

CONFORMED COPY

(Basic and Primary Education Project)

between

THE KINGDOM OF NEPAL

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

as Administrator of Grant Funds
provided by the
GOVERNMENT OF JAPAN

Dated March 8, 1991

JAPANESE GRANT AGREEMENT

AGREEMENT, dated March 8, 1991, between THE KINGDOM OF NEPAL (the Recipient) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association) acting as Administrator (the Administrator) of grant funds provided by the GOVERNMENT OF JAPAN (Japan).

WHEREAS (A) pursuant to a letter agreement dated July 30, 1990 between Japan and the International Bank for Reconstruction and Development and the Association (collectively, the Bank), Japan has requested the Bank, and the Bank has agreed, to administer grant funds to be made available by Japan for the financing of certain programs and projects supported by the Bank in accordance with the provisions of such letter agreement;

WHEREAS (B) the Recipient has requested and Japan has agreed to make available to the Recipient a grant (the Grant) out of said grant funds to finance the cost of carrying out the technical assistance described in Schedule 1 to this Agreement (the Technical Assistance) on the terms and conditions hereinafter set forth;

WHEREAS (C) the Recipient has requested the Bank to carry out the Technical Assistance;

WHEREAS (D) the Bank has agreed to carry out the Technical Assistance on the terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Definitions; Term of Technical Assistance

Section 1.01. The Technical Assistance shall consist of services to be undertaken by consultants (the Consultants) who shall, as far as practicable, have expertise in the areas described in Schedule 1 to this Agreement.

Section 1.02. As used in this Agreement, the terms "yen" and "¥" mean the currency of Japan, and the term "Consultants" includes individual consultants as well as any consulting firm that provides any of the experts referred to in Section 1.01.

Section 1.03. Implementation of the Technical Assistance is expected to commence no later than April 1, 1991, and shall continue for a period not to exceed twenty four calendar months.

ARTICLE II

Responsibilities of the Administrator

Section 2.01. The Administrator shall make reasonable efforts to secure the services of the Consultants, ensure the availability of adequately qualified local counterpart staff, and shall review for approval the specifications of equipment and vehicles and the related operating costs.

Section 2.02. The Administrator shall utilize the Grant to finance, on a grant basis, the following expenditures:

(a) in connection with the services of the Consultants and, where applicable, the participants under the fellowship, training and study visits:

- (i) remuneration, per diem and other allowances;
- (ii) international and local travel expenses;
- (iii) out-of-pocket expenses, including communications and reports, incurred by the Consultants in foreign and local currency in the performance of their services; and
- (iv) stipends.

(b) in connection with local training, education and curriculum development:

- (i) local travel expenses;
- (ii) per diems; and
- (iii) supplies and materials;

(c) equipment and related operating costs.

Section 2.03. The amount of the Grant to be provided by Japan for the Technical Assistance pursuant to Section 2.02 shall not exceed the equivalent of two hundred thirty-two million four hundred thousand yen (¥232,400,000).

Section 2.04. The recruitment, engagement and supervision of the Consultants shall be carried out by the Administrator in consultation with the Recipient and shall be done according to the Administrator's applicable procedures.

ARTICLE III

Responsibilities of the Recipient

Section 3.01. The Recipient shall cooperate with the Administrator and the Consultants to ensure that the Technical Assistance is carried out promptly and effectively and, for this purpose, shall issue appropriate instructions to its officials, agents and representatives.

Section 3.02. The Recipient shall:

(a) make arrangements for all personnel of the Consultants assigned to the Technical Assistance (other than nationals of the Recipient or permanent residents of the Recipient's territories) and all dependents of such personnel promptly to be provided with any necessary entry and exit visas, residence and work permits, exchange documents and travel documents required for their stay in the Recipient's territories during the duration of the Technical Assistance;

(b) facilitate clearance through its customs of any equipment, materials and supplies required for the Technical Assistance and any personal effects of the personnel of the Consultants assigned to the Technical Assistance (other than nationals of the Recipient or permanent residents of the Recipient's territories) and the dependents of such personnel;

(c) permit the Consultants to bring into, and withdraw from, the Recipient's territories reasonable amounts of foreign currency for purposes related to the Technical Assistance;

(d) permit the personnel of the Consultants assigned to the Technical Assistance (other than nationals of the Recipient or permanent residents of the Recipient's territories) and the dependents of such personnel to bring into, and withdraw from, the Recipient's territories reasonable amounts of foreign currency for their personal use; and

(e) exempt the Consultants and the personnel of the Consultants assigned to the Technical Assistance from (or the Recipient shall pay on behalf of the Consultants and such personnel) any taxes, duties, fees, levies and other impositions imposed under the laws and regulations in effect in the Recipient's territories on the Consultants and such personnel in respect of:

- (i) any payments whatsoever made to the Consultants and such personnel (other than nationals of the Recipient or permanent residents of the Recipient's territories) in connection with the carrying out of the Technical Assistance;
- (ii) any equipment, materials and supplies brought into the Recipient's territories by the Consultants for the purpose of carrying out the Technical Assistance and which, after having been brought into such territories, will be subsequently withdrawn therefrom by them;
- (iii) any equipment, material and supplies brought into the Recipient's territories by the Consultants for the purpose of carrying out the Technical Assistance and which will be consumed therein or become the property of the Recipient; and
- (iv) any property brought into the Recipient's territories by the Consultants or such personnel (other than nationals of the Recipient or permanent residents of the Recipient's territories) or the dependents of such personnel for their personal use and which will be consumed therein or subsequently withdrawn therefrom by them upon their respective departure from the Recipient's territories, provided that the Consultants, such personnel and their dependents shall follow the usual customs procedures of the Recipient in importing property into the Recipient's territories.

Section 3.03. The Recipient shall be responsible for dealing with any claims arising out of, or resulting from, the Technical Assistance that may be brought by third parties against the Administrator. The Recipient shall indemnify the Administrator against any costs, claims, damages or liabilities arising out of, or resulting from, any acts or omissions in connection with the Technical Assistance.

Section 3.04. For purposes of carrying out the Technical Assistance, the Recipient shall make available to the Consultants, free of charge, the data, services, facilities and equipment set forth in Schedule 2 to this Agreement.

Section 3.05. The Recipient shall make available to the Consultants, free of charge, such counterpart personnel to be selected by the Recipient based upon the Consultants' request as set forth in Schedule 2 to this Agreement. If any member of the counterpart personnel fails to perform adequately any work assigned to him by the

Consultants that is consistent with the position occupied by such member, the Consultants may request the replacement of such member, and the Recipient shall not unreasonably refuse to act upon such request.

Section 3.06. The Recipient shall procure equipment and vehicles for the purpose of carrying out the Technical Assistance in accordance with procedures consistent with those set forth in Section I and II of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Administrator in May 1985.

ARTICLE IV

Reports and Other Matters

Section 4.01. The Recipient and the Administrator shall, from time to time, at the request of either party, exchange views on the Technical Assistance and consult on any reports prepared by the Consultants and the implementation of any recommendations made in those reports.

Section 4.02. The Administrator may use any reports prepared by the Consultants for any purpose that the Administrator may consider appropriate but those reports may not be made public except by agreement between the Recipient and the Administrator.

ARTICLE V

Effective Date, Suspension and Termination

Section 5.01. This Agreement shall become effective upon its execution by the parties.

Section 5.02. The Recipient may at any time request the Administrator in writing to terminate the Technical Assistance. Whether or not the Recipient has made such a request, the Administrator may at any time suspend or, after consultation with the Recipient, terminate the Technical Assistance if any circumstances arise that, in the opinion of the Administrator, interfere or threaten to interfere with the successful implementation of the Technical Assistance, the accomplishment of its purposes, or the execution of the Technical Assistance in accordance with the terms and conditions of this Agreement.

Section 5.03. If the Technical Assistance is suspended or terminated, the Recipient and the Administrator shall consult with each other concerning any further action that may be necessary or desirable.

Section 5.04. The Administrator is not an agent of or trustee for the Recipient and shall not have any fiduciary relationship with the Recipient. The Recipient shall have no right to any portion of the Grant that is not expended by the Administrator pursuant to this Agreement.

ARTICLE VI

Representation

Section 6.01. The officials responsible for the implementation of this Agreement shall be:

For the Recipient:

Minister of Education and Culture
Ministry of Education and Culture
Kathmandu
The Kingdom of Nepal

For the Administrator:

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

Cable address:

INTBAFRAD

Telex:

197688 (TRT),

Washington, D.C.

248423 (RCA),
64145 (WUI) or
82987 (FTCC)

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.

THE KINGDOM OF NEPAL

By /s/ Mohan Man Sainju

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION
as Administrator of the Grant

By /s/ A. Karaosmanoglu

Regional Vice President
Asia

SCHEDULE 1

Description of Technical Assistance

The objective of the Technical Assistance is to assist the Recipient in the preparation of a proposed Basic and Primary Education Project (the Proposed Project).

The Technical Assistance will consist of the provision of educational services, placements, fellowships, study visits, local and foreign training, equipment, and the payment of related operating costs, with a view to, among other things, (i) developing and disseminating primary curricula; (ii) developing primary textbooks; (iii) designing research and development studies and (iv) enhancing the Recipient's capacity to collect and analyze educational data for planning purposes.

The Proposed Project's objectives would be to (i) improve the quality of the basic and primary education systems; (ii) increase equitable access to basic and primary schooling; and (iii) improve the Recipient's management of basic and primary education.

SCHEDULE 2

Description of Services, Facilities, Equipment and
Counterpart Personnel to be Made
Available by the Recipient

The Recipient shall:

1. Provide office space for short-term visiting consultants.
2. Facilitate access to appropriate officials in the Ministry of Education and Culture of the Recipient to assist the Consultants in the carrying out of their assignment.
3. Take all necessary measures to enable all of the Recipient's officials whose names have been agreed upon by the Recipient and the Administrator to participate in the training and education program financed hereunder.

