

No. 17228

**UNITED STATES OF AMERICA
and
NEPAL**

**Project Agreement relating to the Institute of Agriculture
and Animal Sciences (with annex). Signed at Kath-
mandu on 4 August 1977**

Authentic text: English.

Registered by the United States of America on 24 November 1978.

**ÉTATS-UNIS D'AMÉRIQUE
et
NÉPAL**

**Accord de projet concernant l'Institut agricole et vétérinaire
(avec annexe). Signé à Katmandou le 4 août 1977**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 24 novembre 1978.

PROJECT AGREEMENT¹ BETWEEN THE DEPARTMENT OF STATE,
AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN
AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF
AMERICA, AND THE MINISTRY OF FINANCE

AN AGENCY OF HIS MAJESTY'S GOVERNMENT OF NEPAL

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- | | |
|--|---|
| <input checked="" type="checkbox"/> PROJECT DESCRIPTION ANNEX A | <input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS ANNEX |
| <input checked="" type="checkbox"/> STANDARD PROVISIONS ANNEX ² | <input type="checkbox"/> SPECIAL LOAN PROVISIONS ANNEX |

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

- | | |
|---|---------------------------------------|
| <input checked="" type="checkbox"/> GENERAL AGREEMENT FOR TECHNICAL COOPERATION | Date
January 23, 1951 ³ |
| <input type="checkbox"/> ECONOMIC COOPERATION AGREEMENT | Date |
| <input type="checkbox"/> (other) | Date |

- | | |
|---|---|
| 1. Project/Activity No.
367-0102 | |
| 2. Agreement No.
FY 1977-7 | 3. <input checked="" type="checkbox"/> Original or Revision No. _____ |
| 4. Project/Activity Title
INSTITUTE OF AGRICULTURE AND ANIMAL SCIENCES | |
| 5. Project Description and Explanation
(See Annex A attached) | |
| 6. AID Appropriation Symbol
72-11X1023 | 7. AID Allotment Symbol
402-50-367-00-69-71 |

8. AID Financing

- DOLLARS
 LOCAL CURRENCY

	Previous total (A)	Increase (B)	Decrease (C)	Total to date (D)
(a) Total		2,531,000		2,531,000
(b) Contract Services		2,531,000		2,531,000
(c) Commodities				
(d) Other costs.....				

¹ Came into force on 4 August 1977 by signature.

² United Nations, *Treaty Series*, vol. 1084, No. I-16587.

³ *Ibid.*, vol. 184, p. 65.

9. Cooperating Agency Financing-Dollar Equivalent:	<i>Previous total</i> (A)	<i>Increase</i> (B)	<i>Decrease</i> (C)	<i>Total to date</i> (D)
\$1.00 =				
(a) Total				
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

10. Special Provisions (*Use Additional Continuation Sheets, if Necessary*)

The Cooperating Government Agency agrees to execute an assignment to A.I.D. upon request, of any cause of action which may accrue to the Cooperating Government Agency in connection with or arising out of the contractual performance or breach of performance by a party to a direct contract with A.I.D. financed in whole or in part out of funds provided by the United States Government under this Agreement.

11. Date of Original Agreement August 4, 1977	12. Date of this Revision	13. Estimated Final Contribution Date September 30, 1984
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14. For the Cooperating Government or Agency

[Signed]

Signature: N. P. RAJBHANDARI

Date:

Title: Actg. Secy., Min. of Education,
HMG/N

[Signed]

N. K. ADHIKARY

Secy., Ministry of Finance, HMG/N

15. For the Agency for International Development

[Signed]

Signature: L. DOUGLAS HECK

Date:

Title: Ambassador

[Signed]

SAMUEL H. BUTTERFIELD

Director, USAID/Nepal

ANNEX A

I. PROJECT DESCRIPTION

A. *Statement of Purpose*

The purpose of this project is to expand and improve the Institute of Agriculture and Animal Sciences so that it will be capable of providing quality training and academic programs for (1) middle and high level officials in the Ministry of Food, Agriculture, and Irrigation, (2) Vocational Agriculture teachers and supervisors, and (3) farmers and villagers at the community level.

It is anticipated that achievement of the above project purpose will contribute to achievement of the following longer term objectives: (1) establishment of a national system of agricultural training providing all 75 districts of Nepal with qualified, responsive, and locally knowledgeable agricultural technicians and an expanding number of specially trained farmers by 1984; and (2) relief of trained manpower shortages and the maldistribution effects of recruitment, staffing, and placement upon Nepal's agriculture sector.

B. *Project Activities*

USAID/N will make available technical advisory assistance, participant training, commodities and research funds for the project as outlined below:

1. *Technical Advisory Assistance*

USAID/N will provide \$1,812,000 to partially fund about 25 person years of technical advisory assistance from FY 77 through FY 84, not including conditional exchange professors and graduate

students. These specialists will work with the staff and administration of the IAAS in terms of the job specifications as detailed in the work plan and contract. During the early years of the Project, specialists may be called upon for diverse services, given the fact that staff at the IAAS is generally young and inexperienced. Such service might include a minimum of teaching, but it is the intent of the Project that institutional planning and staff development will be of higher priority than teaching. The role and scope of technical advisory inputs will be regularly and jointly reviewed at the annual review meeting with the objective of (a) limiting such services to those areas where indigenous know-how is not developed to the degree necessary, or is non-existent, and (b) creating such know-how as early as possible so that Nepalese professionals may take over and fulfill the objectives of the Project at the earliest feasible time. Thus, the following listing of advisory assistance is approximate, and may be modified in the light of changing conditions.

(a) Team Leader/Higher Education Administration	76 months
(b) Extension/adult/nonformal specialist	13 months
(c) Plant Science	48 months
(d) Animal Science	48 months
(e) Rural Development	72 months
(f) Short term specialists	48 months
(g) Exchange Professors	To be determined
(h) Graduate students	96 months

In addition to these dollar resources, USAID/N will provide local currency funds to the MUCIA for the purpose of defraying costs of in-country logistical and administrative support. The obligation of funds for this purpose will be accomplished only following approval by HMG/N. HMG/N approvals may be in the form of an exchange of letters between USAID/N and HMG/N describing the elements of the MUCIA budget and providing approval of this budget. This exchange of letters shall serve as the basis for the obligation of these funds.

2. Participant Training

USAID/N will provide \$584,000 through the MUCIA Contract primarily to finance off-shore training for the IAAS staff to the master's level, and in some cases as may be mutually agreed to, to the doctor's level. This amount represents partial funding of the total participant training costs as outlined below for this Project. USAID/N will provide approximately 60 man years of training over the life of the Project in either the U.S. or in a third country dollar funded program, with 6 starts provided in FY 77; a maximum of 8 in FY 78, FY 79, and FY 80; and a maximum of 4 in FY 81 and in FY 82. USAID/N will also finance out of the \$584,000 international travel and per diem costs for IAAS and other Tribhuvan University officials as appropriate to visit other agricultural training institutions in the region and MUCIA Institutions, to interview potential advisors/exchange professors and to foster relationships between IAAS and MUCIA. Upon receipt of training requests from HMG/N the contractor, with the approval of USAID/N, will arrange and finance both academic and non-academic training program.

It is understood that costs associated with the participant training element of this Project will be shared as follows:

HMG/N will provide

- (a) For all HMG/N nominees, the cost of travel within Nepal and of associated living expenses in connection with administrative processing and orientation scheduled by USAID/N as well as English Language Improvement where needed, except as may be otherwise agreed for nongovernment employees;
- (b) The cost of passports, visas or other steps incidental to overseas travel for participants;
- (c) The cost of round-trip airline tickets for participants to the limits of the then existing service by Royal Nepal Airlines Corporation (RNAC) on the usually travelled route of travel to the proposed training site;
- (d) Continued pay and allowances for HMG/N employees during the period of training.

USAID/N will provide the costs of actual training and living allowances of the participants while engaged in training abroad and any international travel beyond the limit of RNAC services. Specific training programs and participants will be detailed in nonfunded PIO/Ps.

3. *Commodities*

USAID/N will provide \$55,000 from FY 77 through FY 80 for the procurement of library books, teaching materials, office equipment, laboratory equipment, farm equipment, and basic equipment for veterinary medicine for the project support.

In addition, USAID/N will provide \$20,000 for vehicle and equipment maintenance, spare parts, and replacement of project vehicles, furniture and other equipment for the contract support. Equipment to be procured will be mutually agreed to prior to ordering by the Dean of the IAAS and the MUCIA Team Leader, and will be approved by A.I.D.

4. *Research*

USAID/N will provide \$60,000 from FY 78 through FY 80 to a joint faculty research committee to promote applied research on Nepalese agriculture and related problems. Prior to such a grant, a statement of rules and regulations governing the administration of the grant funds must be developed and adopted by the IAAS and Tribhuvan University.

II. PROJECT ADMINISTRATION

A. *USAID/N Administration—Representative*

USAID/N will continue to provide technical services, participant training and commodities as described above through the MUCIA Contract. USAID/N's role in project implementation will be primarily a monitoring function with the contractor being responsible for most project activities. The Human Resources Development Officer of USAID/N will serve as the USAID/N representative for this Project.

B. *HMG/N Administration—Representative*

This Project will be under the general policy guidance of Tribhuvan University, of which the Institute of Agriculture and Animal Sciences is an integral part. As such, it is subject to standard rules and regulations guiding the University. The MUCIA Team will assist the Dean in carrying out the mandate given the IAAS to develop in terms of "service orientation", "development orientation", "developing the upside down curriculum", and "research orientation". Specific day-to-day supervision will be exercised by the Dean of the Institute of Agriculture and Animal Sciences, with the advice, counsel, and support of the Team Leader of the Mid-Western University Consortium for International Activities (MUCIA) Contract, and such members of the Team as he may call upon. The Dean will serve as the IAAS Project Director. The Dean and MUCIA Team Leader will consult with and inform the USAID/N project representative as appropriate.

C. *Project Activities*

Project activities will be governed by the USAID/N PROP (June 1974) on the Institute of Agriculture and Animal Sciences (IAAS) as presented and as up-dated in annual work plans prepared by the Contractor and approved by HMG/N and USAID/N.

III. PROJECT FINANCING

A. *USAID/N Contribution*

In this Project Agreement, USAID/N obligates a total of \$2,531,000 for the MUCIA Contract as follows:

Technical Assistance.....	\$1,812,000
Participant Training.....	584,000
Commodities (Project).....	55,000
Commodities (Contractor Support).....	20,000
Research.....	60,000
TOTAL	\$2,531,000

This represents partial funding for the life of the Project. Subsequent AID funding increments for the Project will be subject to the availability of funds.

B. *HMG/N Contribution*

HMG/N hereby agrees to contribute not less than 25% of the total project costs over the life of this project. This contribution will be made in the form of salaries of project personnel, direct budget expenditures for equipment and materials, managerial overhead and in-kind resources such as buildings, housing, and land.

IV. OTHER PROVISIONS

A. *Relationship of U.S. Assistance to Other Aid Donor Assistance*

It is understood that U.S. assistance to the activities covered by this Project Agreement will be provided only insofar as such assistance does not duplicate assistance provided by other aid donor(s).

B. *Evaluation*

The major evaluation will occur once each year in connection with the Annual Project Review. This Annual Project Review will use as its basis the Work Plan and will involve all major concerned parties, most notably the Dean of the IAAS; the MUCIA Team Leader; Tribhuvan University officials, USAID/N Project Representative; MUCIA representative; and an AID/W representative. The Annual Project Review will be of major significance, for it will (a) review progress over the past year in terms of the Work Plan and this Agreement; (b) identify areas of concern, or in which there has been lack of progress; (c) chart a course of action in the form of Work Plan Revisions for the remaining life of the Project generally, and for the following year specifically; and (d) involve organizations and individuals noted above, and such others as may be deemed appropriate.
