

CONFORMED COPY

CREDIT NUMBER 2699 IN

Project Agreement

(Agricultural Human Resources Development Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

STATE OF ANDHRA PRADESH
STATE OF HARYANA
STATE OF TAMIL NADU

Dated April 11, 1995

CREDIT NUMBER 2699 IN

PROJECT AGREEMENT

AGREEMENT, dated April 11, 1995, between INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association) and the States of Andhra Pradesh, Haryana and Tamil Nadu (The Project States).

WHEREAS (A) the Association has received letters dated February 27, 1995 from Andhra Pradesh, Haryana and Tamil Nadu (hereinafter the Project States), attaching a statement for the future development of their State Agricultural Universities participating in the Project (hereinafter SAUs) that constitute the framework for improving agricultural education in such Project States, including policy, institutional and curricula reforms (hereinafter called SAU Policy Statement), and declaring the Project States commitment to carry out such policy reforms;

(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 the Project States agree

to undertake such obligations toward the Association as are set forth in the Development Credit Agreement, and in this Agreement;

WHEREAS The Project States, in consideration of the Association's entering into the Development Credit Agreement with the Borrower, have 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) The Project States declare their 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: (i) Part B of the Project through SAUs; (ii) Part C of the Project through the Agricultural Development Departments; and (iii) Part D of the Project through the Manpower Advisory Councils, all 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 Parts B, C and D of the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Association and the Project States shall otherwise agree, the Project States shall carry out Parts B, C, and D 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. The Project States 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 B, C, and D of the Project.

Section 2.04. (a) The Project States shall, at the request of the Association, exchange views with the Association with regard to the progress of Parts B, C and D of the Project, the performance of its obligations under this Agreement and other matters relating to the purposes of the Credit.

(b) The Project States shall promptly inform the Association of any condition which interferes or threatens to interfere with the progress of Parts B, C and D of the Project, the accomplishment of the purposes of the Credit, or the performance by the Project States of their obligations under this Agreement.

ARTICLE III

Financial Covenants

Section 3.01. (a) The Project States shall maintain records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect of Parts B, C and D of the Project of the departments or agencies of the Project States, including SAUs, responsible for carrying out the Project or any part thereof.

(b) The Project States shall:

- (i) have the 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 IV

Effective Date; Termination; Cancellation and Suspension

Section 4.01. This Agreement shall come into force and effect on the date upon which the Development Credit Agreement becomes effective.

Section 4.02. (a) This Agreement and all obligations of the Association and of the Project States 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 the Project States of this event.

Section 4.03. All the provisions of this Agreement shall continue in full force and effect notwithstanding any cancellation or suspension under the General Conditions.

ARTICLE V

Miscellaneous Provisions

Section 5.01. 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 Andhra Pradesh:

Chief Secretary
Government of Andhra Pradesh
Hyderabad
Andhra Pradesh, India

For Haryana:

Chief Secretary
Government of Haryana
Chandigarh
Haryana, India

For Tamil Nadu:

Chief Secretary
Government of Tamil Nadu
Madras
Tamil Nadu, India

Section 5.02. Any action required or permitted to be taken, and any document required or permitted to be executed, under this Agreement on behalf of any of the Project States may be taken or executed by its Chief Secretary or such other person or persons as such State shall designate in writing, and each Project State shall furnish to the Association sufficient evidence of the authority and the authenticated specimen signature of each such person.

Section 5.03. 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

STATE OF ANDHRA PRADESH
STATE OF HARYANA
STATE OF TAMIL NADU

By /s/ K. Sibal

Authorized Representative

SCHEDULE

Implementation Program

1. The Project States shall, following the completion of the studies of higher agricultural education financial management under Part C of the Project, develop with SAU and ICAR, not later than June 30, 1997, a common strategy for higher agricultural education financial management, and discuss such strategy during the mid-term review referred to in paragraph 8 of this Schedule, and agree on an action plan for implementation.

2. Each Project State shall have its annual implementation plan, including the plans of its SAU, participating departments and Manpower Advisory Council, acceptable to the Association, approved, not later than April 30 of each year, starting 1996, by a state-level committee consisting of the Secretaries of Agriculture and Finance, as well as the Vice-Chancellor of its SAU and the heads of the participating departments, in addition to four persons nominated by such a state representing agricultural education and agro-industries. The implementation plan for 1995 shall be approved not later than May 31, 1995.

3. Each Project State shall, not later than December 31, 1995, take the necessary actions to expand the Board of Management of each SAU to include at least two additional representatives, of the agricultural sector.

4. Each Project State shall cause its SAU to establish, in consultation with the Association, not later than September 30, 1995, a broad-based advisory group to meet at least once a year for providing feedback on the preparedness of its graduates and relevance of its programs, and advising on the future directions of its activities.

5. Each Project State shall establish not later than June 30, 1995, a Manpower Advisory Council with staffing, powers and responsibilities acceptable to the Association.

6. The Project States shall, without limitation to the provisions of Section 2.01 of this Agreement, implement a system satisfactory to the Association for channelling the funds required for the Project, to the entities involved in carrying out the Project.

7. Without limitations to the provisions of Section 2.01 (a) of this Agreement, each of the Project States shall provide, on an annual basis, adequate and earmarked funds to its SAU for maintaining its buildings, facilities and equipment.

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

recommendations of such review.

