

PD-ABA-151

FA 15177

A.I.D. Project No. 391-0488
Dollar Appropriation No. 72-119/01037
Budget Plan Code: QES-89-27391-KG-13
Project Agreement No. 89-23

FIFTH AMENDATORY AGREEMENT

Loan and Grant Agreements

FM/LMD (if Loan)
FM/PAFD
FM/CAD
GC/ANE
ANE/Desk
ANE/TR Officer
ANE/PD Officer & File
PPC/CDIE/DI ✓

TO

PROJECT GRANT AGREEMENT

BETWEEN

THE PRESIDENT OF THE ISLAMIC REPUBLIC OF PAKISTAN

AND THE

UNITED STATES OF AMERICA

FOR

TRANSFORMATION AND INTEGRATION OF THE PROVINCIAL AGRICULTURAL NETWORK

DATED: September 19, 1989

(Conformed Copy)

A.I.D. Project No. 391-0488
Dollar Appropriation No. 72-119/01037
Budget Plan Code: QES-89-27391-KG-13
Project Agreement No. 89-23

FIFTH AMENDATORY AGREEMENT TO PROJECT GRANT AGREEMENT
FOR
TRANSFORMATION AND INTEGRATION OF THE PROVINCIAL AGRICULTURAL NETWORK

Dated: September 19, 1989

Between

The President of the Islamic Republic of Pakistan (hereinafter referred to as the "Grantee")

and

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

Article 1: Purpose of Amendment

This Fifth Amendatory Agreement to A.I.D. Project Grant Agreement No. 391-0488 dated August 30, 1984, is hereby entered into between the Parties above named to (a) grant the Grantee additional United States ("U.S.") Dollars under this Project; (b) modify the Project Description; (c) extend the Project Assistance Completion Date (PACD); and (d) add four (4) Covenants to the original Project Grant Agreement.

Article 2: Financing

Section 3.1 is hereby deleted 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 under the terms of this Agreement an additional Four Million U.S. Dollars (\$4,000,000). The total Grant comprising the original Agreement, the First Amendatory Agreement, the Second Amendatory Agreement, the Third Amendatory Agreement, the Fourth Amendatory Agreement and this Fifty Amendatory Agreement shall not exceed Thirty-Nine Million Five Hundred Thousand U.S. Dollars (\$39,500,000) ("Grant").

The Grant may be used to finance foreign exchange costs as defined in Section 7.1 of this Agreement and local currency costs as defined in Section 7.2 of this Agreement, of goods and services required for the Project."

Article 3: Annex 1

Annex 1 of the original Project Grant Agreement is hereby modified by the addition of the attached Annex 1 (Amendment 2).

Article 4: Project Assistance Completion Date (PACD)

Section 3.3(a) of the original Project Grant Agreement is hereby deleted and the following substituted in its stead:

"SECTION 3.3(a): The PACD, which is August 29, 1994, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

Article 5: Covenants

The following new Sections 5.6, 5.7 and 5.8 are hereby added after Section 5.5 of the Project Grant Agreement:

SECTION 5.6. Long Term Training.

The Cooperating Country agrees to the establishment of a staffing pattern for the total University system. Long-term training will be programmed according to priority needs of the University and province's Agricultural System. Criteria for selection of participants during Phase II of the Project will be established along these lines.

SECTION 5.7 Utilization of Facilities Now Existing and Under Construction.

The Cooperating Country agrees to review the utilization of all building space available and to the reallocation of existing structures according to a plan to be developed prior to making any determination of need for further construction.

SECTION 5.8 Unified Personnel System.

The Cooperating Country agrees to the completion of the merger of the Provincial Research System and the NWFP Agricultural University through the establishment of a single codified personnel system which provides for, among other things, split assignments between teaching, research and outreach and a merit system for promotions and awards.

Article 6: Other Terms and Conditions

All other terms and conditions of the original Project Grant Agreement shall remain in full force and effect.

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

GOVERNMENT OF PAKISTAN

BY: sd/-

NAME: Saad Ashraf

TITLE: Joint Secretary

Economic Affairs Division

UNITED STATES OF AMERICA

BY: sd/-

NAME: James A. Norris

TITLE: Mission Director

USAID/Pakistan

PROJECT DESCRIPTION

A. Project Goal and Purpose

The project goals and purposes remain unchanged from those of the Project Paper:

1. Goal

The primary goal of the project is to increase NWFP's agricultural yields, agricultural production, farm income and rural employment. The secondary goal is to transform the agricultural technology transfer network in the NWFP. While the TIPAN project focuses on the NWFP, it is likely to serve as a model for eventual adaptation and replication in other parts of Pakistan.

2. Purpose

The purpose of the project is to integrate agricultural research in NWFP with agricultural education at the University level, improve the quality of education offered and research undertaken by the University and strengthen linkages with agricultural extension through a problem-solving, farmer-oriented outreach program. Achievement of the project purpose will be demonstrated by the existence of the following conditions:

- a. AU is a dynamic force for improved agricultural development in the NWFP.
- b. AU is producing high quality graduates who are staffing the public and private agricultural sector.
- c. The AU-directed provincial research program is generating improved technology packages which are relevant to NWFP farmers and their problems.
- d. AU outreach activities are integrated with provincial extension efforts and new technologies are being effectively delivered to potential users and other client groups.

B. Project Description

The extended scope of project will be in accordance with the PC-1 for Phase II to be approved by the competent authority of the GOP i.e. CDWP/ ECNEC.

The TIPAN activities to take place during Phase II (1989-1992) follow on from Phase I activities:

In the teaching program, AU will expand to 700 undergraduate and 200 graduate students at the end of the Amendment period. A PhD program will be initiated, as well as a placement program, with a target of placing 90% of all graduates of the University. AU faculty will produce at least ten textbooks while the University will publish a catalogue every two years and class schedules each semester. The graduate faculty will be strengthened, and an improved grading

system introduced. An internship program will provide practical experience to all AU students. A Director of Student Affairs will be hired, along with a Deputy of Womens Affairs.

During the Amendment period all research activities will be coordinated under a system of plans. There will be multi-year research plans with earmarked funding for each project. On- and off-campus research will be covered by the same plan, which, in turn, will dovetail with a province wide agricultural research plan, covering institutions not covered directly by the TIPAN project. A uniform system of reporting results will be adopted, and all manuscripts will be reviewed before publication. All on-campus professors will be expected to undertake research; funds will be set aside for them to do so. Graduate thesis work will be integrated into the overall research plan.

In the outreach program, 500 Field Assistance will be trained each year. Fifty outreach publications and fifty instructional videos/slide sets will be produced each year. A technical outreach mass media campaign will be operational using radio, television and newspapers. Hostels will be established at five research stations to accommodate interns and house training programs.

AU faculty will upgrade their skills through training in English language, technical writing, and management, as needed. The library will have an outreach program to professors to strengthen their access to relevant information. The on- and off-campus professional staff will stabilize at 420. Management of the merged system will be decentralized and supported by a committee system. Various personnel financial accounting improvements will be initiated. A long range funding plan will be prepared.

Linkages with agricultural research and education institutions within Pakistan and overseas will be strengthened. Sixty percent of the faculty will have external postgraduate degrees by the end of the Amendment period. Linkages will also be forged with the international agricultural research centers.

The new Amendment activities will be: 1. modifications to the Teaching, Research, Outreach and Training Programs and 2. administrative reforms.

1. Amendments to the Teaching, Research and Outreach Programs

a. Private Sector Emphasis

During Phase II, AU will serve as the catalyst for private sector involvement in the seed industry, fertilizer, feed and other sectors by staging meetings, symposia, farmer days, etc.

b. Planning, Monitoring and Evaluation

A Planning, Monitoring and Evaluation Cell will be established within the Vice-Chancellor's office at AU; project funds will be used to provide appropriate computer hard and software. All AU departments will support the Cell; the Technical Assistance Team (TAT) will help the VC to prepare a plan for the formation of the Cell and its first year activities.

c. Research Plan

Considerable emphasis will be placed on upgrading NWFP agricultural research. Research stations will be upgraded by the addition of livestock components, additional hostels, seed storage and processing units as appropriate at different stations. A long-term provincial training plan will determine NWFP agricultural priorities, and will govern all research by AU faculty and researchers as well as participant trainees. The plan will also cover cooperative research with other NWFP institutions such as Gomal University, and the Nuclear Institute for Food and Agriculture. The TAT will assist the Director of Research in developing and updating the Research Plan.

d. Research Reporting

The TAT will prepare in-house training in research design and reporting. A manual will be prepared giving guidelines for AU professional personnel. Technical writing courses will be a part of all graduate student instruction and made available to all professional staff.

e. Outreach Program Improvement

During Phase II there will be a number of short-term consultancies from different US institutions to work with the Director of Outreach and professionals in various departments to inculcate the theory and practice of preparing outreach packages. These packages will be integrated into the Research Plan. The Planning, Monitoring and Evaluation Cell will be responsible for monitoring the success or failure of each package produced and tested in the province.

f. Textbook Preparation

During Phase II at least ten textbooks will be prepared by AU staff. The books will be specific to agricultural issues and conditions in NWFP. TAT members will work directly with individual professors to encourage and collaborate in the production of the texts. If necessary, short-term technical assistance will be provided.

g. Practical Orientation

Much more than in Phase I will be done under the Amendment to ensure that all aspects of the TIPAN project are geared to practical issues and their solution. Students will be required to take an internship semester during which they will live, work and learn on one of the five principal research stations or in a private commercial operation. AU staff will be encouraged to participate in relevant seminars and to plan for structured sabbaticals. The TAT will be available to advise individual professors on relevant career development options and opportunities.

4

2. Administrative Reforms

The merged AU faculty, the TAT and USAID have identified the following administrative reforms that will be introduced during Phase II to ensure the growth of the merged AU as a full-fledged and flourishing institution:

- a. Development of a uniform personnel code
- b. Clear policy guidelines
- c. Merit Rewards

The revised personnel system will provide, to the extent legally possible, the delinking of rank and allowances. Recommendations on promotions, salary and allowances will be made by a panel of deans and directors. A dual career ladder will be established so that professionals may be promoted on the basis of performance and merit, independent of a position in the administrative hierarchy.

- d. Decentralized Administration

The TAT will assist the administration to prepare a plan for administrative restructuring leading to a system based on delegation of authority supported by ad hoc or standing committees as needed.

- e. Management Skills Development

The decentralized administration will require all AU staff to develop and improve their management skills. The project will support a series of workshops to this effect.

- f. Streamlined Curricula at Faculty level
- g. Staffing of Director of Student Services and Deputy Director for Women Students
- h. Streamlined Logistics

Technical assistance will be provided to develop an efficient procurement, repair and maintenance system for the AU campus and research stations. A central supply unit will be established to provide common expendables such as office supplies.

- i. Establishment of a Separate Graduate School
- j. Computerized and Otherwise Improved Financial Management
- k. Establishment of a Maintenance and Operations Facility and Policy
- l. Establishment of a University Motor Pool and Vehicles Policy

m. Long Range Planning

The TAT will work with the administration to prepare a plan for sustaining the effects of the project. The plan will focus on potential future financial sources: GOP, other donors, university contracts with the private and public sector, US and other international university linkages, contracting with international research centers, etc.

n. Improvements to the Participant Training Program

C. Implementation Plan

1. AID Responsibilities

The administrative arrangements envisaged in the original Project Agreement will not change, except that for Phase II the project will be managed from the Islamabad Office of Agriculture and Rural Development with help from USAID/Peshawar. This assistance may be administrative or substantive as needed. The construction of the Peshawar Campus facilities will continue to be monitored by the Office of Engineering, USAID/Islamabad.

2. AU and GOP Responsibilities

The administrative burden on AU is increasing as the project intensifies. The exercise of its responsibilities by AU represents a central and vital part of the Phase II TIPAN project, as described in the section on administrative reforms, above. Only a very limited role is seen for other GOP and GONWFP agencies during Phase II.

3. Contractors

As recommended by the mid-term evaluation, the institutional contractor UI/SIU will be retained to undertake Phase II activities under the Title XII collaborative assistance mode. Skidmore Owings and Merrill supervises the two major construction contractors (USAID contractor Encorp and GOP contractor MARC International). Both contractors report at least quarterly on project progress, problems and recommendations.

D. Amendment Budget

The following table summarizes the Amendment Phase II budget:

A.I.D. Project No. 391-0488
Transformation and Integration of the
Provincial Agricultural Network
Project Agreement No. 89-23

SUMMARY OF PROJECT COSTS BY EXPENSE CATEGORY AND SOURCE OF FUNDING 3/
(In 000's)

ILLUSTRATIVE

Annex 1 (Amendment 5)
Page 6

EXPENSE CATEGORY	Cumulative FY 1984 thru 1989 to date		Life of Project Funding <u>1/</u>	
	AID Grant (in \$)	GOP (in Rs)	AID Grant <u>2/</u> (in \$)	GOP (In Rs)
Technical Assistance	5,680	2,950	5,680	2,950
Training	6,250	9,480	6,250	9,480
Commodities	1,600	29,500	1,600	29,500
A&E Services	4,300	-	4,300	-
Construction	20,000	89,435	20,000	89,435
Other Costs	1,480	292,108	1,480	292,108
Evaluation	190	-	190	-
TOTAL	39,500	423,473	39,500	423,473
Contingency	-	10,790	-	10,790
GRAND TOTAL	39,500	434,263 <u>4/</u>	39,500	434,263 <u>4/</u>

1/ Subject to the availability of funds to A.I.D. for this purpose, and to the mutual agreement of the parties to proceed at the time of each subsequent increment.

2/ Does not include approximately \$3.2 million under the Agricultural Commodities and Equipment Program (391-0468) for the importation of agricultural research commodities and equipment, subject to the availability of funds to AID for this purpose.

3/ Either party may unilaterally, with written notice to the other, adjust line items in this budget to a maximum of 15% per line item, provided, however, that the total obligated amount as shown in the budget is not exceeded.

4/ Includes local currency contribution as reflected in ADP plus in-kind contribution by both Provincial & Federal Government.