Subject: Completion of Project Report

Project Title and Number: Food Grain Technology - 367-11-110-054.3
(Economic Analysis and Planning)

Statement of the Project

This Project was designed to improve the field research capability and analytical competence of the Division of Economic Analysis and Planning. Its assigned functions are: planning/budgeting, statistical analysis, evaluation of projects/programs, research operations, and management and liaison for program policies with planning agencies within HMG, and with foreign aid donors. The Project paid special attention to:

1. Carrying out an economic evaluation of input/output ratios on farms for new inputs in agriculture.
2. An evaluation of the extension service was started. The study included an identification of those programs and projects which have contributed most to the development of agriculture.
3. A preliminary outline and schedule to evaluate the research activities of the Department of Education and Research was developed and pre-tested.
4. Establishing benchmarks in the following 5 districts: (1) Chitwan (2) Bara (3) Dhanusha (4) Banke and (5) Rupendehi
5. A study to determine how much farmers invest in production factors and to attempt to ascertain some of the criteria used in farmer decision making.

Background Information

93% of the population of Nepal is engaged in agriculture. 60% of the GNP comes from the agricultural sector and imports of essential commodities are almost wholly financed by agricultural exports. Despite this dependency upon agriculture, there is little reliable data available

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on the production, distribution, marketing and consumption of agricultural products. HMG with USAID assistance has developed the Economic Analysis and Planning Division within the Ministry of Food and Agriculture. This Division is responsible for the collection and analysis of relevant data concerning the production, distribution, marketing and consumption of agricultural commodities. USAID, therefore, has helped the Ministry in the development of a nation-wide agricultural productivity measurement program.

Resources Used - FY 1970 & FY 1971

1. One US Advisor was assigned to the project under Pro-Ag FY 70.
2. Under FY 1970 Project Agreement for Economic Analysis and Planning, HMG/N obligated a total sum of Rs.1,80,000 NC (equivalent of $17,544) to support the FY 1970 local currency needs. USAID/N obligated a total sum of Rs.4,00,000.00 IC in US owned PL 480, Section 104 (g) Indian Rupees (equivalent of Rs.5,40,000 NC or $52,632) to meet its share of FY 1970 local currency requirements.
3. Rs.4,75,360 NC ($46,331 equivalent) was obligated by USAID under Pro-Ag FY 71. HMG obligated Rs.55,000 NC ($5,361 equivalent) for this project in FY 71.
4. Commodities (local currency)
5. USAID has provided and is still providing advanced academic training in agricultural economics.

Summary of Project Accomplishments, 1972

Objectives	Accomplishments
1. Farm Management Study in the selected regions of Nepal.	1. Published and distributed copies available in Food & Agriculture Division.

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Objectives	Accomplishments
2. Evaluation of Extension Services.	2. Report is ready for publication.
3. Rice Marketing Study	3. Already published copy available at FAD.
4. A preliminary outline to evaluate the research activities of the Department of Education and Research.	4. Evaluation of Research Activities, copies available at FAD.
5. Benchmarks will be established in Chitwan, Bara, Dhanusha, Banks and Rupendehi districts and the statistics would include tons of fertilizer used, average hectare yields and production of paddy, wheat and maize.	5. Statistics regarding this published in Agricultural Statistics of Nepal. Copy available at FAD.

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PROJECT ACTIVITY COMPLETION REPORT

FINANCIAL SUMMARY

Obligations and Expenditures for Project No. 367-11-110-054.3, Economic Analysis and Planning as of May 31, 1972 are as follows:

	Obligations $	Expenditures $
A. Grant Contributions.		
USAID/N Dollar Contributions		
U.S. Technicians	ø	ø
Participants	ø	ø
Contract Services	ø	ø
Commodities	ø	ø
Other Costs	ø	ø
Total	ø	ø
Dollar Equiv. of Counterpart Funds	ø	ø
Dollar Equiv. of GON Contribution	22,514 1/	22,514 2/
Dollar Equiv. of USAID Contribution Local Currency Cost	97,795*	97,795*

1/ Rs.231,000 NC

2/ Rs.231,000 NC

B. The amount advanced on a loan basis for this project is None

Indian Currency	743,238*	743,238*

*At the rate of Rs.7.60 IC = $1.00 NC

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(Continued on page 2)

C. Audit Reports

End-use observations and other Audit Reports written on this project activity on file in the USAID/N are as follows:

Report No.	Report Date	Period Covered Regards
*71-97	6/15/71	From Inception to 6/30/70
~~[illegible]~~		~~[illegible]~~
72-108	6/30/72	7/16/70 to 3/31/72

*Combined Audit Report for all projects under FAD.

(Date)_____

William A. Miller Jr.
Controller

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PROJECT ACTIVITY TERMINATION AGREEMENT

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PROJECT NO. AND TITLE: 367-11-110-054.3, Food Grain Technology (Economic Analysis and Planning)

DATE OF ORIGINAL PROJECT AGREEMENT: August 29, 1969

It is mutually agreed that the obligations assumed by His Majesty's Government of Nepal and the Government of the United States of America in Project Agreement No. 367-11-110-054.3 to make contributions of funds, services, commodities or other assistance to accomplish the purposes of that Project are hereby terminated except for commitments entered with third parties prior to the termination of the Project Agreement. It is further agreed that accomplishments made under this Project activity and turned over to and accepted by His Majesty's Government of Nepal will be properly maintained and utilized by His Majesty's Government of Nepal. Accordingly, His Majesty's Government of Nepal agrees to provide funds and assume full responsibility for the proper maintenance and progress of this Project.

It is mutually agreed between the parties to this agreement that this agreement in no way curtails the Standard Provisions Annex. Any property furnished to either party through financing by the other party pursuant to the Project Agreement shall continue to be used so as to further the objectives sought in carrying out the Project unless otherwise agreed by both parties.

FOR HIS MAJESTY'S GOVERNMENT OF NEPAL

for Deuna R. Pradhan

B. B. Pradhan, Secretary, Ministry of Finance, HMG

Date: _____

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

William C. Ide

William C. Ide, Director, USAID/N

Date: June 1/73

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HMG Clearances:

Bhoarat Prasad Dhital
Chief Agricultural Economist
Ministry of Food, Agriculture,
& Irrigation

D. R. Pandey
Joint Secretary
Ministry of Finance

S. R. Sharma
Secretary, Ministry of
Food, Agriculture &
Irrigation

USAID/N Clearances:

Jacob L. Crane
Program Officer

George G. Breig
Executive Officer

William A. Miller
Controller

Phillip D. Smith
Chief, Food and
Agriculture Division

The attached Completion of Project Report/Financial Summary are hereby incorporated into this Agreement.

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