

CONFORMED COPY

CREDIT NUMBER 2572 IN

Project Agreement

(Forestry Research Education and Extension Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

INDIAN COUNCIL FOR FORESTRY RESEARCH AND EDUCATION

Dated March 9, 1994

CREDIT NUMBER 2572 IN

PROJECT AGREEMENT

AGREEMENT, dated March 9, 1994, between INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association) and INDIAN COUNCIL FOR FORESTRY RESEARCH AND EDUCATION (ICFRE).

WHEREAS: (A) 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 thirty three million eight hundred thousand Special Drawing Rights (SDR 33,800,000), on the terms and conditions set forth in the Development Credit Agreement, but only on condition that ICFRE agree to undertake such obligations toward the Association as are set forth in this Agreement;

(B) By a Project Agreement of even date herewith between the Association and the States of Himachal Pradesh and Tamil Nadu (the Project States) (the States Agreement), the Project States have agreed to undertake certain obligations in respect of the carrying out of Part C (i) and (ii) of the Project; and

WHEREAS ICFRE, 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, the Preamble to this 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) ICFRE 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 forestry research practices, 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 ICFRE shall otherwise agree, ICFRE 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 works, goods and services required for Part A of 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. ICFRE 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 this Project Agreement and Part A of the Project.

Section 2.04. (a) ICFRE 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) ICFRE 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 ICFRE of its obligations under this Agreement.

ARTICLE III

Management and Operations of ICFRE

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

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

Section 3.03. ICFRE 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) ICFRE shall maintain or cause to be maintained 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 the ICFRE responsible for carrying out Part A of the Project.

(b) ICFRE 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 and accounts and 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 ICFRE 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 ICFRE 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 ICFRE:

Indian Council for Forestry
Research and Education
P.O. New Forest
Dehra Dun 248-006
India

Telex:

585-258-FRIC-IN

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 ICFRE may be taken or executed by the Director General of ICFRE or such other person or persons as the Director General shall designate in writing, and ICFRE 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/ D. Joseph Wood

Regional Vice President
South Asia

INDIAN COUNCIL FOR FORESTRY RESEARCH AND
EDUCATION

By /s/ N. Valluri

Authorized Representative

SCHEDULE

Implementation Program

1. ICFRE shall: (i) develop and discuss with the Association, not later than June 30, 1995, a methodology for setting research priorities under Part A of the project, and (ii) complete, not later than June 30, 1996, drafts of the National Forestry Research Plan and the associated Human Resources Development Plan, and shall discuss and agree with the Association on such Plans as part of the mid-term review referred to in paragraph 10 below.
2. ICFRE shall: (i) prepare and agree with the Association, not later than December 31, 1994, the format of the Indian Forestry Research Information System; (ii) utilize such system for introducing a program budgeting during FY 1995-96, and, to the extent practicable, for preparation of the FY 1996-97 budget; and (iii) fully utilize such system for preparation of the FY 1997-98 budget.
3. ICFRE shall complete and discuss with the Association, not later than December 31, 1994, the survey to identify interim seed sources for development and detailed site plans for clonal seed orchards, for seedling seed production areas, and for multiplication gardens, and detailed plans for nursery improvements in all ICFRE Institutes.
4. ICFRE shall, not later than September 30, 1994: (i) identify an institution, acceptable to the Association, for placement and support of trainees under Part A of the Project, and (ii) agree on the provisions of such contract.
5. ICFRE shall prepare, not later than September 30, 1994, a training plan for the first year training under Part A of the Project, acceptable to the Association, and shall, not later than April 30 of every year thereafter, during the Project implementation period, prepare annual training plans acceptable to the Association.
6. ICFRE shall, every year during the Project implementation period, under terms of reference agreed with the Association, undertake a review of the scientific activities of at least two of ICFRE's Institutes, and shall thereafter implement the agreed recommendations of such reviews.
7. ICFRE shall introduce, and discuss with the Association, a program of analytical standardization within ICFRE Institutes and collaborating research organizations, not later than December 31, 1994.
8. ICFRE shall not later than December 31, 1994: (i) cause all libraries participating in the Indian Forestry Library and Information Network to agree on the range of journals to be purchased under Part A of the Project, (ii) prepare, under terms of reference agreed with the Association, contracts for computerization of library catalogues, and (iii) prepare terms of reference agreed with the Association for reviews of current research and grey literature.
9. ICFRE shall complete, not later than June 30, 1996, in consultation with the Association, the review of the curricula for forestry education in selected universities in India.
10. ICFRE shall undertake, in collaboration with the Association, the Borrower and the Project States, not later than February 28, 1997, a mid-term review of the Project, and shall thereafter implement the recommendations of such review.
11. In addition to the criteria for assessing the proposals for grant funding under the research grant fund and the extension support fund referred to in para 3 (ii) of Schedule 1 to the Development Credit Agreement, ICFRE shall review, in collaboration with the Association, the first three proposals for funding under each grant fund.

