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A.I.D. Project No. 386-0515

(CONFORMED COPY)
THIRD AMENDATORY AGREEMENT

TO THE

PROJECT GRANT AGREEMENT

BETWEEN

THE PRESIDENT OF INDIA

AND

THE UNITED STATES OF AMERICA

FOR

TECHNICAL ASSISTANCE AND SUPPORT PROJECT

Dated: July 31, 1989

THIRD AMENDATORY AGREEMENT TO THE PROJECT GRANT AGREEMENT FOR
TECHNICAL ASSISTANCE AND SUPPORT PROJECT

Dated:

Between

The President of India
(hereinafter referred to as the "Grantee")

and

The United States of America, acting through the
Agency for International Development ("A.I.D.")

Article I: Purpose of Amendment

The purpose of this Third Amendatory Agreement to the Project Grant Agreement for the Technical Assistance and Support Project entered into on the 31st of August, 1988 ("Original Agreement"), is to grant an additional One Million One Hundred Thousand (\$1,100,000) United States Dollars to the Grantee, and to revise the Amplified Project Description in Annex 1 and the illustrative summaries of project costs in Attachments A and B to Annex 1 to the Original Agreement.

Article II: The Project

A. Section 2.1. Definition of Project. The Amplified Project Description in Annex 1 to the Original Agreement is hereby deleted and substituted with the "revised" Annex 1 attached to this Third Amendatory Agreement.

B. Section 2.2. Incremental Nature of the Project. Attachment A to Annex 1 to the Original Agreement, exhibiting illustrative summary of project costs to be funded through life of the project, is hereby deleted and substituted with the "revised" Attachment A to Annex 1 attached to this Third Amendatory Agreement.

Article III: Financing

A. Section 3.1 of the Original Agreement is hereby deleted in its entirety and the following substituted in its stead:

"Section 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant to the Grantee not to exceed Five Million Eight Hundred Thousand U.S. Dollars (\$5,800,000) ("Grant"). [One Million U.S. Dollars (\$1,000,000) under the terms of the Original Agreement; One Million Two Hundred Thousand U.S. Dollars (\$1,200,000) under the terms of the First Amendatory Agreement; Two Million Five Hundred Thousand U.S. Dollars (\$2,500,000) under the terms of the Second Amendatory Agreement; and One Million One Hundred Thousand U.S. Dollars (\$1,100,000) under the terms of this Third Amendatory Agreement.] The Grant may be used to finance foreign exchange costs as defined in Section 6.1, and local currency costs as defined in Section 6.2, of goods and services required for the Project."

"Attachment B to Annex 1 to this Third Amendatory Agreement (substituting the one attached to the Original Agreement as amended) exhibits illustrative summary of project costs to be financed with funds provided up to and including this Third Amendatory Agreement."

B. Section 3.2 (b) of the Original Agreement, as amended, is hereby deleted in its entirety and the following substituted in its stead:

"(b) The Grantee intends to contribute to this project the equivalent of Five Million U.S. Dollars (\$5,000,000), including costs borne on an "in-kind" basis. [The Grantee agrees, under this Third Amendatory Agreement plus the Original Agreement, the First Amendatory Agreement, and the Second Amendatory Agreement to provide therefrom the equivalent of One Million Nine Hundred Thousand U.S. Dollars (\$1,900,000) including costs borne on an "in-kind" basis.]"

Article IV: Other Terms and Conditions

All other terms and conditions of the Original Project Agreement, as amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the Grantee and A.I.D., each acting through its duly authorized representative, have caused this Third Amendatory Agreement to be signed in their names and delivered as of the day and year first above written.

THE PRESIDENT OF INDIA

UNITED STATES OF AMERICA

By: Sd/-
Name: S.Varadachary
Title: Joint Secretary
Department of Economic Affairs
Ministry of Finance

By: Sd/-
Name: Robert N. Bakley
Title: Director
U.S. Agency for
International Development

ANNEX 1 TO THIRD AMENDATORY AGREEMENT

AMPLIFIED PROJECT DESCRIPTION (REVISED)

- 1.00 The Technical Assistance and Support Project (TASP) will enable the United States Agency for International Development (A.I.D.) and the Government of India (GOI) to fund activities unlikely to be supported under traditional bilateral projects, either due to inadequate availability of project funds or because the activities are considered inappropriate for those projects. Through its flexibility, this project will enable A.I.D. and the GOI to fund a variety of activities including technical support, collaborative research, feasibility studies and pilot activities , exchange programs and small grants.
- 1.01 The TASP will be entirely within the bilateral program and will be implemented in partnership with the GOI. The goal of TASP is to contribute in a collaborative manner towards strengthening the GOI's ability to formulate and implement its development plans and also enable A.I.D. to meet its strategic development objectives in India. The purpose of the project is to improve the efficiency, effectiveness, and timeliness of the GOI, A.I.D., and potentially other donor efforts to identify, design, implement, and evaluate development investments for the public and private sectors.
- 1.02 To achieve this goal and purpose, A.I.D. will give priority to fund those activities that are related to the strategic objectives of both the GOI and A.I.D., but are unlikely to be supported through the existing bilateral projects. Emphasis will be given to innovative pilot activities, studies, and to collaborative research associations that will be expected to provide a significant demonstration effect from which larger activities -- not necessarily A.I.D. funded -- are likely to develop. About \$3 million of the TASP funds will support

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the Gandhi-Reagan Fellowship Program. The supported activities will remain, however, within A.I.D.'s broader country development strategy as enunciated in A.I.D.'s strategy documents and supporting papers.

- 1.03 Given the nature of the project, the actual number or size of activities to be supported is difficult to predict. In order for the activities to have an impact, it is suggested that the minimum funding for an activity should normally be \$100,000. However, to permit funding of some worthwhile smaller activity proposals including providing grants for developing proposals and for meeting USAID/India's analysis requirements, up to \$150,000 per year will be set aside for all such smaller activities. The total cost of the project over the Life of the Project (LOP) is expected to be \$ 20 million with an estimated A.I.D. contribution of \$ 15 million, and \$ 5 million rupee equivalent, or "in-kind" contribution from the Grantee (Indian public and private sources). Attachments A and B to this revised Amplified Project Description exhibit the revised Illustrative Summary of Project Costs through LOP and up to and including the Third Amendatory Agreement respectively.
- 1.04 The Department of Economic Affairs (DEA) of the Ministry of Finance, GOI, will be responsible for managing the project for the Grantee. The Office of Development Planning and Programming (DPP) of the USAID/India will manage the project for A.I.D. The representatives of DEA and USAID/India will jointly review individual proposals for project funding, and will recommend approval of project funding for individual activities and for assuring adequate monitoring of such approved activities. If deemed necessary, for some specific complex activity proposals, the DEA and USAID/India may jointly formulate and implement an appropriate proposal vetting process which may include informal or formal referral of the proposal to subject experts.

Project No. 386-0515

Attachment A to Annex 1 of the Third Amendatory Agreement

TECHNICAL ASSISTANCE AND SUPPORT PROJECT

ILLUSTRATIVE SUMMARY OF PROJECT COSTS
THROUGH LIFE OF PROJECT (REVISED)^{a/}
(In Thousands of Dollars)

PROJECT ELEMENTS	A.I.D.		Total
	FX Costs	LC Costs	
1. Collaborative Scientific Exchange	3,500	-	3,500
A. Gandhi-Reagan Fellowship Program	3,000	-	3,000
B. Others	500	-	500
2. Feasibility Studies & Pilot Activities ^{b/}	8,100	2,400	10,500
A. Agricultural Sciences & Resource Management	4,100	400	4,500
(i) IFPRI ^{c/}	2,300	-	2,300
(ii) WRI ^{d/}	1,500	-	1,500
(iii) Others	300	400	700
B. Health & Child Survival	500	600	1,100
C. Energy	1,000	300	1,300
D. Science and Technology	900	300	1,200
E. Trade and Investment	800	400	1,200
F. Urban Development	800	400	1,200
3. Project Monitoring and Evaluation	100	50	150
4. Contingency	650	200	850
Total A.I.D. Contribution	12,350	2,650	15,000
Total Host Country Contribution ^{e/}	-	5,000	5,000
Total Project Cost	12,350	7,650	20,000

- ^{a/} Each Activity Proposal will provide a breakdown of the Activity budget in an Input-Output Matrix. Inputs inter-alia are technical assistance including research support; collaborative scientific exchange; U.S. scientists visits, and Indian scientists visits; workshops; seminars; equipments and commodities; training; and monitoring and evaluation. Outputs include study reports, fellowships, workshops etc. The Activity-specific PIL will contain this breakdown.
- ^{b/} Include donor collaboration, and workshops & seminars.
- ^{c/} International Food Policy Research Institute.
- ^{d/} World Resources Institute.
- ^{e/} Includes private sector contribution and costs borne on an "in-kind" basis.

FX=Foreign Exchange

LC=Local Currency

TECHNICAL ASSISTANCE AND SUPPORT PROJECT

ILLUSTRATIVE SUMMARY OF PROJECT COSTS UP TO AND INCLUDING THE THIRD AMENDATORY AGREEMENT ^{a/}
(In Thousands of Dollars)

PROJECT ELEMENTS	A.I.D.		Total
	FX Costs	LC Costs	
1. Collaborative Scientific Exchange	1,450	-	1,450
A. Gandhi-Reagan Fellowship Program	1,250	-	1,250
B. Others	200	-	200
2. Feasibility Studies & Pilot Activities ^{b/}	3,150	1,200	4,350
A. Agricultural Sciences & Resource Management	1,500	100	1,600
(i) IFPRI ^{c/}	1,000	-	1,000
(ii) WRI ^{d/}	400	-	400
(iii) Others	100	100	200
B. Health & Child Survival	170	350	520
C. Energy	470	120	590
D. Science and Technology	220	100	320
E. Trade and Investment	500	300	800
F. Urban Development	290	230	520
3. Project Monitoring and Evaluation	-	-	-
4. Contingency	-	-	-
Total A.I.D. Contribution	4,600	1,200	5,800
Total Host Country Contribution ^{e/}	-	1,900	1,900
Total Project Cost	4,600	3,100	7,700

^{a/} Each Activity Proposal will provide a breakdown of the Activity budget in an Input-Output Matrix. Inputs inter-alia are technical assistance including research support; collaborative scientific exchange; U.S. scientists visits, and Indian scientists visits; workshops; seminars; equipments and commodities; training; and monitoring and evaluation. Outputs include study reports, fellowships, workshops etc. The Activity-specific PIL will contain this breakdown.

^{b/} Include donor collaboration, and workshops & seminars.

^{c/} International Food Policy Research Institute.

^{d/} World Resources Institute.

^{e/} Includes private sector contribution and costs borne on an "in-kind" basis.

FX=Foreign Exchange

LC=Local Currency

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