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Loan and Grant Agreements
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UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO NEPAL

June 8, 1990

KATHMANDU, NEPAL

Mr. Punya Prasad Dahal
Joint Secretary
Ministry of Finance
Bagh Durbar
Kathmandu

Subject: Innovative Scientific Research Program II
Project No. 936-5600.03

Dear Mr. Dahal:

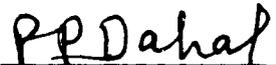
This letter sets forth the agreement between His Majesty's Government of Nepal (HMG/N) and the United States Agency for International Development (AID) with respect to a grant of funds by AID for the purpose of conducting scientific research of concern to Nepal, referred to as the "Project". In furtherance of this purpose, AID, through this agreement, hereby grants the amount of US \$120,000 for the "Exploitation of Genetic Yield Potentiality of UWA (Hordeum Valgare L.) Germplasm in the High Altitude Himalayas", research activity No. 9.397. Should additional funds become available for other research under this project, such funds will be provided through amendments to this agreement.

Implementation of the research supported by these funds shall be recorded through Tribhuvan University (TU). Any subsequent funding under this Project will be recorded through TU or such other Nepali institutions and individuals as HMG/N and AID may agree. The present agreement shall enter into force when signed. Attachment I to this letter sets forth procedures for the above project. Attachment II contains a full description of research activity and grant budget. Funds authorized under this Project shall be made available for the purposes specified until September 30, 1994.

Your signature below constitutes agreement to the Project and the procedure above.

Sincerely,


Kelly C. Kammerer
Director


Punya Prasad Dahal
Joint Secretary
Ministry of Finance

Attachment: As Stated

1

Attachment I

This attachment sets forth procedures necessary to undertake the research activity, entitled "Exploitation of Genetic Yield Potentiality of UWA (Hordeum Valgare L.) Germplasm in the High Altitude Himalayas" 9.397 by TU.

The grant amount shall not exceed \$120,000 for these two activities, as outlined in the attached research descriptions and budgets. It is understood that the recipient institution, in effect, assumes responsibility to secure any additional resources that may be required to complete this research activity.

1. Financial Procedures

- a. AID grant funds in support of the research activity shall be changed from U.S. Dollars to Nepali Rupees at the highest rate of exchange not unlawful at the time the conversion is made. These funds will be disbursed by USAID/Nepal ("AID/N") to the Tribhuvan University (TU) thru Ministry of Finance (MOF). The amount and frequency of the releases will be based on a planned disbursement schedule to be submitted by TU to AID/N. The planned disbursement schedule should include actual funds required for disbursements for 120 days. Subsequent releases will be made upon receipt of expenditure claims covering the preceding trimester and a planned disbursement schedule for the current trimester. TU shall allocate and disburse project funds in accordance with the detailed budget of research activity.
- b. After all funds \$120,000 have been released and all project activities completed, TU will provide AID/N with a final duly certified Statement of Expenditures which will, along with earlier submitted statements, account for the full amount of funds released. This final Statement of Expenditures shall be submitted within six (6) months after completion of PACD. Any unexpended balance after the completion of the research activity should be refunded to AID/N within sixty (60) days from the date of AID/N's notification to TU of the amount of the unexpended balance.
- c. In accepting these funds, TU agrees that they shall expeditiously transfer funds through their accounting system to the institution where the research activity is to take place. These funds will be applied solely to the conduct of the approved research activity. The shifting of funds among budget line items within each budget item can be done only by a written request to and subsequent issuance of a Project Implementation Letter (PIL) by AID/N.

- d. The parties shall have the right at any time to observe operations carried out under the Project. TU shall be responsible for ensuring that Project financial books and records are maintained in accordance with generally accepted accounting principles and practices, and that these will be available for review by AID/N upon request. 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 the party under this Project, 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 Project, 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 Project shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the financing party.
- e. 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.
- f. 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.

2. Procurement Procedures

a. Source, Origin and Nationality

These funds may be used to finance the foreign exchange and local currency costs of goods, and services required for the Project having, with respect to goods their source and origin, and with respect to the providers of services, their nationality, in Nepal or in a country in AID Geographic Code 941 as in effect at the time orders are placed or contracts entered into for such goods or services, except as AID/N may otherwise agree in writing. TU shall consult AID/N and obtain AID/N approval before procuring goods or services with source, origin or nationality other than Nepal, and before any use of air or ocean transportation services under the Project. Competitive procedures shall be used for procurement, and contract awards for goods or services shall be made at reasonable prices.

b. Restricted Items

TU shall not procure with AID/N funds any of the following goods or services without the prior written authorization of the AID/N Project Officer: agricultural commodities, motor vehicles, pharmaceuticals, pesticides, rubber compounding chemicals and plasticizers, used equipment, U.S. Government-owned excess property, or fertilizer. Under no circumstances shall TU procure military equipment, surveillance equipment, commodities and services for support of police or law enforcement activities, abortion equipment and services, luxury goods and gambling equipment, or weather modification equipment.

TU will obtain necessary approval from the related Ministries/Departments of His Majesty's Government of Nepal (HMG/N) prior to importation of biological control agents. In order to insure appropriate environmental safeguard, TU will make sure that all necessary measures are taken during the experimentation of any biological control agents.

c. Tax Exemption

i. Project commodities imported into Nepal for the purpose of carrying out the Project shall be free and exempt from any identifiable taxes, tariffs, duties, fees or levies imposed under the laws of the Kingdom of Nepal. If such exemption is not provided, TU shall promptly pay such taxes, tariffs, duties, fees or levies.

ii. Non-resident Personnel and Firms

Personnel (other than citizens and residents of Nepal), whether United States Government employees or employees of public or private organizations under contract with, or individuals under contract with AID/N, TU or any agency authorized by TU who are present in Nepal to provide services which AID/N has agreed to furnish or finance under this Project, shall be exempt from contract, income, social security or other taxes on personal property intended for their own use, and from the payment of any tariffs or duty upon personal or household goods brought into Nepal for the personal property intended for their own use, and from the payment of any tariffs or duty upon personal or household goods brought into Nepal 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 Nepal). Likewise, any firm, not normally resident in Nepal, shall be exempt from all such income or property

4

taxes, tariffs or duties related to work on Project activities financed by AID/N hereunder. If such exemptions are not provided, TU shall promptly pay such taxes, tariffs, duties, fees or levies.

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

3. Administrative Procedures

a. Project Assistance Completion Date (PACD)

The PACD is September 30, 1994 or such other date as the parties may agree in writing. By this date the parties estimate that all research activities financed under this Project will have been completed. AID shall not be required to disburse funds hereunder after the expiration of nine (9) months after the PACD, or any extension thereof, for activities completed prior to the PACD.

b. Progress and Final Report

Reports should be sufficiently detailed to substantiate the findings and to permit a scientific evaluation of the research. Overseas collaborators shall be given fair credit for their participation in the research and a chance to review and comment on the final report before it is submitted. The PI should share a draft of the final report with the A.I.D. Project Officer for comment prior to the formal submission. Publication of results in scientific journals is encouraged. Additional guidance on report preparation is given in the "interim guidelines on performance report preparation for PSTC and CDR projects," available from AID/SCI.

(1) Performance Reports: Performance reports are required every six months. The PI will submit reports stating what has been accomplished to date and detailing project management issues. A financial status report will be attached to each report. Reports are due within sixty (60) days after the end of each six month period. Four copies of each report should be submitted to the office of the Science Advisor, Rm. 320 SA-18, Washington, D.C. 20523-1818. In addition, one copy should be submitted to the project technical backstop officer and one copy to the A.I.D. Mission, and two copies to the National Academy of Sciences, Bostid. 2101 Constitution Avenue, N.W., Washington, D.C. 20418.

(2) Final Performance Report: Within sixty (60) days after the termination date of the grant, the PI will submit seven copies of the final report to the following: (a) four copies to the office of the Science Advisor, A.I.D., Rm 320 SA-18, Washington, D.C., 20523-1818; (b) one copy to the Project Officer; (c) one copy to the Mission; and one copy to the National Academy of Sciences, Bostid, 2101 Constitution Avenue, N.W., Washington, D.C. 20418.

c. Publications

TU shall provide AID/N with ten (10) copies of all published works developed under the Project.

TU is permitted to secure copyright to any publication produced or composed under the Project provided TU agrees to and does hereby grant to the U.S. Government a royalty-free, non-exclusive, and irrevocable licence throughout the world to use, duplicate, disclose, or dispose of such publications in any manner and for any purpose and to permit others to do so. TU agrees to notify AID/N in writing of any invention or discovery conceived or first actually reduced to practice in the course of or under this Project.

d. Information and Evaluation

AID/N and TU shall each furnish the other such information as may be needed to determine the nature and scope of operations under this Project and to evaluate the effectiveness of Project activities upon completion. Evaluation: Project evaluation will be based on analysis of the final report and other information deemed appropriate by project manager. Final evaluation should be completed NLT ninety days after final report submission and should contribute to Mission's Project Assistance Completion Report.

e. Project Implementation Letters (PILs)

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

f. Title of Property

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. Unless otherwise agreed by the parties or otherwise specified in a PIL, title to all property procured through financing by AID/N pursuant to this Project shall be in TU or such public or private agency as TU may authorize.

g. Termination

This Project may be terminated by either party upon thirty (30) days written notice to the other party.

h. Representatives

Mr. Ganesh Bahadur Pradhan, Acting Chief Controller, TU, is the official representative for this Project. All future correspondence regarding this Project shall be sent directly to and received from Mr. Pradhan.

Attachment II

TITLE Exploitation of Genetic Yield
Potentiality of UWA (Hordeum Valgare L.)
Germplasm in the High Altitude Himalayas,
9.397.

AMOUNT \$120,000

PERIOD 4 Years (thru September 30, 1994)

INSTITUTION Tribhuvan University

**PRINCIPAL
INVESTIGATOR** Dr. K.P. Sharma, Lecturer
Plant Breeding
Institute of Agriculture and Animal
Science, (IAAS, Rampur), Tribhuvan
University

DESCRIPTION The overall aim of the Project is to
exploit genetic variability of naked
barley for higher yields and augment food
supplies in food deficit areas in Nepal
by germplasm, collection, introduction
and evaluation. Specific objectives are
(1) to collect, catalogue, and preserve
naked barley in a gene bank; (2) to
identify genotypes with short
grain-filling period to fit into multiple
cropping systems; (3) to test the
yielding ability and stability, and
disease resistance of germplasm; and (4)
to develop and recommend for cultivation
high yielding naked barley to meet food
demand in food deficit areas.

BUDGET

Year	July 90- June 91	July 91- June 92	July 92- June 93	July 93- June 94	Total
Honorarium and Wages	750	13210	19940	3400	44050
Equipment	19300	-	-	-	19300
Materials and Supplies	2100	700	1000	300	4100
Training	-	6300	-	-	6300
Consultation	300	600	1200	300	2400
Travel	8400	9700	3000	1000	22100
Direct and Indirect Cost	6100	1700	2400	1300	11500
Miscellaneous	500	500	500	350	1850
Total	44200	32710	28040	6650	111600
Overhead @7.5%	3315	2453	2103	499	8400
Grand Total	47515	35163	30143	7149	120000