agroforestry and Sloping Agriculture Land Technologies (SALT). Water harvesting structure units will be developed to ensure water security of the dependent villages. Activities include:

- 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
- SALT is promoted and training on SALT is conducted
- Producing of seedlings

## 3. Knowledge-based participatory planning and implementation and capacity building:

The output focuses on the development of capacities on the different implementation layers of the project. It consists of a training needs assessment (TNA) that facilitates targeted capacity building and impactful design of training programmes. Activities include:

- Water Management Councils (WMC) receive support through village facilitators
- Establish knowledge management and communication strategy and systems (project website is developed and made operational, project learnings are documented etc.)
- Conduct 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 practises on water balances.
- PMC services are established

## 4. Adoption of best-practice project management:

Activities include:

- Catchment management units (CMU), watershed management units (WMU) and state project management unit (SPMU) are established, and professional staff is recruited in time as per the HR plan
  - Comprehensive 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.
11. The detailed criteria for reaching these objectives, the mentioned Project results and the required Project activities as well as the assumptions underlying the Project purpose and the Project results are contained in Annex 1. It was decided that the result matrix framework shall be updated and included as a part of the Draft DPR and will be discussed in mid January.
12. In the two selected catchment areas Umiew and Ganol the FS has pre-selected 114 villages in eight blocks.
13. The target groups of the Project are the communities from 76 villages in the 13 micro-watersheds in Umiew catchment and 38 villages from 26 micro-watersheds in Ganol catchment in Meghalaya. As there are substantially more villages in Umiew catchment per watershed a targeted approach to the different cultural and social situations may be elaborated for stakeholder engagement. Detailed information on target group size and composition alongwith the proposed modalities of implementation will be included in the draft DPR.
14. The following Project activities shall be financed from the grant agreement ("Grant Agreement"):
- Partial payment of implementation consulting services for Project inception and implementation up to EUR 1 million.
15. The activities that shall be financed from the loan agreement ("Loan Agreement") are specified in the cost and financing plan. The following Project activities will be included:
- Partial payment of consulting services for Project inception and implementation
  - Implementation of Outputs 1 to 4.
16. Preparatory measures, which facilitate a smooth start of Project activities immediately after signing of the loan and grant agreements, shall be proposed together with the draft DPR. Cost-neutral activities shall be preferred such as:
- Start with the tender of the Implementation Consultant. The Tender Process will be started by a Tender Agent provided by special funds from the German Development Corporation. Contract signing shall be only only done after the Grant and Loan Agreements are signed.
  - Preparation of the recruitment of necessary Project staff
  - Preparation of agreements with the supporting line departments
  - Further detailing out of steps towards a PES regulation by the GoM
  - Production of seedlings according to agreed standards
  - Clarification of already existing preparatory works around Environmental, Social and Health & Safety Compliance that would facilitate a fast start of Project implementation
  - Development of the approach to the preparation of micro-watershed plans
  - Get acquainted to KfW Procurement Guidelines and evaluate the use of the KfW Procurement Plan template or other suitable templates.

All activities conducted prior to signature of agreements are at the own risk of GoM and up to signature of the agreements and a later approval.

17. The following activities that were included in the feasibility study report will not be part of the project:

- Investments in solid and liquid waste management
- Garbage treatment units and sewage treatment plants
- Construction of silt barrier and multi-layer water filter units along sand mining areas
- Piloting of bio-mass based energy units
- Construction of critical community infrastructure.
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### **Time Schedule**

The Project duration is planned for 7 years. The project shall start with an inception phase (1 year) followed by an implementation (5 years) and consolidation and maintenance phase (1 years). A detailed implementation schedule for the implementation of the different activities shall be still prepared until end of this year 2021. At the end of Project year 3 a midterm review (MTR) shall be carried out which will critically review the Project achievements.

### **Total Cost and Financing**

The estimated total Project cost ("Total Cost") underlying the Project appraisal is approximately EUR 41 million.

The FC - Project shall be financed from

- up to EUR 32 million loan (reduced interest loan (RIL)) ("Loan")
- up to Eur 1 million grant ("Grant")

committed as part of the "Climate Change Adaption in the Himalaya" programme.

Taxes and other public charges owed by the Borrower or the Project-Executing Agency as well as customs duties will not be financed from the Loan or the Grant. The Loan and the Grant Agreement shall be signed together.

The contribution of the Government of Meghalaya is will be approximately EUR 8 Mio. (approx. 20% of Total Cost), primarily for costs of deputed Project staff, taxes and other public charges and operational costs for Project management infrastructure and project management units (PMU).

According to the current preliminary estimations, the cost of the implementation consultant ("Implementation Consultant") amount excluding tax will be approximately EUR 1.5 Million without taxes. The net cost can be covered out of the loan and the grant. Taxes and other public charges shall be financed out of the partner contribution of the Government of Meghalaya.

A preliminary budget will be prepared by end of November 2021.

### **Changes in the Project Design**

Any major changes in the Project design shall require KfW's prior consent. The Project-Executing Agency (PEA) shall inform KfW thereof immediately, stating the reasons, the planned measures and the consequences of the change (including on Total Cost). Execution of such measures may commence only on the basis of a revised planning and upon KfW's written consent.

## **III. Project Implementation**

### **Project Management**

The Meghalaya Basin Development Authority is the PEA and will be supported by various line departments like Soil and Water Conservation Department (SWCD), Forest Department (FED), Meghalaya Institute of Natural Resources (MINR), Public Health and Engineering Department (PHED) and Department of Agriculture (DoA).

The Project will be managed at three levels - state level, catchment level and watershed level. In order to streamline project implementation, the PMUs at state and catchment levels will be staffed by core MBDA and S&WCD personnel. MBDA will provide all Project management support as well as collaborate and coordinate with various line departments for Project implementation.

#### **Project Governing Structure:**

18. The Governing Council (GC) within MBDA is an existing body vested with powers and functions of decision-making and is headed by Chief Secretary of Meghalaya.
19. Also, a Steering Committee (SC) headed by the senior most official of the Planning Department, will be established exclusively for the project and will be responsible for day-to-day operation of the Project. It will consist of representatives of SPMU and relevant institutional stakeholders (i.e. S&WCD, WRD, PHED; FED; MoA, District representative and ADCs)
20. Functions of both the GC and EC are specified in the feasibility study report.

#### **State Level Implementation Structure:**

21. The State Project Management Unit (SPMU) for the project will be established in Shillong as a separate unit and housed within the premises of MBDA. It shall be headed by a Chief Project Director (CPD). Additional Project Directors (APD) shall be deputed by the supporting line departments. Furthermore, the SPMU will be supported by numerous professional experts (e.g. Legal experts for traditional law and practices, M&E, Finance and Procurement, HR etc.). SPMU staff will either be taken on deputation from various government departments or hired from the market. The functions of the SPMU are specified in the feasibility study report.

#### **Catchment Level Implementation Structure:**

22. The two Catchment Management Units (CMU) shall be the implementation bodies in the respective catchments under the operational supervision of SPMU and the respective Catchment Management Committee (CMC). The CMC will compulsorily consist of officials from the supporting line departments and other members as required. It shall be headed by the respective Deputy Commissioners (DC). The CMU will be responsible for execution of the Catchment Area Plans (CAP) and will work closely with line departments and communities.
23. **Responsibility of PMUs:** The SPMU will have the overall responsibility of maintaining the financial management system of the project and ensuring that these functions are carried out in accordance with the project's legal agreements. These activities will include (a) adequate annual budgetary provision and effective utilization; (b) sufficient and timely flow of funds for project activities, including for community-led program; (c) maintenance of adequate and competent financial management staff; (d) appropriate accounting of project expenditures; (e) oversight on project funds spent by WMCs and line departments as per Performance Agreement; (f) control over assets created under the project; (g) preparation and timely submission of interim financial reports; and (h) timely submission of audit reports and project financial statements to KFW.

### Watershed Level Implementation Structure:

24. The Watershed Management Units (WMU) shall be the implementation bodies in the respective watersheds. They will consist of all interested households of a micro-watershed and will meet monthly to discuss the progress of the respective micro watershed plans (MWP). A wide participation of households is envisaged. The body has to conduct semi-annual social audits of the physical and financial progress of the project and will decide on the priorities for and approve of the annual operational plan (AOP) for the watersheds. The WMU will elect a committee called Watershed Management Committee for day-to-day management of the project. The WMUs will be supported by community facilitators in preparation and execution of the watershed plans. The community facilitators shall be individuals from the target villages with minimum educational qualification.
25. The Watershed Management Committee (WMC) will prepare and execute the implementation of the MWP according to WMU's decisions. It will also be responsible for preparing the annual operation plan (AOP). It will be staffed by at least 2 representatives of each village and shall consist at least of 50 % women. Member Secretary of the WMC shall be a government official nominated by DC. A representative of the Block Development Office will be a member of the WMC. Project Village Water Security Plans should be prepared and approved by the designated village body (e.g. Village Councils) and incorporated in the Micro Watershed Plans.

### Assignment of a Consultant

26. The duties of the Implementation Consultant shall comprise support to the PEA in:
  - Project management including guidelines according to KfW procedures (e.g. operational planning, procurements, financial management, reporting);
  - Review and endorsement of Annual Action Plans and Environmental and Social Risk Management documents, etc. of the project before they are submitted to KfW;
  - Assist PEA in preparing technical concepts and financial norms for project investments (forestry, horticulture, nursery management, S&W conservation, etc.);
  - Assist SPMU in development and implementation of ESMF, CEPF and SOP;
  - Countersign reports and documents to KfW;

Countersign request for Disbursements.

### Award of Contracts for Goods and other Services

27. All Tender Processes to be conducted for any contract financed under the Grant Agreement and Project Agreement shall at all times follow:

- a) The KfW Procurement Guidelines and
- b) The procurement plan

unless otherwise agreed between KfW and the Project-Executing Agency in writing.

29. The Procurement Plan shall be reviewed and, if necessary, revised thereafter annually and, in case of a revision, such revised version shall be submitted promptly to KfW for no-objection (as defined in the Procurement Guidelines, Annex 7). A first procurement plan is to be submitted until the end of March 2022 as preparation for the separate agreement.



30. The Procurement Plan shall identify as far as possible the respective Tender Processes for all KfW-financed Contracts. The initial Procurement Plan shall cover the whole project period and provide details for at least the first 18 months as of the Funding Agreement date. The Procurement Plan shall be reviewed and, if necessary, revised thereafter annually and shall be submitted timely to KfW for No-Objection of the revised version. KfW will provide a Procurement Plan template
31. The Implementation Consultant shall support the PEA in designing and implementing the tender procedures and the award of contracts in conformity with KfW guidelines for tendering of goods and services and in compliance with the environmental and social standards
32. Evaluation of bids and award of contracts shall be carried out by a tender evaluation committee nominated by the PEA with support of the Implementation Consultant. All evaluation reports for tenders shall be countersigned by the Implementation Consultant. The original offers, evaluation reports, invoices etc. are to be kept with the PEA for possible inspection.
33. Any contracts for goods and services (including consulting and expert services) financed from the financial contribution shall be awarded as follows:
- (1) Contracts for goods, works, plant and non-consulting services up to and including EUR 10,000 (or INR equivalent) may be awarded directly. Directly awarded contracts for small scale investments with villages/villagers may exceed EUR 10,000 (but not exceeding EUR 100,000 per individual contract) if unit costs are prior agreed with KfW. Unit costs will be developed by the Implementing Agency assisted by the Consultant.
  - (2) Assignments of consulting services up to and including EUR 20,000 (or INR equivalent) may be awarded directly, provided that the consultant is particularly or exclusively suitable, an invitation to tender would not bring any economic benefits and the technical and financial proposal are adequate and appropriate.
  - (3) Contracts for goods, works, plant and non-consulting services of EUR 10,001 (or INR equivalent) up to and including EUR 100,000 (or INR equivalent) and assignments of consulting services of EUR 20,001 (or INR equivalent) up to and including EUR 100,000 (or INR equivalent) shall be awarded by way of solicitation of at least three proposals from qualified bidders in accordance with the definition of limited competitive bidding and price quotation as set forth in the respective KfW procurement guidelines.
  - (4) Contracts for goods, works, plant and non-consulting services of EUR 100,001 up to and including EUR 200,000 (or INR equivalent) shall be awarded by way of national competitive bidding in accordance with the definition of national competitive bidding as set forth in the respective KfW procurement guidelines.
  - (5) Contracts for goods, works, plant and non-consulting services and assignments of consulting services in excess of EUR 200,000 shall be awarded by way of international competitive bidding. Unless otherwise stipulated, the procurement of assignments of consulting services in excess of EUR 200,001 shall require a prequalification procedure.
  - (6) Any and all exceptions to the above thresholds and corresponding procedures require prior information to and no objection by KfW.
34. All procurement procedures shall be thoroughly documented. Upon providing the procurement plan KfW may approve applying the simplified review for some tenders in accordance with the definition of simplified review set forth in the respective KfW procurement guidelines. Further details on the approval procedure will be communicated in due time, including the responsibility of the Consultant. Upon request, any documents shall be provided to KfW. For international competitive bidding procedures, tender documents (including pre-qualification documents), evaluation reports (including pre-qualification evaluation reports), and final contract drafts shall be submitted to KfW for prior no objection.

35. Prequalification and tender documents shall always require the submission of a signed Declaration of Undertaking by the bidder. Unless otherwise agreed, prequalification and tender documents for the assignment of consulting services shall be based on the KfW standard bidding documents and contracts for the assignment of consulting services. Tender documents for the procurement of goods and associated services shall further be accompanied by a completed checklist for the respective tender documents. The standard bidding documents, contracts and checklist template will be provided by KfW upon request. The remaining details concerning procurement procedures, relevant documents and requirements are set forth in the respective KfW procurement guidelines, which will form an integral part of the Separate Agreement.
36. KfW recommends using its own standardized tender documents, especially in case of ICB in order to ensure an efficient Tender Process in compliance with the Guidelines. If the PEA is obliged to use Tender Documents others than KfW's STDs, the PEA has to ensure compliance with the provisions of the KfW Guidelines. The International Consultant shall verify the compliance of such bidding documents with the provisions of the KfW Guidelines.

### **Fund Flow**

Fundamental principles for the fund flow comprise:

- Funds are disbursed as directly as possible to the point of expenditure and only transferred to bank accounts;
  - Project expenditures will occur at all levels - state, catchment and watershed- depending upon the measures proposed, but predominantly as investment measures at the implementation levels;
  - FC funds shall only be spent as per the implementation progress;
  - KfW procurement guidelines apply. MBDA will provide the community procurement guidelines developed as a part of an EAP funded by WB for review and inputs for improvement in order to simplify procurement by Community.
  - Costs for seconded/deputed government staff shall not to be financed from the German financial contribution. Wages of specialized contractual services (which are not available in government departments) may be met from German financial contribution available under Project management.
37. Until end of first quarter 2022, MBDA will submit details of financial management of funds and draft Performance Agreements of the Departments which support the implementation of the project (fund flow, contractual basis for fund flow, organizational responsibilities, checks and balances, processes, process of repayment in case workplans are not implemented, basis and progress of payment to supporting departments).

### **Disbursement Procedure**

38. KfW will disburse the FC funds (grant and loan portion) in accordance with the progress of the project and upon request of MBDA. The fund disbursement for all investments and project managements costs covered by FC funds, except for Consulting costs, follow the simplified reimbursement procedure. Disbursement of Consulting Costs will follow the direct disbursement procedure.
39. The simplified reimbursement procedure implies that MBDA will pre-finance project expenditures which will be reimbursed by KfW via DEA/Gol on the basis of submission of withdrawal claims accompanied by evidence of expenditures and signed by the Consultant. The Authorized Party first pays in full the amounts due and KfW reimburses the expenditures for goods and services to the

Authorized Party after a three months period has elapsed or as soon as the amount pre-financed has reached at least EUR 1.000.000, whatever happens earlier.

40. The direct disbursement procedure implies that KfW will directly disburse funds as instalments to the Consulting company, as agreed in the Consulting contract, after submission of invoices claimed by the Consulting company, endorsed by MBDA.
41. To ensure the proper use of funds as well as the accuracy and reliability of evidence of the use of funds and financial reports an internal control system within the PEA, concerning procurement, accounting and payment transactions have to be in place. Among others, adequate account management, correctness of vouchers, cost division pursuant to investment plan and a separation by source of funding (Govt of Meghalaya or KfW) has to be ensured. The process and the internal control system will be defined during the inception phase with the help of the implementation consultant.

### Target groups and selection mechanisms

42. The environmental and social criteria for selecting villages 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 site/community selection criteria will be critical:
  - **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 soil and water conservation as part of integrated watershed management approach are a must.
  - **Target group status and size:** Communities should consist of vulnerable people that could be supported by the project's pro-poor approach.
  - **Livelihood potential:** Adequate commodities, resources in the landscape for increasing the opportunity of supporting meaningful livelihoods interventions must be available or known.
  - **Institutional commitment:** Local institutions must be committed to participate in the project and have the capacity to ensure safeguarding environmental and social standards.
43. Basic 'Do No Harm' criteria (common to most natural resources projects) should be applied when selecting sites and villages:
  - Villages should not be selected if the Free, Prior and Informed Consent (FPIC) of communities to participate in the project and commitment to changing their land and forest management behavior cannot be established during the first socialization.
  - Villages should not be selected if readiness to create (or update) a participatory Village Plan including Village Land Use Plan (VLUP) 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.

## Environmental, Social and Health & Safety Compliance

44. The Recipient shall at all times carry out its business and operations in compliance with all applicable national environmental, occupational health & safety and social laws and regulations.
45. The Recipient shall comply with the Fundamental Conventions of the International Labour Organization (ILO).
46. The Recipient will ensure that no physical resettlements will be financed within the project and that only communities will be selected to participate in the Project that have given their Free, Prior and Informed Consent (FPIC) to it and its implications.
47. The Recipient shall be responsible for the preparation and operation of the Project in compliance with KfW's Sustainability Guideline and the relevant standards therewith, namely World Bank Environmental and Social Standards (WB ESS), the World Bank Group's General and sector specific 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.
48. Based on the results of the Environmental and Social Scoping (E&S Scoping) conducted as part of the Feasibility Study as well as further input by KfW and in order to comply with KfW's Sustainability Guideline, the Recipient will develop three Environmental and Social Safeguard documents in line with the above-mentioned standards simultaneously with the development of the detailed design during the Project's inception phase:

**Environmental and Social Management Framework (ESMF):** The ESMF would address the environmental, community and occupational health and safety risks of the project's sub-projects, with reference to ESS 1, 2, 3, 4 and 6. The ESMF would include screening criteria to select eligible sub-projects and identify potential issues for further assessment, and it would set out practical tools for use during sub-project planning for assessing, evaluating, avoiding, reducing and mitigating any identified environmental and social risks. This might be done through community-level Environmental and Social Management Plans (ESMPs) and/or Environmental and Social Codes of Practices (ESCOPs) for standard activities. In addition, the ESMF would describe the administrative mechanism necessary for its implementation, together with any institutional support needed, and the project's consultation and disclosure process, including grievance redress (derived from the CEPF).

**Community Engagement Planning Framework (CEPF):** Apart from the environmental, occupational and community health and safety risks of the Project, some of activities will inevitably result in restrictions on land use and access to natural resources which are anticipated to adversely impact on local subsistence livelihoods. Any changes to land use, including restrictions on access and natural resource extraction, will be decided at community level as a result of a participatory consultation process. There will be no compulsory land acquisition or imposition of changes from outside. However, the resources in question are very important for livelihood purposes, and therefore are subject to ESS 5 in which Footnote 9 requires that:

*"... an assessment satisfactory to the Bank establishes that the community decision-making process is adequate and reflects voluntary, informed consensus, and that*

*appropriate measures have been agreed and put in place to mitigate adverse impacts, if any, on the vulnerable members of the community.”*

The appropriate instrument to provide these guarantees is a Community Engagement Planning Framework (CEPF). This sets out in detail step-by-step processes and procedures for engaging with stakeholders at community level, for how decisions on land use change and restrictions are made and how livelihood measures are considered. As such, the CEPF includes key elements of WB ESS 5 on eligibility and entitlements for compensation/restoration of livelihood losses and a Technical Free, Prior and Informed Consent (FPIC) Guideline based on WB ESS 7 and WB ESS 10 to ensure that vulnerable groups, including but not limited to ethnic minorities/indigenous peoples, will receive special attention and differentiated support when ascertaining the socially inclusive FPIC of participating villages and the equitable distribution of benefits and restoration measures. In addition, the CEPF shall entail a Gender Action Plan (GAP) to avoid, minimize and compensate for negative impacts on women, to empower them during community-level decision-making and to increase their economic independence through micro-enterprises such as forest nurseries.

Should allocation of small private land plots be needed (i.e. small logging roads, skidding trails, community infrastructure etc.) the CEPF shall also entail procedures for compensation either through alternative replacement land or, if there is no suitable replacement land contiguous or close to the Project Affected Peoples' (PAP) land holding, through cash compensation at full replacement costs. In case there are situations foreseeable in which people are willing to donate a portion of their land for project purposes for no compensation or reduced compensation, the CEPF shall provide requirements for voluntary land donations in line with respective requirements of ESS 5 in order to ensure that donations are made on for small portions of land and based on free and informed decisions.

While the CEPF details out the requirements for community engagement and planning at a framework-level it will be operationalized at the village-level for each of the project regions, chiefly through the foreseen Community-led Conservation Plans (CCP)/ Micro-Watershed Plans and their relevant components, such as the socio-economic baseline surveys for the MRE of the project outcomes based on qualitatively derived (e.g. Participatory Rural Appraisal (PRA)) and quantitative set proxy indicators, Participatory/Village Land Use Plans (P/VLUP) with corresponding Community Conservation Agreements (CCA) and, livelihood restoration measures to compensate livelihood losses and possible avenues for Grievance Redress. Evictions of individuals, families, and/or communities from the homes and/or land which they illegally occupy will have to be avoided in the context of the project and under no circumstance be allowed.

**Standard Operating Procedures (SOP) for community patrolling:** KfW fully recognizes that security and law enforcement is vital for nature conservation and afforestation. In this context it is, however, essential to make every effort to ensure the personal security of any worker engaged in patrolling and law enforcement, including local staff and volunteers. The same effort is also required to make sure patrolling and law enforcement activities respect the integrity and human rights of the people living in or around the project areas, visitors and others, including

people suspected of or arrested for logging and/or other violations. In order to avoid and reduce health and safety risks either on (occupational risks) or resulting from (community risks) community patrolling groups a Technical Guideline on the Standard Operating Procedures (SOP) for community patrolling will be developed in compliance with the relevant requirements stipulated by WB ESS 2 (OHS), ESS 4 and the VPSHR promulgated by the United Nations. These SOP shall assess occupational health and safety (for workers) and human rights risk potentially stemming from community patrolling and law enforcement on the local communities living in the project area, outline the general rights and duties of community patrolling groups and develop a set of mitigation measures and a respective code of conduct under which they will be operating in order to avoid any harm on themselves and others.

49. The Recipient shall ensure that the ESMF, the CEPF and the SOP are fully developed in the inception phase, submitted to KfW for review and approval as part of the inception report and that no safeguard-related activities should be started prior to receiving KfW's No Objection. The exception would be pilot activities and no-regret measures that should inform the development of the safeguard instruments and avoid stakeholder fatigue. Yet, these activities would also require KfW's No Objection prior to implementation.
50. The Recipient shall ensure that the measures and actions set out in the ESMF, CEPF and SOP will be implemented diligently and completely and that capacity building and training on implementing the measures outlined therewith will be provided (detailed tasks will be set out in the Terms of Reference for the Implementation Consultant).
51. If law enforcement is unavoidable, the Recipient will avoid any repressive treatment of encroachers or community members in compliance with national law and international human rights obligations according to the requirements stipulated by the SOP and in line with WB ESS 4 as well as the Voluntary Principles on Security and Human Rights promulgated by the United Nations.
52. The Recipient shall ensure that the ESMF and the CEPF - but at least an easy to understand summary of the main environmental and social findings and mitigation measures (e.g. Non-Technical Summary) - are made publicly available in the Project area and on the Recipient's website, at an adequate point in time during Project development to allow Project affected people to voice concerns and suggestions.
53. The Recipient shall ensure that occupational and public health and safety provisions stemming from the ESMF implementation (e.g. ESMP, ESCOP) are consistent with national requirements and international good practice standards, and put forward to contractors and subcontractors.
54. The Recipient shall develop and implement a grievance mechanism satisfactory to KfW and as outlined in the ESMF and CEPF, which is accessible to the general public and in particular to Project affected persons, and to the workforce engaged in Project implementation.

## **V Reporting, Monitoring and Other Provisions**

### **Reporting and Monitoring**

55. Project monitoring will consist of progress monitoring (physical implementation, financial progress and auditing); Impact monitoring; and Project reviews. The

- PEA will prepare semi-annual progress reports for submission to the Project Governing Council and KfW.
56. Financial monitoring guidelines will be prepared with the support of the Implementation Consultants during the Inception Phase of the Project. During the inception phase the usage of already existing monitoring systems of other international development projects shall be as well accessed. A financial monitoring and supervision system will be installed including a computer software-based accounting system.
  57. Auditing and financial monitoring of Project funds will be carried out by an independent accredited auditing company on an annual basis based on KfW TOR.
  58. MBDA will hire audit officer(s) in SPMU, at its own cost, to carry out concurrent internal audit of the Project. The internal audit will focus mainly on (i) quality of financial records at WMCs; (ii) payment, financial reporting and procurement functions at WMCs; and, (iii) disbursement and reconciliation functions at SPMU and CMU for the community led activities. The selection of WMCs for audit will be carried in such a manner that all units are covered for internal audit during the lifetime of the project. The audit reports along with the corrective actions taken by the project to address control weaknesses will be shared with the KfW on request.
  59. The SPMU with the support of the Implementation Consultant shall develop detailed guidelines for (i) implementation monitoring (quality and quantity checks) and (ii) monitoring of ecological and socio-economic impacts, during the Project's Inception Phase. These guidelines shall be submitted to and agreed with KfW.
  60. At the beginning of the Project a baseline survey will be conducted in a representative sample of villages in both catchments to prepare a profile of target communities and Project areas so that it can be compared with the results of the ex-post Project impact evaluation to assess actual impact of the Project. Baseline values for all Project indicators will be collected. Socio-economic Impacts will be recorded and monitored through processes, which involve local people's participation (participatory monitoring of village micro-plans).
  61. The SPMU will conduct and prepare project reviews as part of the project's regular monitoring system to gather information on actual implementation and expenditure as compared to planned over the concerned year. These reviews will be conducted internally by the PEA and Implementation Consultants to be presented to the Project Governing Council. The review will include field visits, discussions with local stakeholders as well as an assessment of the implementation of the environmental and social safeguards framework. The results of the progress review shall be presented as well in the bi-annually reports to KfW.
  62. The internal monitoring results will be checked annually (later adjustments of intervals possible) starting after year 2 by an external Project monitoring institution (independent third-party verification). The key function of the third-party monitoring is an independent control of the results of the planting and rehabilitation measures as well as of the engineering measures. The external monitor shall check a representative sample of completed works. It will be paid out of project funds.
  63. A mid-term review is intended to provide an independent evaluation of Project interventions after project year 3. The main objective of the mid-term evaluation is to critically review Project outputs/outcomes, to recommend expedient measures for ensuring project sustainability and to propose adjustments to the Project concept if deemed fit.

64. A final report is intended to provide an independent final assessment of the physical and financial achievement of the project vis-à-vis the baseline of the project.

### **Special Implementation Agreements**

65. The PEA will ensure that adequate staffing of the State Project Management Units and the Catchment Project Management Units will be completed prior to the start of the Start-up/Inception Phase. It is agreed that designated staff should be ideally retained in their positions for at least three (3) years.

### **Other Provisions**

66. GoM aims for financing of the PES by the end of the Project out of own resources or end-user paid.
67. Until the end of the first quarter 2022 MBDA shall propose necessary next steps to declare the Ganol and Umiew catchments as critical following the Meghalaya Protection of Critical Catchment Areas Act of 1990. It is envisaged that GoM will declare the Ganol and Umiew catchments as critical within the lifespan of the Project.

### **Next Steps**

68. A preliminary budget will be shared and discussed with MBDA by mid of November 2021. A detailed out version shall be incorporated in the draft DPR.
69. MBDA will work on the revision, fine-tuning and finalization of draft detailed project report (DPR) that will be shared with KfW until end of December 2021 followed by a joint discussion by middle of January 2022.
70. The draft DPR has to be submitted to MOEF and DEA following the bilateral aid guidelines,
71. The tender process for the Implementation Consultant shall be started with the target to be finalized shortly after the signing of the Loan and the Grant Agreement.
72. KfW needs to prepare an appraisal report, based on these Minutes of Meeting and the final version of the DPR based on the final concept of the project. KfW internal approval processes will be started as well on this basis.
73. The Loan and the Grant Agreement is to be expected to be signed in the second half of 2022. Due to a possible lapsing of the funds it has to be signed very latest until November 2022.

Shillong, November 2, 2021

For the Government of Meghalaya (GoM)



*SP*  
*02/11/17*

17

Dr. Vijay Kumar, IAS, Commissioner and Secretary of Planning

For Meghalaya Basin Development Authority (MBDA)

*Shantanu*  
*02/11/17*

Mr. Shantanu Sharma, IAS, Executive Director MBDA



For KfW Development Bank

Mr. Frank Brösamlen, Senior Project Manager

Annexes

Annex 1: DRAFT Logframe Matrix

**DRAFT Annex 1: Results Matrix**

Name of component

**Climate Change Adaptation Programme in the Himalaya - Component III: Meghalaya**

Project no. (BMZ-No.)  
**2015 67 643, 2015 67 650**

Country/Region

**India**

Results Matrix compiled on  
**01.11.2021**

| Objectives  | Indicators  | Sources  | Assumptions   |
|---|---|--|---|
| <p><b>DC-Programme objective:</b><br/> <i>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</i></p> |   |  | <p><i>Do not fill!</i></p>  |
| <p><b>Project outcome:</b></p> <p>Climate resilience of treated ecosystems and watershed livelihoods in the selected project areas is increased</p>   | <p><b>Indicator 1:</b> Forest cover is maintained while crown coverage is increased</p> <p>Baseline value: To be determined in the baseline study</p> <p>Target value: To be determined in the baseline study</p> | <ul style="list-style-type: none"> <li>• <i>Baseline study from the inception phase</i></li> <li>• <i>Reports of MBDA</i></li> <li>• <i>Consultant reports</i></li> <li>• <i>External monitoring report</i></li> <li>• <i>Household surveys</i></li> </ul> | <p><i>Refer to assumptions related to the project outcome.</i></p> <p><i>Government of Meghalaya supports and promotes implementation of its new Water Policy of 2019</i></p> <p><i>Umiew and Ganol catchments are declared as Critical Catchments under the Meghalaya Protection of Catchment Area Act 1990.</i></p> |

| Objectives | Indicators  | Sources | Assumptions |
|------------|---|---------|-------------|
|            | <p><b>Indicator 2:</b> Total income as well as income diversity of target population increased</p> <p>Baseline value: To be determined in the baseline study</p> <p>Target value: To be determined in the baseline study</p>  |         |             |
|            | <p><b>Indicator 3:</b> Water discharge and quality has increased by rejuvenating natural sources of water, adopting water conservation and harvesting measures, enhancing their ecological and hydrological processes and by that reducing climate vulnerability of the target group.</p> <p>Baseline value: To be determined in the baseline study</p> <p>Target value: To be determined in the baseline study</p> |         |             |

| Objectives  | Indicators  | Sources   | Assumptions   |
|---|---|---|---|
|   | <p><b>Indicator 4:</b> Innovative mechanisms (including Payment for Environmental Services (PES) and new administrative structure of catchment areas) for planning and management of natural resources are established and financed by the Government of Meghalaya.</p> <p>Baseline value: To be determined in the baseline study</p> <p>Target value: To be determined in the baseline study</p>   |   |   |
| <p><b>Outputs</b></p> <p><i>Output 1: Forests and other ecosystems of the selected catchment areas are enhanced</i></p> | <p><b>Indicator 1.a:</b> Micro Watershed Plans (MWPs) including appropriate soil and water conservation measures are developed and integrated into respective catchment area plans (CAPs).</p> <p>Baseline value: 0<br/>Target value: 39 MWPs (26 for Ganol and 13 for Umiew)</p> <p><b>Indicator 1.b:</b> Area under protection and sustainable forest management (including riverside plantations) increases.</p> <p>Baseline value: <i>tbd</i></p> | <p><i>From regular project monitoring information</i></p> | <p><i>Political stability in Meghalaya</i></p> <p><i>No major natural disasters occur during project period</i></p> <p><i>Sufficient local labour is available for implementation of project activities</i></p> <p><i>Efficient, effective, and timely budget planning by the Government of Meghalaya and MBDA</i></p> <p><i>Sufficient capacity of local communities to supply seedlings for the project</i></p> |

| Objectives  | Indicators   | Sources   | Assumptions  |
|---|--|---|--|
|   | <p>Target value: 6340 ha</p> <p><b>Indicator 1.c:</b> Area under grassland management practices increases</p> <p>Baseline value: tbd<br/>Target value: 2080 ha</p> <p><b>Indicator 1.d:</b> Area of land effected by fires reduced.</p> <p>Baseline value: tbd<br/>Target value: tbd</p>   |   | <p><i>Free prior and informed consent is sought before preparation of MWPs</i></p> <p><i>Traditional institutions agree to cooperate in the management of the catchment and allocate land for watershed treatment</i></p> <p><i>Land on both sides of the main rivers is recognized as community reserve through community consultations</i></p> |
| <p><i>Output 2: Livelihoods of the vulnerable communities in the catchment areas improve.</i></p> | <p><b>Indicator 2.a:</b> Agricultural area that has formerly been Jhum (Ganol) or Bun (Umiew) cultivated is managed through SALT or modified SALT practiced respectively.</p> <p>Baseline value: tbd<br/>Target value: 630 ha (Ganol) + 1800 ha (Umiew) = 2430 ha</p> <p><b>Indicator 2.b:</b> Payment for Environmental Services (PES) is piloted.</p> <p>Baseline value: tbd<br/>Target value: tbd</p> | <p><i>All information from regular project monitoring reports</i></p> | <p><i>Landowners, farmers and traditional institutions are willing to adopt SALT practices in bund cultivated and Jhum areas</i></p> <p><i>Shillong and Tura city authorities are willing to share the water charges with the community institutions (WMC) managing their project assets</i></p>   |

| Objectives  | Indicators  | Sources   | Assumptions |
|---|---|---|-------------|
|   | <p><b>Indicator 2.c:</b> Water harvesting, storage and improvement structures are developed for livelihood activities.</p> <p>Baseline value: tbd<br/>Target value: tbd</p> <p><b>Indicator 2.d:</b> O&amp;M system is established and operational</p> <p>Baseline value: tbd<br/>Target value: tbd</p> <p><b>Indicator 2.e:</b> Number of people with increased resilience towards water scarcity has increased.</p> <p>Baseline value: tbd<br/>Target value: tbd</p> <p><b>Indicator 2.f:</b> Return of investments of livelihood interventions meets the expectations</p> <p>Baseline value: tbd<br/>Target value: tbd</p> |   |             |
| <p><i>Output 3: Knowledge-based participatory planning and implementation and capacity building</i></p> | <p><b>Indicator 3.a:</b> Training Needs Assessment (TNA) has been undertaken and training programmes are conducted</p>  | <p><i>All information from regular project monitoring reports</i></p> |             |

| Objectives   | Indicators   | Sources   | Assumptions |
|--|--|---|-------------|
|  | <p>Baseline value: tbd<br/>Target value: tbd</p> <p><b>Indicator 3.b:</b> Knowledge management and communication strategy is developed and implemented</p> <p>Baseline value: tbd<br/>Target value: tbd</p> <p><b>Indicator 3.c:</b> Number of published papers in Indian or international reviewed journals as output of a 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 practises on water balances.</p> <p>Baseline value: tbd<br/>Target value: tbd</p> |   |             |
| <p><i>Output 4: Adoption of best-practice project management</i></p> | <p><b>Indicator 4.a:</b> SPMU, CMUs and WMUs are established and operational</p> <p><b>Indicator 4.b:</b> A comprehensive M&amp;E system including E&amp;S frameworks and plans is developed and operational</p> <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,</p>  | <p><i>All information from regular project monitoring reports</i></p> |             |

| Objectives   | Indicators  | Sources             | Assumptions  |
|--|---|---------------------|--|
|  | implementing agencies, local facilitators and communities |                     |  |
| <p><b>Activities within the project</b></p> <p><i>Activities under Output 1:</i></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 regeneration, afforestation and plantations based on forest protection agreements</li> <li>- Community nurseries are established</li> <li>- Soil and water conservation measures in open forest areas, grassland and culturable wastelands are performed</li> <li>- Multi-purpose plants are used for soil stabilisation</li> <li>- Drainage line treatment with civil structure and vegetative means is undertaken</li> <li>- Forest fires are controlled</li> <li>- Water, silt and weather monitoring stations are established</li> <li>- Spring sheds are developed.</li> </ul> <p><i>Activities under Output 2:</i></p> | <i>Do not fill!</i>                                       | <i>Do not fill!</i> | <p><i>Watershed Department has well established watershed planning framework</i></p> <p><i>MBDA has sufficient infrastructure to provide training to the stakeholders</i></p> <p><i>Communities are open to try agriculture practices other than bun cultivation and Jhumming.</i></p> <p><i>Sand and silt mining units along the Umiew river and its tributaries are willing to cooperate</i></p> <p><i>Technical support staff are available in Meghalaya and can be retained during the project period.</i></p> |



| Objectives  | Indicators | Sources | Assumptions |
|---|------------|---------|-------------|
| <ul style="list-style-type: none"> <li>- Community livelihood plans (forestry, horticulture, agriculture) are developed through consultation</li> <li>- Primary water harvesting structures are made under the project and water distribution system is developed by the GoM</li> <li>- Horticulture is promoted</li> <li>- SALT is promoted and training on SALT is conducted</li> <li>- Producing of seedlings</li> </ul> <p>Activities under Output 3:</p> <ul style="list-style-type: none"> <li>- Water Management Councils (WMC) 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</li> </ul> |            |         |             |

| Objectives   | Indicators | Sources | Assumptions |
|--|------------|---------|-------------|
| <p><i>use forms and land use practises on water balances.</i></p> <ul style="list-style-type: none"> <li>- <i>PMC services are established</i></li> </ul> <p><i>Activities under Output 4:</i></p> <ul style="list-style-type: none"> <li>- <i>Catchment management units (CMU), watershed management units (WMU) 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> |            |         |             |