

CSN 1648
PD AAL-053

386-0486-12

GRANT PROJECT AGREEMENT

**Between the United States of America, acting through
the Agency for International Development (AID)**

AND

**The President of India
(Grantee)**

1. Project Title: NCAER Rural Household Survey	2. AID Project Number: 386-0486
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The above-named parties hereby mutually agree to carry out the Project described in this Agreement in accordance with (1) the terms of this Agreement, including any annexes attached hereto, and (2) any general agreement between the two governments regarding economic or technical cooperation.

3. Amount of AID Grant: \$ <u>498,500</u>	4. Grantee Contribution to the Project: \$ <u>Nil</u>	5. Project Assistance Completion Date: <u>September 30, 1984</u>
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6. This Agreement consists of this title page and Project Agreement Annex A Project Description and Project Agreement PROAG Standard Provisions Annex.

7. For the Grantee Typed Name: Purshottam Lal Signature: -/Sd./- Title: Director, Department of Economic Affairs, Ministry of Finance Date: September 30, 1981	8. For the Agency for International Development Typed Name: John R. Westley Signature: -/Sd./- Title: Acting Director Date: September 30, 1981
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(CONFORMED COPY)

PROJECT AGREEMENT

Annex A

PROJECT DESCRIPTION

1. Project Title: NCAER Rural Household Survey	2. AID Project Number: 386-0486
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3.

This project consists of assistance to the Grantee to enable analyses of rural household survey data. Both the survey and subsequent analytical work will be undertaken by the National Council of Applied Economic Research (NCAER), an independent, autonomous research institution. The Project is designed to analyze the trends over the 1970s in levels of income, its distribution, land ownership, relative positions of agricultural laborers and non-agricultural workers, etc., and the inter-relationships between economic variables and demographic behavior. The results of the survey are intended to improve the understanding at the national level of rural household behavior and key trends in the rural economy as a basis for rural development planning. Section 10 amplifies the above definition of the "Project". Within the limits of the definition of the Project, elements of the amplified description stated in Section 10 may be changed by written agreement of A.I.D. and the Grantee without formal amendment of this Agreement. The Grant may be used to finance the local currency costs of an agreement between the Government of India and NCAER to undertake the survey and to prepare all resulting analyses.

4. Amount of Grant

In order to carry out the Project, A.I.D. hereby grants to the Grantee, under the terms of this Agreement, funds not to exceed four hundred ninety-eight thousand five hundred dollars (\$498,500).

5. Project Assistance Completion Date

Except as the parties may otherwise agree in writing, the Project Assistance Completion Date will be September 30, 1984.

6. Conditions Precedent to Disbursement

Except as the Parties may otherwise agree in writing, prior to the first disbursement of funds under this Agreement, the Grantee shall deliver or cause to be delivered to A.I.D., in form and substance satisfactory to A.I.D.

(a) Evidence that a Technical Advisory Committee has been established for the project and a statement of the functions and responsibilities of the Committee;

(b) A list of names and designations of officials constituting the Technical Advisory Committee. At least one member of the Committee shall be nominated by A.I.D.;

(c) Evidence that an agreement with NCAER has been executed.

7. Terminal Date for Meeting Conditions Precedent

If all of the conditions specified in Section 6 have not been met within 180 days from the date of this Agreement, or such other date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement.

8. Rights of Intellectual Property

Grantee shall take such steps as may be reasonable and necessary to assure that the data, analyses and methodology developed under the project will be available to researchers.

9. Reports

Grantee will provide or cause to be provided to A.I.D. copies of the preliminary report and the final report of the analysis conducted by NCAER, in form and substance satisfactory to A.I.D., by December 31, 1983 and by March 31, 1984 respectively, or by such other dates as the parties may agree to in writing.

10. Project Description

(1) This Project consists of assistance to the Grantee to finance the collection and analysis of data concerning rural households to be undertaken by NCAER. The Project is designed to analyze the trends over the 1970s in levels of incomes its distribution, land ownership, land use and the relative positions of cultivators, agricultural laborers and non agricultural workers, etc., and the relationships between economic variables and demographic behavior using the data collected by the NCAER for the Additional Rural Income Survey (ARIS) and data from a new survey of approximately 5,000 rural households to be undertaken in 1982.

(2) In particular the project seeks to analyze, with the help of the ARIS and the 1982 data, as appropriate, the following:

- Influence of socio-economic factors (education, income, ownership of assets, etc.) on age/sex-specific labor force participation and on the time disposition of members of the household, especially women.
- Relationships between fertility/family size and family labor force participation.

- Factors influencing the attitude/decisions of the family with regard to the desired number and sex composition of children and family planning/welfare.
- Changes in household income, consumption and savings levels.
- Shifts in sources of income and pattern of consumption.
- Changes in land ownership, land use pattern, distribution of land and extent of fragmentation of land holdings.
- Change in income levels and an analysis of those households classified as poor in 1970-71 to ascertain from the resurvey data whether they are still poor or have moved up into higher levels of income.
- Change in the inequality of income distribution and in the relationship between the incidence of low incomes and the degree of income inequality.
- Improvement in the availability of public services (electricity, schools, etc.) and its impact on income/welfare levels.
- The influence of technological development on relative income levels of cultivators, non-agricultural workers and agricultural laborers;
- income inequality; and consumption, savings and investment patterns.
- Significance of labor force participation and skill composition of the household as determinants of income levels and income distribution.

- Relationship between family size and occupational choice, structure of household income by sources, migration, patterns of consumption and saving.
- Impact of 1970-71 household characteristics on the nature of demographic change over the 1970s.
- Relevance of programs designed to make an impact on demographic behavior to the observed demographic changes in the 1970s.
- Impact of 1970-71 household characteristics and demographic change over the 1970s on income levels in 1981-82.
- Inter-relationship between women's income generating activities, their status in the family and their fertility.
- Relationship between marital fertility and age of marriage, and labor force participation of children and women.
- Role of child labor and the economic value of children in demographic change.

(3) The Project also proposes to disseminate the findings of the analysis of the data through a national seminar and publications to make them available to policy-makers and other researchers.

(4) A Technical Advisory Committee will be established to advise NCAER in selecting priority topics for analysis and review. This Committee will include representatives of the Grantee, A.I.D., Planning Commission and appropriate academic institutions.

11. Project Budget and Payment Procedures

The total cost of this project is estimated at \$498,500. Payment procedures will be set forth in project implementation letters.

PROJECT AGREEMENT

PROAG STANDARD PROVISIONS ANNEX

A. Reference to 'this Agreement' means the original Project Agreement as modified by any revision which have entered into effect. Reference to 'cooperating country' means the country or territory of the Grantee.

B. (1) AID will make available the amount specified in Block 3 of this Agreement, as necessary for the Project, as may be further described in Annex A.

(2) The Grantee will make available the amount specified in Block 4 of this Agreement, as necessary for the Project, as may further be described in Annex A. The Grantee will also make, or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the Project as specified in Annex A.

C. AID and the Grantee may obtain the assistance of other public and private agencies in carrying out their respective obligations under this Agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this Agreement from other public and private agencies, and may agree upon the participation of any such third party in carrying out activities under this Agreement.

D. Except as otherwise specified herein or subsequently agreed by the parties, all contributions of the parties pursuant to this Agreement shall be made on or before the Project Assistance Completion Date, or amended date. A contribution of goods or services shall be considered to have been made when the services have been performed and the goods furnished as contemplated in this Agreement. Disbursement of funds may take place after final contributions have been made, but AID shall not be required to disburse funds hereunder after the expiration of nine months following the estimated Project Assistance Completion Date (Block 5 of this Agreement) or any amended Project Assistance Completion Date specified.

E. The procurement of commodities and services to be financed in whole or in part by AID may (where so required by AID procedures) be undertaken only pursuant to Project Implementation Orders (PIOs) issued by AID.

F. Unless otherwise specified in the applicable PIO or Project Implementation Letter (PIL), the procurement of commodities imported specifically for the Project and financed with the AID contribution referred to in Block 3 of this Agreement shall be subject to the provisions of AID Regulation 1.

G. Unless otherwise agreed by the parties or otherwise specified in the applicable PIO, title to all property procured through financing by AID pursuant to Block 3 of this Agreement shall be in the Grantee, or such public or private agency as it may authorize.

H. (1) Any property furnished to either party through financing by the other party pursuant to this Agreement shall, unless otherwise agreed by the party which financed the procurement, be used effectively for the purposes of the Project in accordance with this Agreement, and upon completion of the Project, will be used so as to further the objectives sought in carrying out the Project. Either party shall offer to return to the other, or to reimburse the other for, any property which it obtains through

financing by the other party pursuant to this Agreement which is not used in accordance with the preceding sentence.

(2) Any funds provided to either party pursuant to this Agreement which are not used in accordance with this Agreement, shall be refunded to the party providing the funds.

(3) Any interest or other earnings on funds provided by AID to the Grantee under this Agreement will be returned to AID by the Grantee.

1. (1) If AID and any public or private organization furnishing commodities through AID financing for operations hereunder in the cooperating country, is, under the laws, regulations or administrative procedures of the cooperating country, liable for customs, duties and import taxes on commodities imported into the cooperating country for purposes of carrying out this Agreement, the Grantee will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.

(2) If any personnel (other than citizens and residents of the cooperating country), whether United States Government employees, or employees of public or private organizations under contract with, or individuals under contract with AID, the Grantee or any agency authorized by the Grantee, who are present in the cooperating country to provide services which AID has agreed to furnish or finance under this Agreement, are under the laws, regulations or administrative procedures of the cooperating country, liable for income and social security taxes with respect to income which they are obligated to pay income or social security taxes to the Government of the United States of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by any such personnel in the cooperating country) or if any firm, not normally resident in the cooperating country, is liable for income, receipts, or other taxes on work financed by AID hereunder, the grantee will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

J. If funds provided by AID are introduced into the cooperating country by AID or any public or private agency for purposes of carrying out obligations of AID hereunder, the Grantee will make such arrangements as may be necessary so that such funds shall be convertible into currency of the cooperating country at the highest rate which, at the time the conversion is made, is not unlawful in the cooperating country.

K. AID shall expend funds and carry on operations pursuant to this Agreement only in accordance with the applicable laws and regulations of the United States Government.

L. The two parties shall have the right at any time to observe operations carried out under this Agreement. Either party during the term of the Project and for three years after the completion of the Project shall further have the right (1) to examine any property procured through financing by that party under this Agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by, that party under this Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Agreement, shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.

M. AID and the Grantee shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

N. The present Agreement shall enter into force when signed. Either party may terminate this Agreement by giving the other party thirty (30) days written notice of intention to terminate it. Termination of this Agreement shall terminate any obligations of the two parties to make contributions pursuant to Blocks 3 and 4 of this Agreement, except for payments which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination of the Agreement. It is expressly understood that the obligations under paragraph II relating to the use of property or funds shall remain in force after such termination. In addition, upon such termination AID may, at AID's expense, direct that title to goods financed under the Grant be transferred to AID if the goods are from a source outside the Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of the Grantee's country.

O. To assist in the implementation of the Project, AID, from time to time, may issue PILs that will furnish additional information about matters stated in this Agreement. The parties may also jointly agreed-upon PILs to confirm and record their mutual understanding on aspects of the implementation of this Agreement.

P. The Grantee agrees, upon request, to execute an assignment to AID of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. Dollar contract with AID financed in whole or in part out of funds granted by AID under this Agreement.

Q. This Agreement is prepared in both English and Hindi. In the event of ambiguity or conflict between the two versions, the English language version will be used for final interpretation.