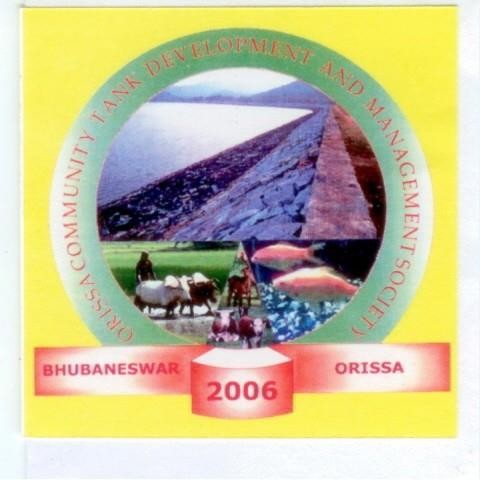


**FINANCIAL MANAGEMENT MANUAL**

**Green Climate Fund (GCF)**



**ODISHA COMMUNITY TANK DEVELOPMENT AND MANAGEMENT SOCIETY**

**(OCTDMS)**

**Department of Water Resources**

**Government of Odisha**

Table of Contents

[1. ABOUT THE PROJECT 6](#_Toc50921538)

[1.1 Title 6](#_Toc50921539)

[1.2 Purpose of the Manual 6](#_Toc50921540)

[1.3 Applicability of the manual 6](#_Toc50921541)

[1.4 Amendment in the manual 6](#_Toc50921542)

[1.5 Concept of the Project 6](#_Toc50921543)

[1.6 Components of the project 6](#_Toc50921544)

[1.7 Project Implementation Unit 7](#_Toc50921545)

[1.8 Institutional Arrangement, State Level 8](#_Toc50921546)

[1.9 State Level Institutional Arrangement for Project Implementation 9](#_Toc50921547)

[1.10 District Level Institutional Arrangement for Project Implementation 10](#_Toc50921548)

[2. THE FINANCIAL MANAGEMENT SYSTEM 11](#_Toc50921549)

[2.1 Purpose 11](#_Toc50921550)

[2.2 Aim 11](#_Toc50921551)

[2.3 Objectives 11](#_Toc50921552)

[2.4 Salient Features of Financial Management System of OIIPCRA: 11](#_Toc50921553)

[2.5 Organizational Structure of Financial Management 12](#_Toc50921554)

[2.6 Role of Finance and Accounts team 13](#_Toc50921555)

[2.7 Training of Account Staffs: 13](#_Toc50921556)

[2.8 Job Descriptions 13](#_Toc50921557)

[3. PLANNING AND BUDGETING 16](#_Toc50921558)

[3.1 Features to be considered while Preparing the Budget 16](#_Toc50921559)

[3.2 Approach and Process of Preparation of Budget 17](#_Toc50921560)

[3.3 Types of Budget 17](#_Toc50921561)

[3.4 Time Frame for Preparation of Budget Estimate# 17](#_Toc50921562)

[3.5 Revision of Budget 18](#_Toc50921563)

[3.6 Appropriation of Budget 18](#_Toc50921564)

[4. FUND FLOW 19](#_Toc50921565)

[4.1 Sources of Fund 19](#_Toc50921566)

[4.2 Project Implementing Agencies 19](#_Toc50921567)

[4.3 Financial Flow 19](#_Toc50921568)

[4.4 Flow of Funds 20](#_Toc50921569)

[4.5 Fund Flow for Capital Work Related Expenditure 20](#_Toc50921570)

[4.6 Fund Flow for Scheme Related Expenditure 20](#_Toc50921571)

[5. PAYMENT MECHANISM 21](#_Toc50921572)

[5.1 Payment from SPMU 21](#_Toc50921574)

[5.2 Payment for Works 21](#_Toc50921575)

[5.3 Procurement Committee: 21](#_Toc50921576)

[5.4 Payment of Salaries 22](#_Toc50921577)

[5.5 Payments for Training/Workshop/Meeting 22](#_Toc50921578)

[5.6 Checklist for passing of bills voucher before submission to Finance unit for payment 22](#_Toc50921579)

[5.7 Payment for Vehicle Usage 24](#_Toc50921580)

[5.8 Time limits for payments from SPMU 24](#_Toc50921581)

[5.9 Payment for purchase of goods without quotation 24](#_Toc50921582)

[6 ACCOUNTING POLICY 25](#_Toc50921583)

[6.1 Accounting and Maintenance of Accounting Records 25](#_Toc50921584)

[6.2 Provision for day to day small expenses at SPMU level 25](#_Toc50921585)

[6.3 Computerization of account 25](#_Toc50921586)

[6.4 Books of Account 25](#_Toc50921587)

[7 DELEGATION OF POWER 26](#_Toc50921588)

[7.1 For Works 26](#_Toc50921589)

[7.2 For other items 26](#_Toc50921590)

[7.3 Power to enter into contract 27](#_Toc50921591)

[8 INTERNAL CONTROL 28](#_Toc50921592)

[9 FINANCIAL REPORTING 29](#_Toc50921593)

[9.1 Financial reporting 29](#_Toc50921594)

[9.2 Period of reporting 29](#_Toc50921595)

[9.3 Types of financial reports 29](#_Toc50921596)

[9.4 Financial Reporting and Interim Unaudited Financial Reports from implementing agencies to SPMU 29](#_Toc50921597)

[9.5 Interim Unaudited Financial Reports from SPMU to WB 29](#_Toc50921598)

[9.6 Annual Financial Statements 29](#_Toc50921599)

[10 AUDIT 31](#_Toc50921600)

[10.1 AG Audit 31](#_Toc50921604)

[10.2 Internal Audit 31](#_Toc50921605)

[10.3 External Audit 31](#_Toc50921606)

[10.4 Settlement of audit objections 31](#_Toc50921607)

[11 DISBURSEMENT PROCEDURES FROM WORLD BANK 32](#_Toc50921608)

[11.1 Fund Flow under “Reimbursement Method” for OIIPCRA 32](#_Toc50921610)

[11.2 Claim Submission 32](#_Toc50921611)

[11.3 Disbursement Arrangement 33](#_Toc50921612)

[Annexure 1 35](#_Toc50921613)

[Employee Leave Statement 35](#_Toc50921614)

[Annexure 2 36](#_Toc50921615)

[TDS/TDS-GST Report Format 36](#_Toc50921616)

[Annexure 3 37](#_Toc50921617)

[Chart to account – Accounting Heads 37](#_Toc50921618)

[Annexure 4 41](#_Toc50921619)

[Settlement of TA Advance 41](#_Toc50921620)

[Annexure 5 42](#_Toc50921621)

[Vehicle Requisition Form 42](#_Toc50921622)

[Annexure 6 43](#_Toc50921623)

[Schedule of Fixed Assets 43](#_Toc50921624)

[Annexure 7 44](#_Toc50921625)

[Financial reports to be submitted by ATMA to SPMU (Monthly/Quarterly) 44](#_Toc50921626)

[Annexure 8 46](#_Toc50921627)

[Summary Sheet 46](#_Toc50921628)

[Annexure 9 47](#_Toc50921629)

[Expenditure All 47](#_Toc50921630)

[Annexure 10 48](#_Toc50921631)

[OCTDMS 48](#_Toc50921632)

[Annexure 11 49](#_Toc50921633)

[i-OTMS Financial Reports 49](#_Toc50921634)

[Annexure 12 50](#_Toc50921635)

[Prior Review 50](#_Toc50921636)

[Annexure 13 51](#_Toc50921637)

[Statement of Expenditure (SoE) 51](#_Toc50921638)

**ABBREVIATIONS AND ACRONYMS**

|  |  |
| --- | --- |
|  |  |
| AA | Agricultural Assistant |
| APC | Agriculture Production Commissioner |
| ARD | Animal resources Department |
| BRS | Bank Reconciliation Statement |
| CAAA | Controller of Aid Accounts and Audit |
| CAG | Comptroller and Auditor General of India |
| CE, MI | Chief Engineer Minor Irrigation |
| CIFA | Central Institute of Freshwater Aquaculture |
| CIFRI | Central Inland Fisheries Research Institute |
| CIFT | Central Institute of Fisheries Technology |
| CIWA | Central institute for women in agriculture |
| CoF | College of Fisheries |
| CS | Chief Secretary |
| DC | District Collector |
| DDA | Deputy Director Agriculture |
| DDH | Deputy Director Horticulture |
| DDO | Drawing and Disbursement Officer |
| DLPMT | District Level Project Management Team |
| DoAFE | Department of Agriculture and Farmers Empowerment |
| DoF | Directorate of Fisheries |
| DoH | Directorate of Horticulture |
| DoWR | Department of Water Resources |
| FIAC | Farmer Information and Advisory Centre |
| GCF | Green Climate Fund |
| IUFR | Interim Unaudited Financial Report |
|  |  |
|  |  |
| KVK | Krishi Vigyan Kendra |
| OCTDMS | Odisha Community Tank Development & Management Society |
| OIIPCRA | Odisha Integrated Irrigation Project for Climate Resilient Agriculture |
| OPDC | Orissa Pisciculture Development Corporation |
| PD | Project Director |
| PR | Panchayati Raj |
| SPMU | State Project Management Unit |
| STD | Special Term Deposit |
| UC | Utilization Certificate |
| WB | World Bank |
|  |  |
|  |  |

## ABOUT THE PROJECT

### 1.1 Title

This document is the “Financial Management Manual” for the Green Climate Fund (GCF). This manual shall come into effect from the date of its approval by the Government. Any provision not covered under this manual shall be followed as per circular/ guidelines/ Letters/ Rules issued by Finance Department, GoO from time to time.

### 1.2 Purpose of the Manual

The main purpose of the manual is to ensure a sound Financial Management Practice by providing a guideline for integrating planning, budgeting, accounting, financial reporting, internal control, auditing, procurement, disbursement and the physical performance of the project for managing project resources efficiently and effectively to achieve the objectives of the project. This manual will establish the consistent and effective policies and procedures in order to ensure uniform practices throughout all districts covered under the project. The system will provide uniformity among different districts, facilitate exercise of adequate and appropriate control over all the expenditures and assets acquired, as well as ensure the correct recording of financial transactions in the appropriate books and records. It also aims to safeguard assets against wastage, fraud and misappropriation by ensuring accuracy and reliability in the records maintained.

### 1.3 Applicability of the manual

This manual is applicable to Financial Administration of all activities under the project where disbursement from the project budget or any financial liability on the behalf of the project is incurred.

### 1.4 Amendment in the manual

The State Project Management Unit (SPMU) under the approval of the Governing Body with prior concurrence of Finance Department and concerned Administrative Department (if required) may amend this manual. All such amendments must be circulated to all concerned officials and departments. Such circular should contain details of Para/ Line to be replaced and the date from which this will be effective. The Finance Unit at SPMU will maintain this manual.

### 1.5 Concept of the Project

Green Climate Fund project (GCF) is a GCF funded Grant-in-Aid, project aimed at "Ground water recharge and solar micro irrigation to ensure food security and enhance resilience in vulnerable tribal areas of Odisha". Odisha Community Tank Development and Management Society (OCTDMS), a SPV under Department of Water Resources (DoWR), Government of Odisha, nominated as the Executing Entity for implementing the Funding Proposal the "Funded Activity" or "Programme" with Grant support under Green Climate Fund. The Green Climate Fund (GCF), designated as an operating entity of the financial mechanism under Article 11 of the United Nations Framework Convention on Climate Change and established pursuant to the governing instrument [as defined in the Accreditation Master Agreement] possessing juridical personality, in order to operate effectively internationally , having such legal capacity as is necessary for the exercise of its functions and protection of its interest and having its Head Quarters at Songdo, Incheon, Republic of Korea.

NABARD is Accredited Entity (AE) of Green Climate Fund (GCF) and has entered an Accreditation Master Agreement (AMA) on 27 July 2017, which became effective on 31 August 2017 (the "AMA").

### 1.6 Components of the project

### In accordance with the Funding Proposal, the total funding for the implementation of the Funded Activity is estimated to be the equivalent of USD 166,297,000 (One Hundred Sixty Six Million and Two Hundred Ninety-Seven Thousand US dollars) which includes the GCF proceeds and the Co-financing. The Board of the Green Climate Fund ("GCF"), by its decision B.16/02 ("GCF Approval Decision"), approved the Funding Proposal involving an amount of USD 34,357,000 (thirty four million and three hundred fifty seven thousand US dollars) and co-financing by the Government of Odisha for an amount of USD 117,735,000 (one hundred seventeen million and seven hundred thirty five thousand US dollars) and community contribution for an amount of USD 14,205,000 (fourteen million and two hundred and five thousand US dollars).

| **SL** | **Project Components** | **Project Cost million USD ($)** | **Project Cost million (INR)** | **GCF Funding million USD ($)** |
| --- | --- | --- | --- | --- |
| 1 | Ground Water Recharge System for Concrete Adaptation | 25.010 | 1650.678 | 25.010 |
| 2 | Renovation of Community Tank (From Convergence Fund) | 132.103 | 8718.800 | 0.164 |
| 3 | Integration of Solar Pumps for Irrigation | 5.326 | 351.525 | 5.326 |
| 4 | Capacity Building of Stakeholders | 2.642 | 174.380 | 2.642 |
| 5 | Quality Management & Monitoring | 0.603 | 39.788 | 0.603 |
| 6 | Knowledge Management | 0.120 | 7.905 | 0.120 |
| 7 | Project Management | 0.492 | 32.500 | 0.492 |
|  | Total Project Cost | **166.297** | **10975.573** | **34.357** |

### 1.7 Project Implementation Unit

GCF will be anchored through OCTDMS, a special purpose vehicle under the administrative control of the DoWR. OCTDMS, a society under Society Registration Act 1860, gives reasonable flexibility and autonomy to facilitate the implementation of this project. Considering the fact that, implementation of this project involves several line departments e.g. Agriculture, Horticulture, Fishery and ARD and even some tanks that come under a basin (medium irrigation tanks) and the tanks under PR & DW department components, a tight governance mechanism has been envisaged.

Institutional Framework is as follows:

(a) OCTDMS File no.OIIPCRA-Tech-12/2018, Office order no.11(31)/ dated.11.01.2019 (Annexure-??).

All officers/staff of SPMU, OCTDMS working for OIIIPCRA project may be assigned GCF work as requirement.

### 1.8 State Level Institutional Arrangement for Project Implementation

Roles and Responsibilities of various committees, partner departments and support organizations have been detailed out below.

##### State Level Steering Committee of GCF

Government of Odisha, Forest & Environment Department, notification No.ENV.I-102/2015-16934, Dated.22.09.2015 (Annexure-???)

##### Governing Body of OCTDMS

1. Provide overall policy guidance and coordination on matters relating to programme implementation by the State Project Management Unit and district level project management teams.
2. To ensure coordination with various departments, agencies and convergence of different activities under various components of the project.
3. To ensure that the project is implemented as per the approved FAA&SA and approved procurement plan communicated by NABARD from time to time.
4. To formulate, alter and amend the objectives, rules and regulations of the Society, constitute committees from time to time as and when considered necessary for effective execution of the programmes, and schemes.
5. Delegate powers and function to the employees, committees and the consultants of the Society as needed.
6. Consider and approve the annual accounts ensuring proper auditing of the expenditure by competent authority.

##### Executive Body (EB) of OCTDMS

1. Implement the policies / decisions of the Governing Body.
2. Interact with GOI / World Bank/ NABARD and support the implementation of, or directly implement, various activities as well as programmes ensuring participation of the defined stakeholders in different components of the project.
3. Co-ordinate with various line departments, State Govt. and other sectoral/funding partners, resource organization and support organizations (for social mobilization, training) and ensure participation of stakeholders in different components of the project.
4. Monitor and evaluate the implementation of the schemes by the various partner agencies including SOs.
5. Undertake any other activities that are consistent with the aims and objectives of the Society.

##### State Level Project Monitoring Unit

Government of Odisha, Department of Water Resources notification No.WR-MI-SCH-0010-2017/21224/WR, Dated.16.11.2020 (Annexure-???)

##### Project Director-SPMU, GCF

1. The Project Director shall be the Chief Executive Officer of the Society and Member-Secretary of the GB and EB.
2. He shall be officer of the rank of Special Secretary/ Additional Secretary/ Joint Secretary/ Deputy Secretary as decided by the State Govt.
3. All executive and financial power of the Society shall vest on the Member Secretary who shall be responsible for the planning implementation and monitoring of activities as would be guided and decided by the Society.
4. Will exercise and discharge such other duties as may be delegated to the Secretary by the Society.
5. Will convene the meetings of the Governing Body and record the minutes of the proceedings
6. Will remain in overall in-charge of planning, implementation and monitoring of all activities of the Society.
7. Will be in overall in-charge of the funds of the Society and operate the Society’s accounts in the Banks

### District Level Project Monitoring Unit (PMU) for GCF

Government of Odisha, Department of Water Resources letter No.MI-MISC-13/2018/6622/WR., Bhubaneswar, Dated.09.03.2018 (Annexure-???)

## 2. THE FINANCIAL MANAGEMENT SYSTEM

A sound Financial Management system is critical for the efficient and effective decision- making required for the success of the project. This brings together planning, budgeting, accounting, financial reporting, internal control, auditing procurement, control, disbursement and physical performance of the project with the aim of managing the project resources properly for the achievement of the project objectives.

The Financial Management staff at the various line departments, including Divisional Accountants at the Offices of Executive Engineer/s MI department will be responsible for managing the project funds. The SPMU will also engage and maintain through the project life adequately qualified financial management staff to manage the accounting and financial reporting functions for the SPMU and the project.

### 2.1 Purpose

The purpose of the Financial Management system is to put in place the system and procedure for book keeping, laying down accounting policy, transaction recording and management, audit, procurement, maintenance of books of accounts, generation of financial report, project monitoring tools etc., aligned with the norms of the funding agency for the guidance of the officials while handling the financial and operational issues in the project.

### 2.2 Aim

The financial management of GCF aims at producing real time, relevant and reliable financial information that would allow the project executives to plan and implement the project, monitor compliance with agreed procedures, and appraise the project progress towards the set objectives.

### 2.3 Objectives

Following are the objectives of the financial management system of the project.

* Efficient use of scarce resources–proper funds flow
* Efficient accounting system
* Insuring the use of IT for reliable, relevant, real time and online financial reporting system
* Proper and useful utilization of fund
* Compliance of applicable rules and laws
* Accountability and responsibility for efficient use of project resources
* Proper forecasting and budgeting
* Identify financial risks
* Timely preparation and submission of disbursement report
* Financial evaluation of the project both - pre and post
* Ensuring sufficient fund availability for the project
* Use of information technology in financial management and procurement

### 2.4 Salient Features of Financial Management System for GCF:

* Fund flow arrangement
* Banking operation and BRS
* Accounting
* Delegation of power
* Internal control
* Financial reporting
* Audit
* NABARD disbursement

### 2.5 Organizational Structure of Financial Management

Separate approval of Finance Department is required to be obtained regarding hiring of Manager, Procurement / Accountant-cum-Multi Skill Assistant from open market in respect of other contractual posts.

Following staff will discharge the financial management function at different levels of GCF.

##### State Level – SPMU

##### The staffing structure of OIIPCRA will work for GCF as per work requirement.

**Project Finance Officer**

**Manager Procurement**

**Manager Accounts**

**Accounts Assistant**

* Project Finance Officer - from Odisha Finance Service (OFS) of the rank of Deputy Secretary or above appointed by the Govt. of Odisha.
* Manager Accounts - Hired on contractual basis from open market
* Manager Procurement - Hired on contractual basis from open market or Rank of Executive Engineer from GoO.
* Accounts Assistant - Hired on contractual basis from open market

### 2.6 Role of Finance and Accounts team

* Preparation of annual budget; release of funds for the project received from GoO; receipt and accounting for the grant.
* Audit and scrutiny of payment claims received from suppliers / contractors and consultants.
* Preparation and scrutiny of Establishment bills of the staff paid from the project budget.
* Maintenance of records, books of accounts, registers, files and other related documents.
* Classifying and grouping expenditure on the basis of
  + - Budget heads
    - Component and sub-components of account
* Preparation of monthly Bank Reconciliation statement and annual Financial Statements.
* Preparing regular financial progress reports indicating variances from budgets for different cost centers under the project.
* Ensuring compliance with relevant statutory financial rules with respect to deduction of taxes and filing of tax return.
* Examining all claims for payment from the project budget.
* Maintenance of Fixed assets record, compilation of fixed asset’s record for the whole project.
* Financial vetting and concurrence on procurements, deciding the most competitive bid on financial parameters, participating in financial negotiations.
* Arranging External Audit and ensuring compliance with and settlement of audit observations.
* To provide any other financial information as and when required for proper progress of the project.
* Capacity building in the finance team at all levels
* Planning and implementing Information technology tools for accurate, reliable, relevant, real- time and online access of the project financial information as required by the stakeholders.

## 3. FUND FLOW

The purpose is to ensure an efficient and effective fund flow system enabling availability of sufficient fund for payment at different project units. The system should be such that at any time sufficient fund for meeting essential expenditure for next quarter should be available.

### Sources of Fund

* + - GoO i.e. Funds received from NABARD, in advance GoO provides fund through budget provision to GCF
    - Any other source

### Project Implementing Agencies

The project will be implemented by following agencies:

* + - GCF -State Project Monitoring Unit (SPMU);
    - CE, MI - Dept. of Water Resources (DoWR), Department of PR&DW, Directorate WALMI, and non-Govt. agencies, as per the project plan;

### Financial Flow

Grant-in-Aid for GCF

RTGS/ NEFT/Cheque system

Budget Provision- (i) Department of Water Resources for 1000 tanks

(ii) Department PR & DW for 9000 tanks under MGNREGS guidelines

### Flow of Funds

The budget will flow to the Dept. of Water Resources, Govt. of Odisha for further disbursement to the implementing entities. After approval of the annual budget and the enactment of the Appropriation Act, the budget will be placed with the PD-GCF. Office of PD,GCF will release funds to Chief Engineer, MI and PR&DW and Director WALMI through on-line budget allotment system for scheme related expenditures and capital work-related expenditures. The capital work related provisions will be disbursed using the Works Expenditure module of IFMS. Chief Engineer, MI will further disburse the funds to the executing agencies at the project district level using IFMS. On receipt of funds from PD-GCF, all Controlling Officers will distribute the funds to their field formations, responsible for implementation of the project using IFMS. The field staff of the respective departments will draw the funds from the Treasury, as and when required, submitting the bills and sub-vouchers, sanction orders etc. using the State extant processes. The payments relating to scheme/s will be credited directly to the beneficiary’s account.

The concerned subject matter specialist/expert/unit will have to put up fund requisition to the Project Director, GCF, to release fund to the implementing agencies as per the component and sub-components of the project (Annexure 3 – Part B).

### Fund Flow for Capital Work Related Expenditure

The capital work related provisions will be placed with the Chief Engineer (CE), Minor Irrigation by PD, GCF using works expenditure model of IFMS. The Chief Engineer, M.I, will further distribute the funds to the executing agencies using the IFMS. The executing agencies will use WAMIS & IFMS for preparation of bills, payment to Contractors/ Vendors, accounting of vouchers as per the extant process.

## 4. PAYMENT MECHANISM



### Payment from SPMU

The SPMU will make payment to the suppliers, contractors and service providers including consultants as per the terms of contract with them through Treasury mode. The payment arrangement under OIIPCRA is designed keeping in mind following factors.

1. Transparency in payment system
2. Ease in recording and accounting for payments
3. Better and effective banking operation
4. Better and efficient fund management
5. Timely and accurate reporting

The concerned unit/ section/ person of the project has to submit finance / fund related file/s directly to the Project Finance Office (PFO) for review and necessary action. The Project Finance Officer may take decision at his/her level and dispose the file or she/he may forward the file to higher authority or to Manager, Accounts for necessary review and action.

### Payment for Works

The contractor will submit the bill complete in all respect by 10th of every month to the Engineer in charge (Junior Engineer) of the project. The Engineer In charge will verify and certify the bills within 10 working days. In the absence of the Junior Engineer the EE MI will assign the job of certification to another engineer but in all cases such certification should be over within ten working days. Such certified bill should be verified by the Assistant engineer and Executive Engineer within next ten days. So, the whole certification work should be over within 20 working days from the date of submission of the bill.

The verified and certified bill will be submitted to the EE MI for payment. He will get the bill audited and paid within next ten working days. So, all bills submitted by the contractor should be paid within 30 working days. A register in the prescribed format will be maintained for all payments with respect to works. A summary sheet of all bills submitted during the month and/ paid will be submitted to the SPMU along with the monthly financial reports. A monthly report of bills not paid in 30 calendar days should invariably be submitted to the CE MI with a copy to Project director SPMU. TDS will be deducted and deposited (only for applicable cases) as per the Income Tax norms and OGST Act, 2017 and rules made thereunder (Annexure 2). A proper filing will be done by them as per the Income Tax norms. Subsequently MI office should maintain &submit to SPMU on monthly basis.

|  |  |
| --- | --- |
| Activity | Timeline |
| Submission of fully completed bills by the contractor and certification by junior engineer | 10 days |
| Verification by Assistant engineer and Executive Engineer | 10 days |
| Clearance from EE MI | 10 days |

### Procurement Committee:

1. The Procurement committee of GCF will be as follows:

* Additional Project Director (Engg.) - Chairman
* Project Finance Officer - Member
* Additional Project Director (Agri.) - Member
* Superintendent Engineer - Member
* Executive Engineer, Monitoring - Member
* Manager, Accounts - Member
* Representative of NABARD - Member
* Representative of Director Special Projects - Member
* EE/DEE/AEE, Procurement - Member Convener

In case of specific requirement, members may be co-opted with the approval of Project Director, GCF.

Roles and Responsibilities of the procuremnt committee will be as follows:

1. Review the procurement progress, examine claims and recommend for release of payments thereof at different stages of value more than Rs.5,00,000/-.

The Project Director, OCTDMS may constitute a bids evaluation committee from the above Procurement Committee to evaluate the bids (Financial/ Technical) and recommend for procurement.

1. A local purchase committee has been constituted to consider, recommend, and to look in to

the procurement aspects of goods and services within a cost of Rs. 5,00,000 /-.

The committee constituted under the chairmanship of project finance officer as follows:

* Project Finance Officer - Chairman
* Executive Engineer, Monitoring - Member
* Executive Engineer (Establishment) - Member
* Manager, Accounts - Member
* EE/DEE/AEE, Procurement - Member Convenor

### 

### Payments for Training/Workshop/Meeting

### (a) Directly conducted by SPMU-OCTDMS

### (b) Through WALMI as per agreement terms & conditions

### Checklist for passing of bills voucher before submission to Finance unit for payment

All payments will be scrutinized as per the checklist mentioned below:

**A. For Goods:**

1. Work Order/ Agreement No./ Purchase Order No. \_\_\_\_\_\_ Date\_\_\_\_\_\_

2. All goods have been delivered, Date. \_\_\_\_\_\_

(a). Goods have been installed (if any) Date. \_\_\_\_\_\_\_

(b). Manufacturer warranty, registration paper and any other relevant paper to the goods supplied has been recorded.

3. Entry in stock register \_\_\_\_\_\_\_

4. Defect liability (if any) certificate is issued during goods installed \_\_\_\_\_\_\_

5. Expenditure’s Component No. \_\_\_\_\_\_\_ / Sub-Component No. \_\_\_\_\_\_\_\_

6. Approval of competent authority \_\_\_\_\_\_\_

**B. For Works:**

1. Work order / Agreement No. \_\_\_\_\_\_\_\_ Date. \_\_\_\_\_\_\_

2. Approval from competent authority for payment \_\_\_\_\_\_\_

3. Bill must contain PAN No., GST No., Phone No. \_\_\_\_\_\_\_

4. Certificate for work completion/ work in progress are issued by authorized engineer \_

5. Documentation of the works at each stage by the authorized engineer \_\_\_\_\_\_

6. All the measurements have been recorded in the MB\_\_\_\_\_\_

7. Security deposit/ GST payment /Royalty has been maintained \_\_\_\_\_\_\_

**C. For Consultancy Services:**

1. Work order / Contract Agreement No. \_\_\_\_\_\_\_ Date. \_\_\_\_\_\_\_

2. Recommendation of review committee attached \_\_\_\_\_\_\_\_

3. Approval of competent authority \_\_\_\_\_\_\_

4. The claim is in accordance with the provisions of the contract agreement \_\_\_\_\_\_\_

5. Bill must contain PAN No., GST No., Phone No. \_\_\_\_\_\_\_

6. Bills have been produced within the contract period\_\_\_\_\_\_ (if fails the file may move to Govt.)

**D. For Vehicle Services (Monthly/ as and when required basis):**

1. Agreement No. / Work Order No.\_\_\_\_\_\_\_\_ Date. \_\_\_\_\_\_\_

2. Vehicle logbook/ Duty slip should maintained/ completed with all respect \_\_\_\_\_\_\_\_

3. Bill must contain PAN No., GST No., Phone No. \_\_\_\_\_\_\_\_

4. Approval of competent authority \_\_\_\_\_\_\_

**E. For Goods/ Small Repair & Maintenance/ Contingency (Up to Rs.15,000/-):**

1. Work Order No. (if any) \_\_\_\_\_\_\_ Date. \_\_\_\_\_\_

2. Administrative Approval in File \_\_\_\_\_\_\_\_ Date. \_\_\_\_\_\_\_

3. Bill must contain (if any) PAN No., GST No., Phone No. \_\_\_\_\_\_\_\_

4. Approval of competent authority \_\_\_\_\_\_\_

5. Expenditure’s Component No. / Sub-Component No. \_\_\_\_\_\_\_\_

**Procedure: -**

The concerned unit/ section/ person has to submit the respective file to Finance Unit for payment with attached check list as above with certification on the body of the bill/invoice that the particular bill/invoice has not been processed for payment earlier.

**NOTE**: In case any expenditure done by project officials under the verbal instruction of Project Director has to have a post-facto approval from Project Director in file before submitting the bill/vouchers to finance unit for payment approval.

### Payment for Vehicle Usage

The service provider must provide a properly maintained logbook with an invoice for the processing of payment within 15 days from the end of each month. This is only applicable for hired vehicles on monthly basis. In case of daily hired basis (as and when required), duly filled vehicle requisition form (Annexure 5) by the concerned staff has to be furnished to the vehicle section for the arrangement of vehicle minimum 3 days prior to the date of tour. Post tour, the service provider must provide a duty slip (with duly signed by the user/s with affixed official seal) along with an invoice for the processing of payment within 15 days. All vehicle bills will be processed within 45 days from the date of submission of bills.

### Payment for purchase of goods without quotation

As per the Finance Department GoO, office memorandum no. 4939/F., dated 13.02.2012, any purchase of goods up to a value of Rs. 15,000/- (Rupees fifteen thousand only) on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the competent authority in the following format.

“I, …, am personally satisfied that these goods purchased are of the requisite quality and specifications and have been purchased from a reliable supplier at a reasonable price”.

## 5. ACCOUNTING POLICY

## The Executing Entity shall ensure that:

## (a) a financial management system is maintained, with separate informational statements, accounts and records of GCF Proceeds and Other GCF Funds being prepared in accordance with internationally recognized accounting standards, consistently applied and acceptable to the Accredited Entity (NABARD);

## (b) the Separate books of accounts for receiving and utilizing the grant for project with adequate documentary evidence by way of bills, receipts, vouchers, etc., will be maintained by the Executing Entity. The expenditure incurred should be maintained as per the sanction heads. Accredited Entity (NABARD) shall have right to inspect the accounts and documents maintained for the purpose and to monitor the progress in project works by deputing its officers or by calling for the documents in the original or as copies.

## 

### 5.1 Provision for day to day small expenses at SPMU level

The project plans to open a current account at the SPMU level for meeting the day to day expenditure (contingency expenses) with a maximum balance of Rs. 10,000/-. The current account shall be co-terminus with the project period.

### 5.2 Computerization of account

The whole accounting system in the project will be computerized. The latest version of TALLY will be used. If required necessary training may be imparted to the concerned GCF staff.

### 5.3Books of Account through Tally

Following are the list of books of account to be maintained in Tally. This list may be revised and updated with the approval of the appropriate authority as per the need on the recommendation of Project Finance Officer. If required, the finance head at different units may suggest new books of records.

1. Cash book and bank book
2. Cheque issue register
3. General Ledger and Journal Books
4. Security deposit and bank guarantee register
5. Store receipt and issue register
6. Fixed assets register (Annexure 6)

## DELEGATION OF POWER

### (A)For Works by MI, Division

|  |  |  |
| --- | --- | --- |
| Threshold (Amount) | Technical Sanction by | Administrative Sanction by |
| Up to Rs.100 Lakhs | Executive Engineer, MI | Collector-cum-District Magistrate |
| Rs.100 Lakhs to Rs.400 Lakhs | Superintending Engineer, MI | Collector-cum-District Magistrate |
| Above Rs. 400 Lakhs | Chief Engineer, MI | Project Director, GCF |

##### For Works by PR & DW Department

|  |  |  |
| --- | --- | --- |
| **Amount** | **Technical Sanction by** | **Administrative Sanction by** |
| Up to Rs.100 Lakhs | APD-Technical, DRDA | PD,DRDA |
| Rs.100 Lakhs to Rs.400 Lakhs | Superintending Engineer, MI | Collector-cum-District Magistrate |
| Above Rs.400 Lakhs | Chief Engineer, MI | Project Director, GCF |

**Note**: The Administrative Dept. will follow OPWD code while delegating the powers of administrative sanction to different authorities. Further, as per rule 13 (5) of DFPR, 1978, the Administrative Dept. is the competent authority to accord administrative approval in respect of projects financed under EAP.

### (B)For other items by State Level

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of delegation** | | **Threshold (Amount)** | **Administrative Sanction by** |
| Assets/Goods | | Up to Rs. 25 Lakh | Project Director, GCF |
| Above Rs. 25 Lakh | Vice Chairman, OCTDMS |
| Procurement of Consultancies & Non-Consultancies Services  (For Agreement) | | Up to Rs. 25 Lakh | Project Director, GCF |
| Above Rs. 25 Lakh and up to Rs.3 Crore | Vice Chairman, OCTDMS |
| Beyond Rs.3 Crore | Approval of Finance (GoO) Department is required |
| Procurement of Consultants  (For Payment) | | Up to Rs. 25 Lakh | Project Director, GCF |
| Above Rs. 25 Lakhs and up to Rs.50 Lakh | Vice Chairman, OCTDMS |
| Beyond Rs. 50 Lakh | Chairman, OCTDMS |
| Contingent Expenditure | Recurring | Up to Rs. 6 Lakh each case | Project Director, GCF |
| Above Rs. 6 Lakh each case | Vice chairman, OCTDMS |
| Non-recurring | Up to Rs. 6 lakh each case | Project Director, SGCF |
| Above Rs. 6 Lakh each case | Vice chairman, OCTDMS |

##### For other items, District Level- MI, Division

|  |  |  |
| --- | --- | --- |
| **Type of delegation** | **Amount** | **Administrative Sanction by** |
| Assets/Goods/Contingent Expenditure (Recurring/Non-recurring) | Up to Rs. 5 Lakh | Executive Engineer, MI |
| Above Rs. 5 Lakh | Collector-cum-District Magistrate |

##### For other items, District Level- PR & DW Department

|  |  |  |
| --- | --- | --- |
| **Type of delegation** | **Amount** | **Administrative Sanction by** |
| Assets/Goods/Contingent Expenditure (Recurring/Non-recurring) | Up to Rs. 5 Lakhs | PD-DRDA |
| Above Rs 5 Lakhs | Collector-cum-District Magistrate |

**Works:** building and original works, tank restoration, repair and maintenance of structure etc. subject to the provision in the project.

**Goods:** Machineries and equipment required for the project.

**Procurement of services:** Consultancies, technical support services, training for capacity building and evaluation studies etc.

### Power to enter into contract

The Project Director will be competent to approve the tender call notice and bid documents in connection with any procurement, the project director will also have power to enter into agreement or contract with any executants or suppliers of goods or provider of service with whom order are to be placed for procurement of any works, goods or services in connection with the program and to approve payment for procurement made by the SPMU.

## 7 .INTERNAL CONTROL

Along with internal audit, monitoring and supervision of activities for achieving the project objectives are the main tools for effective internal control. It is the duty of all involved in the implementation of the project to access the effectiveness and efficiency in operations, reliability in financial and other reporting and to ensure the project guidelines are properly observed.

|  |  |
| --- | --- |
| Sl. No. | **Major Control Activities** |
| 1. | **Segregation of responsibilities** |
|  | The role and responsibility of accounts staff, procurement staff & drawing and disbursing officer should be segregated, and one person cannot hold two responsibilities. |
| 2. | **Verification by SPMU and Project Director** |
|  | Frequent and random visits of the SPMU-Finance wing/ Project Director to project accounting centers will be done to review and monitor the internal control of the project. On monthly basis review will be done at SPMU level with implementing agencies regarding opening balance of funds along with the next month plan of expenditures with component/subcomponent wise. |
| 3. | **Physical Verification of Stock** |
|  | All stocks and assets of the project will be physically verified at least once in a year by a committee of three persons nominated by the Project Director OIIPCRA at SPMU and implementing offices. The report of the physically verification will be submitted to the Project Director OIIPCRA in its meetings. |
| 4. | **Signing of day books** |
|  | Early entry in the Cheque issue register should be attested by the signature of the authorized signatories of Cheques. Similarly, the cash book entry should be attested by the DDO. The DDO will operate the bank account as per the norms of GoO. Each project accounting unit will close the books within a specified number of days of the end of the month and forward the same to the SPMU to consolidate. The SPMU will have the responsibility for qualitative and timeliness aspects of the financial reporting. |

Indicators for efficient financial management- The following reports will be used as indicators for efficient financial management:

* Expenditure vis-a-vis budget / appropriation on quarterly basis
* Fund flow - Analysis of bank balance held in bank
* Trained and qualified staff for financial management
* Internal training imparted to Financial Management Staff in the Project Financial Management processes
* Compliance to observation of External and AG audit.

## FINANCIAL REPORTING

## The Executing Entity shall ensure that:

## (a) a financial management system is maintained, with separate informational statements, accounts and records of GCF Proceeds and Other GCF Funds being prepared in accordance with internationally recognized accounting standards, consistently applied and acceptable to the Accredited Entity (NABARD);

## (b) the Separate books of accounts for receiving and utilizing the grant for project with adequate documentary evidence by way of bills, receipts, vouchers, etc., will be maintained by the Executing Entity. The expenditure incurred should be maintained as per the sanction heads. Accredited Entity (NABARD) shall have right to inspect the accounts and documents maintained for the purpose and to monitor the progress in project works by deputing its officers or by calling for the documents in the original or as copies;

## (c) the Financial Information referred to in Clauses 8.02 (b) and 8.02 (c) below are audited annually by independent external auditors or such other auditors as are acceptable to the Accredited Entity (NABARD), in accordance with internationally recognized auditing and accounting standards that are acceptable to the Fund; the Financial Information, as so audited, are furnished to the Accredited Entity (NABARD) in accordance with Clauses 8.02 (b) and 8.03 (c), together with such other information concerning the audited Financial Information and such auditors, as the Accredited Entity (NABARD) and the Fund may from time to time reasonably request;

## The Executing Entity shall provide to the Accredited Entity (NABARD) the following Financial Information in a form and means agreed with the Fund:

## (a) on a semi-annual basis within thirty (30) days after 30 June and 31 December of each year:

## (i) the dates and amounts disbursed for Funded Activities, for the period reported and cumulative amounts up to the period, broken down by each Funded Activity, and compliance with financial covenants;

## (ii) the actual expenditures for the Funded Activities for the period reported and cumulative amounts up to the period, broken down by each Funded Activity; (A) the date on which any Funded Activity is financially closed, (B) the final amount disbursed for such Funded Activity, (C) the amount of any unused funds from such Funded Activity, and (D) the amount of such unused funds paid to the Fund, for the period reported, broken down by each such Funded Activity;

## (iii) the dates and amounts of any Reflowed Funds received by the Executing Entity from Funded Activities, as well as the amount of such Reflowed Funds paid to the Accredited Entity (NABARD), for the period reported and cumulative amounts up to the period, broken down by each Funded Activity; and

## (iv) a statement of Investment Income earned on GCF Proceeds, as well as the amount of such Investment Income paid to the Accredited Entity (NABARD);

## (b) within one (1) month after the end of the GCF Fiscal Year, an unaudited annual financial statement for each of the Funded Activities and the project Account containing the information required under Clauses 8.02(a)(i), 8.02(a)(ii) and 8.02(a)(iv) with specific Funded Activities listed in a separate annex, and within three (3) months after the end of the GCF Fiscal Year, an audited annual financial statement for each of the Funded Activities and the project Account containing the same information;

## (c) within one (1) month after expiration or termination of this Agreement, an unaudited final financial statement for the GCF Account, and within three (3) months after expiration or termination, an audited final financial statement for the project Account, in each case regarding the period since the last period covered by the statements referred to in Clause 8.02(b) above; and

## (d) such other reports related to funds disbursed by the Accredited Entity (NABARD), as may reasonably be requested by the Accredited Entity (NABARD) and the Fund from time to time.

## Each Party acknowledges and agrees that, a Party may release in the public domain any report or statement, in whole or in part, that has been submitted to it by the other Party under this Agreement. Each Party also acknowledges and agrees that the other Party may use, reproduce, modify and/or adapt information and other data contained in such reports, unless marked as confidential as agreed by both Parties, for any reason whatsoever.

## The Accredited Entity or the Fund may, in its sole discretion, utilize the Accredited Entity Agent or the Fund Agent to perform certain functions or activities on behalf of the Accredited Entity or Fund, including but not limited to:

## (a) conducting periodic reviews, ad hoc checks, or evaluations permitted under this Agreement; and

## (b) verifying the status of a Funded Activity, use of GCF Grant Proceeds and income earned through GCF proceeds, and compliance with the terms and conditions of this Agreement.

## The Executing Entity shall cooperate fully, and shall contractually ensure that any other parties involved in a Funded Activity shall or cause such other parties to cooperate fully, with the Fund Agent to permit the Accredited Entity Agent or the Fund Agent to carry out its functions or activities. To this end, the Executing Entity shall, among other things:

## (a) submit reports, Financial Information, and other information, documents or communications required under this Agreement to the Accredited Entity (NABARD) through the Accredited Entity Agent or the Fund Agent;

## (b) permit or arrange for the Accredited Entity Agent or the Fund Agent, in consultation and coordination with the Executing Entity, to perform ad hoc site visits and/or meet with and interview its or the Executing Entity's staff, consultants, contractors, or agents at the times agreed to by the Executing Entity and the Accredited Entity Agent or the Fund Agent; and

## (c) cooperate with the Accredited Entity Agent or the Fund Agent in other ways that the Accredited Entity (NABARD) or the Fund may specify (e.g. in obtaining supporting documentation for the Accredited Entity Agent or the Fund Agent to obtain a visa).

## The principal representative of the Accredited Entity Agent or the Fund Agent shall be the person or entity named or acting in the position identified in communication transmitted by the Accredited Entity (NABARD)/ Fund to the Executing Entity citing this Clause 8.06. The Accredited Entity (NABARD) and the Fund may, in its sole discretion, decide to replace the Accredited Entity Agent or the Fund Agent or designate an alternative principal representative of the Accredited Entity Agent or the Fund Agent and shall inform the Executing Entity accordingly.

## The Executing Entity shall ensure that:

## (a) all documents related to this Agreement, including documents relating to individual Funded Activities, are promptly furnished to the Accredited Entity (NABARD) upon its request, in such detail as the Accredited Entity (NABARD) may reasonably request;

## (b) all documents are maintained adequately to record the progress of individual Funded Activities (including its cost and the climate change adaptation and/or mitigation benefits to be derived from it);

## (c) all documents related to individual Funded Activities, including records evidencing use of GCF Proceeds, are retained until at least five (5) years after the relevant Reporting Period,

## (d) the representatives of the Accredited Entity (NABARD) and the Fund are able to examine all records referred in Clauses 8.08(b) and 8.08(c), and are provided all such information concerning such records as they may from time to time reasonably request; and

## (e) the information relating to Funded Activities required by the Information Disclosure Policy is made publicly available in a timely fashion pursuant thereto.

## The Executing Entity shall provide to the AE/Fund the following reports prepared in a form and manner compliant with the practices and procedures of the Accredited Entity (NABARD) and the Fund for Funded Activities:

## (a) Annual Performance Reports (APRs) on the status of each Funded Activity throughout the relevant Reporting Period, including a narrative report on implementation progress based on the logical framework submitted in the Funding Proposal and considerations on the ongoing performance of the Funded Activity against the Fund's investment framework criteria, including updates on the indicators as per the guidance provided by the Fund's results management framework, and a report on ESS as well as gender. The APR shall be submitted to the Accredited Entity (NABARD) by the Executing Entity on an annual basis for the period ending on 3r December within thirty (go) days after the end of the relevant annual period, with the first APR required to be submitted following the end of the calendar year after the Parties have entered into the relevant FAA, and the last APR required to be submitted within three (S) months of the end of the relevant Reporting Period.

## (b) Interim and final evaluation reports, as outlined in the relevant Funding Proposal. setting out any necessary corrective measures (in the case of interim reports), an assessment of the performance of the Funded Activity against the Fund's investment framework criteria, including financial/economic performances as part of the Funded Activity efficiency and effectiveness criterion, as well as the sustainability and scalability of results and impact and lessons learned, during the relevant period. Such interim and final evaluation reports will be prepared by an independent evaluator selected by the Accredited Entity (NABARD) or by an independent evaluation unit/office of the Accredited Entity (NABARD) and reasonably acceptable to the Fund, and shall be submitted on the dates or according to the schedule set forth therein Copies of these reports shall be forwarded to the NDA for information;

## (c) In accordance with the Monitoring and Accountability Framework of the Fund, the Executing Entity will submit, on an annual basis for the period ending on 3r December within thirty (30) days after the end of the relevant annual period:

## (i) a self-assessment of its compliance with the Fiduciary Principles and Standards, ESS, Gender Policy of the Fund and relevant monitoring requirements included in the funding proposal.

## (d) The Accredited Entity (NABARD) may prescribe any other such reports from the Executing Entity as required by its internal policies as may reasonably be requested by the Accredited Entity (NABARD) and the Fund in order to enable it to assess the results and impacts of the Funded Activity and/or compliance with this Agreement.

## (e) Based on the reports submitted to the Accredited Entity (NABARD) and the Fund pursuant to Clauses 8.02(a) and 8.02(d) above in relation to a Funded Activity, in the event of any undue or unjustifiable delays in implementation, the Accredited Entity (NABARD) and the Fund ma1,'choose, upon consultation with the Executing Entity and taking into account outstanding liabilities, and based on the approval by the Fund to adjust the Disbursement Schedule set out in the relevant FAA, suspend disbursements until further progress has been made in the implementation of the Funded Activity to the Fund's satisfaction or take such other action as may be permitted under the relevant FAA.

## The monitoring and evaluation of the Funded Activity shall be done in accordance with Schedule 4

## With regard to Periodic Review, Ad Hoc Checks and Evaluation:

## (a) Executing Entity may provide necessary reasonable support for taking up periodic review, Ad HoC Checks and Evaluation by the Accredited Entity (NABARD) and the Fund in terms of necessary information concerning the use of Funded Activity where there is reason for concern that GCF Proceeds under the Funded Activity may not have been used in accordance with this agreement.

## (b) The Executing Entity shall invite representatives of the Accredited Entity (NABARD) to participate in the review, supervision or other similar missions led by the Executing Entity relating to a Funded Activity, when applicable. Such missions shall be planned and carried out in a collaborative manner, with procedural matters agreed upon by the Parties in advance, keeping in mind the effective and efficient implementation of the Funded Activity. Each Party shall bear its own costs in relation to such missions, in accordance with the specific agreements to be entered into by such Parties.

## (c) The Accredited Entity (NABARD) and the Fund may, in accordance with the Monitoring and Accountability Framework requirements of the Fund, at its own cost and with reasonable notice to the Executing Entity, conduct (a) ad hoc checks on the use of GCF Proceeds or Other GCF Funds and the Executing Entity's compliance with the Standards and this Agreement, and/or (b) ex post evaluations of Funded Activities, and the Executing Entity shall cooperate with the Accredited Entity (NABARD) and the Fund in the conduct of such ad hoc checks or evaluations and provide such information and documentation as may be reasonably requested by the Accredited entity (NABARD) and the Fund.

## (d) The Executing Entity shall co-operate with the GCF Secretariat and the Accountability, Units and provide them with reasonable assistance in carrying out their functions including promoting cooperation between the Accountability Units and the corresponding body or unit of the Accredited Entity.

**A. Reporting Period**

The Reporting Period shall be from FAA Effective Date to the Completion Date, which covers the duration of project implementation of 5 years as specified in the Funding Proposal. The reports indicated in the project calendar are due to be submitted as per indicated timing.

B.**Project calendar milestones**

The Annual Performance Reports (APRs), Financial Information, audited and unaudited financial statement shall be submitted as set out in the AMA.

|  |  |
| --- | --- |
| **Milestones** | **Timing** |
| Start of Project Implementation | FAA Effective Date |
| Inception Report | Within 4 months after Effective Date |
| Interim Independent Evaluation Report | Within 6 months after the end of Year z of project implementation |
| End of Project Implementation | Five (S) years after FAA Effective Date (the "Completion Date") |
| Project Completion Report (last APR) | Within z months after the Completion Date |
| Final Independent Evaluation Report | Within 4 months after the Completion Date |

## 9 AUDIT

## The Financial Information referred to in Clauses 9.02 (b) and 9.02 (c) are audited annually by independent external auditors or such other auditors as are acceptable to the Accredited Entity (NABARD), in accordance with internationally recognized auditing and accounting standards that are acceptable to the Fund; the Financial Information, as so audited, are furnished to the Accredited Entity (NABARD) in accordance with Clauses 9.02 (b) and 9.03 (c), together with such other information concerning the audited Financial Information and such auditors, as the Accredited Entity (NABARD) and the Fund may from time to time reasonably request.



### AG Audit

The administrative department will build a financial accountability system through proper maintenance of records to facilitate issue of Audit certificates by Accountant General (E&RSA), Odisha.

### External Audit

Through the State Principal Accountant General, the CAG will conduct the external audit of the project related expend incurred at the departmental level. Statements of expenditures at all project levels will be submitted to the State AG by June 30 each year to allow adequate time for the audit, which will be conducted in accordance with terms of reference agreed by the CAG for audit of NABARD-financed projects. Audit reports will be submitted within nine months of the end of each financial year.

GCF will engage a firm of chartered accountants to conduct the annual statutory audit as per the agreed TOR. GCF will submit two sets of annual audit reports (departments and OCTDMS) to the NABARD within nine months of the close of each financial year.

### Settlement of audit objections

The Project will form an Audit sub-committee at SPMU and ------ level. The SPMU audit-sub Committee will comprise of PFO, Manager Accounts and Executive Engineer - Procurement. The Sub-committee will be chaired by Project Finance Officer and will be tasked to review the audit (both internal and external) observations and ensure that the para are settled. The settlement of the objections will be watched through a register. The audit compliance will be reported to the Executive Body, Governing Body, External and Internal Auditors. The compliance should be verified by the external and internal auditors during their next audit.

The head of the implementing agency will form audit-subcommittee at their level with at least three persons and Accountant-cum-Multi-skill assistant. The Sub-committee will be chaired by respective agency head and will be tasked to review the audit (both internal and external) observations and ensure that the para are settled. The settlement of the objections will be watched through a register. The audit compliance will be reported to the DLPMT/SPMU, External and Internal Auditors. The compliance should be verified by the external and internal auditors during their next audit.

**Monthly reconciliation meeting/workshop**: In case of requirement, the SPMU will have the right to call a monthly reconciliation meeting as per requirement for selected implementing agencies.

## DISBURSEMENT PROCEDURES

1. Subject to the terms and conditions of this Agreement based on the Funded Activity Agreement Signed between NABARD and GCF, Accredited Entity (NABARD) agrees to make available to the Executing Entity (Odisha Community Tank Development and Management Society (OCTDMS)) by or before the closing date of the project, as set forth in the Disbursement Plan attached hereto as Part B of Schedule 2, an amount equal to USD 34,357,000 (Thirty Four Million and Three Hundred Fifty Seven Thousand US dollars) of Green Climate Fund in the form of a grant for the purposes of, and to assist, in financing the Funded Activity. Any shortfall in grant in INR due to forex fluctuations will be borne by the Executing Entity for completion of grant component approved against GCF proceeds. Any upward revision in project cost due to cost escalation will be entirely borne by Executing Entity. World Bank reimburses only that amount that has been paid for executing works and completing services. No accrual liability is paid by the bank.

2. Disbursement, administration and processing of GCF Proceeds by the Accredited Entity (NABARD) shall be in accordance with the Accredited Entity's rules, policies and procedures applicable to the extent and scope of its Accreditation with GCF, in order to allow it to comply with its obligations under this Agreement.

3. The Grant received by NABARD from GCF, in accordance with the Disbursement Plan provided in Part B of Schedule 2, and would be released to Executing Entity upon the fulfillment by the Executing Entity, to the satisfaction of the NABARD and the Fund, of the relevant conditions precedent to disbursement set forth in Clause-8 below. In accordance with this Clause [3.04], the Grant shall be transferred to the bank account to be notified by the Executing Entity to the NABARD in writing in the Request for Disbursement ("NABARD/ Project Account").

4. NBARD shall release the 1st Grant fund in accordance with the Yearly action plan submitted by Executing Entity, subject to the receipt of project fund by NABARD from Green Climate Fund. Any subsequent transfer of Grant funds to the Executing Entity after the first installment shall be transferred only after NABARD receives the fund from GCF, based on the Annual performance Reports, submitted by Executing Entity and approved by NABARD and GCF.

5. The Currency for the Disbursements of Grant shall be INR.

6. The Accredited Entity (NABARD) shall make the proceeds of the Grant available to the Executing Entity in the form of a non-reimbursable grant in accordance with the terms and conditions consistent with the Funded Activity Agreement and this Agreement.

7. The Executing Entity shall ensure that the Grant (a) is used exclusively to finance Eligible Expenditures, in accordance with the approved items against the GCF proceeds and this Agreement, as set out in the Funding Proposal, and as further specified in the Budget; and (b) all the Eligible Expenditures shall be accrued by the Executing Entity before the Completion Date.

8. After the first disbursement of Grant by the NABARD, all subsequent Grant disbursements shall be subject to the cumulative expenditure of approved items against GCF proceeds by at least seventy per cent (70%) of the previous disbursements for the Eligible Expenditures.

9. The GCF Grant proceeds shall not be used to finance any costs incurred prior to the Effective Date

10.The Executing Entity may request in writing an extension of the Closing Date and/or the Completion Date setting forth its justification for such an extension request, which shall not be unreasonably denied by the NABARD based on the approval of such request by GCF following due consideration of such justification. Such request received from Executing Entity (EE) would be submitted to the GCF by NABARD. The Fund has right to approve or deny such request within thirty (30) days following the Accredited Entity's request, except in case such extension needs the GCF Board approval, which may require a longer period to respond to the Accredited Entity's request.

**Conditions Precedent to Disbursement**

The obligation of the AE to make any Disbursements under this Agreement shall be subject to the following conditions having been fulfilled to the satisfaction, in form and substance, of the Fund:

**(a) Conditions precedent to first Disbursement:**

(i) Delivery by the Executing Entity to the Accredited Entity (NABARD) of a financing coordination plan with other Co-financiers;

(ii) Fulfillment of the conditions for effectiveness set out in Clause 6;

(iii) Delivery by the Executing Entity of a procurement plan in form and substance satisfactory to the Accredited Entity (NABARD) and the Fund;

(iv) Implementation arrangements of Executing Entity to implement components against GCF proceeds to Accredited Entity's satisfaction.

(v) Delivery by the Executive Entity of evidence, satisfactory to the Accredited Entity (NABARD), of the authority of the person or persons authorized to sign each Request for Disbursement under this Agreement, unless otherwise notified by the Executive Entity, and the specimen signature of each such persons.

(vi) Delivery of a letter issued by the Executing Entity's bank addressed to the Accredited Entity (NABARD) indicating the owner of the bank account informed by the Executing Entity in the Request for Disbursement for the receipt of the GCF Proceeds, which shall include the name of the bank, address and branch name, the relevant bank identification code (IFSC /SWIFT) and the account number.

**(b) General conditions precedent for all Disbursements:**

(i) Except for the first disbursement, submission of evidence by the Executing Entity to the Accredited Entity (NABARD) that at least seventy per cent (70%) of the funds previously disbursed by the Accredited Entity (NABARD) have been cumulatively spent on the Project;

(ii) Except for the first disbursement, submission by the Executing Entity of APRs and financial information in accordance with the SA;

(iii) Delivery of a Request for Disbursement by the Executing Entity, in a form and substance satisfactory to the Fund, within twenty (20) calendar days prior to the expected date of disbursement;

(iv) Confirmation by the Executing Entity that there is no event of default occurring with respect to the Subsidiary Agreement; and

(v) Confirmation b1. the Executing Entity. that the baseline study, including a revised cost estimate for the project activities in Component 1, has been completed with respect to the construction of the community tanks to be financed by the GCF Proceeds to be disbursed b1- the Accredited Entity (NABARD) in the relevant Disbursements: and

(vi) Delivery to the Accredited Entity (NABARD) by the Executing Entity of evidence indicating the status and amount of Co-financing disbursed and disbursed and applied to the implementation of the Funded Activity up to the date of the request for funds made by the Executing Entity.

**(C)** If within 20 days from the Effective Date, or such longer period established by the Fund in writing, [the Executing Entity has not requested the first Disbursement] OR [the conditions precedent for the first Disbursement established in Clause 8.01 have not been fulfilled, the Accredited Entity (NABARD) in consultation with Fund may terminate this Agreement by giving notice to the Executing Entity.

**(D)** If at the Closing Date, the Executing Entity has not requested the disbursement of the full amount of the GCF Proceeds with at least [Twenty (20) calendar days] prior to such date, or the Accredited Entity (NABARD) has not other-wise disbursed the full amount of the GCF Proceeds, the undisbursed portion of the GCF Proceeds available with the Accredited Entity (NABARD) shall automatically be cancelled and no longer available for disbursement.

**Schedule 6. Request for Disbursement**

[EXECUTING ENTITYS LET'TERH EAD]

NABARD

Head Office Mumbai [DATE]

Attn: [CFO]

Ref: Request for Disbursement - Subsidiary Agreement - Funded Activity: NB-GCF-FP [01] - Request for Disbursement [No. [\_\_\_\_\_]]

Dear Sir / Madam:

1. Reference is made to the Subsidiary Agreement dated as of [DATE] (the "Agreement") between the National Bank for Agriculture and Rural Development (the "Recipient'') and the Odisha Community Tank Development and Management Society- (the EE). Capitalized terms used but not defined in this request have the meanings assigned to them in the Agreement. The rules of interpretation set forth in Clause r of the Agreement shall apply to this request.

2. The Recipient irrevocably requests disbursement on [DATE] (or as soon as practicable thereafter) of the [\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_] INR under the Agreement (the "Disbursement"), in accordance with Clause 3 of the Agreement, to be transferred to the GCF Account - Account No.\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [SWIFT/ ABA] at [name and address of bank] in [city/country]; and The Recipient certifies that all the conditions precedent set forth in Clause 8 of the Agreement have been satisfied.

3. The Recipient further certifies that the proceeds of all Disbursements shall be applied only for the purpose described in Clause 3 of the Agreement.

4. The above certifications are effective as of the date hereof and shall continue to be effective as of the date of disbursement for this Disbursement. If any certification is no longer valid as of or prior to such Disbursement, the Recipient will notify NABARD immediately and, on demand, repay the Disbursement (or any portion thereof) if the Disbursement is made prior to NABARD’s receipt of such notice. The Recipient acknowledges hereby that the total amount of funds disbursed by the GCF under the Agreement prior to the date of this Request for Disbursement is [\_\_\_\_\_\_\_\_\_\_\_] INR as Grant; and

Yours tru1y,

[  ]

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Authorized Representative Authorized Representative

## Annexure ?

### Employee Leave Statement

[See Para 5.4]

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Period from: 26-XX-20XX to 25-XX-20XX**  **Employee Name:**  **Designation:** | | | | | | | | |
| **Month** | **Leave Opening Balance** | | **Leave availed this month** | | **Leave Balance** | | | |
| **AL** | | **SL** | |
| **Availed** | **Balance** | **Availed** | **Balance** |
|  | AL | SL | AL | SL |  |  |  |  |
| Jan |  |  |  |  |  |  |  |  |
| Feb |  |  |  |  |  |  |  |  |

\* For ATMA staff, they have to send the attendance sheet to the Project director through ATMA project Director.

\*For SPMU staff, they have to send the attendance sheet to the Project Director.

\*AL – Annual Leave

\*SL – Sick Leave

## Annexure ?

### Chart to account – Accounting Heads

(See Para 4.4)

**Part A**: Receipt and Expenditure Heads

| **Major Head** | **Minor Head** | **Sub Head** |
| --- | --- | --- |
| Capital Account | NABARD |  |
|  | GOI |  |
|  | GoO |  |
|  | Other capital |  |
| Current Liabilities | Sundry Creditors | Suppliers |
|  |  | Consultants |
|  |  | Contractors |
|  |  | Other Sundry Creditors |
|  | Provisions | Taxes |
|  |  | Other provisions |
| Fixed Assets |  | Books and journals |
|  |  | Computer software’s |
|  |  | Computers and accessories |
|  |  | Furniture and fixture |
|  |  | Office equipment’s |
|  |  | Server and Network |
|  |  | Tank restoration/repair/renovation |
|  |  | Other fixed assets |
| Current Assets | Stock in hand |  |
|  | Sundry debtors | NABARD dues |
|  |  | GOI dues |
|  |  | GoO due |
|  |  | Other Dues |
|  | Advance payment made |  |
|  | Cash on hand |  |
|  | Cash in bank |  |
|  | Cash in STD |  |
| Direct Expenses | Capacity building | Trainings |
|  |  | Exposure visit |
|  |  | Meeting |
|  |  | Study tours |
|  |  | Other capacity building |
|  | Consultancies | WALMI |
|  |  | MIS/GIS Development |
|  |  | Impact assessment |
|  |  | M&E external |
|  |  | Quality assurance |
|  |  | Other consultancies |
|  |  | Demonstration Activities |
|  | Information, education and communication | Cultural show |
|  |  | Exhibition |
|  |  | Preparation printing and Publication |
|  |  | Other activities |
|  | Recurring expenses direct |  |
|  | Other Direct expenses |  |
|  | Salaries and allowances | Salary staff |
|  |  | Salary Expert |
|  |  | Allowance and perks staff |
|  |  | Allowance and perks Expert |
|  | Software developments | GIS |
|  |  | MIS |
|  |  | Webpage |
|  |  | Other software |
|  | Support services | Any charges |
|  |  | Line department cost |
|  |  | Line department expenses |
|  |  | Other Support services |
|  | Other Direct Expenses |  |
| Indirect Expenses |  | Advertisement |
|  |  | Account maintaining charges |
|  |  | Communication charges |
|  |  | Domestic travel |
|  |  | Electricity charges |
|  |  | General expenses |
|  |  | Hiring of vehicle |
|  |  | Honorarium |
|  |  | Insurance |
|  |  | Internal audit |
|  |  | External audit |
|  |  | International travel |
|  |  | Legal charges |
|  |  | Meeting and conference |
|  |  | Office consumables |
|  |  | Office maintenance and cleaning |
|  |  | Professional charges |
|  |  | Rent rate and taxes |
|  |  | Repair and maintenance of equipment |
|  |  | Stamp and postage |
|  |  | Other indirect expenses |
| Direct Revenue | Grant-in-Aid from GCF |  |
|  | Grant-in-Aid from GoO |  |
|  |  |  |
|  |  | Other revenue |
| Indirect Revenue |  | Interest |
|  |  | Other indirect revenue |

**Part B: Component wise Activities with Budget Provision as per FAA&SA**

|  |  |  |
| --- | --- | --- |
| **Component Head** | **Activity Sub-Head** | **Amount(INR)** |
| 1. Ground water recharge system for concrete Adaptation | 1.1 Baseline study of 10,000 tanks | 250000000 |
| 1.2 Consultation cost for Development of Implementable SOP (through work shop) | 50000 |
| 1.3 SOP distribution in tank area to Jal sathis (21000 copies @Rs.25.00 each) | 525000 |
| 1.4 Development of standard operating procedure for installation and maintenance | 100000 |
| 1.5 Ground water recharge system installed in 10,000 tanks | 1400000000 |
| **Total Component 1** |  | **1650675000** |
| 2 Renovation of Community Tank (From Convergence Fund) | 2.1 Tank renovation for MI Tank | 466230000 |
| 2.2 Tank renovation for Tanks of PR& DW Deptt | 7304270000 |
| 2.3 Creation of Dug well in the impact area of irrigation | 937500000 |
| 2.4 Crop water budgeting based on agro climatic zone | 4500000 |
| 2.5 Water sharing master plan developed | 1000000 |
| 2.6 Livelihood improvement plan preparation | 1000000 |
| 2.7 Cost of Baseline water quality assessment in 10000 tank area | 2000000 |
| 2.8 Cost of post intervention water quality assessment 10000 tank area | 2300000 |
| **Total Component 2** |  | **8718800000** |
| 3 Integration of Solar Pumps for Irrigation | 3.1 Criteria development through consultation | 20000 |
| 3.2 Identification of tank based on criteria & sample site visit for verification | 50000 |
| 3.3 Cost of identification of supplier | 10000 |
| 3.4 Design of contract | 50000 |
| 3.5 Creation of procurement plan | 5000 |
| 3.6 1000 solar pump installed and baseline audit | 340040000 |
| 3.7 2000 village level para-professionals are certified in operation and maintenance of pumps | 1600000 |
| 3.8 Energy saving report generation | 9750000 |
| **Total Component 3** |  | **351525000** |
| 4. Capacity Building of stakeholders | 4.1 Training need assessment for sample households in tank command and PPs | 11250000 |
| 4.2 Training modules prepared and partners identified for both training and demonstration | 1530000 |
| 4.3 Training of implementing department (State level) | 3000000 |
| 4.4 Training of Jal sathis | 7600000 |
| 4.5 Training and demonstration organized in convergence with relevant departmental programmes of the government | 100000000 |
| 4.6 Landless and women members covered under capacity building for off-farm initiatives | 50000000 |
| 4.7 Linking of FPOs | 1000000 |
| **Total Component 4** |  | **174380000** |
| 5 Quality Management & Monitoring | 5.1 Satellite data cost (Carto sat and resources sat-LISS-IV merged Product) | 2546000 |
| 5.2 Data processing and referencing | 943000 |
| 5.3 Data interpretation and image processing/ thematic assessment | 4716000 |
| 5.4 Deliverables | 470000 |
| 5.5 Water Quality and dynamic ground water modeling tool developed | 1000000 |
| 5.6 Baseline and independent assessment report based on project objective and indicators prepared | 20000000 |
| 5.7 Capital expenses for procuring quality checking tools | 112500 |
| 5.8 In process quality monitoring by trained community member/ authorized department QA | 10000000 |
| **Total Component 5** |  | **39787500** |
| 6. Knowledge Management | 6.1 Preparation of policy briefs for Odisha ground water management and development regulation, state water policy and relevant facilitation | 1500000 |
| 6.2 Process documentation and preparation standard operating procedure for development of solar pumping value chain | 1500000 |
| 6.3 Science to policy knowledge product framework developed | 1000000 |
| 6.4 Process document for convergence with other departments are developed | 1000000 |
| 6.5 Quarterly project newsletter published | 2200000 |
| 6.6 Ten peer learning workshops are conducted during the lifecycle of the project | 705000 |
| **Total Component 6** |  | **7905000** |
| 7. Project Management | 7.1 Inter departmental steering committee for the project notified | 2500000 |
| 7.2 Project Implementation plan developed and approved | 3000000 |
| 7.3 Agreement for good and services signed and service providers mobilized | 1500000 |
| 7.4 Seamless reporting to AE established | 1500000 |
| 7.5 Fund flows, physical work progress and web based monitoring ensured | 24000000 |
| **Total Component 7** |  | **32500000** |
| **Total Amount** |  | **10975572500** |
| **Total Amount GCF** |  | **2267572500** |
| **Total Amount Country** |  | **8708000000** |

## Annexure ?

### Settlement of TA Advance

(This is a standard TA advance settlement form)

Name:

Basic Pay/Remuneration:

Purpose:

**Part I**

Tour Report

|  |  |  |  |
| --- | --- | --- | --- |
| Date | Activity | Output | Action by |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**Part II**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Date | Time of departure | Time of Arrival | From | To | Mode/Class of Journey | Distance travelled |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Fare | D.A. | | | Total |
| Days | Rates | Amount |
| 8 | 9 | 10 | 11 | 12 |
|  |  |  |  |  |
|  |  |  |  |  |

**Part III**

Lodging Charges

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Narration | Lodging Expense | Conveyance | Total |
| 1 | 2 | 3 | 4 | 5 |
|  |  |  |  |  |
|  |  |  |  |  |

Signature of Applicant Signature of Project Director

## Annexure ?

### Vehicle Requisition Form

(See para 5.7)

* + 1. Name of the Officer:
    2. Designation
    3. Purpose of requirement of vehicle with destination:
    4. Type of vehicle
    5. Period: From to
    6. Name of the officers accompanying (if any):

i.

ii. iii.

iv.

v.

7. Approximate kilometer to be covered:

Signature of the Officer Date:

Signature of Project Director

## Annexure ?

### Schedule of Fixed Assets

(See Para 6.5)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Schedule of Fixed Assets as on XX.XX.20XX | | | | | | | | | |
| Sl. No. | Description | OB. as on  XX. XX. 20XX | Addition during the year | | Sale during the year | Total | Rate of Depreciation | Depreciation | W.D.V  as on XX. XX. 20XX |
| Held for more than 180  days | Held for less than 180  days |
| 1 |  |  |  |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |  |  |  |
| 3 |  |  |  |  |  |  |  |  |  |
|  | **Total** |  |  |  |  |  |  |  |  |