

CONFORMED COPY

CREDIT NUMBER 2699 IN

Project Agreement

(Agricultural Human Resources Development Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

Dated April 11, 1995

CREDIT NUMBER 2699 IN

PROJECT AGREEMENT

AGREEMENT, dated April 11, 1995, between INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association) and INDIAN COUNCIL OF AGRICULTURAL RESEARCH (ICAR).

WHEREAS (A) the Association has received a letter dated February 27, 1995 from the Indian Council for Agricultural Research (hereinafter ICAR), endorsed by the Borrower, attaching a statement of agricultural education strategy that constitutes the framework for improving higher agricultural education in India, including policy, institutional and curricula reforms (hereinafter called ICAR Agricultural Education Strategy), and declaring ICAR's commitment to carry out such Strategy;

(B) by the Development Credit Agreement of even date herewith between India (the Borrower) and the Association, the Association has agreed to make available to the Borrower an amount in various currencies equivalent to forty million five hundred thousand Special Drawing Rights (SDR 40,500,000), on the terms and conditions set forth in the Development Credit Agreement, but only on condition that ICAR agree to undertake such obligations toward the Association as are set forth in the

Development Credit Agreement, and in this Agreement;

WHEREAS ICAR, in consideration of the Association's entering into the Development Credit Agreement with the Borrower, has agreed to undertake the obligations set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Definitions

Section 1.01. Unless the context otherwise requires, the several terms defined in the Development Credit Agreement and in the General Conditions (as so defined) have the respective meanings therein set forth.

ARTICLE II

Execution of the Project

Section 2.01. (a) ICAR declares its commitment to the objectives of the Project as set forth in Schedule 2 to the Development Credit Agreement, and, to this end, shall carry out Part A of the Project with due diligence and efficiency and in conformity with appropriate administrative, financial, and educational practices, and under the overall coordination of DARE; and shall provide, or cause to be provided, promptly as needed, the funds, facilities, services and other resources required for Part A of the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Association and ICAR shall otherwise agree, ICAR shall carry out Part A of the Project in accordance with the Implementation Program set forth in the Schedule to this Agreement.

Section 2.02. Except as the Association shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and to be financed out of the proceeds of the Credit shall be governed by the provisions of Schedule 3 to the Development Credit Agreement.

Section 2.03. ICAR shall carry out the obligations set forth in Sections 9.03, 9.04, 9.05, 9.06, 9.07 and 9.08 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively) in respect of the Project Agreement and Part A of the Project.

Section 2.04. (a) ICAR shall, at the request of the Association, exchange views with the Association with regard to the progress of Part A of the Project, the performance of its obligations under this Agreement and other matters relating to the purposes of the Credit.

(b) ICAR shall promptly inform the Association of any condition which interferes or threatens to interfere with the progress of Part A of the Project, the accomplishment of the purposes of the Credit, or the performance by ICAR of its obligations under this Agreement.

ARTICLE III

Management and Operations of ICAR

Section 3.01. ICAR shall carry on its operations and conduct its affairs in accordance with sound administrative, financial, and educational practices under the supervision of qualified and experienced management assisted by competent staff in adequate numbers.

Section 3.02. ICAR shall at all times operate and maintain its plants, machinery, equipment and other property, and from time to time, promptly as needed make all necessary repairs and renewals thereof, all in accordance with sound engineering, financial and educational practices.

Section 3.03. ICAR shall take out and maintain with responsible insurers, or make other provisions satisfactory to the Association for, insurance against such risks and in such amounts as shall be consistent with appropriate practice.

ARTICLE IV

Financial Covenants

Section 4.01. (a) ICAR shall maintain records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect of Part A of the Project of the departments or agencies of ICAR responsible for carrying out Part A of the Project.

(b) ICAR shall:

- (i) have its records and accounts referred to in paragraph (a) of this Section for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Association;
- (ii) furnish to the Association as soon as available, but in any case not later than nine months after the end of each such year, the report of such audit by said auditors, of such scope and in such detail as the Association shall have reasonably requested; and
- (iii) furnish to the Association such other information concerning said records, accounts and financial statements as well as the audit thereof, as the Association shall from time to time reasonably request.

ARTICLE V

Effective Date; Termination; Cancellation and Suspension

Section 5.01. This Agreement shall come into force and effect on the date upon which the Development Credit Agreement becomes effective.

Section 5.02. (a) This Agreement and all obligations of the Association and of ICAR thereunder shall terminate on the earlier of the following two dates:

- (i) the date on which the Development Credit Agreement shall terminate in accordance with its terms; or
- (ii) the date twenty (20) years after the date of this Agreement.

(b) If the Development Credit Agreement terminates in accordance with its terms before the date specified in paragraph (a) (ii) of this Section, the Association shall promptly notify ICAR of this event.

Section 5.03. All the provisions of this Agreement shall continue in full force and effect notwithstanding any

cancellation or suspension under the General Conditions.

ARTICLE VI

Miscellaneous Provisions

Section 6.01. Any notice or request required or permitted to be given or made under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable, telex or radiogram to the party to which it is required or permitted to be given or made at such party's address hereinafter specified or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For the Association:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:

INDEVAS
Washington, D.C

Telex:

248423 (RCA)
82987 (FTCC)
64145 (WUI) or
197688 (TRT)

For ICAR:

Indian Council of Agricultural Research
Krishi Bhawan
Dr. Rajendra Prasad Road
New Delhi 110001
India

Section 6.02. Any action required or permitted to be taken, and any document required or permitted to be executed, under this Agreement on behalf of ICAR may be taken or executed by the Secretary, ICAR or such other person or persons as ICAR shall designate in writing, and ICAR shall furnish to the Association sufficient evidence of the authority and the authenticated specimen signature of each such person.

Section 6.03. This Agreement may be executed in several counterparts, each of which shall be an original, and all collectively but one instrument.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ H. Vergin

Acting Regional Vice President
South Asia

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

By /s/ K. Sibal

Authorized Representative

SCHEDULE

Implementation Program

1. ICAR shall: (i) have an annual implementation plan for Part A of the Project, acceptable to the Association, approved not later than April 30 of each year, starting 1996, by a committee consisting of the Director General, Deputy Director General for the Education Division and ICAR Financial Advisor; and (ii) take the necessary actions to provide the Deputy Director General for the Education Division with adequate delegated administrative and financial powers to use approved Project funds. The implementation plan for 1995 shall be approved not later than May 31, 1995.

2. ICAR shall: (i) establish an Accreditation Board with powers and responsibilities acceptable to the Association, and (ii) cause the Accreditation Board and the sections of the reorganized Education Division of ICAR to be fully operational and staffed, not later than September 30, 1995, with personnel whose qualifications and experience are satisfactory to the Association.

3. ICAR shall, by December 31, 1997, undertake in collaboration with the Borrower, the Association, and the Project States, a mid-term review of the Project, and shall thereafter implement the recommendations of such review.

