

Checklist for Compliance with Major Undertaking and Loan Covenants

Date: _____

Executing Agency: _____

| | FFA | LA | Covenant Items | Agency | Compliance Status |
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| Others | | | | | |
| National Steering Committee | | | | | |
| 1 | iii | 2 | MOUD shall be the national-level Project Executing Agency. Within three (3) months of the Effective Date, MOUD shall establish a NSC to monitor the use of funds under the Project as well as overall Project performance. The NSC shall be chaired by the Secretary MOUD and comprise representatives of DEA, the Ministry for Development of the North Eastern Region, the Planning Commission, and representatives of each State. The NSC shall meet whenever necessary, but not less than once every quarter. (paras. 1 & 2) | MOUD | |
| IPCC | | | | | |
| 2 | | 3 | The IPCC established within MOUD shall at all times during Project implementation be headed by an Investment Program Manager who shall be supported by at least one administrative and financial official, one technical official, and one official responsible for environmental and social issues. The IPCC shall be supported by a team of program management and monitoring consultants, to be headed by an experienced urban development or municipal engineering expert, and including an urban management and finance specialist as well as a management information systems specialist. (para. 3) | MOUD | |
| 3 | | 4 | The IPCC shall be responsible for (i) reporting to ADB on Investment Program and Project implementation progress; (ii) the preparing and submitting to ADB of consolidated quarterly reports; (iii) consolidating payment and reimbursement requests; (iv) coordinating policy-related activities and ensuring that actions highlighted during NSC meetings are acted upon; (v) preparing the overall Investment Program implementation plan and consolidated annual work plans; (vi) coordinating training programs and allocations for each of the States; (vii) conducting monitoring and evaluation activities to ensure compliance with Loan covenants and agreed targets; and (viii) designing and implementing Investment Program performance management system surveys. (para. 4) | MOUD | |
| State executing agencies | | | | | |
| 4 | | 5 | Each State shall have a SEA as follows: (i) for Meghalaya: its Urban Affairs Department; (ii) for Mizoram: its Urban Development and Poverty Alleviation Department; (iii) for Nagaland: its Urban Development Department; (iv) for Sikkim: its Urban Development and Housing Department; and (v) for Tripura: its Urban Development Department. (para. 5) | GoMe, GoMi, GoNa, GoSi & GoTr | |
| 5 | | 8 | The SIPMIU established in each State shall at all times during Project implementation be headed by a full-time Project Director who shall be a senior civil servant authorized to make any decision affecting the Project at State level. S/he shall be assisted by a full-time Deputy Project Director, a senior administration officer, a senior accounts officer, technical and engineering staff, a public relations officer, and a management information systems specialist. Each of the senior staff shall be supported by sufficient qualified junior staff. Each SIPMIU shall establish small engineering cells, as needed, with staff deputed from relevant departments and ULBs. Each engineering cell, headed by a superintending or executive engineer, shall be responsible for designing, contracting, supervising, and administering the work of that cell. (para. 8) | GoMe, GoMi, GoNa, GoSi & GoTr | |
| State steering committee | | | | | |
| 6 | | 6 | Within three (3) months of the Effective Date, each State shall have established a SSC and an IPEC. Each SSC shall be chaired by the Chief | GoMe, GoMi, | |

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| | | | Secretary of the concerned State, and comprise relevant Secretaries and Heads of Department of such State. The SSC shall meet quarterly to (i) review progress on Project implementation; (ii) provide policy guidance; (iii) advise on matters that affect the scope or cost of the Project, as well as on matters related to the Urban Reform Program; and (iv) facilitate inter-agency coordination. (para. 6) | GoNa, GoSi & GoTr | |
| IPEC | | | | | |
| 7 | | 7 | Each IPEC shall be chaired by the Secretary of the concerned SEA and comprise representatives from ULBs and relevant departments of the concerned State. Each IPEC shall decide on matters related to the implementation of the Project that do not affect its scope or cost. The IPEC shall meet whenever needed, at the request of any IPEC member. The Program Director shall be the IPEC's member-secretary. (para. 7) | GoMe, GoMi, GoNa, GoSi & GoTr | |
| SIPMIU | | | | | |
| 8 | | 9 | Each SIPMIU shall be responsible for overall management and implementation of the Project in its respective State, including (i) recruiting consultants and NGOs; (ii) carrying out detailed surveys, investigations, and engineering designs of investment activities prior to starting any tendering process; (iii) coordinating with agencies and obtaining all required statutory clearances; (iv) conducting all aspects of the procurement process in compliance with ADB's Procurement Guidelines; (v) ensuring compliance with Loan covenants; (vi) administering the contracts of consultants and contractors, certifying payments and preparing change orders; (vii) submitting disbursement requests to MOUD for forwarding to DEA for onward transmission to ADB; (viii) timely submitting reports, including audit reports, to the IPCC and ADB; (ix) supervising the implementation of the gender action plan for the Project as well as other social activities; (x) guiding awareness campaigns and participation programs; (xi) organizing and operating state-level Project performance monitoring systems, including collecting data for key indicators and conducting baseline and completion surveys; (xii) reviewing and facilitating the progress of the Urban Reform Program; and (xiii) designing and organizing capacity building programs. (para 9) | GoMe, GoMi, GoNa, GoSi & GoTr | |
| PPMS | | | | | |
| 9 | | 27 | Within three (3) months of the Effective Date, IPCC shall have established an Investment Program performance monitoring system (IPPMS) that shall be used to monitor and evaluate each project under the Facility, including the current Project. The IPPMS shall include: (i) procedures and data collection and reporting; (ii) performance indicators for physical infrastructure, capacity development, and program management support; and (iii) target dates for reaching the performance indicators. Within six (6) months of the Effective Date each State, through its SIPMIU, shall have established baseline indicators for each target. (para. 27) | MOUD, GoMe, GoMi, GoNa, GoSi & GoTr | |
| Project Review | | | | | |
| 10 | | 28 | The Borrower and the States, and ADB shall jointly review the Project on a semi-annual basis as well as conduct a detailed mid-term review towards the end of the third year of Project implementation. (para. 28) | GOI, GoMe, GoMi, GoNa, GoSi & GoTr | |
| Approved plan for investment | | | | | |
| 11 | v | | Prior to any investment in augmentation of water supply in any of the capital cities, the city concerned will have approved a plan for increased investments in sewerage and sanitation. | | |
| Public information for water supply and sanitation | | | | | |
| 12 | xi | <u>15</u> <u>19</u> | Within nine (9) months of the Effective Date, each State SIPMIU publicize and make available information on water and effluent discharge testing. This shall include posting of testing results in municipality offices in a place visible to all visitors. (para. <u>15</u> <u>19</u>) | GoMe, GoMi, GoNa, GoSi & GoTr | |
| Project website | | | | | |
| 13 | | <u>22</u> | Within three (3) months of the Effective Date, MOUD and the States shall | MOUD, | |

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| | | 12 | have established a Project website, including for procurement issues. The website shall include at a minimum the following information: (i) bidding procedures, bidders, and contract awards for the Project; (ii) use of the funds disbursed under the Project; and (iii) decisions of the SSC. (para. 2212) | GoMe, GoMi, GoNa, GoSi & GoTr | |
| | | | Project scope change | | |
| 14 | | 12 16 | The Borrower and the States shall ensure that in the event there are any changes to the Project scope as described in Schedule 1 to this Loan Agreement, those changes shall be made in conformity with the selection criteria as set out in schedule 4 to the FFA. (para. 1216) | GOI, GoMe, GoMi, GoNa, GoSi & GoTr | |
| | | | Quality control | | |
| 15 | | 26 | Within three (3) months of the Effective Date, each SEA shall have approved a timebound plan, with budget allocation, to strengthen construction supervision, recording, and reporting systems through the use of modern technology. Each SEA shall establish a quality control cell and operationalize an internal third party technical audit mechanism. All Works contracts shall include provisions for third party inspection for quality control. (para. 26) | GoMe, GoMi, GoNa, GoSi & GoTr | |
| Sector | | | | | |
| Urban reform program | | | | | |
| 16 | ii | 11 15 | Each SEA shall fully and timely implement all actions specified in the Urban Institutional, Financial, Regulatory, and Operational Reform Program agreed between the Borrower, the States, and ADB and which is included in Annex 1 of the FFA, in as far as it is applicable to this first Project under the Facility. (para. 1415) | GoMe, GoMi, GoNa, GoSi & GoTr | <i>See Appendix 20B for details</i> |
| Financing O&M | | | | | |
| 17 | iv | 10 | The Borrower and the States shall ensure sufficient funds shall be allocated to meet all operation and maintenance costs for all assets created under the Investment Program. (para. 10) | GOI, GoMe, GoMi, GoNa, GoSi & GoTr | |
| Social | | | | | |
| 18 | vi | 16 20 | GOI-India and the States will ensure that all land and right-of-way required for the Investment Program are made available in a timely manner, adequate compensations are provided prior to the signing of relevant civil works contracts, and involuntary resettlement is carried out in accordance with the Resettlement Framework (RF) and Resettlement Plans (RPs) agreed upon between the Government and ADB, the Government's National Policy on Resettlement and Rehabilitation, and ADB's Policy on Involuntary Resettlement (1995). An RP will be prepared for each sub-project involving land acquisition or resettlement and shall be submitted to ADB for review and approval prior to award of any related civil works contracts. For sample sub-projects, updated RPs will be provided to ADB for review and approval following detailed design and prior to award of civil contracts. (FFA) | | |
| 19 | viii | | GoI-India and the States will ensure that sub-projects will not negatively impact vulnerable groups, such as indigenous peoples. In the event of their involvement in any of the sub-projects, the GoI and the States will ensure that the sub-projects are carried out in accordance with the Indigenous Peoples Development Framework (IPDF) agreed upon between GoI and the States and ADB and comply with ADB's Policy on Indigenous Peoples (1998) and India's and the States' laws and regulations. (FFA) | | |
| 20 | | 17 21 | In the event any issues related to indigenous people arise in the course of Project implementation, the Borrower and the States shall ensure to address those issues in accordance with the applicable laws and policies of the Borrower, ADB's Policy on Indigenous Peoples (1998) and the Indigenous Peoples Development Framework for the Facility as agreed between the Borrower, the States and ADB and incorporated by | GOI, GoMe, GoMi, GoNa, GoSi & GoTr | |

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| | | | reference into Schedule 5 to the FFA. In the case of any discrepancy between the Borrower's legislation and ADB's policy, ADB's policy shall prevail. (para. <u>1721</u>) | | |
| 21 | ix | <u>20</u> <u>21</u> <u>24</u> | GOI and the States will ensure that all civil works contractors comply with all applicable labor laws, including those on occupational health and safety, <u>equal pay for work of equal value between men and women</u> , and do not employ child labor as defined in national legislation for construction and maintenance activities. <u>Priority for work will be given to people from the area where the works are implemented and men and women will receive equal pay for work of equal value.</u> (para. 24) | | |
| 22 | x | <u>19</u> <u>23</u> | The Borrower and the States shall ensure to take all appropriate and necessary measures to <u>ensure that the constitutional provisions related to female councilors shall be respected</u> encourage adequate representation of all sections of society in ULBs. (para. <u>1923</u>) | GOI, GoMe, GoMi, GoNa, GoSi & GoTr | |
| 23 | xii | <u>18</u> <u>22</u> | The Borrower and each State shall ensure to fully implement the gender action plan for the Investment Program as it applies to the Project. (para. <u>1822</u>) | GOI, GoMe, GoMi, GoNa, GoSi & GoTr | |
| | | <u>23</u> <u>25</u> | Within six (6) months of the Effective Date, each State shall have established a grievance reporting and redressal mechanism. (para. <u>2325</u>) | GoMe, GoMi, GoNa, GoSi & GoTr | |
| Environmental | | | | | |
| 24 | vii | <u>13</u> <u>17</u> <u>14</u> <u>18</u> | <u>GoI India</u> and the States will ensure that the design, construction, operation and implementation of all sub-project facilities is carried out in accordance with the environmental assessment and review procedures and Initial Environmental Examinations (IEEs) for core sub-components agreed upon between the Government and ADB, and complies with the Government's environmental laws and regulations and ADB's Environment Policy (2002). Any adverse environmental impacts arising from the construction, operation and implementation of sub-component facilities will be minimized by implementing the environmental mitigation and management measures, and other recommendations specified in environmental assessment reports (e.g., IEEs). The Government will ensure environmental requirements will be incorporated in bidding documents and civil works contracts. . Issuance of bid documents will be made after review and clearance of IEE/EIA by ADB and SEIAA or MOEF. GoI will prepare and submit annually to ADB an environmental monitoring report that describes progress in implementation of the EMP and EARP and issues encountered and measures adopted; and compliance with the relevant assurances and loan covenants. (FFA) | | |
| Financial | | | | | |
| 25 | | <u>24</u> <u>13</u> | The Borrower and the States shall undertake, through their internal audit wing, annual financial audits, including the investigation of all financial records and transactions. (para. <u>2413</u>) | GOI, GoMe, GoMi, GoNa, GoSi & GoTr | |

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