INDIA Integrated Coastal Zone Management Project
(ICZM Project)
Component Four – Piloting ICZM Approaches in West Bengal

Memorandum of Understanding

For

Pilot Investment in

Afforestation Programme towards Coastal Protection
Around Digha Junput area, District Purba Medinipur, West Bengal

Between

The West Bengal State Project Management Unit
Institute of Environmental Studies & Wetland Management

And

Directorate of Forests
Government of West Bengal

April 12, 2011
MEMORANDUM OF UNDERSTANDING (MOU)

This Memorandum of Understanding is made between

The State Project Management Unit, Institute of Environmental Studies & Wetland Management, DD - 24, Sector – I, Salt Lake City, Kolkata 700 064, West Bengal, (hereinafter referred to as the “SPMU” which term shall mean and include its successors, administrative executors, and assigns of the FIRST PART)

AND

The Directorate of Forests, Government of West Bengal, Aranya Bhawan, 10A, LA Block, Sector-III, Salt Lake, Kolkata 700 098, West Bengal (hereinafter referred to as the “Pilot Executing Agency” or “PEA” which term shall mean and include its successors, administrative executors, and assigns of the OTHER PART).

Whereas,

(A) The Ministry of Environment and Forests, Government of India (MoEF) has requested the assistance of the World Bank for financing an investment project referred to as “India: Integrated Coastal Zone Management Project” (hereinafter referred to as “ICZM Project” or the “Project”), with an overall objective of assisting the Government of India in building national capacity for implementation of the new integrated management approach for India’s coastal zones, and piloting the integrated coastal zone management approach in the three states of Gujarat, Orissa and West Bengal;

(B) The Project includes four components (Component One: the National Component has the specific objectives to establish and support an appropriate national institutional structure for guiding and coordinating coastal zone management, including, as sub-components: (a) hazard line and coastal sediment cell mapping; (b) mapping of ecologically sensitive areas; (c) establishing a new national institute for sustainable coastal zone management; and (d) national level capacity building; and Components Two, Three and Four aimed at piloting the integrated coastal zone management approach in Gujarat, Orissa and West Bengal, respectively);

(C) To exclusively lead implementation of the Project, and to achieve the Project Development objectives for the West Bengal Component of the Project, the Government of West Bengal has created a special purpose vehicle, called the West Bengal State Project Management Unit (SPMU), and has appointed the Institute of Environmental Studies & Wetland Management, Kolkata to be the SPMU;

(D) Component Four for West Bengal, aimed at developing and empowering state level authorities to adopt appropriate ICZM approaches consistent with national strategies, includes sub-components: (a) preparation and adoption of an ICZM plan for the coastal stretches of West Bengal; (b) institutional strengthening and capacity building at the State level; and, (c) pilot investments consistent with local ICZM priorities around three themes of (c-i) Conservation and protection of coastal resources; (c-ii) Environment and pollution management; and (c-iii) Livelihood security of coastal communities.

(E) The activity (a) above will be implemented by SPMU, and activities under (b) and (c) above in West Bengal will be implemented in partnership with the following Pilot Execution Agencies – Calcutta University (CU), Institute of Environmental Studies and Wetland Management (IESWM), Directorate of Forest, Government of West Bengal, Zoological Survey of India (ZSI); Public Health Engineering Directorate (PHED), Government of West Bengal, and Digha-Shankarpur Development Authority (DSDA). West Bengal Fisheries Corporation Limited (WBFLC), West Bengal State Electricity Distribution Company Limited (WBSEDCL), Sundarban Infrastructure Development Corporation Limited (SIDCL), Department of Disaster Management, Government of West Bengal

And whereas,

(F) The Directorate of Forests, Aranya Bhawan, 10A, LA Block, Sector-III, Salt Lake, Kolkata 700098, West Bengal (the “PEA”) has expressed its desire, willingness and ability to undertake the responsibilities for planning, designing and executing the activities related to the Pilot Investment in the Project for Afforestation Programme towards Coastal Protection around Digha – Junput area in Purba-Medinipur District, West Bengal in the Detailed Project Report for the Activity, and included in (i) the State Project Report and the National Project Report, and the Detailed Cost Estimate for the Activity, and (ii) the State Project Report and the National Project Report, both attached to this MoU and deemed to form an integral part of this MoU (hereinafter called the “Activity”), and as such this is agreeable to the SPMU.

Keshan
12/04/2011.
Now, therefore, the parties hereto agree as follows:

1. **Duration of the Activity**: The execution of the Activity will be carried out between the 1st April, 2010 to 31st March 2015 or such other time period as agreed with the consent of both parties and considered consents of the MoEF and the World Bank.

2. **Scope of work for the Activity**: The scope of work and the deliverables will be as per the Detailed Project Report for the Activity technically sanctioned by the appropriate authority of the PEA, and as administratively approved by the SPMU. Any variation in the scope of work will be subject to concurrence of the SPMU, National Project Management Unit (NPMU) and the World Bank.

3. **However, Annual Plan** of action prepared by this Project Executing Agency (PEA) will be routed through the PCCF (H. o. F. F.), West Bengal and only after receipt of his approval, necessary fund will be released.

4. **Location details of the proposed plantation** and allied activities should be finalized in advance and shown on a map using GPS reading to avoid overlap with other projects.

5. **Cost of the Activity**: The total cost of the Activity will not exceed Rupees 539 lakhs (Rupees five crores thirty nine lakhs). SPMU will be responsible to provide this fund. Any variation in the estimate of cost will be subject to prior concurrence of the SPMU; and any variation of more than 5 (five) percent will require additional concurrence of the National Project Management Unit and/or the World Bank.

6. **Fund flow**: SPMU will maintain a bank account for receiving and accounting the entire amount for the state portion of the Project. SPMU will open link bank account in the same bank for the PEA. The link bank account will be operated by the Nodal Officer of the PEA. SPMU will either provide a line of credit or transfer cash to the link bank account. The SPMU on a quarterly basis would set the maximum limit of amount which can be used by the PEA from this bank account. The limit would be set based on the actual work in progress and the agreed Annual Action Plan. The PEA would use the link bank account cheques and would make payments. The PEA will provide all assistance to SPMU in preparing interim unaudited financial reports.

7. **Accounting and auditing**: All payment, expenditure, accounting and auditing will be as per the Financial Management Manual prepared by MOEF for the Project. The PEA will maintain the cash book, the general ledger and the cheque issue registers, under double-entry procedure as relevant, in a manner prescribed by a charter of accounts by the SPMU so that the PEA accounting is in conformity with the computerized accounting system adopted by SPMU. PEA would compile a monthly statement of expenditure made and cheques issued and send it along with cheque issue statement and/or copies of cash book to the SPMU for accounting within 10th of next month. SPMU would finalize the accounts within 30th of that month. The original documents would be retained and filed separately in the PEA which would be regularly audited by the internal auditors appointed by SPMU, and the independent (statutory) auditors appointed by the NPMU in a timely manner as specified in the Financial Management Manual for the Project.

8. **A copy of the Statement of Accounts** should be sent to PCCF (H. o. F. F.), West Bengal and the Conservator of Forests, Western Circle every month.

9. **Procurement for the Activity**: Procurement of all works, goods and consultancy services under the Activity will be carried out in accordance with the Procurement Manual prepared by MOEF for the Project. The PEA will be fully responsible for the entire procurement cycle from bid document preparation and invitation to contract signing and contract management for (i) small value procurement of furniture and office equipment using shopping procedures, (ii) procurement of other incremental operating resources, such as contract staff and vehicle rentals, (iii) works to be carried out through force account, if any, and (iv) all works to be procured through community participation, through community-based organizations and self-help groups. For all other procurement for works, goods, equipment, and consulting services, procurement up to award will be done by SPMU, whereas the contract signing and the contract management, including payments and contract completion modalities will be done by PEA. In addition, the following will be complied with:
   
   a. The SPMU shall submit the Procurement Plan [PP] prepared by the PEA to the NPMU and the World Bank for review and clearance. All procurement shall be limited to the PP and the PEA or the SPMU shall procure items as per the PP.
   
   b. For all procurement to be undertaken by SPMU, PEA will ensure that the technical specifications and the bill of quantities, with due technical sanction, are sent to the SPMU in a timely manner, as per the Procurement Plan for the Project. PEA will
10. Duties of the PEA: The PEA will be responsible for the following:

a. **Preparing the detailed project report including determination of the scope of work in agreement with SPMU;**

b. Preparing and finalizing the Annual Action Plans for the PEA to complete execution of the Activity and forwarding the Annual Action Plan to be SPMU at least three months before the start of the next financial year. Participating in any review of the Annual Action Plan organized by SPMU, and proposing or agreeing on modifications to ensure completion of execution of the Activity in a timely manner (with as little deviation as possible from the completion schedule agreed at the start of the Project) so that the overall objective of the State Component of the Project is met in a timely manner.

c. Providing all necessary funds, facilities, resources and staff necessary to complete execution of the Activity, over and above the funds, resources and staff agreed to be financed by the Project.

d. Preparing operation and maintenance management plan for the assets created under the Project, and ensuring that the funding and other resources required for proper and adequate operation and maintenance of these assets remain sustainable on completion of the Activity.

e. Nominating a Nodal Officer of the PEA for executing the Activity. The Nodal Officer shall work full-time for the Activity until its completion. The Nodal Officer shall be fully empowered to make all decisions required to execute the Activity, including (i) submitting the bill of quantities, technical specifications and drawings for the works contracts; technical specifications for the goods contracts; and terms of reference for the consultancy contracts, (ii) participating in the procurement committee that will approve the bid documents, shortlist and request for proposals for consultancy services, participating in the bid or technical proposal evaluation committee meetings, and contract negotiation meetings, as relevant, (iii) signing the contract, (iv) certifying work, approving and releasing payments, contract management, and performance evaluation of contractors and contractual staff employed for the Activity, (v) all procurement decisions including award for any contract where PEA is responsible for the entire procurement process; (vi) approving travel requisitions and all such necessary requisitions to complete execution of the Activity in the best professional standard and as per the performance standard for the Activity agreed with the SPMU as per the Detailed Project Report.

f. In addition to the Nodal Officer, nominating all required staff for satisfactory completion of the Activity including staff required for contract management and to ensure high quality execution. PEA will procure, in a timely manner, the necessary contract staff needed for financial management or accounting, contract supervision.

g. Preparing and finalizing the technical specifications and bills of quantities for goods, equipment and works involved in the Activity as per the scope of work agreed; preparing and finalizing the terms of reference for procurement of any consultancy services or any contractual staff to be recruited; obtaining necessary approvals, as per the Government rules and procedures applicable to the PEA on each of the items listed above; and forwarding in a timely manner the items to the SPMU for initiating and completing the procurement processes.

h. Assisting the SPMU for all procurement (up to award) that will be undertaken by the SPMU for the Activity in a timely manner, including support in finalization of the bid documents and requests for proposals. PEA will nominate up to 3 (three) representatives of the PEA to be included in the Procurement Award Committee.
organized by SPMU for the Activity. For all procurement (up to award) that will be undertaken by SPMU, all internal clearances applicable to PEA shall be obtained by PEA before forwarding the required documents to SPMU. Once SPMU award is made, the Nodal Officer of the PEA will sign the contract with contractors or suppliers without changing any part of the award and without any delay.

i. Undertaking contract management and day to day supervision in such ways that the Activity is executed without any time overrun. Any change in cost estimate, budget and schedule of execution will be subject to prior concurrence by SPMU.

j. Maintaining the chequebooks, accounts, bills and vouchers in such manner that submission of accounts and reimbursement claims by SPMU to NPMU is timely. Further, assisting SPMU in conducting the internal audit and external audit functions in a timely manner. PEA will assist the SPMU in the SPMU’s regular Audit Committee meetings, by participating and by submitting the required action taken report, if applicable and/or relevant, on the findings of internal audit consultants appointed by SPMU. PEA will also prepare quarterly progress reports on financial and physical progress in a format supplied by SPMU, and submit the progress report to SPMU within 10 days of completion of every calendar month and every quarter.

k. Implementing all actions and taking all measures to comply with the Environmental and Social Management Plan and the first tier of the Grievance Redress procedure of the Project. These actions will be reported in each quarterly progress report. In addition, each quarterly progress report will certify that the issues defined to be avoided in the Environmental and Social Management Plan, as applicable for the Activity has not occurred or surfaced during execution of the Activity.

l. Implementing the Communication Plan of the Project, as applicable for the Activity. In addition, assist SPMU to implement any related or associated public communication and corrective actions.

m. Bringing to the notice of SPMU any grievance of any individual, community or stakeholders with respect to the plan, design or execution of the Activity within 15 days of noticing or recognizing any such grievance, including the description of actions already taken or proposed to be taken to address such grievance.

n. Providing full cooperation to the representatives of SPMU, whenever they may wish to visit the Activity area, and provide them all details of the Activities and all the records and data generated during the execution of the Activity.

o. Assisting the consultants appointed by SPMU for (i) monitoring, evaluation, quality assurance, and social audits (ii) environmental audits, (iii) internal and statutory audits, and (iv) any other evaluation by SPMU or NPMU.

p. Participating in the process of preparation of the Integrated Coastal Zone Management Plan for the State of West Bengal through Afforestation programmes in Purba Medinipur District, West Bengal, and provide the necessary support including sharing secondary data and reports available with PEA, facilitating contacts with stakeholders, provide comments of each stage of such Plan preparation to the SPMU or consultants appointed by SPMU.

q. On completion of the Activity, preparing a final Activity Completion Report and submitting it to SPMU.

11. Duties of the SPMU: The SPMU shall be responsible for the following:

a. Providing guidance, support and approvals as needed to the PEA in implementing the Activity. SPMU will also ensure coordination and cooperation amongst the relevant PEA and the other departments, agencies to ensure integrated approach to coastal management and monitoring of outcomes.

b. Supporting PEA in conducting communication and capacity building programs for the PEA and the relevant stakeholders to ensure proper implementation of the Activity and subsequent O&M of the assets created under the Activity.

c. Regularly conducting independent and concurrent monitoring of the adequacy of PEA’s implementation arrangements and assess implementation performance of the Activity.

d. Maintaining the main bank account for the Project, and creating link bank accounts for the Activity, and providing cheque books to the PEA for payments under the Activity.

e. Ensuring sufficient fund availability in the link bank account, every quarter of the calendar year, based on the expenditure incurred by the PEA from the link bank account and on the Annual Action Plan.

12. Intellectual Property Rights: All knowledge and information, including intellectual property rights, acquired from the implementation of the Activity, shall be jointly shared by both parties, and the SPMU or the PEA shall have the right to publish or disseminate reports and results deriving from the execution of the Activity with due acknowledgement to the PEA. This provision shall continue to be effective, notwithstanding the termination of this MoU.

13. Termination: This MoU shall terminate on the completion of the Activity. Either Party shall, however, have the right to terminate this MoU on 90 (ninety) days notice. Further, SPMU shall stop further funding at any stage if (i) the progress of execution of the Activity is found to be unsatisfactory, (ii) financial irregularities in the execution of the Activity have occurred, or (iii) a problem with the technical or social feasibility of the chosen sites has arisen, at any stage.

14. Amendments: The SPMU and the PEA will amend this MoU, only on concurrence of the NPMU and the World Bank.

15. Dispute Settlement: Both parties will make best efforts to settle any disputes that may arise out of or in connection with any aspect of this MoU, through mutual and amicable consultation. However, if there is need to terminate this agreement or, if the dispute is not settled through such consultation, the decision of the Principal Secretary, Department of Environment, Government of West Bengal will be agreeable to both parties. The decision of the Principal Secretary, Department of Environment, Government of West Bengal will be final in all settlements of disputes.

16. This Agreement, its meaning and interpretation and the relations between the parties shall be governed by the laws of the Union of India.

In witness whereof, the parties hereto have caused this MoU to be signed in their respective names on the day and year first above written.

Signed and delivered
FOR and on behalf of

West Bengal State Project Management Unit, Institute of Environmental Studies & Wetland Management, DD-24, Sector-I, Salt Lake, Kolkata 700 064

By

(Dehal Ray)
Project Director

Project Director,
ICZM Project
West Bengal

Signed and delivered
FOR and on behalf of
The Directorate of Forests, Aranya Bhawan, 10A, LA Block, Sector-III, Salt Lake, Kolkata 700098, West Bengal

By

(Dr. Kanailal Ghosh)
Conservator of Forests
Western Circle

Conservator of Forests,
Western Circle, West Bengal.