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The Republic of India

Andhra Pradesh Drought Mitigation Project

Negotiated financing and project agreement

Executive Board — 119th Session
Rome, 14-15 December 2016

For: Information

Negotiated financing agreement: "Andhra Pradesh Drought Mitigation Project"

(Negotiations concluded on 8 December 2016)

Loan Number: [_____]

Project Title: Andhra Pradesh Drought Mitigation Project (the "Project" or "APDMP")

The Republic of India (the "Borrower")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

hereby agree as follows:

WHEREAS:

(A) The Borrower has requested a loan from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement;

(B) The Project shall be carried out through the State of Andhra Pradesh (the "State") pursuant to a separate agreement of even date herewith between the Fund and the State (the "Project Agreement"), and to that purpose the Borrower shall make available to the State the loan proceeds;

(C) The State has requested National Bank for Agriculture and Rural Development (NABARD) to extend loan resources in the amount of USD 6 180 000 equivalent under the Rural Infrastructure Development Fund (RIDF), to partially finance the Project activities on the terms and conditions to be set forth in a Memorandum of Understanding to be entered between The State and NABARD.

NOW THEREFORE, the Parties hereto hereby agree as follows:

Section A

1. The following documents collectively form this Agreement: this document, the Project Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2) and Schedule 3 (additional covenants).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, as amended from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement except for the provisions identified in Section E below. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein.

3. The Fund shall provide a Loan to the Borrower (the "Financing"), which the Borrower shall use to implement the Project in accordance with the terms and conditions of this Agreement.

Section B

1. The amount of the Loan is seventy five million five hundred thousand United State Dollars (USD 75 500 000).
2. The loan is granted on blend terms, with a maturity period 25 years with a grace period of 5 years, interest rate of 1.25% and a service fee of 0.75%.
3. The Loan Service Payment Currency shall be the United States Dollars (USD).
4. The first day of the applicable Fiscal Year shall be 1st of April.
5. Payments of principal, interest and service charge shall be payable on each 15 June and 15 December.
6. The Borrower shall open and maintain a Designated Account denominated in USD, in the Reserve Bank of India. The Designated account shall be administered by the Office of CAA&A, Ministry of Finance.
7. The funds required for Project implementation at the State level will be maintained and administered by the State level Project Management Unit (SPMU), using Single Treasury System and State procedures.
8. The Borrower shall cause the State to open District Accounts, one for the benefit of each of the District Agriculture Technology Management Agency (ATMA) District Project Management Unit (DPMUs) in local currency opened and maintained in District Personal Deposit accounts as authorized by the State.
9. The Borrower shall strive to ensure that the State provides timely and adequate counterpart funding to the Project.

Section C

1. At the National level, the Department of Economic Affairs of the Ministry of Finance of the Borrower will be the nodal agency for the Project.
2. At the State level the Department of Agriculture and Cooperation (DAC), Government of Andhra Pradesh, will be the Nodal Agency, while the Lead Project Agency shall be the Directorate of Agriculture (DoA) which will house the SPMU.
3. The following are designated as additional Project Parties:
 - (a) District ATMA
 - (b) A Lead Technical Agency (LTA) at State level
 - (c) District Facilitating agencies
 - (d) Other Technical Support Agencies (TSAs); and
 - (e) Any other stakeholder identified by the SPMU in agreement with the Fund.
4. The Project Completion Date shall be the fifth anniversary of the date of entry into force of this Agreement.
5. The Lead Project Agency, relevant line-agencies of the State and any other stakeholder identified by the State and the Fund, shall jointly carry out the First Main

review of Project implementation no later than eighteen months after the entry into force of this Agreement (the "First Main Review") based on terms of reference prepared by the SPMU and approved by the Fund.

6. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions, not later than thirty months from entry into force of this Agreement. However, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Project.

Section D

The Loan shall be administered and the Project supervised by the Fund.

Section E

1. The following is designated as an additional ground for suspension of the right of the Borrower to request withdrawals from the Loan:

- (a) The Project Implementation Manual (PIM) or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Borrower, has determined that such waiver, suspension, termination, amendment or modification has had, or is likely to have, a material adverse effect on the Project, and the Borrower has not taken any measures to remedy the situation.

2. The following are designated as additional general conditions precedent to withdrawal:

- (a) The SPMU and DPMUs shall have been duly established as per the Government State's Order.
- (b) The Additional Project Director/Chief Operating Officer at SPMU shall have been duly appointed.
- (c) Key Project staff responsible for Finance, Procurement and M&E at SPMU and Finance Staff at each of the DPMUs are recruited;
- (d) The PIM shall have been prepared by the Lead Project Agency and approved by the Project Steering Committee (PSC) and the Fund;
- (e) The Project Agreement in form and substance acceptable to the Fund shall have been duly concluded between the Fund and the State of Andhra Pradesh.

3. As an exception to Section 4.08(a)(ii) of the General Conditions, expenditures of up to the equivalent of USD 1 000 000 incurred after September 1st, 2016 but before the date of entry into force of this Agreement to finance baseline survey, preparation of PIM, manuals and guidelines, and land surveys related to Component 2, engagement costs for procurement of implementing agencies and key staff costs shall be charged to category 3 – Consultancies, category 4- Goods services and inputs, and category 6 – Salaries and allowances may be considered Eligible Expenditures for the purposes of this Agreement, notwithstanding the fact that they have been incurred before the start of the Project Implementation Period.

4. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower:

Secretary
Department of Economic Affairs
Ministry of Finance
North Block
New Delhi 110001, India
Facsimile: +91-11-23094075

For the Fund:

The President
International Fund for Agricultural Development
Via Paolo di Dono 44
00142 Rome, Italy

This Agreement, dated [_____], has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Borrower.

REPUBLIC OF INDIA

Authorized Representative
(name and title)

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

President

Schedule 1

Project Description and Implementation Arrangements

I. Project description

1. Project Area and target group. The Project will focus on the five most drought-prone districts in the State of Andhra Pradesh: Chittoor, Anantapur, Kurnool and Kadapa (the Rayalaseema region), and Prakasam. The Project will be implemented in approximately 330 village clusters, a cluster more or less equate to a Gram Panchayat (GP), the lowest level of local government in India. A Gram Panchayat typically comprises two or three villages.

The target group categories will include all farmers and landless people in selected Project area including the Scheduled Castes (SCs) and Scheduled Tribes (STs) and vulnerable households such as women-headed households, households having person with disability (PwD) and migrated labour.

2. Goal and development objective: The overall goal of the APDMP is to improve the incomes of approximately 165,000 farm households and strengthen their resilience to drought. This goal will be achieved through the development objective of strengthening the adaptive capacity and productivity of agriculture in the rainfed zones of five districts in southern Andhra Pradesh. These efforts will be supported by a governance framework for water exploitation and irrigation development.

3. Components.

3.1 Component 1: Climate resilient production systems aim to increase the resilience of crop and livestock production systems to drought, and provide farmers with information to provide adequate supplementary irrigation (locally called protective irrigation), improve soil fertility, irrigation efficiency, diversify cropping systems, and improve livestock productivity. The component's objective will be achieved through the following sub-components:

- i. Sub-component 1.1: Improved crop production systems will provide farmers with the information and skills needed to adapt their farming systems to climate change. This will be based on increasing their access to knowledge and skills, demonstration of new varieties and production technologies, understanding the risk of investing in different cropping system and by linking them to insurance products that reduce the risk of this investment. Yields will be increased through timely use of appropriate irrigation, integrated soil fertility management, improved germplasm, mechanisation, and new cultivation practices.
- ii. Sub-component 1.2: Improved livestock production will focus on drought resilient small ruminants (largely sheep in the project area) complemented by backyard poultry (for income diversification purposes), interventions will build on Department of Animal Husbandry (DoAH) activities, address gaps in last-mile delivery and build the capacity of vets, paravets, community animal health service providers and producers. This will be done through the support to community livestock facilitators providing fee-based services to sheep producers (improved housing, feeding and breeding) and a backyard poultry scheme targeted at the poorest women. This sub-component is a particularly important income-generating activity for the poorest households including marginal farmers, landless households, and widows.
- iii. Sub-Component 1.3: Strengthened farmer organisations whereby the project will take a flexible approach and work with and strengthen existing farmer organisations and create new organisations where needed, with the objective of providing a focal point for implementation of APDMP interventions which will continue to provide farmers with a range of services for drought-resilient

agriculture such as input supply, seed multiplication, production services, machinery hire centres and marketing support.

3.2 Component 2: Drought proofing through NRM and water governance aims to mitigate drought and make agriculture more productive through the management of, and investment in, common property resources. The component's objective will be achieved through the following sub-components:

- i. Sub-component 2.1: Water governance will support water planning, and supply and demand management via water sub-committees at the Gram Panchayat level, with these forming Hydrological Unit Network (HUN) at the drainage basin level. Training and workshops will build local capacity and support development of surface water and groundwater planning and monitoring.
- ii. Sub-component 2.2: Water monitoring and conservation will invest in local hydrological and meteorological monitoring to support local decision making and planning of water resources, and in ensuring that GP water sub-committees and HUNs establish adequate working relationships with relevant administrations involved in water supply and demand monitoring. A pilot hydrological mapping of aquifers is proposed to complement available knowledge of and information on groundwater. Soil and water conservation activities will support the recharge of soil moisture and groundwater, and geographically targeted water harvesting activities will complement local water supply management.
- iii. Sub-component 2.3: Regeneration of common property rangeland will support vegetative methods for water conservation and strengthen community management of grazing, rainwater harvesting and other environmental services.

3.3 Component 3: Management and Lesson Learning. A State Project Management Unit (SPMU) will be established, with District PMUs located in each of the five districts. Lesson learning will cover water resource planning and management, drought-resilient agriculture and climate change adaptation, and development of policies for the crop and livestock sectors, especially for small ruminants.

II. Implementation arrangement

A. Coordination

1. State Level. Coordination at the highest level will be provided by a Project Steering Committee (PSC) chaired by the Chief Secretary or his nominee, with members being the Agricultural Production Commissioner, Principal Secretaries / Secretaries of Agriculture and Cooperation, Livestock and Fisheries, Water Resources and Rural Development, Finance and Chief General Manager, AP Region, NABARD. The PSC will meet twice-yearly to review the progress of APDMP and ensure that its activities are coordinated with other development efforts in the State. The PSC will also review and approve Annual Work plans and Budgets before incorporation into State plans and submission to IFAD for its approval. To ensure that APDMP is coordinated at a high level with other major programme supported by external agencies that address drought resilient agriculture in the State, the PSC may include a unified monitoring framework for review and providing guidance.

2. District level. At the district level coordination and convergence will be ensured by the District Collector. The District Collector or the Joint Collector (Development) will chair a Primary Sector Mission Committee with representatives of departments of Agriculture, Animal Husbandry, Horticulture and Water Resources/Groundwater, and SERP, to

coordinate implementation of APDMP. The District Facilitating Agency, once engaged will also participate in the Committee meetings. The Committee will meet once in a quarter and ATMA Project Director at the district will be the Member-Secretary.

3. Village level. At the village level, APDMP activities will be coordinated through close links with Gram Panchayats (GP), which provides a major source of funds for soil and water conservation and for regeneration of common property rangelands. In locations where basin level water management planning is feasible, GP water management committees from this basin will work with district staff of the Department of Water Resources (DoWR) and the District Water Management Agency (DWMA).

B. Management

4. The State Project Management Unit (SPMU) will be established by the Department of Agriculture and Cooperation and housed within the Directorate of Agriculture (DoA). It will be headed by the Director (or Commissioner) of Agriculture who will be ex officio Project Director. An Additional Project Director or COO will be engaged either as secondment from the State Service or recruited from the market to support the ex officio Project Director, with day-to-day management of the SPMU. The SPMU will include five technical specialists who are agricultural specialist; livestock specialist; horticultural specialist; natural resources management specialist; groundwater hydrologist/ engineer. These positions will either be filled by staff seconded from the relevant departments of the State government or recruited on the open market and employed on a contract basis. The SPMU will also have a Planning and Monitoring Manager, two Monitoring Officers, two IT specialists, one Finance Officer, one Procurement Officer and one Financial Support Officer along with administrative, financial and support staff - who will either be seconded from the government, or recruited on a contract basis.

5. District Project Management Unit (DPMU). Each of the five district Project management Units (DPMU) will be headed by the ATMA Director. The DPMU will be managed on a full time basis by an ATMA Deputy Project Director, assisted by two ATMA Assistant Project Directors seconded from the relevant departments of the State government. Administrative, MIS, Accounts and support staff will be hired on a contract basis. To ensure convergence with Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), which has an important role in the funding and construction of rainwater harvesting works, farm ponds and rangeland development, the DPMU will station one of its staff in the District Water Management Agency (DWMA) office responsible for the planning of MGNREGS.

6. Lead Technical Agency. The SPMU will contract an experienced organisation to be the Lead Technical Agency (LTA) at the State level. The LTA will be staffed by thematic specialists and support the SPMU in terms of advice on project strategies and approaches, capacity building, annual planning and review, process and impact monitoring, documentation and IT services.

7. District Facilitating Agencies. The SPMU will contract experienced facilitating agencies to implement the Project at the district level.

8. Other Technical Support Agencies. SPMU may also engage specialised UN Agencies like FAO and other international organizations to bring in global experience, best practices and learnings to support SPMU and the LTA in the key Project technical domains. These organizations and agencies may also bring in partial grant support for the Technical Assistance.

9. Other implementation partners. In addition APDMP will work closely with a number of GoAP departments and agencies. Apart from the technical line departments responsible for agriculture, horticulture, livestock and groundwater, the project will also work with the Rural Development Department and its agencies responsible for

MGNREGS, Self-Help Groups (SHGs) and watershed development. The Project will also sign agreements for cooperation with a number of Central and State government research agencies like NGRI, Andhra Pradesh Space Applications Centre (APSAC), Agricultural Universities and with international research agencies.

10. **Subsidiary Agreement.** The State, through DoA, will enter into a Subsidiary Agreement, acceptable to the Fund, with each of the District ATMA Societies. Among other things, the provisions of the Subsidiary Agreement will include: (i) The District ATMA Societies declare its commitment to the goal and objective of the Project and, in furtherance of such goal and objective, they shall undertake to carry out the Project in accordance with the Financing Agreement and with the Programme Agreement; (ii) preparation of annual plan and fund flow arrangements; (iii) physical and financial reporting requirements; (iv) auditing and submission of Project Financial Statements; (v) adherence to IFAD Procurement Guidelines and approved Procurement Plan; (vi) using bank interest earned for eligible expenditures; (vii) adopting an accounting software to record and generate financial reports and (viii) applicability of IFAD Policy on Fraud and Anti-corruption. A draft Subsidiary Agreement shall be submitted to the Fund for its no –objection.

C. Programme Implementation Manual

11. The SPMU shall prepare a draft PIM, with the support and guidance of the LTA to be approved by the PSC and the Fund. The PIM shall include procedures and processes for Programme implementation, financial administration and reporting and procurement of goods, works and services. The PMU shall adopt the PIM substantially in the form approved by the PSC and the Fund and may make amendments thereto from time to time with the approval of the Fund.

12. The State shall cause the Project to be carried out in accordance with the PIM. In case of any discrepancies between the provisions of the PIM and those of this Agreement, the provisions of this Agreement shall prevail.

D. Planning and Monitoring and Evaluation (M&E).

13. **Planning.** A draft Annual Work Plan and Budget (AWPB) will be consolidated by the SPMU with inputs from the DPMUs and other entities such as Lead Technical Agency (LTA) and District Facilitating Agencies (DFA). Each DPMU will consolidate the proposals that will come from project Gram Panchayat (GPs) or Farmers Producers' Organizations (FPOs). The draft AWPB will then be approved by the PSC in February, before being sent to IFAD along with the annual procurement plan for its approval.

14. The Monitoring and Evaluation (M&E) system will collect data and information to measure performance and progress towards project objectives. The M&E framework will collect, analyse and report on data at three different levels of project implementation: (i) outputs; (ii) outcomes; and (iii) impact, and will be a learning tool to provide information for critical reflection on project strategies and operations. The M&E setting-up, implementation and follow-up will be a joint responsibility of SPMU, DPMU, stakeholders under the prime responsibility of the Additional Project Director in the SPMU supported by the Planning and Monitoring Manager in the SPMU, with inputs from the Process Management Advisor, the IT Professional and Process M&E team in the LTA. The M&E results will include a Management Information System, Annual Progress Report, Mid-Term Review Report and Project Completion Report. The measurement of outcomes and impacts will be done through Annual Outcome Surveys and periodic impact assessments that will be described in further detail in the Project Implementation Manual.

Schedule 2
Allocation Table

1. Allocation of Loan Proceeds. (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Loan and the allocation of the amounts of the Loan to each Category and the percentages of expenditures for items to be financed in each Category:

Category	Loan Amount Allocated in USD	% of Eligible Expenditures to be financed
1 Works	2 200 000	100% net of Government, other financiers and beneficiary contributions
2 Training	5 000 000	100%
3 Consultancies	17 000 000	85%
4 Goods Services and Inputs	40 000 000	85%
5 Grants and Subsidies	1 800 000	95%
6 Salaries and allowances	2 000 000	90%
Unallocated	7 500 000	
TOTAL	75 500 000	

(b) The terms used in the Table above are defined as follows:

“Works” financed by IFAD include protective irrigation activities and water conservation activities.

“Training” financed by IFAD includes participatory planning, exchange events, curriculum development, demonstrations, internships and exposure visits for extension services.

“Consultancies” financed by IFAD include consultancy services, studies, Facilitating Agencies, Lead Technical Agency, Surveys, Remote Sensing Applications, Short term Technical Assistance. International Technical Assistance is financed by IFAD at 100%.

“Goods, Services and Inputs” financed by IFAD include activities related to crop productions systems as climate information centres, extension services, soil fertility management, protective irrigation. For livestock production systems, activities include support to sheep production, support to backyard poultry. Support to farmer organizations, support to water governance, water monitoring and conservation.

“Grants and Subsidies” financed by IFAD include promotion of crop rotation, bund plantation, biomass nursery. Fund for Innovation and Pilot testing is financed by IFAD at 100%.

“Salaries and Allowances” includes operating costs, salaries of contracted staff and excludes Salaries and allowances of Government staff seconded to APDMP.

Schedule 3

Additional Covenants

1. Gender mainstreaming in APDMP will be guided by IFAD's Gender Equality and Women's Empowerment Policy 2012. Gender issues and concerns will be addressed in a cross cutting manner across all components and sub-components and in programme management. The Project will enable women and men to have equal voice and influence in rural community organisations and farmers' organizations and achieve a more equitable balance in workloads and in sharing of economic and social benefits.
2. Within one year from entry into force of the financing agreement, the Project will have a fully drafted gender strategy that will facilitate women's participation in: (i) water management committees and farmer-producer organisations (FPOs); (ii) demonstrations and extension activities on improved practices and less water-demanding and more nutritious crops; (iii) drought resilient cropping and livestock systems; (iv) protective irrigation; (v) enforcement of water sharing and improved management of surface and groundwater.
3. Staffing. The designation or selection through competitive recruitment of the staff assigned to the State Project Management Unit (SPMU) and District Project Management Units (DPMUs) will be carried out in accordance with Section 7.11 of the General Conditions.
4. Procurement. The procurement of goods, works and services under APDMP financed from resources provided or administered by IFAD will be undertaken in accordance with IFAD's Project Procurement Guidelines approved in 2010 and as amended from time to time

Negotiated project agreement: "Andhra Pradesh: Drought Mitigation Project"

(Negotiations concluded on 8 December 2016)

Loan Number: [_____]

Project Title: Andhra Pradesh: Drought Mitigation Project (the "Project" or "APDMP")

The State of Andhra Pradesh of the Republic of India (the "State") acting by its Governor
and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

hereby agree as follows:

WHEREAS:

(A) By Financing Agreement dated [_____] (the "Financing Agreement") between the Republic of India (the "Borrower") and the Fund, the Fund has agreed to make available to the Borrower a loan in the amount of seventy five million five hundred thousand United State Dollars (USD 75 500 000) for the purposes of partially financing the Project, but only at the condition that the State agree to undertake such obligations toward the Fund as are set forth in this Agreement;

(D) By a Memorandum of Understanding (the "Subsidiary Agreement"), to be entered into between the State, through Directorate of Agriculture (DoA), and each District Agriculture Technology Management Agency (District ATMA) for the purpose of implementing the Project, the State shall make a portion of the proceeds of the Financing as received from the Borrower in accordance with the Financing Agreement, together with other funds required for carrying out the Project in the State, available to ATMA Societies on terms and conditions set forth therein;

(E) The State has requested National Bank for Agriculture and Rural Development (NABARD) to extend loan resources in the amount of USD 6 180 000 equivalent under the Rural Infrastructure Development Fund (RIDF), to partially finance the Project activities on the terms and conditions to be set forth in a Memorandum of Understanding to be entered between The State and NABARD;

(F) The State, in consideration for the Fund entering into the Financing Agreement with the Borrower, has agreed to undertake the obligations hereinafter set forth.

NOW THEREFORE, the Parties hereto hereby agree as follows:

Section A

1. The following documents collectively form this Agreement: this document and the Financing Agreement.

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, as may be amended from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement.
3. The State declares its commitment to the goal and objective of the Project as set forth in Schedule 1 of the Financing Agreement and accepts the obligations ascribed to it in the Financing Agreement, as valid, binding obligations of the State to the Fund.
4. For the purposes of this Agreement, any obligation of the Borrower, either independently or jointly with the Lead Project Agency/Project Parties to cause or ensure the taking of or forbearance from taking certain actions, shall be deemed a direct obligation of the State to the Fund to take or forbear from taking such actions or to cause or ensure the taking of or forbearance from taking such actions.
5. Any obligation of any Project Party or other implementing agency to take or forebear from taking any actions, shall be deemed a direct obligation of the State to the Fund to take or forebear from taking such actions.

Section B

1. In accordance with the Financing Agreement and the Preamble of this agreement, the State shall enter into a Subsidiary Agreement with each of the District ATMA Societies in form and substance acceptable by the Fund.
2. The State shall duly perform all its obligations under each Subsidiary Agreement, the Financing agreement and this Agreement and shall cause each of the District ATMA Societies to perform all of its obligations under the Subsidiary Agreement. The State shall ensure that each other Project Party or implementing agency shall perform their respective obligations under the Project and under each other subsidiary agreement or memorandum of understanding which may be entered into to implement the Project.
3. As provided for in the Financing agreement, the State shall provide advance funds including its counterpart funds in an amount approximately of thirteen million nine hundred thousand United States Dollars equivalent (USD 13 900 000) for implementing APDMP activities as per the approved AWPB net of funds available with Directorate of Agriculture, and shall ensure that under normal circumstances no budgetary cuts are imposed on Directorate of Agriculture. The State shall ensure that the RIDF funds received from NABARD are promptly released in advance to the Lead Project Agency.
4. The State, shall strive to undertake proactive measures for convergence of other Government schemes, in particular Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Rashtriya Krishi Vikas Yojana (RKVY), and contributions from beneficiaries in an amount of approximately fifty three million three hundred thousand United States Dollars equivalent (USD 53 300 000), to achieve the Project development objective.
5. The State shall cause the SPMU to enter into contracts, through the Directorate of Agriculture, with service providers including for international technical assistance and administer the agreements as per the provisions contained therein.
6. The State shall take appropriate and necessary actions to implement the agreed actions resulting out of the First Main Review of Project Implementation, Mid Term Review and the annual Supervision Missions.

Section C

The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the State:

(_____)

Facsimile : _____

For the Fund:

The President
International Fund for Agricultural Development
Via Paolo di Dono 44
00142 Rome, Italy

This Agreement, dated [_____], has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the State.

STATE OF ANDHRA PRADESH

(Authorised Representative)

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

President