

付 属 資 料

1. 協議議事録
2. 討議議事録
3. 有償資金協力事業の Minutes of Discussions (抜粋版)

1. 協議議事録

No13012/10/2002-TC
Government of India
Ministry of Agriculture
Department of Agriculture & Cooperation

Krishi Bhavan, New Delhi
Dated: 19th August 2010

To

Shri Ram Suhag Singh,
Secretary(Agriculture)
Govt. Of Himachal Pradesh,
Shimla.

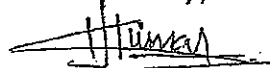
Subject: Minutes of the meeting of Detail Design Survey Team(DDST) of JICA- Technical Cooperation Project for "Crop Production in Himachal Pradesh".

Sir,

I am directed to enclose herewith a copy of the above mentioned minutes duly signed by the concerned officer in this Department for further necessary action in the matter.

Yours faithfully,

Encl: As above.


(Manjeet Kumar)
Section Officer-(TC)
Ph..23388911/Ext.4338
Fax: 23382137

Copy for information to :

1. Shri Arun Sobti, US(Japan),BC Division,DEA w.r.t. O.M. no. 4/7/2007-Japan.II dated 29th July 2010.
- ✓ 2. Mr. Shinichi Yakanaka, Chief Representative, India Office, 2nd floor, Dr. Gopal Das Bhawan, 28, Barakhamba Road New Delhi.
3. Shri C.M.Pandey, Addl. Commr.(NRM),DAC, Krishi Bhawan.

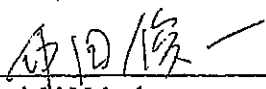
**THE MINUTES OF MEETINGS BETWEEN
THE DETAIL DESIGN SURVEY TEAM AND
AUTHORITIES CONCERNED OF THE GOVERNMENT OF INDIA ON
THE "TECHNICAL COOPERATION PROJECT FOR CROP DIVERSIFICATION
IN HIMACHAL PRADESH" IN THE REPUBLIC OF INDIA**

The Detail Design Survey Team (hereinafter referred to as "the Team") organized by the Japan International Cooperation Agency (hereinafter referred to as "JICA"), visited Himachal Pradesh from 12th February 2010 to 7th March 2010 for the purpose of working out the framework of the technical cooperation concerning "Technical Cooperation Project for Crop Diversification in Himachal Pradesh" (hereinafter referred to as "the Project").

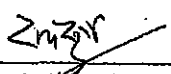
During its stay in India, the Team exchanged views and had a series of discussions with the Indian authorities concerned with respect to the measures to be taken by JICA and the Government of India for the successful implementation of the Project.

As a result of the discussions, both parties agreed to recommend to their respective Governments, the matters referred to in the documents attached.


Shimla, 3 March, 2010



Mr. Shunichi Nakada
Leader
The Detail Design Survey Team
Japan International Cooperation Agency



Mr. Ram Suttog Singh
Secretary, Agriculture
Government of Himachal Pradesh



Mr. E.K. Majhi
Joint Secretary
Department of Agriculture and Cooperation
Ministry of Agriculture,
Government of India

ATTACHED DOCUMENT

I. TITLE OF THE PROJECT

Both Japanese and Indian sides agreed to change the project title to "Technical Cooperation Project for Crop Diversification in Himachal Pradesh" from the original "Establishment of Demand Driven Cash Crop Production and Farmers Friendly Marketing", which was indicated in the application.

II. RECORD OF DISCUSSIONS

The draft of Record of Discussions (hereinafter referred to as "R/D"), which stipulates the framework of the Project, will be finalized and signed by the representatives of JICA India Office and the Government of India after notification of approval of implementation of the Project by JICA Headquarters. Both sides agreed on the tentative R/D shown as Appendix I.

III. FRAMEWORK OF THE PROJECT

For the purpose of achieving the goal of expansion of crop diversification in Himachal Pradesh, this Technical Cooperation Project is meant to synergize with the ODA Loan Project for Crop Diversification of Himachal Pradesh which is planned to be commenced in 2010. While the Loan Project covers infrastructure development of irrigation facilities on a massive scale, this Technical Cooperation Project focuses on development of an effective Crop Diversification Model in the Pilot Area, with capacity development of extension officers who will play the key role in promoting crop diversification based on the Model in the future.

24 /

The Project will be carried out under set procedures of technical cooperation between both governments. The Project Outline is shown on Draft Project Design Matrix (hereinafter referred to as "PDM") in Annex I. The PDM indicates the entire Project components, such as the project purpose, the outputs, the activities and the necessary inputs, as well as the important assumptions and the pre-conditions of the Project. The Indian side and the Japanese side agreed on the draft PDM, although it will be finalized before signing the R/D, and will be revised as necessary in the course of project implementation. The tentative Plan of Operation (hereinafter referred to as "PO") is also shown on Annex II.

IV. MEASURES TO BE TAKEN BY BOTH SIDES

For the implementation of the Project, both sides agreed to take necessary measures

mentioned below.

1. Japanese side

The Japanese side shall take the following measures within the budget allocated for the Project.

A. Dispatch of experts

A tentative list of experts to be assigned is attached in Annex III.

B. Training of counterpart personnel and others concerned in the Project

C. Infrastructure development of the selected one Pilot Area

D. Provision of equipment

E. Other expenses necessary for implementation of the Project

2. Indian side

The Indian side shall take the following measures at its expense.

A. Assignment of counterpart personnel

The Indian side shall ensure the assignment of counterpart personnel for the Project as listed in Annex IV.

B. Salary and other allowances for the counterpart personnel

C. Provision of project office space

The Indian side shall ensure that sufficient office space would be provided for the Project.

D. Bearing maintenance and operation cost in relation to the Project, and running expenses such as electricity, water and fuel.

E. Custom Duties and Value Added Tax (CD-VAT), cost for custom clearance, storage and domestic transportation for the equipment provided by the Japanese side

V. JOINT COORDINATION COMMITTEE

Both sides agreed to establish Joint Coordination Committee during the Project period so that it can give guidance on activities of the Project and coordinate activities among concerned stakeholders. A draft members list and other details are mentioned in Annex V.

VI. OTHERS

1. Target Area of the Project

The Project promotes crop diversification in Himachal Pradesh. The Project activities mainly focus on the five selected Districts of Kangra, Una, Hamirpur, Bilaspur and Mandi, but some trainings will be extended to extension officers from other districts.

2. Pilot Area

The Project shall select one Pilot Area out of the six 1st Priority Sub-Projects of the ODA Loan Project. Infrastructure development of this Pilot Area will be covered by this Technical Cooperation Project, for the purpose of developing effective model of crop diversification and the hands-on trainings of the extension officers. The Project may select sub-pilot area(s), if necessary, for the purpose of application of the extension technologies acquired through trainings. The Project, however, will not support the infrastructure development in the sub-pilot area(s).

3. Cooperating Agencies

The Implementing Agency of the Project is to be the Department of Agriculture. Other concerned agencies, such as State Agricultural Management and Extension Training Institute (SAMETI), KVK, and Marketing Board should be involved in the Project as cooperating agencies, and be consulted with in the course of project implementation as necessary.

4. Assignment of Participants of the Trainings

Since the hands-on trainings in the Pilot Area requires frequent visits of the participants, DOA will make necessary arrangement to enable those selected extension officers to continuously participate in the trainings.

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ANNEXES

ANNEX-I	TENTATIVE PROJECT DESIGN MATRIX
ANNEX-II	TENTATIVE PLAN OF OPERATION
ANNEX-III	TENTATIVE LIST OF EXPERTS
ANNEX-IV	LIST OF INDIAN COUNTERPARTS
ANNEX-V	JOINT COORDINATION COMMITTEE

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57

Project Name : Technical Cooperation Project for Crop Diversification in Himachal Pradesh

Duration: 5 years.

Target Area: State of Himachal Pradesh

Target Group: Core Extension Officers of DOA

Overall Goal	Project Purpose	Outputs	Monitoring	Proposed ODA Loan Project
(Target at 5 years after the end of the Project) Crop diversification is promoted in the target area based on the advantageous climate conditions	(Target at the end of the Project) The promotion mechanism for crop diversification is established in DOA Himachal Pradesh.	1. DOA's capacity to plan and implement crop diversification is strengthened. 2. Training system to promote crop diversification is developed. 3. Core extension officers for crop diversification are trained. 4. Crop diversification Model is developed and practiced in the Pilot area.	(1) Agricultural census by DOA / Other reports	Proposed ODA Loan Project is implemented on schedule RIDF project is continued on the same scale No severe decline in agriculture production price No severe decline of the state government budget on the agriculture development and support No severe decline in agriculture production price
(1) (After 5 years of completion of the project) **% of total cultivated land in the target area is diversified to the vegetable	(1) Extension activities based on the Crop Diversification Model are expanded in 5 districts.	(1)-1 Implementation guideline for crop diversification is prepared. (1)-2 Annual PDCA cycle of crop diversification functions in DOA (i.e. Annual plan on crop diversification is formulated, monitored and evaluated.) (2)-1 Training curriculum is prepared for each subject (group organization, vegetable cultivation, farm management, irrigation and water management, etc) (2)-2 Training materials are developed in each subject. (3)-1 80% of trained extension officers can conduct farmers' training by themselves on the various technologies. (3)-2 50% of trained extension officers can launch extension activities in the areas they cover. (4)-1 80% of the farmers in the pilot area increase their vegetable production. (4)-2 80% of farmers in the pilot area can decide the cropping pattern by themselves with market information. (4)-3 80% of farmers in the pilot area can increase their income by crop diversification. (4)-4 SHG in the pilot area can increase their income by their group activities. (4)-5 Irrigation facilities in the pilot area are properly maintained by farmers.	(1) Monitoring survey carried out by the Project (1)-1 Check the output (1)-2 Monitoring survey carried out by the Project (2)-1 Check the output (2)-2 Check the output (3)-1 Monitoring survey carried out by the Project (3)-2 - do - (4)-1 - do - (4)-2 - do - (4)-3 - do - (4)-4 - do - (4)-5 - do -	

Note: The "core extension officers" include SMS, ADO, AEO, SDCO, AE, JE.
Gender and social inclusion should be considered in every activity as well as measured by objectively verifiable indicators.

Activities	Inputs	Pre-conditions
<p>1-1. Review the existing plan on crop diversification in DOA</p> <p>1-2. Conduct Plan-Do-Check-Action training on crop diversification</p> <p>1-3. Formulate annual plan on crop diversification</p> <p>1-4. Conduct monitoring and evaluation of annual plan</p> <p>2-1. Formulate annual plan on extension training</p> <p>2-2. Review the existing training curriculum and materials on extension</p> <p>2-3. Develop training curriculum and materials on extension of crop diversification</p> <p>2-4. Revise curriculum and materials incorporating feedback from the Pilot Area</p> <p>3-1. Conduct hands-on training for core extension officers assigned to the pilot area:</p> <ul style="list-style-type: none"> • Group formation • Crop cultivation • Farm management • Post harvest/processing • Marketing <p>3-2. Provide lectures and hands-on trainings for core extension officers to be in charge of ODA Loan Project:</p> <ul style="list-style-type: none"> • Group formation • Crop cultivation • Farm management • Post harvest/processing • Marketing <p>3-3. Conduct trainings for core extension officers in Sub-Plot Areas (without infrastructure development)</p> <p>4-1. Conduct baseline survey</p> <p>4-2. Organize farmers groups and Self-help groups</p> <p>4-3. Construct irrigation facilities and prepare demonstration plot in the pilot area.</p> <p>4-4. Conduct trainings for farmers on:</p> <ul style="list-style-type: none"> • Group formation • Crop cultivation • Farm management • Post harvest/processing • Marketing • Infrastructure development/operation and maintenance 	<p><Japanese Side></p> <ul style="list-style-type: none"> - Project Management / Agriculture Extension - Water Management / Operation and Maintenance - Crop Cultivation / Post Harvest - Training / Project Coordination - Gender / Social Inclusion - Design & Construction Management <p>1) Experts</p> <p>2) Training for beneficiaries and Himachal Pradesh CPs</p> <p>3) Cost for project office management (personnel, equipment, and consumables)</p> <p>4) Cost for construction of pilot area and preparation of demonstration plot</p> <p>5) Equipments for project management, if necessary</p> <p><Himachal Pradesh Side></p> <ol style="list-style-type: none"> 1) Counterparts (from Shimla Headquarter to field level) 2) Necessary transport and other expenditures for counterparts 3) Project office at Shimla and site 4) Sharing of project office running expenses 5) Tax exemption measures, etc. <p><Abbreviation></p> <p>DOA: Department of Agriculture, Government of Himachal Pradesh</p> <p>SMS: Subject Matter Specialist</p> <p>ADO: Agricultural Development Officer</p> <p>AEO: Agricultural Extension Officer</p> <p>SDSCO: Sub-divisional Soil Conservation Officer</p> <p>AE: Assistant Engineer</p> <p>JE: Junior Engineer</p>	<p>- No disaster is occurred (drought/flood)</p> <p>- No policy change in the agriculture</p> <p>Pre-conditions</p> <ul style="list-style-type: none"> - There is a need on the agriculture development in the state - There is the budget to bear the counterpart budget for project implementation in the State

Note: The "core extension officers" include SMS, ADO, AEO, SDSCO, AE, JE.

Gender and social inclusion should be considered in every activity as well as measured by objectively verifiable indicators.

TENTATIVE LIST OF EXPERTS

Experts in the following fields are to be assigned to the Project on a short-term basis.

1. Project Management / Agriculture Extension
2. Water Management / Operation and Maintenance,
3. Crop Cultivation / Post Harvest,
4. Training / Project Coordination
5. Gender / Social Inclusion
6. Design and Construction Management

Local consultants may be assigned when necessary for smooth and effective implementation of the Project.

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LIST OF INDIAN COUNTERPARTS

1. Project Director

Director, Department of Agriculture, State Government of Himachal Pradesh

2. Project Manager

Additional / Joint Director of the Department of Agriculture, as approved by the State Government, Department of Agriculture, State Government of Himachal Pradesh

3. Other Counterparts responsible for Project operation

<DOA Shimla Headquarter>

- (1) Additional Director,
- (2) Superintendent Engineer
- (3) Coordinating Officer

<District where the Pilot Area is located>

- (2) Deputy Director of Agriculture
- (3) District Agricultural Officer

(Agricultural Extension)

- (1) Subject Matter Specialist in charge of the Pilot Area
- (2) Agricultural Development Officer
- (3) Agricultural Extension Officer

(Soil and Water Conservation)

- (1) Sub-divisional Soil Conservation Officer in charge of the Pilot Area
- (2) Junior Engineer / Agricultural Development Officer
- (3) Draftsman / Surveyor / Agricultural Extension Officer

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JOINT COORDINATION COMMITTEE

The JCC meeting will be held at least once a year. Additional JCC meetings may be held as and when a proposal from one side is agreed by the other side. The JCC composition and functions are as follows:

1. Functions

- (1) To approve the Plan of Operation and Annual Work Plan of the Project
- (2) To review the overall progress of the Project activities and achievements of the Annual Work Plan of the Project
- (3) To review and exchange of views on major issues arising from or in connection with the Project and recommend corrective measures
- (4) To discuss any other issues relating to project implementation

2. Members

Chairperson - Secretary (Agriculture), State Government of Himachal Pradesh

- 1) Director, Department of Agriculture,
- 2) Additional Directors, Department of Agriculture
- 3) Superintendent Engineer, Department of Agriculture,
- 4) Coordinating Officer, Department of Agriculture
- 5) Director of State Agricultural Management and Extension Training Institute
- 6) Representative from Marketing Board
- 7) Representative from Ministry of Agriculture, Government of India
- 8) Representatives from other departments/ institutions as decided by the Chairperson
- 9) JICA Experts
- 10) Representative from JICA India Office
- 11) Other members concerned with the Project as decided by JICA, if necessary

3. Observers

- 1) Representative from the Embassy of Japan
- 2) Other members nominated by the Chairman

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RECORD OF DISCUSSIONS BETWEEN JAPANESE
IMPLEMENTATION STUDY TEAM AND
AUTHORITIES CONCERNED OF THE GOVERNMENT OF
THE REPUBLIC OF INDIA
ON JAPANESE TECHNICAL COOPERATION
FOR TECHNICAL COOPERATION PROJECT FOR CROP DIVERSIFICATION
IN HIMACHAL PRADESH

The Japanese Implementation Study Team (hereinafter referred to as "the Team") organized by Japan International Cooperation Agency (hereinafter referred to as "JICA") and headed by M . , visited Republic of India from (hereinafter referred to as "India") DD/MM/YYYY to DD/MM/YYYY for the purpose of working out the details of the technical cooperation program concerning the Technical Cooperation Project for Crop Diversification in Himachal Pradesh in India.

During its stay in India, the Team exchanged views and had a series of discussions with the Indian authorities concerned with respect to desirable measures to be taken by JICA and Indian Government for the successful implementation of the above-mentioned Project.

As a result of the discussions, the Team and the Indian authorities concerned agreed on the matters referred to in the document attached hereto.

Shimla, MM/DD/YYYY

Mr.
Leader
The Implementation Study Team
Japan International Cooperation Agency

Mr. Ram Subag Singh
Secretary, Agriculture
Government of Himachal Pradesh

Mr. E. k. Majhi
Joint Secretary
Department of Agriculture and
Cooperation
Ministry of Agriculture,
Government of India

I. COOPERATION BETWEEN JICA AND THE GOVERNMENT OF INDIA

1. The Government of India will implement the Technical Cooperation Project for Crop Diversification in Himachal Pradesh (hereinafter referred to as "the Project") in cooperation with JICA.
2. The Project will be implemented in accordance with the Master Plan which is given in Annex I.

II. MEASURES TO BE TAKEN BY JICA

In accordance with the laws and regulations in force in Japan, JICA will take, at its own expense, the following measures according to the normal procedures under the Colombo Plan Technical Cooperation Scheme.

1. DISPATCH OF JAPANESE EXPERTS

JICA will provide the services of the Japanese experts as listed in Annex II.

2. PROVISION OF MACHINERY AND EQUIPMENT

JICA will provide such machinery, equipment and other materials (hereinafter referred to as "the Equipment") necessary for the implementation of the Project as listed in Annex III. The Equipment will become the property of the Government of India upon being delivered C.I.F. (cost, insurance and freight) to the Indian authorities concerned at the ports and/or airports of disembarkation.

3. TRAINING OF INDIAN PERSONNEL IN JAPAN

JICA will receive the Indian personnel connected with the Project for technical training in Japan.

III. MEASURES TO BE TAKEN BY THE GOVERNMENT OF INDIA

1. The Government of India will take necessary measures to ensure that the

self-reliant operation of the Project will be sustained during and after the period of Japanese technical cooperation, through full and active involvement in the Project by all related authorities, beneficiary groups and institutions.

2. The Government of India will ensure that the technologies and knowledge acquired by the Indian nationals as a result of Japanese technical cooperation will contribute to the economic and social development of India.
3. The Government of India will grant in India privileges, exemptions and benefits to the Japanese experts referred to in II-1 above and their families, which are no less favorable than those accorded to experts of third countries working in India under the Colombo Plan Technical Cooperation Scheme.
4. The Government of India will ensure that the Equipment referred to in II-2 above will be utilized effectively for the implementation of the Project in consultation with the Japanese experts referred to in Annex II.
5. The Government of India will take necessary measures to ensure that the knowledge and experience acquired by the Indian personnel from technical training in Japan will be utilized effectively in the implementation of the Project.
6. In accordance with the laws and regulations in force in India, the Government of India will take necessary measures to provide at its own expense :
 - (1) Services of the Indian counterpart personnel and administrative personnel as listed in Annex IV;
 - (2) Land, buildings and facilities as listed in Annex V;
 - (3) Supply or replacement of machinery, equipment, instruments, vehicles, tools, spare parts and any other materials necessary for the implementation of the Project other than the Equipment provided by JICA under II-2 above ;
7. In accordance with the laws and regulations in force in India, the Government of

India will take necessary measures to meet :

- (1) Expenses necessary for transportation within India of the Equipment referred to in II-2 above as well as for the installation, operation and maintenance thereof;
- (2) Customs duties, internal taxes and any other charges, imposed in India on the Equipment referred to in II-2 above; and
- (3) Running expenses necessary for the implementation of the Project.

IV. ADMINISTRATION OF THE PROJECT

1. Director, Department of Agriculture of State Government of Himachal Pradesh, as the Project Director, will bear overall responsibility for the administration and implementation of the Project.
2. Additional / Joint Director of Department of Agriculture, State Government of Himachal Pradesh, as approved by the State Government, will be responsible for the managerial and technical matters of the Project.
3. The Japanese Team Leader will provide necessary recommendations and advice to the Project Director and the Project Manager on any matters pertaining to the implementation of the Project.
4. The Japanese experts will give necessary technical guidance and advice to the Indian counterpart personnel on technical matters pertaining to the implementation of the Project.
5. For the effective and successful implementation of technical cooperation for the Project, a Joint Coordinating Committee will be established whose functions and composition are described in Annex VI.

V. JOINT EVALUATION

Evaluation of the Project will be conducted jointly by JICA and the Indian authorities concerned, at the middle and during the last six months of the cooperation term in order to examine the level of achievement.

VI. CLAIMS AGAINST JAPANESE EXPERTS

The Government of India undertakes to bear claims, if any arises, against the Japanese experts engaged in technical cooperation for the Project resulting from, occurring in the course of, or otherwise connected with the discharge of their official functions in India except for those arising from the willful misconduct or gross negligence of the Japanese experts.

VII. MUTUAL CONSULTATION

There will be mutual consultation between JICA and the Government of India on any major issues arising from, or in connection with this Attached Document.

VIII. MEASURES TO PROMOTE UNDERSTANDING OF AND SUPPORT FOR THE PROJECT

For the purpose of promoting support for the Project among the people of India, the Government of India will take appropriate measures to make the Project widely known to the people of India.

IX. TERM OF COOPERATION

The duration of the technical cooperation for the Project under this Attached Document will be five years from November 2010.

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- ANNEX I MASTER PLAN
- ANNEX II LIST OF JAPANESE EXPERTS (to be prepared)
- ANNEX III LIST OF MACHINERY AND EQUIPMENT (to be prepared)
- ANNEX IV LIST OF INDIAN COUNTERPART AND ADMINISTRATIVE
PERSONNEL (to be prepared)
- ANNEX V LIST OF LAND, BUILDINGS AND FACILITIES (to be prepared)
- ANNEX VI JOINT COORDINATING COMMITTEE (to be prepared)

MASTER PLAN

1. PROJECT PURPOSE

The promotion mechanism for crop diversification is established in DOA Himachal Pradesh.

2. OUTPUTS AND ACTIVITIES OF THE PROJECT

Output 1: DOA's capacity to plan and implement crop diversification is strengthened.

- 1-1. Review the existing plan on crop diversification in DOA
- 1-2. Conduct Plan-Do-Check-Action training on crop diversification
- 1-3. Formulate annual plan on crop diversification
- 1-4. Conduct monitoring and evaluation of annual plan

Output 2: Training system to promote crop diversification is developed.

- 2-1. Formulate annual plan on extension training
- 2-2. Review the existing training curriculum and materials on extension
- 2-3. Develop training curriculum and materials on extension of crop diversification
- 2-4. Revise curriculum and materials incorporating feedback from the Pilot Area

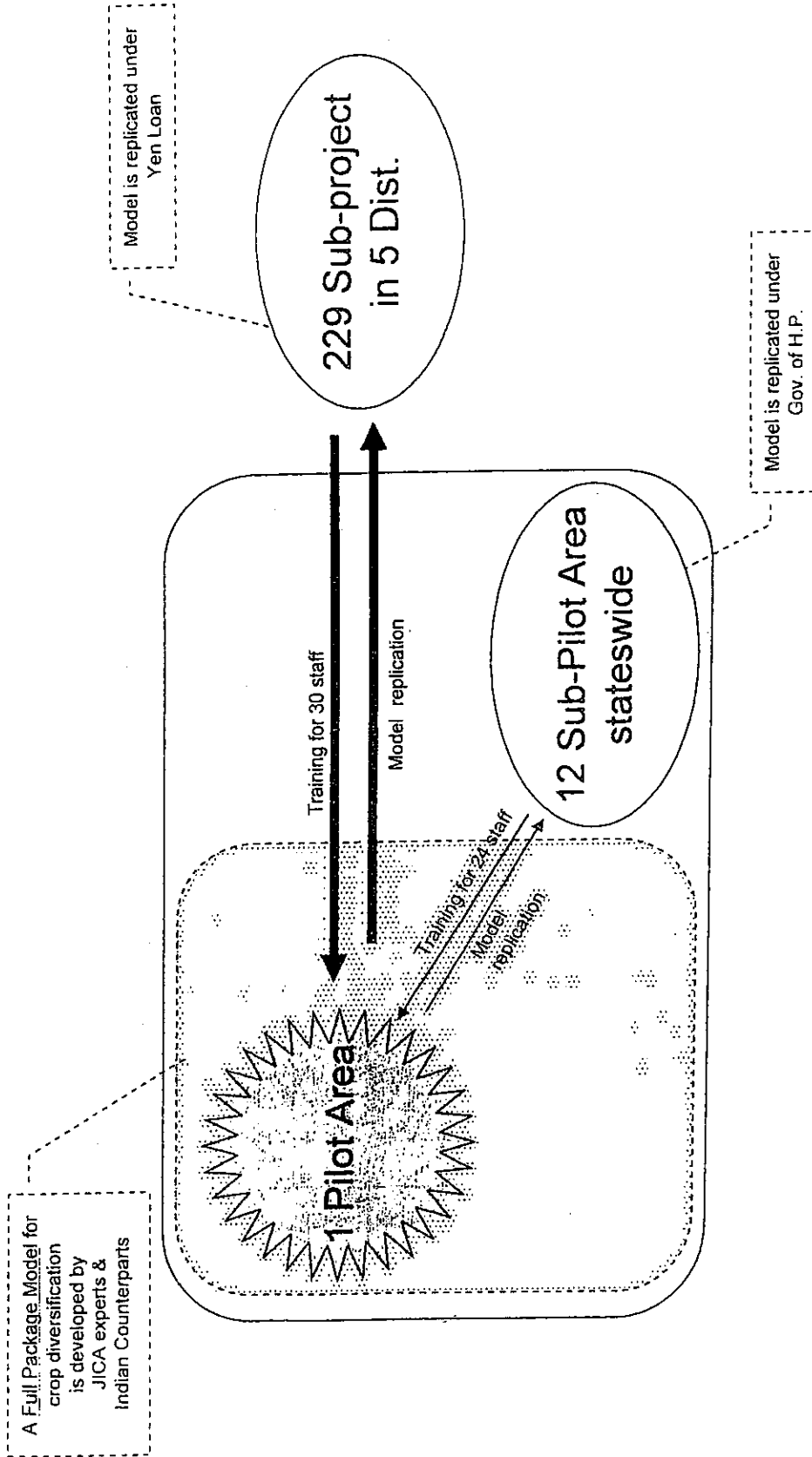
Output 3: Core extension officers for crop diversification are trained.

- 3-1. Conduct hands-on training for core extension officers assigned to the pilot area
- 3-2. Provide lectures and hands-on trainings for core extension officers to be in charge of ODA Loan Project
- 3-3. Conduct trainings for core extension officers in Sub-Pilot Areas (without infrastructure development)

Output 4: Crop diversification Model is developed and practiced in the Pilot area

- 4-1. Conduct baseline survey
- 4-2. Organize farmers groups and Self-help groups
- 4-3. Construct irrigation facilities and prepare demonstration plot in the pilot area.
- 4-4. Conduct trainings for farmers

Contribution of TCP to crop diversification in H.P.



Note: infrastructure development under TCP is limited in 1 pilot area

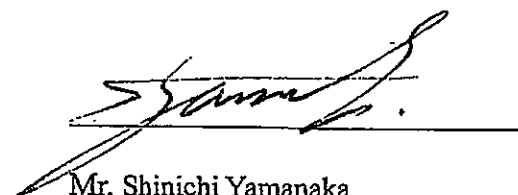
2. 討議議事録

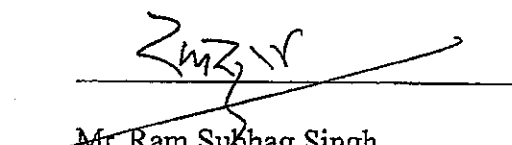
RECORD OF DISCUSSIONS BETWEEN
JAPAN INTERNATIONAL COOPERATION AGENCY AND
AUTHORITIES CONCERNED OF THE GOVERNMENT OF INDIA
ON JAPANESE TECHNICAL COOPERATION
PROJECT FOR CROP DIVERSIFICATION IN HIMACHAL PRADESH

Japan International Cooperation Agency (hereinafter referred to as "JICA"), through its Chief Representative of India Office, and the authorities concerned of the Government of India (hereinafter referred to as "GoI") through the State Government of Himachal Pradesh (hereinafter referred to as "GoHP") had series of discussions with respect to desirable measures to be taken by JICA and GoI through GoHP for successful implementation of the above mentioned Project.

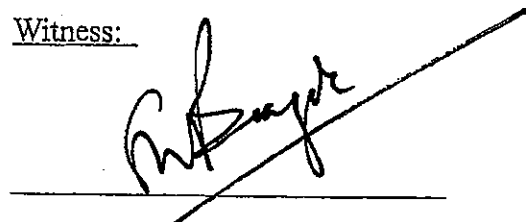
As a result of the discussions, JICA and Indian authorities concerned agreed on the matters referred to in the document attached hereto.


New Delhi, India, 1st October, 2010


Mr. Shinichi Yamanaka
Chief Representative
JICA India Office
Japan International Cooperation Agency


Mr. Ram Subhag Singh
Secretary (Agriculture)
Government of Himachal Pradesh

Witness:


Mr. Surendra Kumar Bagde
Director (Japan)
Department of Economic Affairs
Ministry of Finance,
Government of India


Mr. E.K. Majhi
Joint Secretary (Natural Resource
Management)
Department of Agriculture and
Cooperation,
Ministry of Agriculture
Government of India

THE ATTACHED DOCUMENT

I. COOPERATION BETWEEN JICA AND GOI

1. GoI through the GoHP will implement the Technical Cooperation Project for "Crop Diversification in Himachal Pradesh" (hereinafter referred to as "the Project") in cooperation with JICA.
2. The Project will be implemented in accordance with the Master Plan which is given in Annex I.

II. MEASURES TO BE TAKEN BY JICA

In accordance with the laws and regulations in force in Japan, JICA will take, at its own expense, the following measures according to the normal procedures under the Colombo Plan Technical Cooperation Scheme.

1. DISPATCH OF JAPANESE EXPERTS

JICA will provide the services of the Japanese experts as listed in Annex II.

2. PROVISION OF MACHINERY AND EQUIPMENT

JICA will provide such machinery, equipment and other materials (hereinafter referred to as "the Equipment") necessary for the implementation of the Project as listed in Annex III. The Equipment will become the property of GoI upon being delivered C.I.F. (cost, insurance and freight) to the Indian authorities concerned at the ports and/or airports of disembarkation.

3. TRAINING OF INDIAN PERSONNEL IN JAPAN

JICA will receive the Indian personnel connected with the Project for technical training in Japan, if necessary.

III. MEASURES TO BE TAKEN BY THE GOI

1. GoI through GoHP will take necessary measures to ensure that the self-reliant operation of the Project will be sustained during and after the period of Japanese technical cooperation, through full and active involvement in the Project by all related authorities, beneficiary groups and institutions.
2. GoI will ensure that the technologies and knowledge acquired by the Indian nationals as a result of Japanese technical cooperation will contribute to the economic and social development of India.
3. GoI through the Department of Economic Affairs (hereinafter referred to as "DEA") will grant in India privileges, exemptions and benefits to the Japanese experts referred to in II-1 above and their families, which are no less favorable than those accorded to experts of third countries working in India under the Colombo Plan Technical Cooperation Scheme.
4. GoI through GoHP will ensure that the Equipment referred to in II-2 above will be utilized effectively for the implementation of the Project in consultation with the Japanese experts referred to in Annex II.
5. GoI will take necessary measures through GoHP to ensure that the knowledge and experience acquired by the Indian personnel from technical training in Japan will be utilized effectively in the implementation of the Project.
6. In accordance with the laws and regulations in force in India, the GoI through GoHP will take necessary measures to provide at its own expense:
 - (1) Services of the Indian counterpart personnel and administrative personnel as listed in Annex IV;
 - (2) Land, buildings and facilities as listed in Annex V;

- (3) Supply or replacement of machinery, equipment, instruments, vehicles, tools, spare parts and any other materials necessary for the implementation of the Project other than the Equipment provided by JICA under II-2 above;
7. In accordance with the laws and regulations in force in India, GoI through GoHP will take necessary measures to meet:
 - (1) Expenses necessary for transportation within India of the Equipment referred to in II-2 above as well as for the installation, operation and maintenance thereof;
 - (2) GoI through DEA will take necessary measures for customs duties, internal taxes and any other charges, imposed in India on the Equipment referred to in II-2 above; and
 - (3) Running expenses necessary for the implementation of the Project.

IV. ADMINISTRATION OF THE PROJECT

1. Director, Department of Agriculture (hereinafter referred to as "DoA"), the Government of Himachal Pradesh, as the Project Director, will bear overall responsibility for the administration and implementation of the Project.
2. Additional/Joint Director, DoA, the Government of Himachal Pradesh, as the Project Manager, will be responsible for the managerial and technical matters of the Project and could be a Project Director of a Yen Loan Project named as Himachal Pradesh Crop Diversification Promotion Project under appraisal process by the Government of Japan.
3. The Japanese Chief Advisor will provide necessary recommendations and advice to the Project Director and the Project Manager on any matters pertaining to the implementation of the Project.

4. The Japanese experts will provide necessary technical guidance and advice to the Indian counterpart personnel on technical matters pertaining to the implementation of the Project.
5. For the effective and successful implementation of technical cooperation for the Project, a Joint Coordinating Committee (hereinafter referred to as "JCC") will be established whose functions and composition are described in Annex VI.

V. JOINT EVALUATION

Evaluation of the Project will be conducted jointly by JICA and the Indian authorities concerned, at the middle and during the last six months of the cooperation term in order to examine the level of achievement.

VI. CLAIMS AGAINST JAPANESE EXPERTS

GoI through GoHP undertakes to bear claims, if any arises, against the Japanese experts engaged in technical cooperation for the Project resulting from, occurring in the course of, or otherwise connected with the discharge of their official functions in India except for those arising from the willful misconduct or gross negligence of the Japanese experts.¹

VII. MUTUAL CONSULTATION

There will be mutual consultation between JICA and GoI through GoHP on any major issues arising from, or in connection with this Attached Document.

¹ For this, JICA experts shall have to provide prior intimation to the MOA, DEA, and the Project Director about their arrivals, movement out of Himachal Pradesh and out of the Country,

VIII. MEASURES TO PROMOTE UNDERSTANDING OF AND SUPPORT FOR THE PROJECT

For the purpose of promoting support for the Project among the people of India, GoI through GoHP will take appropriate measures to make the Project widely known to the people of India.

IX. TERM OF COOPERATION

The duration of the technical cooperation for the Project under this Attached Document will be 5 years from the arrival date of first JICA Expert in Himachal Pradesh.

LIST OF ANNEXTURES

ANNEX I	MASTER PLAN
ANNEX II	LIST OF JAPANESE EXPERTS
ANNEX III	LIST OF MACHINERY AND EQUIPMENT
ANNEX IV	LIST OF INDIAN COUNTERPART AND ADMINISTRATIVE PERSONNEL
ANNEX V	LIST OF LAND, BUILDINGS AND FACILITIES
ANNEX VI	JOINT COORDINATING COMMITTEE

MASTER PLAN

1. Project Title: Technical Cooperation Project for “Crop Diversification in Himachal Pradesh”

2. Frame Work of the Project

(1) Objective

Overall Goal: Crop diversification is promoted in the target area.

Project Purpose: The promotion mechanism for crop diversification is established in DOA of Himachal Pradesh.

(2) Outputs

- 1) DoA's capacity to plan and implement crop diversification is strengthened.
- 2) Training system to promote crop diversification is developed.
- 3) Core extension officers for crop diversification are trained.
- 4) Crop diversification model is established through activities in the Pilot area and Sub-Pilot Area.

(3) Activities

- 1-1. Conduct baseline survey
- 1-2. Review existing plan on crop diversification and study, how the pilot project should be.
- 1-3. Conduct Plan-Do-Check-Action training on crop diversification
- 1-4. Formulate annual plan on crop diversification
- 1-5. Develop Crop Diversification Guideline based on the lesson learned from Crop Diversification model practiced in the Pilot Area and Sub-Pilot Area

- 2-1. Formulate annual plan on extension training
- 2-2. Review the existing training curriculum and materials on the extension
- 2-3. Develop training curriculum and materials on the extension of crop diversification
- 2-4. Revise curriculum and materials incorporating feedback from the Pilot Project

3-1. Conduct hands-on training to core extension officers assigned to the pilot area and highlighted 5 districts (Kangra, Una, Hamirpur, Bilaspur and Mandi) on:

- Group formation
- Crop cultivation
- Farm management
- Post harvest/processing
- Marketing
- Infrastructure development/operation and maintenance

3-2. Conduct trainings to extension officers in Sub-Pilot Areas²

4-1. Selection of a pilot area to be approved by JCC.

4-2. Construct irrigation facilities and prepare demonstration plot in the pilot area.

4-3. Organize farmers groups and Self-help groups

4-4. Conduct trainings to farmers on:

- Group formation
- Crop cultivation
- Farm management
- Post harvest/processing
- Marketing
- Operation and maintenance of Agricultural Infrastructure facilities

4-5. To provide technical advise for the extension officers to conduct farmers' trainings in Sub-Pilot Area on:

- Group formation
- Crop cultivation
- Farm management
- Post harvest/processing
- Marketing
- Operation and maintenance of Agricultural Infrastructure facilities

(4) Project Site

State of Himachal Pradesh

² The Government of Himachal Pradesh will establish Sub-Pilot Areas by its own budget in Chamba, Kinnaur, Kullu, Lahaul-Spiti, Shimla, Sirmaur or Solan.

LIST OF JAPANESE EXPERTS

1. Chief Advisor / Agriculture Extension
2. Water Management / Operation and Maintenance
3. Crop Cultivation / Post Harvest
4. Training / Project Coordination
5. Gender / Social Inclusion
6. Design & Construction Management

LIST OF MACHINERY AND EQUIPMENT

Machinery and equipment necessary for the effective implementation of the Project will be provided within the budget allocated for the Project.

LIST OF INDIAN COUNTERPARTS AND ADMINISTRATIVE PERSONEL

1. Counterpart Personnel

(1) Project Director

Director, DoA

(2) Project Manager

Additional/ Joint Director, DOA

(3) Other Staffs in DoA

Superintending Engineer, DoA

Assistant Soil Conservation Officer, DoA

Subject Matter Specialist, DoA

(4) Staff in charge of Activities in Pilot Area

Below mentioned officers in Block Office where Pilot Area will be

Subject Matter Specialist,

Sub Divisional Soil Conservation Officer

Junior Engineer/ ADO Soil Conservation

LIST OF LAND, BUILDINGS AND FACILITIES

1. Land, buildings and facilities necessary for implementation of the Project.
2. Rooms and space necessary for installation and storage of equipment envisaged for implementation of the Project.
3. Office space and necessary facilities for the Japanese experts and related staff members.
4. Other facilities mutually agreed upon as necessary.

JOINT COORDINATING COMMITTEE

The Joint Coordination Committee (JCC) composed of those members as listed below shall meet at least once a year and when needed.

1. Function

- (1) To authorize annual work plan of operation in accordance with this framework and the Record of Discussions (R/D) between GoI and JICA.
- (2) To review overall progress of the technical cooperation program in accordance with this frame work and the R/D.
- (3) To review measures taken by JICA
- (4) To review measures taken by GoI.
- (5) To examine and endorse the Joint Evaluation report during the project.
- (6) To give recommendations to both GoI and JICA for the smooth and successful implementation of the project.

2. Composition

(1) Chairperson:

Principal Secretary/ Secretary (Agriculture), The Government of Himachal Pradesh

(2) Members:

1) Indian Side:

- Director of DoA, The Government of Himachal Pradesh as a Project Director
- Additional/Joint Director of DoA, The Government of Himachal Pradesh as a Project Manager.
- Superintendent Engineer, DoA, The Government of Himachal Pradesh
- Director of State Agricultural Management and Extension Training Institute, The Government of Himachal Pradesh
- Managing Director of State Agricultural Marketing Board, The Government of Himachal Pradesh.
- Director Extension of State Agriculture University

ANNEX VI

- Project Director of Agricultural Technology Management Agency (ATMA) of Pilot Area, The Government of Himachal Pradesh.
 - Representative of Department of Agriculture and Cooperation, Ministry of Agriculture, GoI
 - Representatives from any other State Departments/Institutions as decided by the Chairperson
- 2) Japanese Side:
- Team Leader of Japanese expert team.
 - Representative of Project Management Consultant for JICA ODA Loan Project.
 - Representatives, JICA India Office

Notes:

1. Officials of the Embassy of Japan in India may attend the JCC meetings as observers, as and when required.
2. Persons who are nominated by the chairperson may attend the JCC meetings as observers, as and when required.

Minutes of Discussions
on
Himachal Pradesh Crop Diversification Promotion Project
between
Japan International Cooperation Agency
and
Department of Agriculture, Government of Himachal Pradesh
and
Ministry of Agriculture, Government of India

Date : October 1st, 2010

Place : New Delhi, India

The Japan International Cooperation Agency (JICA) mission comprising of Mr. Naoya OCHI and Ms. Ayumu OHSHIMA, South Asia Department, and Mr. Mitsuaki Suzuki, Rural Development Department, and Mr. Shuhei SEYAMA, a JICA consultant had detailed discussions with the officials of Department of Agriculture (DOA), Government of Himachal Pradesh (GOHP) and Ministry of Agriculture (MOA), the Government of India (GOI) from September 14th to September 23rd, 2010 in order to study the feasibility of Himachal Pradesh Crop Diversification Project ("the Project") as a detailed Fact Finding Mission.

The JICA mission and the officials of MOA and DOA hereby confirm the result of their discussions as follows, subject to approval by the competent higher authorities of both sides and with understanding that nothing in present Minutes of Discussions should be understood as implying a commitment of JICA to extend a technical cooperation, loan and/or grant. The result of the discussions is as follows:

1. The JICA mission stated that the result of the discussions would be taken into account by the Government of Japan (GOJ) in arriving at decisions regarding the commitment of the Japanese ODA Loan.
2. The JICA mission and the officials of MOA and DOA confirmed the main points discussed as in **Annex I** attached hereto.
3. The JICA mission and the officials of MOA and DOA also confirmed organization information, description of the Project, project implementation, benefit derived from the Project, operation and maintenance, and evaluation as in **Annex II** attached hereto.

For
Japan International Cooperation Agency




Ms. Ayumu OHSHIMA
Deputy Director, South Asia Division 1,
South Asia Department
Japan International Cooperation Agency

For
Department of Agriculture

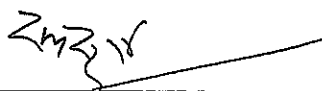


Mr. J.C. Rana
Director of Agriculture,
Department of Agriculture
Government of Himachal Pradesh

For
Government of Himachal Pradesh



Mr. Mitsuaki SUZUKI,
Deputy Director,
Paddy Field Based Farming Area Division 2,
Rural Development Department
Japan International Cooperation Agency



Mr. Ram Subhag Singh
Secretary (Agriculture)
Government of Himachal Pradesh

For
Ministry of Agriculture



Mr. E.K. Majhi,
Joint Secretary (Natural Resource
Management)
Ministry of Agriculture,
Government of India

(Note) The portion with "(P/R and PCR)", "(P/R)", and "(PCR)" should be filled in Progress Reports (P/R) and/or Project Completion Reports (PCR).

1: Project Description (Relevance)

1-1 Project Objective

Original:

To promote sustainable crop diversification in Himachal Pradesh by development and rehabilitation of minor irrigation facilities and access farm roads, as well as by improvement of extension services including promotion of vegetable cultivation, thereby contributing to improvement of livelihood of farmers in Himachal Pradesh.

Modified objective and its reason(s): (P/R and PCR)

1-2 Necessity and Priority of the Project

-Consistency with development policy, sector plan, national/regional development plans and demand of target group and the recipient country.

Original:

- i) Himachal Pradesh is a hilly state located at the foot of the Western Himalayas, with an area of 556.7 million hectares and a population of approximately 6 million. Nearly 70% of the working population in the state is engaged in agriculture, but agriculture accounts for only 18.8% of the gross state domestic product. The low agriculture productivity partly attributes to the fact that the area available for growing crops is limited to 10% of the total land of the state, due to the hilly terrain, thus more than 80% of the farmers are marginal and small landholders with less than 2.0 ha. Also, only 20% of the cultivable area has irrigation facilities, and the rest has to depend on the rain-fed cultivation. Thus majority of the farmers in the state remain engaged in traditional cultivation of food grains, not being able to divert to more profitable commodities, such as vegetables and fruits.
- ii) Although not fully exploited, the State has a considerable potential for vegetable production, with the advantage of cool climate compared to other parts of the country, as well as the geographical proximity to the large cities such as Delhi. This would enable farmers to produce off-season vegetables and fruits, which have a large market in urban cities with better prices. The demand for fresh vegetable is expected to double by 2020, due to the rapid increase in population in the country, especially in such large cities as Delhi.
- iii) In order to boost the agricultural development and enhance the farm income in the rural areas, it is therefore important to increase the productivity of the existing cultivated area, through shifting from self-subsistence crop cultivation to diversified agriculture, by adopting cash crops such as vegetables cultivation suitable in hilly and highland areas. For such accomplishment, overcoming the major constraints, such as shortage of irrigation facilities, farm roads and insufficient marketing facilities is highly essential.
- iv) Promotion of crop diversification is also endorsed by a national development policy of India, the eleventh Five-Year Plan (2007-2012). The Government of India formulated nine priority policies in the agriculture sector, one of which concerns the diversification into high value crops such as vegetables and fruits. Also in the Eleventh Five-Year Plan of the

State of Himachal Pradesh, improvement of irrigation facilities, and diversification from traditional to commercial crops are among priority areas in the agricultural sector.

Actual: (P/R, PCR)

Attachment(s): required only when they are revised.

1-3 Rationale of the Project Design

- Timing, scale, technology of the project

Original: (P/M)

The Project aims at promoting crop diversification in the target area of five districts in the State of Himachal Pradesh, through development of necessary infrastructure such as irrigation facilities and farm access roads, in parallel with technical training for farmers on vegetable cultivation, food grain cultivation and post-harvesting technology. The Project will be implemented by the Project Management Unit, which shall be newly established for the Project outside DOA as an autonomous society.

It should be noted that this Project will be implemented in close coordination with the JICA Technical Cooperation Project (TCP) for Crop Diversification in Himachal Pradesh as a comprehensive "Program". The TCP shall precede this Project by 10 months, mainly focusing on; 1) development of Crop Diversification Model based on activities in one selected pilot area, and 2) capacity development of extension officers who are to be assigned to the PMU of this Loan Project. Then under this Loan Project, the extension officers who were trained under TCP shall expand the Crop Diversification Model to more than 200 sub-projects in the targeted 5 districts.

The Project will newly develop or rehabilitate existing facilities in approximately 210 irrigation schemes in the area, and will construct or improve 147 access farm roads. The total area to be irrigated is estimated to be 3,712 ha, and total length of the access farm roads would be 100 km.

As in the Implementation Schedule in 2-2 below, the short-listed 210 sub-projects will be implemented in a gradually phased manner, taking into account the time required for capacity development of the PMU staff. The Project commences with the small number in the first year, (6 sites of the First Priority), with intensive support from consultants, then expanded to 23 other sites of the Second Priority, followed by 60 sites each the Third Priority in the following year.

In each of the 210 sub-project sites, technical training will be extended to farmers on themes necessary for crop diversification, such as vegetables cultivation, food grain cultivation and post-harvesting technology. Farmers Group and Self-Help Group will be formed in each sub-project, for the sake of collective activities such as hands-on training of vegetable cultivation, collection and sale of products, and operation and maintenance of irrigation facilities. The function of DOA is also to be strengthened, especially in terms of overall management of the Project, from planning, implementation, monitoring and evaluation.

Actual: (P/R, PCR)

2: Project Implementation (Efficiency)

2-1 Project Scope

Table 2-1-1a: Comparison of Original and Actual Location

Location	Original: (P/M) State of Himachal Pradesh Attachment 1: Location Map	Actual: (P/Rand PCR) Attachment(s):Map
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Table 2-1-1b: Comparison of Original and Actual Scope

Items	Original	Actual		
Infrastructure Development Component	1) Development and improvement of minor irrigation systems			
	New Development			
	Flow Irrigation System	78 sites		1,363 ha
	Lift Irrigation System	44 sites		733 ha
	Deep Tube Well	29 sites		427 ha
	Shallow Tube Well	21 sites		293 ha
	Sub-total	172 sites		2,816 ha
	Improvement			
	Flow Irrigation System	11 sites		513 ha
	Lift Irrigation System	27 sites		383 ha
	Sub-total	38 sites		896 ha
	Total	210 sites		3,712 ha
	[District-wise Sub-project list]			
	Bilaspur	18 sites		313 ha
	Hamirpur	39 sites		532 ha
Kangra	56 sites	1,352 ha		
Mandi	54 sites	984 ha		
Una	43 sites	531 ha		
210 sites	3,712 ha			
2) Development and improvement of access farm roads				
Bilaspur	11 sites	6.9 km		
Hamirpur	32 sites	18.5 km		
Kangra	29 sites	22.8 km		
Mandi	36 sites	28.1 km		
Una	39 sites	23.7 km		
147 sites	100.0 km			
Farmers Support Component	[First-Priority Sub-Projects] 6 sites			
	1) Organization of Farmers Groups			
	2) Vegetable Promotion Training			
	- Orientation & Need Assessment			
	- Farm Economy Management Training			
- Introduction of Vegetable Cultivation (for beginners)				
- Cropping Pattern Arrangement (Adjustment based on				

	<p>Market Price, Weather Condition)</p> <ul style="list-style-type: none"> - Program for Next Generation (school gardening program) <p>3) Food Grains Productivity Training</p> <ul style="list-style-type: none"> - Seed Selection & Sterilizing, Seeding (Transplanting) - Application of Compost & Fertilizers - Harvesting and Post Harvest <p>4) Promotion of Post-harvest Technology</p> <ul style="list-style-type: none"> - Small Scale Agro-Processing - Public Private Partnership <p>[Second-priority sub-projects] 23 sites The same activities as First-priority sub-projects</p> <p>[Third-priority Sub-Projects] 181 sites The same activities as First-priority sub-projects</p>	
Institutional Development Component	<p>1) Strengthening of DOA</p> <ul style="list-style-type: none"> - Establishment of PMU - Capacity Development of PMU Staff on Plan-Do-Check-Action (PDCA) cycle. - Establishment of MIS and GIS with staff training - PMU Office setup, Procurement of Equipment/tools <p>2) Strengthening of Extension Service Function</p> <ul style="list-style-type: none"> - Preparation of Extension (IEC) Material - Capacity Development of Community Motivators - Strengthening of Research-Extension-Farmers linkage - Joint Field Visit of Researchers and Extension Staff <p>3) Baseline Survey and Impact Assessment</p> <ul style="list-style-type: none"> - Baseline Survey (December 2011) - Mid-term impact assessment (September 2015) - Terminal impact assessment (January 2018) 	
Consulting Services	<p>Assistance in planning, detailed design, tendering, construction management, environmental consideration, financial management, monitoring and evaluation, reporting, etc.</p> <p>International: 56 M/M Local: 239 M/M Supporting staff: 720 M/M</p>	

Attachment 2: List and Location Map of Sub-projects

Attachment 5: Detailed Scope of Work

2-1-2 Reason(s) for the modification if there have been any.

(P/R and PCR)

2-2 Implementation Schedule

The Project shall be implemented in accordance with the Schedule below.

Calendar year	2010	2011	2012	2013	2014	2015	2016	2017
ODAYLOAN PROJECT								
Appraisal Mission/Signing of M/D		■ (Sept 2010)						
Signing of Exchange of Notes		▲ (Nov 2010)						
Signing of Loan Agreement		▲ (Dec 2010)						
Establishment of PMU		■ (State PMU by Nov.2010, DPMU by Dec 2010, BPMU by Jan 2011)						
Selection of Consultants		■ (Oct 2011)						
Consultancy Services		■	■	■	■	■	■	■
Preparation of Technical Guideline		■ (Jan 2012)						
First Priority Sub-Project (6 sites)								
1 Farmers Support Component								
		▲	■	■	■	■	■	■
2 Infrastructure Development Component								
Preparation of DPR		▲	■	■	■	■	■	■
Concurrence for DPR by PMU		▲	■	■	■	■	■	■
Procurement of contractors		■	■	■	■	■	■	■
Construction		■	■	■	■	■	■	■
Second Priority Sub-Project (23 sites)								
1 Farmers Support Component								
		▲	■	■	■	■	■	■
2 Infrastructure Development Component								
Observation of Water Resource		■	■	■	■	■	■	■
Preparation of MPR		▲	■	■	■	■	■	■
Finalization of Short list		▲	■	■	■	■	■	■
Preparation of DPR		▲	■	■	■	■	■	■
Concurrence for DPR by PMU		▲	■	■	■	■	■	■
Procurement of contractors		■	■	■	■	■	■	■
Construction		■	■	■	■	■	■	■
Third Priority Sub-Project (181 sites)								
1 Farmers Support Component								
		▲	■	■	■	■	■	■
2 Infrastructure Development Component								
Observation of Water Resource		■	■	■	■	■	■	■
Preparation of MPR		▲	■	■	■	■	■	■
Finalization of Short list		▲	■	■	■	■	■	■
Preparation of DPR		▲	■	■	■	■	■	■
Concurrence for DPR by PMU		▲	■	■	■	■	■	■
Procurement of contractors		■	■	■	■	■	■	■
Construction		■	■	■	■	■	■	■
3 Institutional Development Component								
Strengthening of DOA		■	■	■	■	■	■	■
Strengthening of Extension Service Function		■	■	■	■	■	■	■
Baseline Survey & Impact Assessment		■	■	■	■	■	■	■
TECHNICAL COOPERATION PROJECT								
Signing of Record of the Discussions (R/D)		▲ (Sept 2010)						
Selection of Japanese Experts		■						
Technical Cooperation by Japanese Experts		■	■	■	■	■	■	■
1 Capacity Development DOA								
2 Development of Training curriculum and materials								
3 Training for extension officers								
4 Development of Crop Diversification Model								

Table 2-2-1: Comparison of Original and Actual Schedule

Items	Original	Actual
1. Preparatory Activities		
- Establishment of PMU	by January 2011	
- Selection of Consultants	Nov. 2010 – Oct. 2011	(P/R, PCR)
2. Institutional Development Component		
- Capacity Development of PMU staff on PDCA Cycle	Jan. 2011 – Dec. 2017	As of (Date of Revision)
- Development of MIS & GIS System	Nov. 2011 – Nov. 2013	Please state not only the most updated schedule but also other past revisions chronologically
- Preparation of extension material	Nov. 2011 – Nov. 2014	
- Training for community motivators	Jan. 2012 – Jan. 2016	
- Baseline Survey	Dec. 2011	
- Mid-term impact assessment	Sept. 2015	
- Terminal impact assessment	Jan. 2018	
3. Farmers Support Component		
- Organization of farmers groups	Nov. 2011 – Sept. 2015	
- Training on vegetable cultivation	Jan. 2012 – Mar. 2018	
- Training on food grains cultivation	Jan. 2012 – Mar. 2018	

- Promotion of post harvest technology	Jan. 2012 – Mar. 2018	
4. Infrastructure Development Component		
- First-Priority Sub-projects	Feb. 2012 – Oct. 2013	
- Second-Priority Sub-projects	Oct. 2012 – Sept. 2014	
- Third-Priority Sub-projects (1 st batch)	Oct. 2013 – Sept. 2015	
- Third-Priority Sub-projects (2 nd batch)	Aug. 2014 – July 2016	
- Third-priority Sub-projects (3 rd batch)	July 2015 – Sept. 2017	
Project Completion Date*	March 2018	

*Project Completion was defined as completion of Institutional Development Component.

Attachment 3 : Project Implementation Schedule

Attachment 4 : Time-bound Action Plan

2-2-2 Reasons for any changes of the schedule, and their effects on the project.

(P/R and PCR)

2-3 **Project Cost**

<削除>

2-4 **Organizations for Implementation**

2-4-1 **Executing Agency:**

- Organization's role, financial position, capacity, cost recovery etc,
- Organization Chart including the unit in charge of the implementation and number of employees.

Original:		
Executing Agency Department of Agriculture (DOA), Government of Himachal Pradesh		
Organization's Role The Project will be implemented by the Project Management Unit (PMU) to be established outside the DOA as an independent autonomous society in compliance with Society Registration Act, 1860. Considering geographical extensiveness of the Project, covering more than 200 sub-projects, 3 District-level PMU and 8 Block-level PMU will be established at the field level.		
Type	No. of Unit	Remark
PMU	1	Central location of the Project Area
District PMU	3	One each in Hamirpur, Kangra and Mandi
Block PMU	8	Three in Kangra, Two in Mandi, One each in Bilaspur, Hamirpur and Una
PMU will take the overall managerial charge of the implementation of the Project. State PMU functions for overall project coordination, procurement management, financial management including collating the expenditure statements from field District-level PMUs and Block-level PMUs and consolidate these for the reimbursement claims to JICA, monitoring and evaluation, and preparation of reports such as Quarterly Progress Reports and Project Completion Report.		
State PMU will be established at the central location of the project area for handling the overall project planning and management.		
District PMU will be established in the Districts of Hamirpur, Kangra and Mandi. (The one in Hamirpur shall also cover Bilaspur and Una). The main functions of District PMUs are to conduct PDCA (plan-do-check-action) cycle management and district-level monitoring and supervision utilizing GIS and MIS systems.		
Block PMU will be created in 8 locations; Three in Kangra, two in Mandi, and One each in Bilaspur, Hamirpur and Una to take charge of project implementation at the sub-project level. Block PMU will have following major functions: 1) conducting training for farmers and community motivators, and 2) Supervision, quality and progress control of infrastructure development at sub-project sites.		
Actual, if changed: (P/R and PCR)		

Attachment 9: Organizational Structure for Project Implementation

2-4-2 Contractor(s)/ Supplier(s), and Consultant(s) and Their Performance:

2-4-2-1 Procurement and Consultant

Table 2-4-2: Procurement of Contractor(s)/Supplier(s) and Consultant(s)

Contract Package	Selection Method	
	Original: (P/M)	Actual: (P/R and PCR)
1 Contractor(s)	In the infrastructure development program, the survey and design including the preparation of DPR and detailed design for irrigation development and	

		access farm road construction are carried out by engineering firms procured in the local bidding under supervision of PMU and project consultants. The main facilities for irrigation from the intake structure to the regulation tank are constructed by local contractors selected through local bidding, and on-farm level structures are constructed by the farmers groups appointed directly by PMU. Access farm road and irrigation facilities for demonstration plot are also constructed by local contractors.	
2	Technical Assistance	Training activities for strengthening of extension service function will be conducted by government institutions such as SAMETI, KVK, or local NGOs procured by the direct appointment or local competitive bidding.. For the activities in strengthening of DOA, the setting up of PMU and capacity development of DOA are implemented directly by PMU and/or project consultants. However the construction of the PMU office and procurement of necessary equipments for project management are implemented by local contractors or local suppliers selected in the local competitive bidding or price quotation.	
3	Supplier(s)	Local competitive bidding or price quotation.	
4	Consultant(s)	Short-listing for selecting an international consultant based on the QCBS method, with the ratio of 80:20.	

Attachment 10 : Terms of Reference, M/M Schedule, and Cost Breakdown of Consulting Services

Attachment 13: Procurement and Implementation Methods

2-4-2-2 Performance

<i>(P/R and PCR)</i>
Name(s) and Nationality(s) of the Contractor(s)/ Supplier(s):
Evaluation:
Name(s) and Nationality(s) of the Consultant(s):
Evaluation:

2-5 Photographs of Output of the project (P/R and PCR): Attachment

3: Benefit Derived from the Project (Effectiveness)

3-1 Operational and physical condition of each facility developed/supplied by the project.

Facilities	Description of condition	Problems, its Background and Remedial Action Plan
(P/R and PCR)	(P/R and PCR)	(P/R and PCR)

3-2 Precautions (Measures To Be Adopted/Points Which Require Special Attention)

- Risks and issues, if any, which may affect the project implementation and outcome, and planned countermeasures to be adapted.

(Note) Please state environmental and social impacts (e.g., land acquisition, resettlement, HIV awareness and prevention program, gender consideration and EIA clearance) and Environmental Checklist or report of monitoring indicator in the following section "3-3 Environmental and Social Impacts".

Original issues and Countermeasure(s)	Actual issues and Countermeasure(s)
<p>-Delay in PMU establishment will affect the implementation of the Project. Therefore, PMU members should be identified and State-level, District-level and Block-level PMUs shall be established and registered by January 2011.</p> <p>-PMU members should be exclusively assigned to the Project, since the Project covers more than 200 sub-projects scattered in 5 districts. Thus the sufficient number of staff in each PMU and their commitment is crucial.</p> <p>-Formation and capacity building of water users' association is very critical so that they could properly operate and maintain the irrigation facilities. Beneficiaries shall be involved in decision-making process from the planning stage.</p> <p>-Maintenance after the Project completion is important for sustainability of the Project. Since the maintenance of the irrigation facilities are to be delegated to WUAs, fund necessary for repairs and maintenance should be saved and accumulated in every WUA.</p>	<p>(P/R and PCR)</p>

3-3 Environmental and Social Impacts

Original issues and Countermeasure(s)	Actual issues and Countermeasure(s)
<p>This Project has been categorized as "FI (financial Intermediary)" in accordance with JBIC Guidelines for Confirmation of Environmental and Social Considerations 2002, since this Project has not finalized the scope (sub-projects to be covered) at the time of Appraisal, and these sub-projects might involve land acquisition, though on a small scale. In the case of FI projects, the following formalities should be incorporated.</p> <p>a) In case any selected sub-project entails acquisition of the private land, it should be confirmed that the land surrendered for the use of the Project should be no more than 10% of the total holding of the owner.</p> <p>b) Verification of the voluntary nature of land donation (e.g., affidavit or witnessed statements) must be obtained from every donor.</p> <p>c) The Grievance mechanisms must be established in the PMU, so that any concerns or claims could be voiced and solved in a neutral and transparent manner.</p> <p>DOA agreed on the above, and responded that the Grievance Redressal Mechanism would be established at the Block-level PMU, including Representative of relevant Panchayat, but the detailed structure and members would be prepared before the Negotiation of Loan Agreement scheduled in November 2010.</p>	(P/R and PCR)

3-4 Qualitative and Quantitative Data of Monitoring Indicators

Indicators	Original (Yr 2009)	Present (Yr 2009)	Target (Yr 2021)
Operation Indicators			
1. Irrigation Beneficiary Area (ha)	2,183	-	3,712
2. Length of Access Farm Road (km)		-	100
3. Beneficiary Farmers Household (HH)			4,320
4. Vegetable Cultivated Area: Dry / Rabi Season (ha)			
- Tomato		170 (10)	1,820 (200)
- Root Vegetables		(30)	(100)
- Peas		(10)	(300)
- Cauliflower		(40)	(400)

ANNEX I

- Other Vegetables		(80)	(820)
5. Vegetable Cultivated Area:			
Rainy / Kharif Season (ha)		110	1,410
- Tomato		(10)	(160)
- Root Vegetables		(20)	(80)
- Peas		(10)	(230)
- Cauliflower		(30)	(310)
- Other Vegetables		(40)	(630)
6. Food Grain Cultivated Area: dry (ha)		2,910	1,610
7. Food Grain Cultivated Area: rainy (ha)		2,910	2,220
8. Sufficient Rate of O&M cost (%)		-	70%
Effect Indicators			
1. Gross Annual Average Farm Income (Rs. per ha)		20,000	145,000
2. Yield by Crops: dry (ton per ha)			
- Tomato		19.0	30.0
- Root Vegetables		6.9	11.5
- Peas		6.2	10.4
- Cauliflower		9.5	15.9
2. Yield by Crops: rainy (ton per ha)			
- Tomato		19.0	30.0
- Root Vegetables		6.9	11.5
- Peas		6.2	10.4
- Cauliflower		9.5	15.9

- * The data recorded in the "Original" are tentative, and should be updated through baseline survey.
- * The target cultivated area to be achieved by the Project should be the total area for all the vegetables.
- * The figure for the crop-wise cultivated area should be collected just for the purpose of monitoring, since the data regarding yield by crop are the average of dry and rainy seasons, the baseline and the target figures should be determined after the commencement of the Project.

EIRR	Original: 15.96 % Cost: Project Cost (excluding tax and duties), Maintenance Cost, Replacement Cost Benefit: Sales of Agricultural Products Project Life: 50 years	Actual: (PCR) % Cost: Benefit: Project Life: Attachment(s): Supporting data for computing EIRR
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Attachment 14 : Details of Calculation of EIRR**3-5 Monitoring Plan for the indicators**

- Monitoring methods, section(s)/department(s) in charge of monitoring, frequency, the term and so forth.

Original:

- (1) Daily monitoring by community motivators and overseers
- (2) Weekly monitoring by Block-PMU staff
- (3) Quarterly monitoring by District PMU
- (4) Annual Review Meeting by PMU
- (5) Monitoring by JICA Yearly

JICA would carry out the evaluation activities 5 years after the signing of the loan agreement, and 3 years and 7 years after the project completion.

Actual: (P/R and PCR)

3-6 Achievement of the Project Objective

(PCR)

4: Operation and Maintenance (O&M) (Sustainability)

4-1 O&M and Management

- Organization chart of O&M
- Operational and maintenance system (structure and the number, qualification and skill of staff or other conditions necessary to maintain the outputs and benefits of the project soundly, such as manuals, facilities and equipment for maintenance, and spare part stocks etc)

Original:

For minor irrigation systems developed by DOA, Water User Associations (WUA) shall take over the responsibility of operation and maintenance (O&M) of the facilities, in accordance with the guideline titled "The Implementation of Irrigation Schemes through Water Users' Association in Himachal Pradesh". It would be handed over to WUA after final inspection and issuance of final certification on contract. WUAs will also be responsible for determining the water user fee to be collected from the members who utilize the facilities. It can be decided based on the area under irrigation, number of irrigation provided to a particular crop, irrigation water volume etc.

In the DOA's ordinary course of business, 10% of the construction cost would be set aside for operation and maintenance of the constructed irrigation facilities, and jointly managed by DOA and WUA. The cost for O&M, however, is not considered eligible for the Project.

Thus, if the repair work is required for the irrigation facilities, the technical support should be provided by DOA, but the cost for the repair should be fully shouldered by WUAs. The rate for water user fee, therefore, should be determined taking the O&M cost into consideration. Also, for more costly maintenance and repair, funding/subsidy scheme of Panchayat or NGOs should be explored and utilized.

This unsolved issue should continue to be further discussed to seek for the optimal solution.

Actual: (PCR)

4-2 O&M Cost and Budget

- The actual annual O&M cost for the duration of the project up to today, as well as the annual O&M budget.

(PCR)

5: Evaluation**5-1 JICA and Borrower/Executing Agency Performance**

Please evaluate the performance of the two bodies.

JICA: (PCR)
Borrower/Executing Agency: (PCR)

5-2 Overall evaluation

Please describe your evaluation on the overall outcome of the project.

(PCR)

5-3 Lessons Learnt and Recommendations

Please raise any lessons learned from the *project experience, which might be valuable for the future JICA assistance or similar type of projects, as well as any recommendations, which might be beneficial for better realization of the project effect, impact and assurance of sustainability.*

(PCR)

Main Points Discussed

- I. General
- II. Scope, Cost and Implementation Schedule of the Project
- III. Project Implementation
- IV. Financial Arrangement of the Project
- V. Monitoring and Evaluation of the Project
- VI. Environmental and Social Issues
- VII. Other Issues

I. General Issues

Keys for Success of the Project

The JICA Mission stressed the following issues/principles as keys for smooth implementation of the Project and timely and sustainable realization of the Project effects. Department of Agriculture, Government of Himachal Pradesh (hereinafter referred to as DOA) agreed to pay adequate attention to these elements throughout the project period and even after completion of the Project.

Close Coordination with Technical Cooperation Project

This Project is to be implemented in close coordination with the JICA Technical Cooperation Project (TCP) for Crop Diversification in Himachal Pradesh as a comprehensive "Program". The TCP shall precede this Project by 10 months, mainly focusing on; 1) development of a Crop Diversification Model based on activities in one selected pilot area, and 2) capacity development of extension officers who are to be assigned to the PMU of this ODA Loan Project. Then under this Japanese ODA Loan Project, the extension officers who were trained under TCP shall expand the Crop Diversification Model to more than 200 sub-projects in the targeted 5 districts.

Thus, it is highly important that these two projects should work in close contact and collaboration with each other, exchanging and sharing information and outputs to maximize the synergetic effects of the Technical Cooperation and Japanese ODA Loan. The JICA Mission reiterated the importance of timely establishment of the PMU at each level and recruitment of the staff members, since the PMU staff should be ready for training when Japanese experts for TCP would be assigned in January 2011.

Proactive involvement of PMU staff

Many activities of this Project will be conducted through outsourced resources, such as community motivators (for Farmers Support component) and contractors (for Infrastructure Development component), for maximizing the efficiency of the Project. For the sake of quality control and sustainability of the Project, however, proactive involvement and participation of PMU staff at each level of State, District and Block is crucial in each stage of the activities, so that quality of the activities will be improved as well as the experiences and lessons learned through the Project shall be accumulated as an institutional knowledge in PMU and DOA.

Key Actions with Timeframe

DOA agreed on key actions with timetable shown in Time-bound Action Plan as Attachment 4 and committed to implement the Project in accordance with the plan. The JICA Mission reiterated that timely implementation of these actions are crucial for smooth implementation and timely and sustainable achievement of the project effects. DOA agreed to monitor the

project progress with reference to the plan.

Time frame toward the Loan Agreement

The JICA Mission explained the approximate timeframe towards signing of Loan Agreement in FY2010 first/second batch is as shown below.

Time	Event
November 2010	Pledge (Prior Notification) from the Government of Japan (GOJ) to the Government of India (GOI) *Tendering (Express of Interest) can be started 30 days after Pledge
December 2010	Exchange of Notes (E/N) between GOI and GOJ Signing of Loan Agreement (L/A) between GOI and JICA
	*Disbursement can be started after effectuation of the Loan Agreement

Status of the Present Minutes of Discussion

The present Minutes of Discussion constitutes the sole common project document shared by JICA and DOA while several other technical documents were issued by Indian side to meet requirements arising from its internal procedures. It is understood by the agencies concerned, JICA, DOA, and MOA that, should there be any discrepancies between the present Minutes of Discussion and those internal documents, the former should override the latter.

II. Scope, Cost and Implementation Schedule of the Project

Title of the Project

The JICA Mission suggested the title of the Project to be "Himachal Pradesh Crop Diversification Promotion Project" from the original title of "Diversified Farming for Enhanced Farm Income in Himachal Pradesh, and DOA agreed on it.

Implementation Schedule

The project implementation schedule will be effective from December 2010 until March 2018. Thus it will be implemented for 7 years and 3 months, including the time required for procurement of Consultant. Substantive activities of the Project are expected to be commenced in October 2011, by when Project Management Consultants are expected to be in place. The Project would be considered completed, when all the farmers support activities would have been completed. The implementation schedule of the Project is as per [Attachment 3](#).

Scope of the Project

This Project consists of three components, namely, Infrastructure Development, Farmers Support, and Institutional Development. The scope of the Project is as per [Attachment 5](#).

Overall Project Cost

The JICA Mission and DOA confirmed that the total budget of the Project should be scaled down to Rs 3.21 billion from Rs 3.85 billion which had been tentatively agreed upon during the Fact Finding Mission in July. The eligible portion for Japanese ODA Loan would also be scaled down from Rs. 3.3 billion to Rs 2.66 billion. In line with this reduction, DOA reduced the number of sub-projects from the original number of 230 to 210.

DOA and JICA have also confirmed that Rs. 0.55 billion, which is the non-eligible portion of the Project to be shouldered by the Government of Himachal Pradesh, has already been confirmed and secured by the concerned authorities.

The overall cost of the Project is as per Attachment 6.

III. Project Implementation

Selection of Sub-Projects

During the Preparatory Survey, 230 sub-projects to be covered by the Project were selected from a long list of nearly 550 candidate schemes. The selection was made based on such criteria as water availability, location (distance from public roads), economic and technical viability, scale of the area, availability of technical information, etc. It turned out recently, however, that some of the schemes have been already covered by other projects or funding schemes. Also due to the decrease in budget for this Project, the list was revised by DOA based on the same criteria, and 210 sub-projects have been selected as shown in Attachment 2.

Should there be any changes in the sub-projects, such re-selection must be made in accordance with the technical guideline to be developed as below. It is also important that the PMU will revise the short list at every batch (every year), and inform JICA of the revision.

Technical Guideline for Irrigation Facilities

DOA and the JICA Mission confirmed that PMU should develop, with support of consultants, technical guidelines for designing irrigation facilities and for effective supervision of construction at an early stage of the Project. Finalization of the short list, should be done by assessing if MPR/DPR of each sub-project is in line with the criteria in the design guideline. Design guideline should also include the methodology for geographical survey, collection of hydrological and meteorological data, hydraulic calculation, structural calculation, etc.

Construction of Field Canals

The Project will cover the construction of the secondary /tertiary canals to serve an area of approximately 4ha. DOA and The JICA Mission confirmed that beyond that point should be taken care of by the beneficiaries themselves, either by their own cost or by exploring any funding/subsidy schemes.

Construction of collection centers

DoA explained that the expected number of collection center would be 23 for the 210 sub-projects so that neighboring sub-projects could share them. For the selection of sites, PMU shall communicate with the farmers in all of the sub-project sites, and confirm their willingness, land availability and the situation of the clustering of the sub-project sites.

Operation & Maintenance

1. DOA explained that, for minor irrigation systems developed by DOA, Water User Associations (WUAs) shall take over the responsibility of operation and maintenance (O&M) of the facilities. It would be handed over to WUA after final inspection and issuance of final certification on contract. WUAs may determine the water user fees to be collected from the members who utilize the facilities, and find other ways and means. It can be decided based on the area under irrigation, number of irrigation provided to a particular crop, irrigation water volume etc.
1. DOA also explained that in their ordinary course of business, 10% of the construction cost would be set aside for operation and maintenance of the constructed irrigation facilities and jointly managed by DOA and WUAs. Under this Project, however, the cost for O&M is not considered eligible for the Project, and DOA has no O&M budget, either.
2. Thus, if the repair work is required for the irrigation facilities, the technical support should

be provided by DOA, but the cost for the repair should be fully borne by the respective WUAs. The rate for water user fee, therefore, should be determined taking the O&M cost into consideration. Also, DOA will support the WUAs to explore funding/subsidy scheme of Panchayat or other State and Central sponsored schemes for maintenance and repair of the irrigation facilities.

3. The JICA Mission and DOA agreed to continue to discuss this issue to seek reasonable and optimal solutions. The JICA Mission requested DOA to prepare their plan on this issue before the L/A negotiation, and DOA agreed on it.

Overseas Exposure Visits

DOA explained that overseas training/exposure tours are necessary to make Project staff acquainted with the latest irrigation and other related technologies. The JICA Mission understood the need and agreed to include this under Infrastructure Development Component, on the condition that;

- 1) Only those officers and staff who are directly engaged in the implementation of the Project are eligible as participants.
- 2) Overseas exposure visit shall be undertaken only after obtaining necessary approval of the JICA New Delhi Office.

Responsible Organization

DOA confirmed to take all necessary measures, required from time to time, in a timely and efficient manner and be fully responsible for the Project implementation. After completion of the Project, DOA would continue to be responsible for the efficient operation and maintenance of the assets created through the Project.

Institutional Arrangement for Project Implementation

1. The JICA mission and DOA agreed to establish Project Management Unit (PMU) as an autonomous registered society so that the Project would be implemented smoothly in terms of decision making, budgetary appropriation and implementation. Based on the time frame for PMU establishment (Attachment 4), DOA shall start registration of the society under Society Registration Act of 1860 soon after the Pledge by GOJ is done. Organizational chart is described in Attachment 9.
3. The Governing Body (GB) and Executive Body (EB) will be created as required by the Society Registration Act. EB will take the overall managerial charge of the implementation of the Project. It comprises of three-levels of PMUs with different roles and responsibilities, namely, State-level, District-level, and Block-level PMUs.
4. State PMU, which will be established at the central location of the project area, shall handle the overall project planning and management, overall project coordination, including that with JICA, overall procurement management, financial management including collating the expenditure statements from field District-level PMUs and Block-level PMUs and consolidate these for the reimbursement claims to JICA, monitoring and evaluation, and preparation of reports such as Quarterly Progress Reports and Project Completion Report..
5. District PMU will be established in the Districts of Hamirpur, Kangra and Mandi. (The one in Hamirpur shall also cover Bilaspur and Una). The main functions of District PMUs are to conduct district-level monitoring and supervision by PDCA (plan-do-check-action) cycle management, as well as by utilizing GIS and MIS systems. They would also control quality of the work to be done by Block PMUs, by reviewing the Detailed Project Designs and reports prepared by them, before forwarding them to State PMU for final approval.
6. Block PMU will be created in 8 locations; three in Kangra, two in Mandi, and one each in

- Bilaspur, Hamirpur and Una, to take charge of project implementation at the sub-project level. Block PMU will have following major functions: 1) conducting training for farmers and community motivators, 2) Preparation of MPRs and DPRs of candidate sub-projects, and 3) Supervision, quality and progress control of infrastructure development at sub-project sites.
- 7 DOA staff shall be deputed to each level of PMUs during Project implementation, particularly filling the management-level posts, while other posts shall be filled up with the external resources on contractual basis.

Demarcation of Responsibilities among Stakeholders

There would be various stakeholders involved in this Project at different levels and capacities, as depicted in the [Attachment 9-2](#). Although the roles and responsibilities of each stakeholder have been roughly determined at the time of Appraisal, they need to be clarified more in detail, e.g., the scale of budget and the procurement to be delegated to each level of PMU and managed at their discretion. The JICA Mission and DOA confirmed that this should be agreed upon with JICA, and DOA agreed to prepare the plan before the L/A negotiation.

Full-time Assignment of Project Staff

The JICA Mission requested DOA to assign staff members of PMUs at each level, both DOA staff and contractual staff, "exclusively" for the Project, so that they could fully commit themselves and concentrate on implementation of this Project. DOA has agreed to it, and also explained to The JICA Mission that 16 of junior engineers are now being recruited, 8 of which would be assigned to the PMU of this Project.

Minimization of Core Staffs' Transfer

Frequent transfers of core staffs increase the difficulty in effective and timely implementation of the project. The JICA Mission requested DOA to minimize transfer of staff assigned at core positions under the Project. DOA agreed to make maximum effort to restrict transfer of staff assignment for core positions.

JICA Procurement Guideline

Procurement of goods and services, except for consulting services, covered by the Japanese ODA Loan should be implemented in accordance with "Guidelines for Procurement under Japanese ODA Loans", dated March 2009. Employment of consultants should be implemented in accordance with "Guidelines for Employment of Consultants under Japanese ODA Loans", dated March 2009. "Principles of Procurement under the Project" is attached for brief explanation of the above Guidelines ([Attachment 12](#)).

A copy of the following documents was handed over to DOA for their reference and appropriate actions at the implementation stage:

Procurement of Consultant

The JICA Mission and DOA agreed that the consultancy services would be required for reinforcing the implementation capacity of PMU, as well as for ensuring technical assistance and quality control of the Project. The terms of reference and detailed assignment schedule for the consultant team are described in the [Attachment 10](#).

JICA and DOA agreed that the consultant shall be selected by QCBS method, and standard allocation of weights to be given to the quality and cost (80% and 20% respectively) should be applied to ensure the quality of the Project and keep safety during the construction. The highest ranked consultant should be invited for negotiation on costs and financial terms.

Both sides shared the view that timely employment of consultant will be important for smooth implementation of the Project. Standard Procurement Schedule for international consultants is also annexed as [Attachment 11](#) to share common understanding on the timeframe and important milestones in relation to the procurement process.

Procurement Method

Aside from the procurement of consultants, other contractors would be selected through Local Competitive Bidding (LCB) and in line with Himachal Pradesh State Procurement Guidelines.

DOA and the JICA Mission agreed that procurement of the components involving local contractors should be based on nature of goods and services and consideration of optimal package size, as large as possible to ensure maximum participation from capable local contractors. Though this is yet to be finalized at this stage, the packaging shall be decided by PMU at the early stage of the Project, assisted by the project management consultant.

Although majority of irrigation facilities would be constructed by selected local contractors, DOA suggested that in some cases when such construction requires a minimal technical level, e.g. small-scale flow irrigation schemes, possibility for construction by farmers groups themselves also should be explored.

For the viewpoint of technical quality control and avoidance of mismanagement of funds, The JICA Mission responded that this should be carefully considered and determined based on clear criteria, such as scale of budget and irrigation facilities, technical level required for construction, as well as the capacity and willingness of the farmers groups, etc. Such criteria should be developed at an early stage of the Project, with support of the consultants, but at least a draft should be prepared before the L/A negotiation scheduled in November 2010.

Disbursement Procedure

The JICA Mission briefly explained the disbursement procedures, namely Reimbursement Procedure and Commitment Procedure. Under the Project, Commitment Procedure will be applied for the Consulting Services, and Reimbursement Procedure will be applied for the rest of the other works.

- (1) Commitment: After the letter of credit (L/C) is issued by L/C issuing bank and L/COM is issued by JICA, suppliers can receive the fund from JICA passing through only commercial banks (L/C issuing bank and supplier's bank). This is applicable for foreign currency payments only.
- (2) Reimbursement: After DOA makes payment to suppliers, DOA requests JICA through CAAA to reimburse the fund. In this case, the funds transferred by JICA to the bank account of the Government of India will pass through the Government of Himachal Pradesh to DOA.

The JICA mission suggested introduction of Statement of Expenditure (SOE) method for Institutional Development Component, Farmers Support Component, and Infrastructure Development Component, after examining feasibility and adequacy of SOE procedure under the Project. Detailed explanation on SOE method is shown in [Attachment 15](#). The JICA Mission explained that, under SOE method, the records and accounts related to expenditures financed from the Japanese ODA Loan shall be audited annually by an auditor appointed by DOA as per the provisions of Loan Agreement.

IV. Financial Arrangement of the Project

Terms and Conditions of Japanese ODA Loans

The JICA Mission explained that the current terms and conditions of the Japanese ODA Loan, which would be committed by Government of Japan on and after 1 July 2008, are as follows.

	Option	Interest Rate (%)	Interest Rate for Consulting Services (%)	Commitment Charge (%)	Repayment Period (year)	Grace Period (year)	Condition of Procurement	
Normal ODA Loan	General Terms	Standard	1.4	0.01	0.1	30	10	Untied
		Option 1	0.8	0.01	0.1	20	6	
		Option 2	0.7	0.01	0.1	15	5	
	Preferential Terms	Standard	0.65	0.01	0.1	40	10	Untied
		Option 1	0.55	0.01	0.1	30	10	
		Option 2	0.5	0.01	0.1	20	6	
		Option 3	0.4	0.01	0.1	15	5	
	STEP	Standard	0.2	0.01	0.1	40	10	Tied
		Option 1	0.1	0.01	0.1	30	10	
Climate Change ODA Loan	Untied	Standard	0.30	0.01	0.1	40	10	Untied
		Option1	0.25	0.01	0.1	30	10	
		Option2	0.20	0.01	0.1	20	6	Tied
		Option3	0.15	0.01	0.1	15	5	
	STEP	Option 1	0.1	0.01	0.1	40	10	Tied

The JICA Mission and DOA confirmed that the Standard Option in General Terms would be suitable for the Japanese ODA Loan. The JICA Mission also informed DOA that the terms and conditions for the Project will be finally confirmed subject to the decision of the Government of Japan.

Ceilings of JICA Fund Coverage over Total Project Costs

The JICA Mission additionally explained DOA that ceilings of Japanese ODA Loans for the total costs of the Project is 85% for India and that there is no such ceilings for particular component under the JICA eligible financial portion. DOA took note of it.

Commitment Charge and Interest during Construction

The JICA Mission explained about introduction of Commitment Charge by 0.1% per annum as follows.

- (a) As Japanese ODA Loans are made possible by using the public funds in Japan, in order to promote the early realization of the project effects and to increase the incentive of implementing the project within the set timeframe, for projects newly pledged after October 2007, commitment charge will be accrued from 120 days after the signing of the L/A. If the L/A is not effectuated within 120 days from the signing date, the commitment charge accrued up until the date the L/A comes into effect should be retroactively paid on the date the first repayment under the Loan Agreement should be made.
- (b) The amount of the charge to be paid should be calculated on the prorated daily basis in accordance with the following formula:

$$\frac{0.1\% \times \text{the amount of unused balance (loan commitment amount minus already disbursed amount)} \times \text{actual date (days/365)}}{1}$$

- (c) Any Loan allocation which will not be utilized for the Project implementation can be transferred to the category of "Unavailable Balance" in order for DOA to avoid having unnecessary commitment charge. However, once funds are transferred to "Unavailable Balance", it is not possible to be reallocated to any other categories, and hence a very careful deliberation by DOA is required.
- (d) The JICA Mission also explained that Government of India and Government of Japan agreed to apply the commitment charge in India. As for the payment, the charges levied have to be paid in cash as in stipulated in the Loan Agreement. DOA stated that they will abide by the Loan Agreement conditions.

The JICA Mission also explained that the Government of India and the Government of Japan agreed to apply the commitment charge in India. As for the payment, the charges levied have to be paid in accordance with the provisions of the Loan Agreement. DOA stated that they will abide by the Loan Agreement.

The JICA Mission and DOA mutually agreed that Interest During Construction and Commitment Charge be excluded from the eligible portion of the Japanese ODA Loan to the Project.

Non Eligible Portion

DOA agreed that general administration costs, all fiscal levies, charges, taxes, and duties imposed by the Government of India or any other departments in central/state governments with regard to any activities of foreign and local contractors and consultants for the Project should be born by DOA.

Physical Contingency

The JICA Mission and DOA agreed that the physical contingency under the Project is set as 10%, considering uncertainties and complexities of the nature of this Project, so that DOA could make possible shortages of funds smaller for the implementation of the Project and realization of the Project objectives in the future.

Counterpart Fund

DOA is requested to prepare counterpart fund for non-eligible cost such as (a) administration, (b) tax and duties, and (c) land acquisition and resettlement. DOA is also requested to mobilize additional financial resources in case the actual project cost overrun the original cost estimate and JICA's contribution becomes insufficient.

V. Monitoring and Evaluation of the Project

Economic and Financial Analysis

It was confirmed that economic internal rate of return (EIRR) is estimated to be 15.96 %. Based on the present assumption and demand forecast, the Project is found to be financially and economically viable. Details and calculation sheet of EIRR is attached as per Attachment 14

Operation and Effect Indicators

The JICA Mission and DOA agreed to the "Operation and Effect Indicators" (the "Indicators") applied to the Project as indicated in the 3-4 of the Project Status Report (Annex II). The JICA Mission justified that the Indicators would not only enable consistent evaluation of the achievements throughout the project cycle but would also promote more effective and efficient

project implementation. The JICA Mission informed that the Indicators would be disclosed on the website of JICA for more accountability to the Japanese people for JICA's operations. DOA agreed to monitor the Indicators and provide the relevant data to JICA in appropriate timings.

Publication of Ex-Ante Project Evaluation Report

The JICA Mission notified that JICA will publish the "Ex-Ante Project Evaluation Report" soon after the signing of a Loan Agreement for the Project. The report consists of eight major items: 1) project name, 2) necessity and justification of the JICA loan, 3) objectives of the Project, 4) project description, 5) operation and effect indicators (performance indicators), 6) risk due to external factors, 7) evaluation results of past similar projects and lessons learned, and 8) evaluation plan.

Ex-Post Evaluation

The JICA Mission explained that JICA would conduct independent evaluation activities 3 years and 7 years after the project completion so as to review the project's effectiveness. It is agreed that, upon JICA's request, DOA shall be responsible for the submission of performance evaluation result including Operation and Effect Indicators, EIRR, FIRR, and the relevant data/assumptions adopted to arrive at the Indicators. In case the operation and maintenance organization structure changes, the relevant departments/ organizations will be responsible for undertaking this task.

Ex-Post Procurement Audit

JICA informed DOA that, if the Japanese ODA Loan for the Project is approved by JICA, an ex-post procurement audit may be carried out during/after the implementation stage by Comptroller and Auditor General of India in order to ensure the fairness and competitiveness of procurement procedure, in case where JICA considers it necessary. DOA took note of it.

Submission of Reports

Quarterly Progress Reports (QPR): The progress report for the Project should be submitted by DOA to JICA on a quarterly basis, not later than 40 days after the concerned quarter, in the form of Project Status Report (PSR) attached hereto as per [Annex II](#).

Project Completion Report (PCR): A project completion report should be submitted by DOA to JICA promptly, but in any event not later than six months after completion of the Project, in the form of Project Status Report (PSR) attached hereto as per [Annex II](#).

VI. Environmental and Social Issues

Environmental and Social Consideration

The JICA Mission explained to DOA that this Project has been categorized as "FI (financial Intermediary)" in accordance with JBIC Guidelines for Confirmation of Environmental and Social Considerations 2002, since this Project has not finalized the scope (sub-projects to be covered) at the time of Appraisal, and these sub-projects might involve land acquisition, though on a small scale. The JICA Mission also explained to DOA and the latter agreed to incorporate the following formalities.

- a) In case any selected sub-project entails acquisition of the private land, it should be confirmed that the land surrendered for the use of the Project should be no more than 10% of the total holding of the owner.
- b) Verification of the voluntary nature of land donation (e.g., affidavit or witnessed statements) must be obtained from every donor.

- c) The Grievance Redressal Mechanisms must be established in the PMU, so that any concerns or claims could be voiced and solved in a neutral and transparent manner.

DOA agreed on the above, and responded that the Grievance Redressal Mechanism would be established at the Block-level PMU, including Representative of relevant Panchayat, but the detailed structure and members would be prepared before the Negotiation of Loan Agreement scheduled in November 2010.

VII. Other Issues

Public Relations

DOA is kindly requested to pay attention to public relations concerning the Project (for example: making a brochure of the Project, putting plates or signboards at the project site, organizing an opening ceremony, etc.) for better support to the cooperation through the Japanese ODA Loan by the people of both countries.



JAPAN
Official Development Assistance

ODA logo



JICA logo

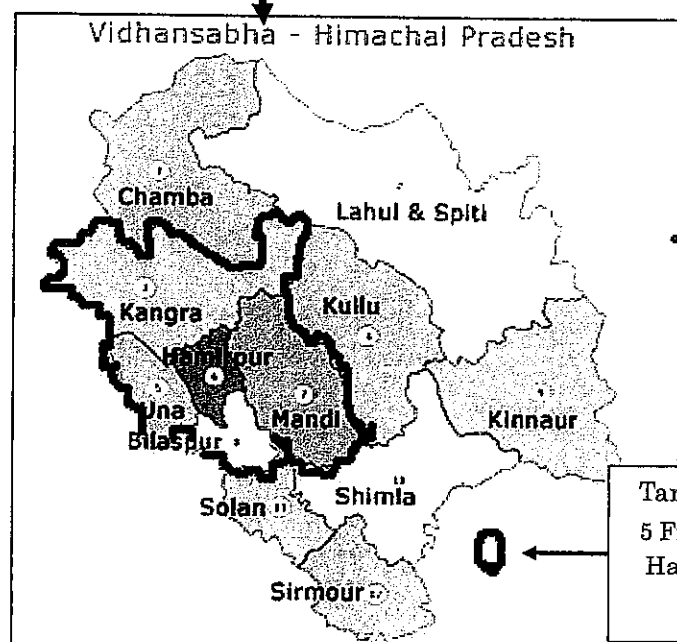
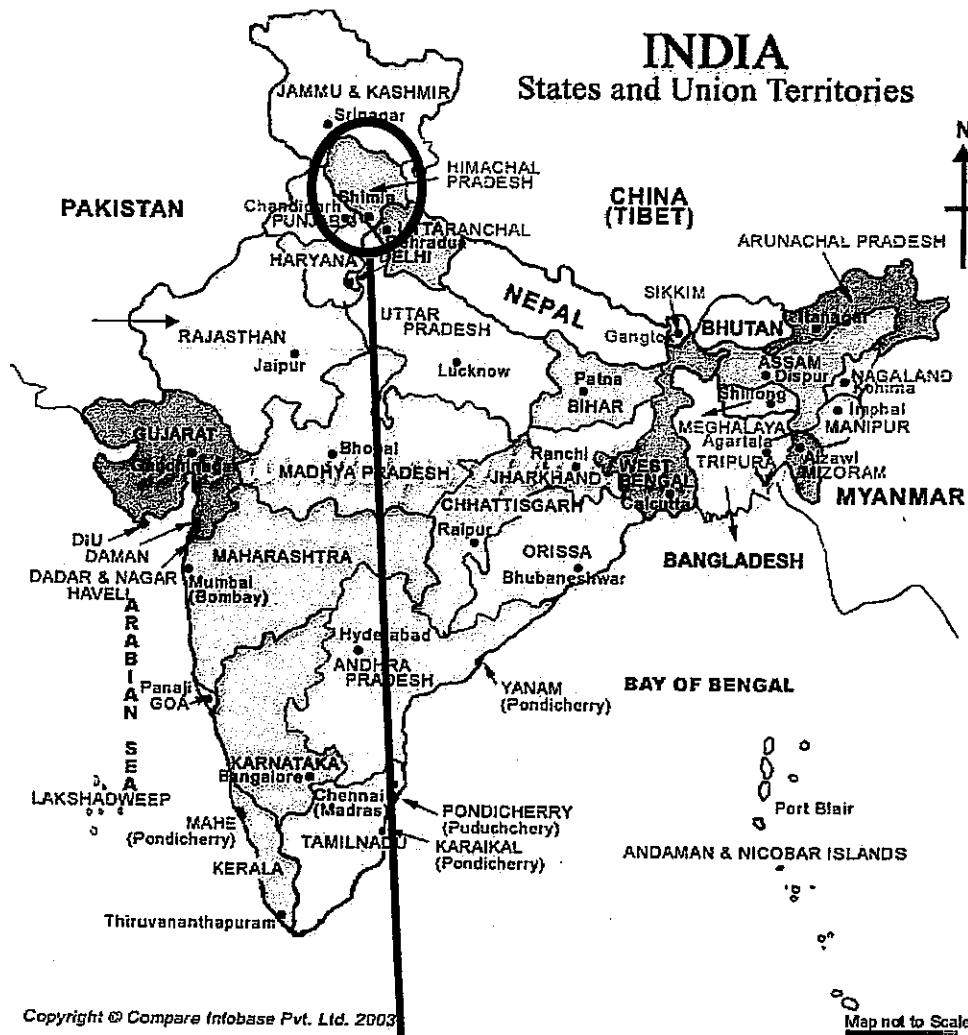
Disclosure of Project Implementation Schedule

The JICA Mission explained that the expected implementation schedule with the updated status of the Project may be made public by JICA. (Name of the Executing Agency) shall make the aforementioned information available for JICA upon request.

JICA and (Name of the Executing Agency), in particular, agreed to disclose the following information at the time of L/A signing on the Project: (i) scheduled project completion; (ii) issuing of letters of invitation for consulting services; and (iii) tender announcement of initial procurement package for international competitive bidding.)

List of Attachments

Attachment 1	Location Map
Attachment 2	List and Location Map of Sub-Projects
Attachment 3	Project Implementation Schedule
Attachment 4	Time-bound Action Plan
Attachment 5	Detailed Scope of Work
Attachment 6	Overall Cost of the Project
Attachment 7	Detailed Breakdown of the Project Cost
Attachment 8	Annual Fund Requirement
Attachment 9	Organisational Structure for Project Implementation
Attachment 10	Terms of Reference, M/M Schedule, and Cost Breakdown of Consulting Services
Attachment 11	Standard Schedule for Employment of Consultants
Attachment 12	Principle of Procurement Guideline
Attachment 13	Procurement and Implementation Methods
Attachment 14	Calculation of EIRR
Attachment 15	SOE Procedure



Target Area of the Project:
5 Five Districts of Bilaspur,
Hamirpur, Kangra, Mandi
and Una

Revised list of 210 Sub Projects for ODA Loan Projects

No.	Code No.	District	Sub Divisional Office	CCA (Hect)	Name of Sub Project	Type of Irrigation	Remarks	Access Farm Road (Km)
1	G-1002	Bilaspur	Ghumarwin	10	LIS-Dali	LIS	New Development	0.60
2	G-1005	Bilaspur	Ghumarwin	7	FIS- Kandla	FIS	New Development	0.60
3	G-1006	Bilaspur	Ghumarwin	15	FIS- Chal -Karot	FIS	New Development	0.00
4	G-1008	Bilaspur	Ghumarwin	12	FIS-Deoli	FIS	New Development	0.60
5	G-1009	Bilaspur	Ghumarwin	22	FIS- Dobha Karot	FIS	Improvement	0.60
6	G-1036	Bilaspur	Ghumarwin	31	FIS-Bum	FIS	New Development	0.50
7	G-1039	Bilaspur	Ghumarwin	22	LIS- Lehri -Sarel	LIS	New Development	0.60
8	G-1041	Bilaspur	Ghumarwin	16	STW- Kot	STW	New Development	0.60
9	G-1042	Bilaspur	Ghumarwin	18	LIS- Bharari	LIS	New Development	0.60
10	G-1045	Bilaspur	Ghumarwin	20	LIS- Takrera	LIS	Improvement	0.60
11	G-1046	Bilaspur	Ghumarwin	20	LIS- Dehra	LIS	Improvement	0.60
12	G-053	Bilaspur	Ghumarwin	12	LIS-Bakroa	LIS	New Development	1.00
13	G-1022	Bilaspur	Ghumarwin	8	FIS- Daryana	FIS	New Development	0.00
14	G-1021	Bilaspur	Ghumarwin	40	LIS- Behna -Brahmna	LIS	New Development	0.00
15	G-1027	Bilaspur	Ghumarwin	8	LIS- Dhani	LIS	New Development	0.00
16	G-1010	Bilaspur	Ghumarwin	12	FIS-Thach	FIS	New Development	0.00
17	G-1011	Bilaspur	Ghumarwin	20	LIS-Kahali	LIS	New Development	0.00
18	G-1012	Bilaspur	Ghumarwin	20	LIS-Kanda-Wali	LIS	New Development	0.00
Sub-total (Bilaspur):				313				6.90
19	H-1002	Hamirpur	Hamirpur	9	LIS-Panjahli -Rajputan	LIS	Improvement	0.60
20	H-1005	Hamirpur	Hamirpur	10	LIS- Baroha	LIS	Improvement	0.30
21	H-1006	Hamirpur	Hamirpur	7	LIS-Majhot	LIS	Improvement	0.60
22	H-1012	Hamirpur	Hamirpur	12	LIS-Dhangota-Brahmna	LIS	Improvement	0.60
23	H-1013	Hamirpur	Hamirpur	8	LIS- Dangota Loharkhrian	LIS	Improvement	0.60
24	H-1015	Hamirpur	Hamirpur	12	LIS-Kirwin-I	LIS	Improvement	0.00
25	H-3002	Hamirpur	Hamirpur	16	LIS-Dangi Khad (Gasota)	LIS	New Development	0.60
26	H-1014	Hamirpur	Hamirpur	12	LIS- Kirwin-II	LIS	Improvement	0.00
27	H-1034	Hamirpur	Hamirpur	20	LIS-Chialtee	LIS	Improvement	0.50
28	H-1035	Hamirpur	Hamirpur	10	LIS- Biru	LIS	Improvement	0.60
29	H-1036	Hamirpur	Hamirpur	35	LIS- Bahl Thakru-Arjun	LIS	Improvement	0.60
30	H-1037	Hamirpur	Hamirpur	20	LIS- Chalada	LIS	Improvement	0.60
31	H-1038	Hamirpur	Hamirpur	20	LIS- Daicheda	LIS	Improvement	0.60
32	H-1050	Hamirpur	Hamirpur	12	LIS- Rahjol	LIS	Improvement	0.60
33	H-1051	Hamirpur	Hamirpur	12	LIS- Ludder Mahadev	LIS	Improvement	0.60
34	H-1052	Hamirpur	Hamirpur	17	LIS- Deot-I	LIS	Improvement	0.50
35	H-1053	Hamirpur	Hamirpur	17	LIS- Deot-II	LIS	Improvement	0.00
36	H-1054	Hamirpur	Hamirpur	16	LIS- Bholia	LIS	Improvement	0.50
37	H-1055	Hamirpur	Hamirpur	12	LIS- Draondla	LIS	Improvement	0.60
38	H-1056	Hamirpur	Hamirpur	12	LIS-Ser	LIS	Improvement	0.60
39	H-1057	Hamirpur	Hamirpur	10	LIS-Nahalwin -I	LIS	Improvement	0.60
40	H-1059	Hamirpur	Hamirpur	10	LIS- Samlog	LIS	Improvement	0.60
41	H-1060	Hamirpur	Hamirpur	16	LIS- Patti	LIS	Improvement	0.60
42	H-1061	Hamirpur	Hamirpur	16	LIS- NeriBagh	LIS	Improvement	0.60
43	H-2004	Hamirpur	Hamirpur	10	DTW- Galore Khas	DTW	New Development	0.60
44	H-2005	Hamirpur	Hamirpur	6	DTW- Guriah	DTW	New Development	0.60
45	H-3001	Hamirpur	Hamirpur	15	LIS- Brahmi Manj	LIS	New Development	0.60
46	H-3003	Hamirpur	Hamirpur	8	LIS- Khyiah Brahmna	LIS	New Development	0.60
47	H-3004	Hamirpur	Hamirpur	10	LIS-Gharyanan Brahmna	LIS	New Development	0.60
48	H-3005	Hamirpur	Hamirpur	20	LIS- Dalwana Gujran	LIS	New Development	0.60
49	H-3006	Hamirpur	Hamirpur	9	LIS- Dhunater	LIS	New Development	0.60
50	H-3007	Hamirpur	Hamirpur	20	LIS- Khutera	LIS	New Development	0.60

Attachment 2-1

No.	Code No.	District	Sub Divisional Office	CCA (Hect)	Name of Sub Project	Type of Irrigation	Remarks	Access Farm Road (Km)
51	H-3022	Hamirpur	Hamirpur	22	LIS- Kasyana	LIS	New Development	0.50
52	H-3023	Hamirpur	Hamirpur	18	LIS- Phafan	LIS	New Development	0.60
53	H-3013	Hamirpur	Hamirpur	20	LIS- Manjra	LIS	New Development	0.00
54	H-1030	Hamirpur	Hamirpur	5	LIS- Budhana-I	LIS	New Development	0.00
55	H-3014	Hamirpur	Hamirpur	8	LIS- Jiana	LIS	New Development	0.00
56	H-1032	Hamirpur	Hamirpur	12	LIS- Dhago	LIS	Improvement	0.6
57	H-1033	Hamirpur	Hamirpur	8	LIS- Amroh	LIS	New Development	0
Sub-total (Hamirpur):				532				18.50
58	P-1002	Kangra	Palampur	18	FIS-Rakkar/Rajol	FIS	New Development	0.60
59	P-1003	Kangra	Palampur	14	FIS-Simbloo	FIS	New Development	0.60
60	P-1004	Kangra	Palampur	9	FIS-Nihang Adrash Nagar	FIS	New Development	0.60
61	P-3002	Kangra	Palampur	12	FIS Bainsi-Kuhai	FIS	New Development	0.60
62	P-3003	Kangra	Palampur	8	FIS Holsu	FIS	New Development	0.60
63	P*001	Kangra	Palampur	50	FIS Pathan Kuhl	FIS	Improvement	0.90
64	P-*003	Kangra	Palampur	40	FIS-Panapar	FIS	Improvement	0.00
65	p-*007	Kangra	Palampur	25	FIS-Janehar	FIS	Improvement	2.40
66	P-*008	Kangra	Palampur	110	FIS-Khachruhal	FIS	Improvement	0.00
67	P-*009	Kangra	Palampur	50	FIS- Ragulu	FIS	Improvement	0.00
68	P-*010	Kangra	Palampur	8	FIS-Jhikla Nahlian	FIS	New Development	0.60
69	P-*011	Kangra	Palampur	12	LIS-Kakrehar	FIS	New Development	0.60
70	P-*012	Kangra	Palampur	10	FIS-Upper Nahalian	FIS	New Development	0.60
71	P-*013	Kangra	Palampur	35	FIS-Rani Kuhl	FIS	Improvement	1.20
72	P-*014	Kangra	Palampur	40	FIS Madi Kuhl	FIS	Improvement	0.00
73	P-*015	Kangra	Palampur	30	FIS-Majhetely	FIS	New Development	0.00
74	P-*016	Kangra	Palampur	30	FIS-Mathredh	FIS	New Development	0.00
75	B-1001	Kangra	Bajjnath	35	FIS-Saron	FIS	New Development	2.40
76	B-1002	Kangra	Bajjnath	45	FIS-Hartada	FIS	New Development	0.00
77	B-1007	Kangra	Bajjnath	48	FIS-Gankhetar	FIS	New Development	0.60
78	B-1013	Kangra	Bajjnath	15	FIS-Thathi	FIS	New Development	0.00
79	B-1015	Kangra	Bajjnath	35	FIS-Mandhehar	FIS	New Development	0.60
80	F-1001	Kangra	Fatehpur	28	DTW-Narmoonh-I	DTW	New Development	0.00
81	F-1008	Kangra	Fatehpur	25	DTW-Sunet	DTW	New Development	0.60
82	D-1011	Kangra	Dehra	11	FIS-Ansoli	FIS	New Development	0.60
83	D-1012	Kangra	Dehra	11	FIS-Khali Lower	FIS	New Development	0.60
84	D-1015	Kangra	Dehra	9	FIS-Loharu Kuhai	FIS	New Development	0.60
85	D-1016	Kangra	Dehra	16	FIS-Sevekera	FIS	New Development	0.60
86	D-1018	Kangra	Dehra	11	FIS-Dhugiari	FIS	New Development	0.00
87	D-1022	Kangra	Dehra	10	FIS-Ghamir Lahar	FIS	New Development	0.60
88	D-*025	Kangra	Dehra	20	LIS-Chamti	LIS	New Development	0.60
89	D-*026	Kangra	Dehra	10	LIS Lower Sunhet	LIS	New Development	0.90
90	N-1010	Kangra	Nurpur	30	DTW-Indpur-I	DTW	New Development	0.00
91	N-1012	Kangra	Nurpur	23	DTW-Indpur-II	FIS	New Development	0.60
92	N-1013	Kangra	Nurpur	21	DTW-Suruwan-I	FIS	New Development	0.60
93	N-1001	Kangra	Nurpur	25	DTW-Bassa Waziran	DTW	New Development	0.00
94	N-1020	Kangra	Nurpur	12	FIS-Sukkar	FIS	New Development	0.60
95	N-1021	Kangra	Nurpur	18	FIS-Barof	FIS	New Development	0.60
96	N-1022	Kangra	Nurpur	20	FIS-Yoi	FIS	New Development	0.00
97	N-1023	Kangra	Nurpur	17	FIS-Jheol	FIS	New Development	0.60
98	N-*029	Kangra	Nurpur	40	FIS-Dari-Khaniara	FIS	Improvement	0.90
99	N-*031	Kangra	Nurpur	80	FIS-Rait	FIS	Improvement	0.00
100	N-*032	Kangra	Nurpur	21	FIS-Tatwani	FIS	Improvement	0.90
101	F-2001	Kangra	Fatehpur	15	LIS-Bhalad	LIS	New Development	0.00
102	F-2002	Kangra	Fatehpur	25	LIS -Bhanoli	LIS	New Development	0.00

Attachment 2-1

No.	Code No.	District	Sub Divisional Office	CCA (Hect)	Name of Sub Project	Type of Irrigation	Remarks	Access Farm Road (Km)
103	D-1005	Kangra	Dehra	15	LIS-Khabli	LIS	New Development	0.00
104	D-1003	Kangra	Dehra	22	LIS-Kamlota	LIS	New Development	0.00
105	D-1001	Kangra	Dehra	5	LIS-Bandhal	LIS	New Development	0.00
106	D-1002	Kangra	Dehra	9	LIS-Panth Nallah	LIS	New Development	0.00
107	D-1007	Kangra	Dehra	5	LIS-Kahla Tharu	FIS	New Development	0.00
108	D-1008	Kangra	Dehra	15	FIS-Ranoh	FIS	New Development	0.00
109	N-1018	Kangra	Nurpur	25	LIS-Sadwan	LIS	New Development	0.00
110	N-1009	Kangra	Nurpur	35	DTW-Lodhwan	DTW	New Development	0.00
111	F-1015	Kangra	Fatehpur	30	DTW-Ihakera (Sultania da Lahar)	DTW	New Development	0.00
112	P-2003	Kangra	Palampur	8	FIS-Chharda	FIS	New Development	0.00
113	P-2004	Kangra	Palampur	6	FIS-Dadal	FIS	New Development	0.00
Sub-total (Kangra):				1,352				22.80
114	M-1001	Mandi	Mandi	14	FIS- Sandral	FIS	New Development	0.60
115	M-1003	Mandi	Mandi	8	FIS-Lambahar To Tharu	FIS	New Development	0.60
116	M-1004	Mandi	Mandi	18	FIS-Nagan Bharola	FIS	New Development	0.60
117	M-1006	Mandi	Mandi	12	FIS-Padain	FIS	New Development	0.60
118	M-1007	Mandi	Mandi	20	FIS-Gripat	FIS	New Development	0.00
119	M-1011	Mandi	Mandi	25	FIS-Chatruna-Khawai	FIS	New Development	0.60
120	M-1013	Mandi	Mandi	7	FIS- Kothu Nallah -Bhaniyas	FIS	New Development	0.60
121	M-1016	Mandi	Mandi	12	FIS- Markandey	FIS	New Development	0.60
122	M-1019	Mandi	Mandi	12	FIS- Balhi-Rakar-bari	FIS	New Development	0.60
123	M-1020	Mandi	Mandi	8	FIS- Padhiun	FIS	New Development	0.60
124	M-1021	Mandi	Mandi	40	FIS-Tarwahar (Nichla Lot)	FIS	New Development	1.50
125	M-1022	Mandi	Mandi	16	FIS- Barjh (Baridhar)	FIS	New Development	2.00
126	M-1024	Mandi	Mandi	16	FIS- Bagicha	FIS	New Development	0.60
127	M-1025	Mandi	Mandi	24	FIS- Jail Khad -Dhunji Dhar	FIS	New Development	0.00
128	M-1026	Mandi	Mandi	15	FIS- Badli to Bag	FIS	New Development	0.60
129	M-1027	Mandi	Mandi	20	FIS- Kharkhan- Bhalog	FIS	New Development	0.60
130	M-1028	Mandi	Mandi	9	FIS- Karnala	FIS	New Development	0.60
131	M-1029	Mandi	Mandi	30	FIS- Jalpehad	FIS	New Development	0.60
132	M-1031	Mandi	Mandi	12	FIS- Chalki	FIS	New Development	0.60
133	M-1032	Mandi	Mandi	12	FIS- Chamyalan	FIS	New Development	0.60
134	M-1043	Mandi	Mandi	8	FIS- Bhaw (Siun)	FIS	New Development	0.60
135	M-1044	Mandi	Mandi	12	FIS- Patyud	FIS	New Development	0.60
136	M-1045	Mandi	Mandi	6	FIS- Rigar (Kunoo)	FIS	New Development	0.60
137	M-1046	Mandi	Mandi	10	FIS- Saroni Nallah to Roppi	FIS	New Development	0.60
138	M-1048	Mandi	Mandi	7	FIS-Batheri	FIS	New Development	0.60
139	M-1049	Mandi	Mandi	16	FIS- Manola to Tundal	FIS	New Development	0.60
140	M-1050	Mandi	Mandi	44	FIS- Birnu -Masal	FIS	New Development	0.00
141	M-1051	Mandi	Mandi	15	FIS- Kuti Sanarli	FIS	New Development	0.60
142	S-1059	Mandi	Sarkaghat	60	FIS- Chanjyani & Harlyan	FIS	New Development	0.60
143	S-1060	Mandi	Sarkaghat	12	FIS- Trihawan (Jarol)	FIS	New Development	0.60
144	S-1061	Mandi	Sarkaghat	15	FIS- Lower Jambla to Jahin	FIS	New Development	0.60
145	M-1062	Mandi	Mandi	30	FIS- Rati Malthehar Nallah	FIS	New Development	0.60
146	M-1076	Mandi	Mandi	40	FIS- Kanda -Bagsyad	FIS	New Development	0.00
147	M-1077	Mandi	Mandi	20	FIS-Tikroo(Kakdiana)	FIS	New Development	0.00
148	S-1092	Mandi	Sarkaghat	12	LIS- Morla	LIS	New Development	1.50
149	S-1093	Mandi	Sarkaghat	25	LIS- Karadi Kandyol	LIS	New Development	0.00
150	S-1094	Mandi	Sarkaghat	20	LIS- Kharoh	LIS	New Development	0.60
151	S-1095	Mandi	Sarkaghat	15	LIS- Kohan	LIS	New Development	0.60
152	S-1096	Mandi	Sarkaghat	12	LIS- Bidi	LIS	New Development	0.60
153	S-1100	Mandi	Sarkaghat	30	LIS- Ukhala	LIS	New Development	0.00

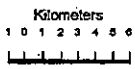
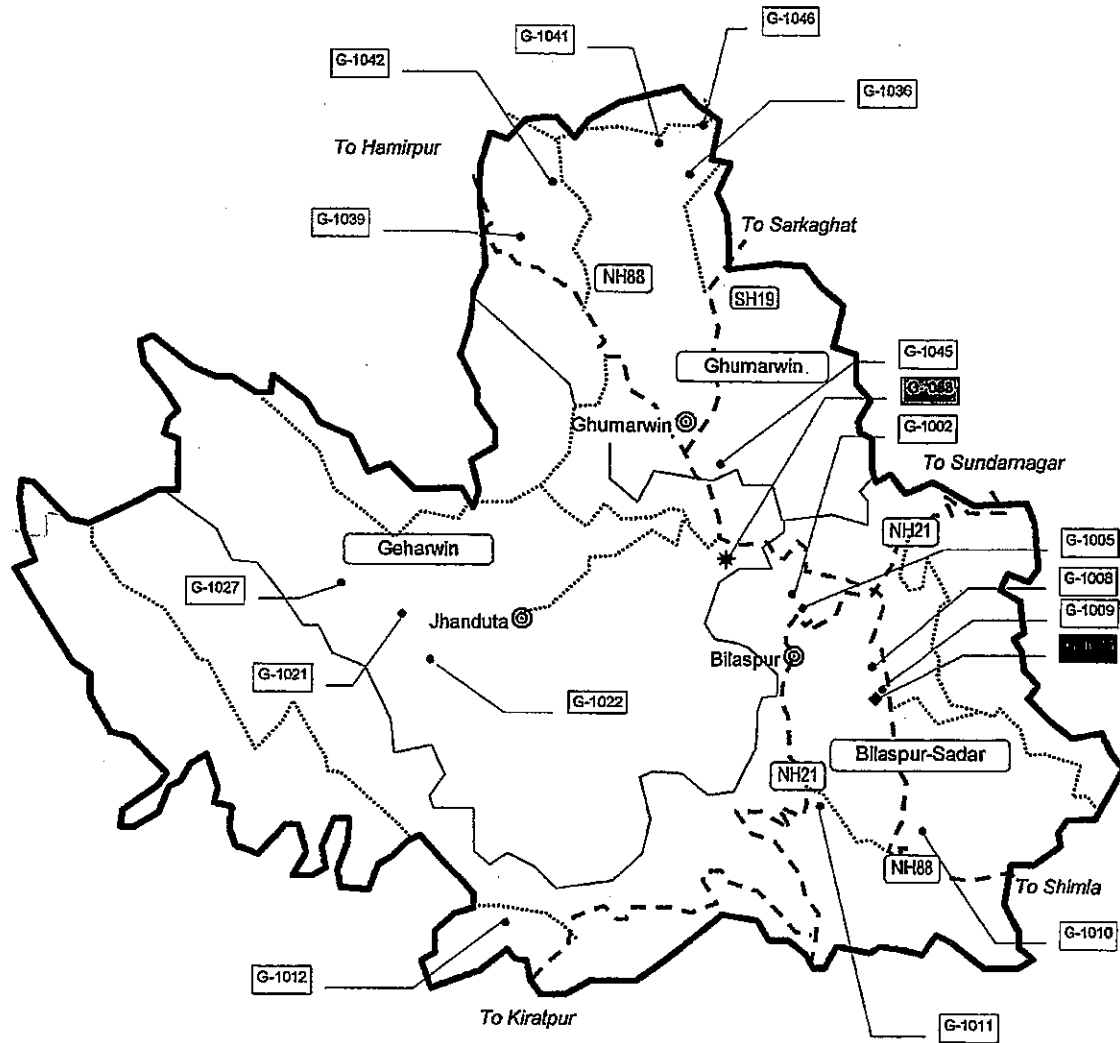
Attachment 2-1

No.	Code No.	District	Sub Divisional Office	CCA (Hect)	Name of Sub Project	Type of Irrigation	Remarks	Access Farm Road (Km)
154	S-1106	Mandi	Sarkaghat	20	LIS- Ghorl	LIS	New Development	0.00
155	S-1109	Mandi	Sarkaghat	16	LIS- Chail	LIS	New Development	1.50
156	S-1110	Mandi	Sarkaghat	10	LIS- Janjhail	LIS	New Development	0.00
157	S-1112	Mandi	Sarkaghat	12	LIS- Thana	LIS	New Development	0.00
158	S-1117	Mandi	Sarkaghat	16	LIS- Arthi	LIS	New Development	0.60
159	S-*128	Mandi	Sarkaghat	20	LIS-- Thana Mohin	LIS	New Development	0.00
160	S-*129	Mandi	Sarkaghat	40	LIS- Takwad (Arthi)	LIS	New Development	3.00
161	M-1018	Mandi	Mandi	6	FIS- Manglor	FIS	New Development	0.00
162	M-1023	Mandi	Mandi	18	FIS- Lapas	FIS	New Development	0.00
163	M-1033	Mandi	Mandi	15	FIS- Kandi Nallah to Dulchi	FIS	New Development	0.00
164	M-1034	Mandi	Mandi	9	FIS- Chonal to Kharsi	FIS	New Development	0.00
165	M-1042	Mandi	Mandi	8	FIS- Satnog (Siun)	FIS	New Development	0.00
166	M-1037	Mandi	Mandi	40	FIS-Khola Nallah	FIS	New Development	0.00
167	M-1039	Mandi	Mandi	15	FIS-Dhewehar	FIS	New Development	0.00
Sub-total (Mandi):				984				28.10
168	U-1001	Una	Una	10	DTW- Bharolian Kalan	DTW	New Development	0.60
169	U-1002	Una	Una	8	STW- Kothar Khurd	STW	New Development	0.60
170	U-1003	Una	Una	10	STW- Rampur	STW	New Development	0.60
171	U-1006	Una	Una	10	DTW- Upper Dehlan (Manu Jutt Muhala)	DTW	New Development	0.60
172	U-1007	Una	Una	6	STW- Kuthar Kalan	STW	New Development	0.60
173	U-1008	Una	Una	20	STW- Phekuvela	STW	New Development	0.00
174	U-1009	Una	Una	40	STW- Jankour	STW	New Development	1.00
175	U-1011	Una	Una	15	DTW- Bharolian	DTW	New Development	0.60
176	U-1012	Una	Una	10	STW- Khanpur	STW	New Development	0.60
177	U-1014	Una	Una	12	STW-Nangran	STW	New Development	0.60
178	U-1015	Una	Una	8	STW-Khuhi	STW	New Development	0.60
179	U-1017	Una	Una	18	DTW- Behdala	DTW	New Development	0.60
180	U-1018	Una	Una	16	STW-Barsala	STW	New Development	0.00
181	U-1019	Una	Una	8	STW- Sunehra	STW	New Development	0.60
182	U-1020	Una	Una	10	DTW- Nangran- II Lower	DTW	New Development	0.60
183	U-1022	Una	Una	12	DTW- Dadhyal	DTW	New Development	0.60
184	U-1023	Una	Una	12	DTW- Takka	DTW	New Development	0.60
185	U-1024	Una	Una	10	DTW- Jhalera/ Rainary	DTW	New Development	0.60
186	U-1025	Una	Una	15	DTW- Upper Basal	DTW	New Development	0.60
187	U-1026	Una	Una	20	STW-Lower Basal	STW	New Development	0.00
188	U-1027	Una	Una	11	DTW- Teuri	DTW	New Development	0.60
189	U-1028	Una	Una	10	DTW-Panoh	DTW	New Development	0.60
190	U-1034	Una	Una	12	STW- Khadol	STW	New Development	0.60
191	U-1035	Una	Una	11	DTW- Bhadsali	DTW	New Development	0.60
192	U-1036	Una	Una	10	DTW- Badera Lower	DTW	New Development	0.60
193	U-1037	Una	Una	12	STW- Sansowal	STW	New Development	0.60
194	U-1038	Una	Una	12	STW- Panhawar Lower	STW	New Development	0.60
195	U-1039	Una	Una	10	STW- Loharli	STW	New Development	0.60
196	U-1040	Una	Una	15	STW- Ambota	STW	New Development	0.60
197	U-1041	Una	Una	12	STW- Jarla - Kori	STW	New Development	0.50
198	U-1042	Una	Una	10	STW- Badoh	STW	New Development	0.60
199	U-1046	Una	Una	10	DTW- Ghanari	DTW	New Development	0.60
200	U-1049	Una	Una	15	DTW- Behari Lower	DTW	New Development	0.60
201	U-1052	Una	Una	16	STW- Nand pur	STW	New Development	0.60
202	U-1053	Una	Una	6	DTW- Kuthiyari	DTW	New Development	0.60
203	U-1057	Una	Una	16	DTW- Dehlan Lower	DTW	New Development	0.60
204	U-1071	Una	Una	10	DTW- Taterhra	DTW	New Development	0.60

Attachment 2-1

No.	Code No.	District	Sub Divisional Office	CCA (Hect)	Name of Sub Project	Type of Irrigation	Remarks	Access Farm Road (Km)
205	U-1073	Una	Una	10	DTW- Bhanjal Lower	DTW	New Development	0.60
206	U-1076	Una	Una	9	DTW- Badera Rajputan	DTW	New Development	0.60
207	U-1077	Una	Una	8	DTW- Gulehar	DTW	New Development	0.60
208	U-1110	Una	Una	10	LIS- Badoh	LIS	New Development	0.60
209	U-1127	Una	Una	6	LIS- Jhot	LIS	Improvement	0.60
210	U-*136	Una	Una	20	STW- Barana	STW	New Development	0.00
Sub-total (Una):				531				23.70
Total:-				3,712				100.00

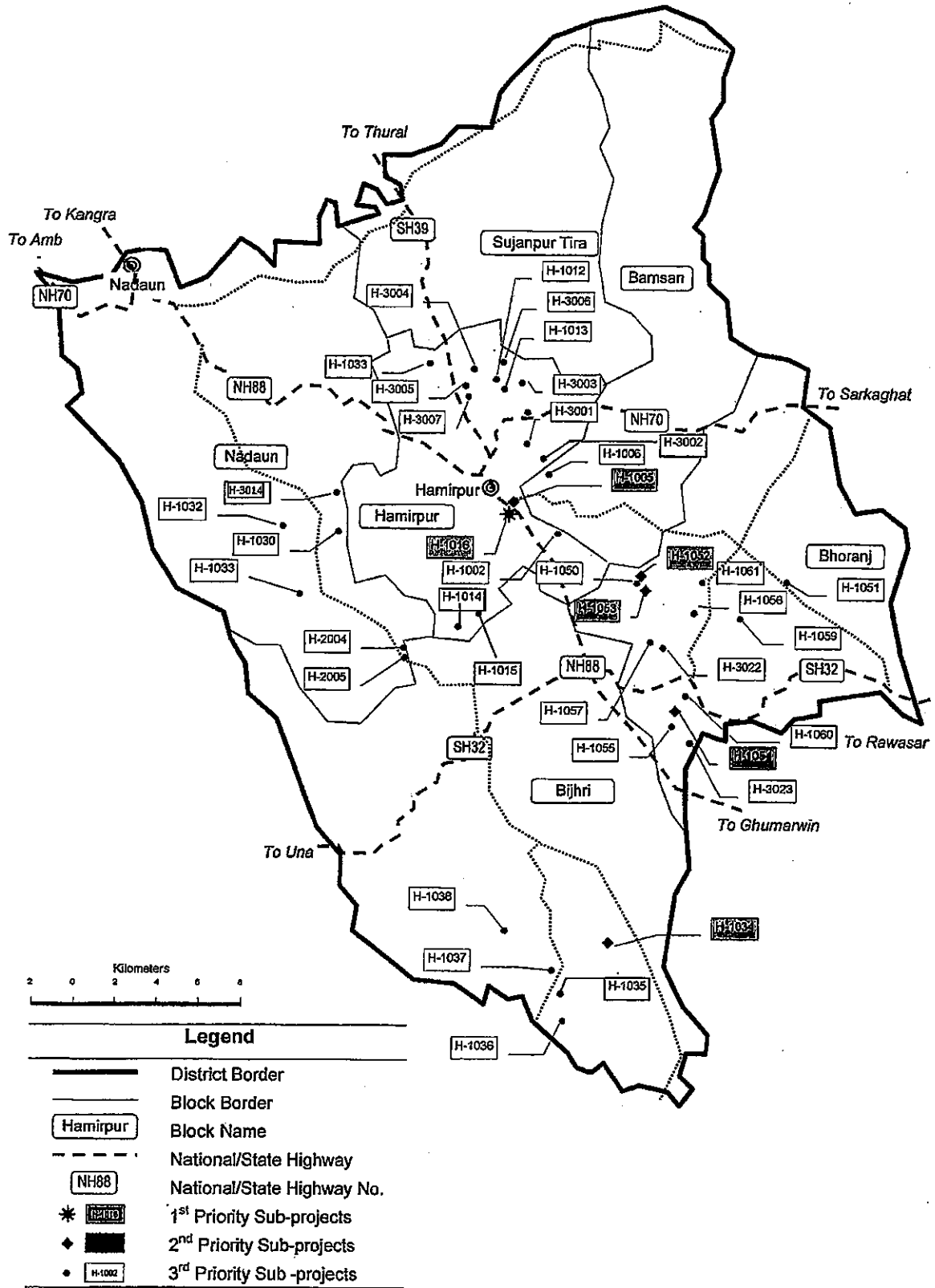
Map of Bilaspur District



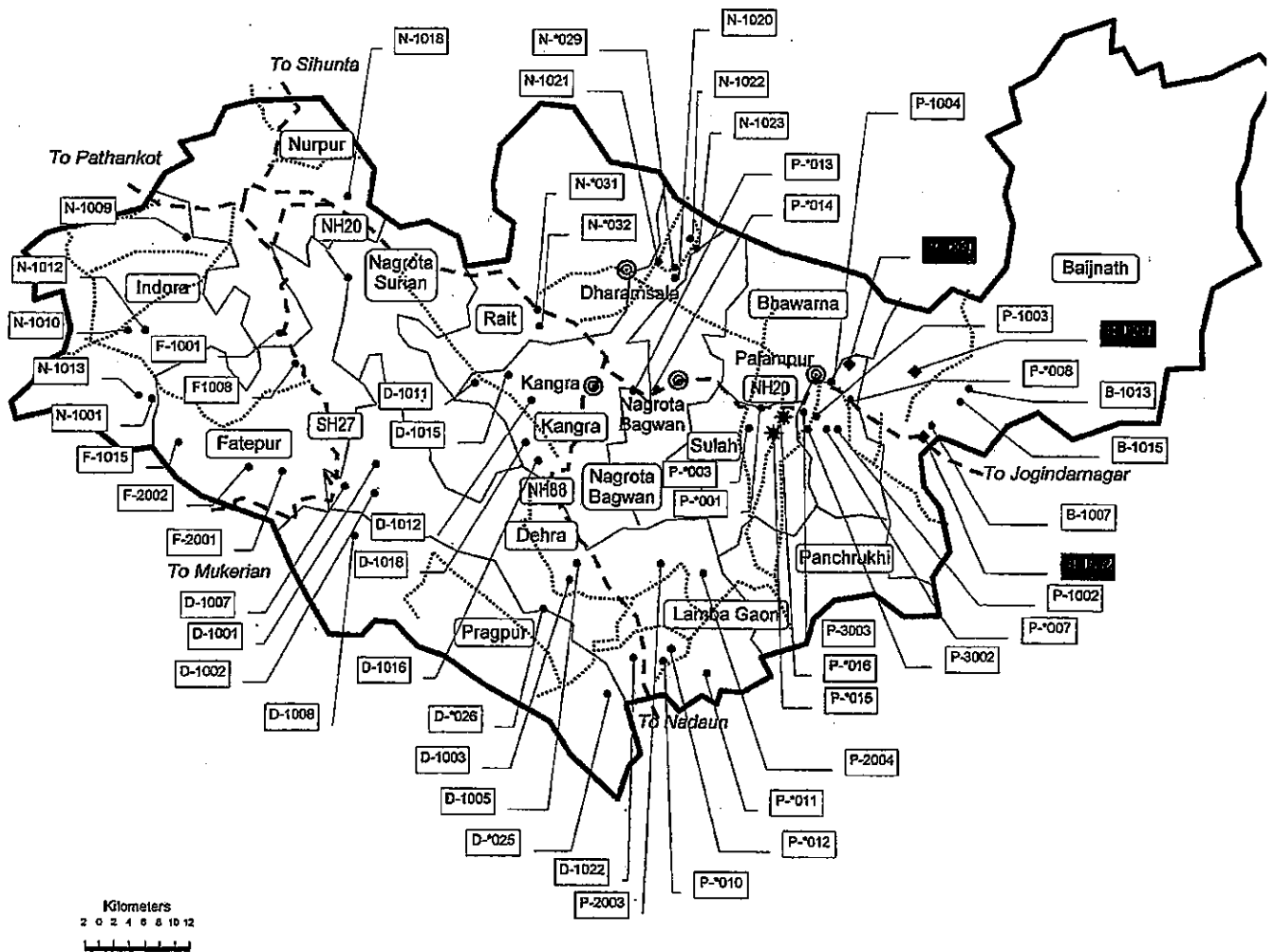
Legend

	District Border
	Block Border
	Block Name
	National/State Highway
	National/State Highway No.
	1 st Priority Sub-projects
	2 nd Priority Sub-projects
	3 rd Priority Sub-projects

Map of Hamirpur District

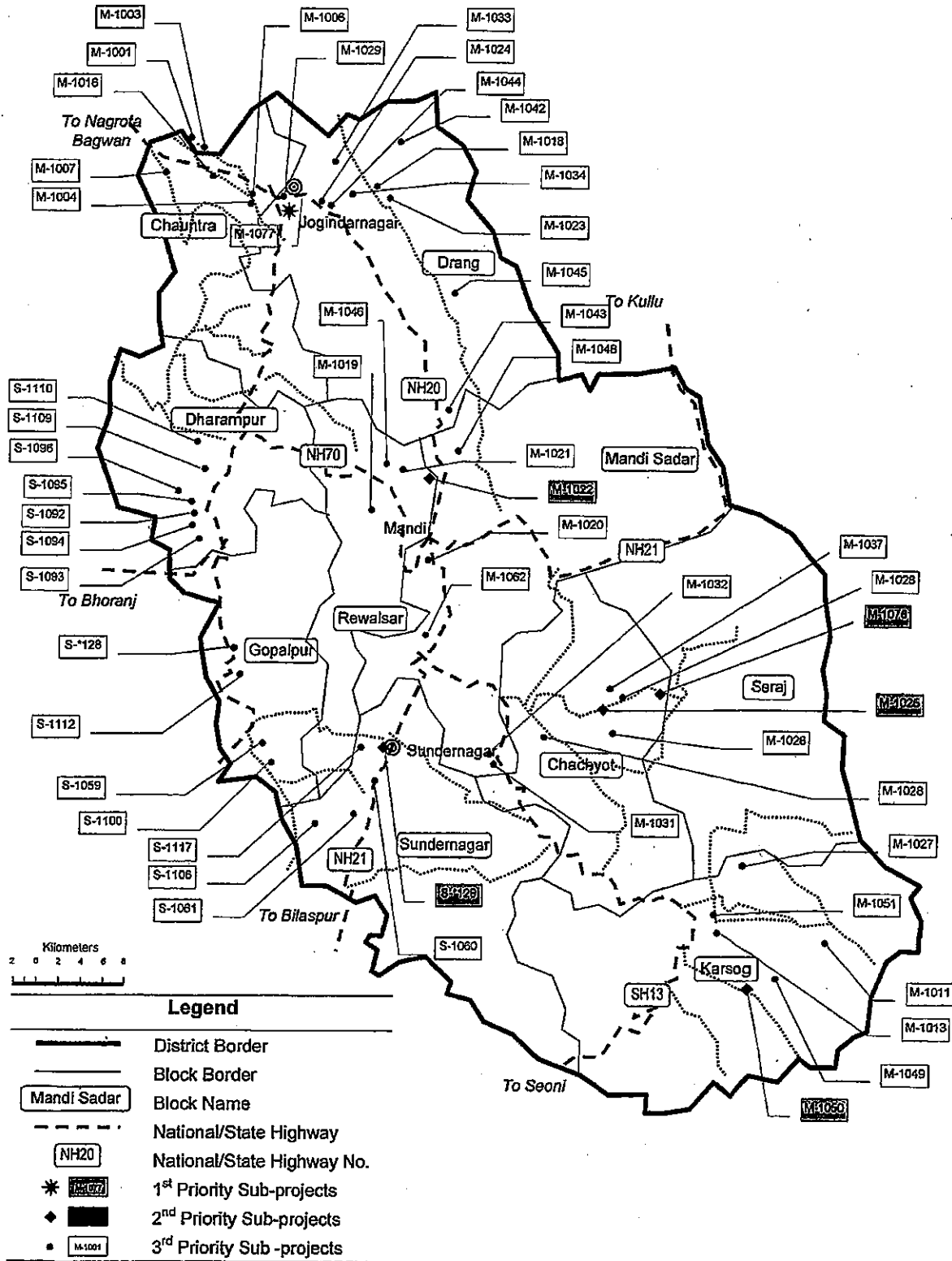


Map of Kangra District

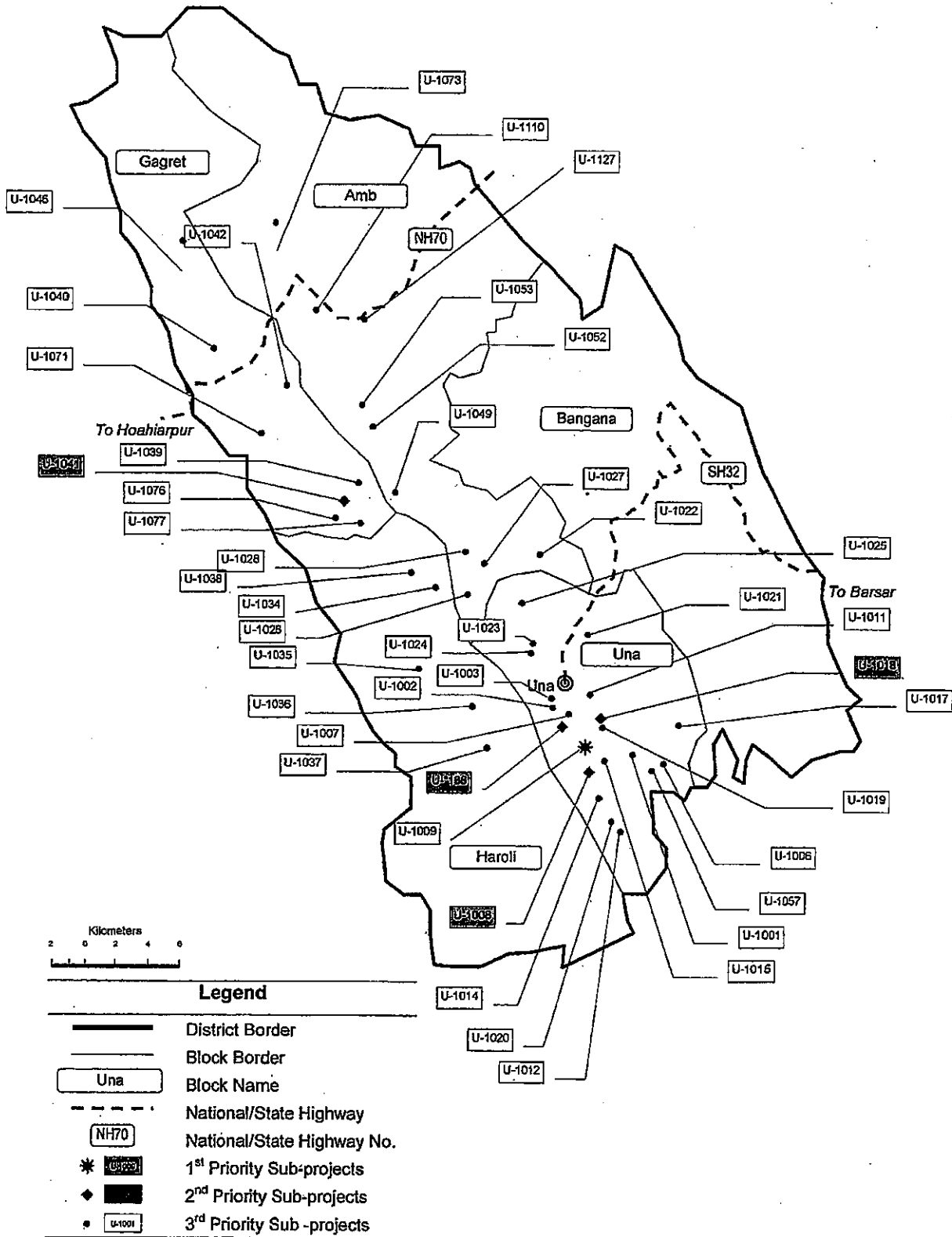


Legend	
	District Border
	Block Border
	Block Name
	National/State Highway
	National/State Highway No.
	1 st Priority Sub-projects
	2 nd Priority Sub-projects
	3 rd Priority Sub-projects

Map of Mandi District



Map of Una District



Calendar year		2010	2011	2012	2013	2014	2015	2016	2017	2018
ODA LOAN PROJECT										
	Appraisal Mission/Signing of MD	■ (Sept 2010)								
	Signing of Exchange of Notes	▲ (Nov 2010)								
	Signing of Loan Agreement	▲ (Dec 2010)								
	Establishment of PMU	■ (State PMU by Nov.2010, DPMU by Dec 2010, BPMU by Jan 2011)								
	Selection of Consultants	■ (Oct 2011)								
	Consultancy Services	■								
	Preparation of Technical Guideline	■ (Jan 2012)								
First Priority Sub-Project (6 sites)										
1	Farmers Support Component	■								
	Organization of Farmers groups	▲								
	Preparation of DPR	■								
2	Infrastructure Development Component	■								
	Concurrence for DPR by PMU	▲								
	Procurement of contractors	■								
	Construction	■								
Second Priority Sub-Project (23 sites)										
1	Farmers Support Component	■								
	Organization of Farmers groups	▲								
	Observation of Water Resource	■								
	Preparation of MPR	■								
	Finalization of Short list	▲								
2	Infrastructure Development Component	■								
	Preparation of DPR	▲								
	Concurrence for DPR by PMU	■								
	Procurement of contractors	▲								
	Construction	■								
Third Priority Sub-Project (181 sites)										
1	Farmers Support Component	■				60 sites	60 sites	60 sites	61 sites	
	Organization of Farmers groups	▲								
	Observation of Water Resource	■								
	Preparation of MPR	■								
	Finalization of Short list	▲								
2	Infrastructure Development Component	■								
	Preparation of DPR	▲								
	Concurrence for DPR by PMU	■								
	Procurement of contractors	▲								
	Construction	■								
3	Institutional Development Component	■								
	Strengthening of DOA	■								
	Strengthening of Extension Service Function	■								
	Baseline Survey & Impact Assessment	■								
TECHNICAL COOPERATION PROJECT										
	Signing of Record of the Discussions (R/D)	▲ (Sept 2010)								
	Selection of Japanese Experts	■								
	Technical Cooperation by Japanese Experts	■								
1	Capacity Development DOA	■								
2	Development of Training curriculum and materials	■								
3	Training for extension officers	■								
4	Development of Crop Diversification Model	■								

Time-Bound Action Plan for the Project

Agreed Action	Responsible Party	Target Date	Actual Date	Indicator/Remarks
Establishment of PMU				
Drafting Memorandum of Society	DOA	Aug, 2010		Draft Memorandum of Society
State Approval Memorandum of Society	GoHP	Sep, 2010		Approval Document
Registration of PMU under Society Registration Act of 1860	GoHP	Sep - Nov, 2010		Registration document
Establishment of State PMU	GoHP/DOA	by Jan. 2011		Memorandum of Society
Consulting Services				
Invitation for Expression of Interest	PMU/DOA	Nov, 2010		Invitation letter
Request for Concurrence of TOR, Short-list, and L/I	PMU/DOA	Feb, 2011		Request letter
Issuance of L/I and RFP to short-listed Consultants	PMU/DOA	Mar, 2011		Letter of Invitation
Request for JICA's concurrence to evaluation results	PMU/DOA	June, 2011		Letter of Invitation
Contract with the Consultants	PMU/DOA	Oct, 2011		Contract document
Institutional Development Component				
Capacity development of PMU staff	PMU	Jan. 2011 - Dec. 2017		Progress report
Development of MIS & GIS System	PMU/consultant	Nov 2011- Nov 2013		extension manuals
Preparation of extension material	PMU	Nov 2011- Nov 2014		extension manuals
Training for community motivators	PMU	Jan. 2012 - Jan. 2016		training proceedings
Baseline Survey	PMU/resource agency	Dec. 2011		survey report
Mid-term impact assessment	PMU/resource agency	Sept. 2015		survey report
Terminal impact assessment	PMU/resource agency	Jan. 2018		survey report
Infrastructure Development Component / Farmers Support Component				
1st Priority Sub-projects				
Organization of Farmers groups	B-PMU, community motivators	Feb. 2012		Training Proceedings
Conduct of farmers training	B-PMU, community motivators	Jan. 2012-Dec. 2014		training schedule, materials & proceedings
Concurrence for DPR by PMU	PMU	May, 2012		Letter from PMU
Procurement of contractors	PMU	June-Aug, 2012		Tender document
Construction	contractors	Sept 2012- Sept 2013		contract/completion report
2nd Priority Sub-projects				
Organization of Farmers groups	B-PMU, community motivators	Oct, 2012		Training Proceedings
Conduct of farmers training	B-PMU, community motivators	Oct. 2012-Oct.2015		training schedule, materials & proceedings
Finalization of Short list	D& S-PMU	Jan. 2013		Letter from PMU
Concurrence for DPR by PMU	D, S-PMU	June, 2013		Tender document
Procurement of contractors	PMU	June-Aug, 2013		Tender document
Construction	contractors/WUA	Sept 2013-Sept 2014		contract/completion report

Attachment 4

Agreed Action	Responsible Party	Target Date	Actual Date	Indicator/Remarks
3rd Priority Sub-projects (First batch)				
Organization of Famers groups	B-PMU, community motivators	Oct. 2013		Training Proceedings
Conduct of farmers training	B-PMU, community motivators	Sept.2013-Sept.2016		training schedule, materials & proceedings
Finalization of Short list	D& S-PMU,	Nov. 2013		Letter from PMU
Concurrence for DPR by PMU	D& S-PMU	June 2014		Tender document
Procurement of contractors	PMU	June-Aug, 2014		Tender document
Construction	contractors/WUA	Sept 2014-Sept 2015		contract/completion report
3rd Priority Sub-projects (Second Batch)				
Organization of Famers groups	B-PMU, community motivators	Oct. 2014		
Conduct of farmers training	B-PMU, community motivators	Aug.2014-Aug.2017		training schedule, materials & proceedings
Finalization of Short list	D& S-PMU	Oct. 2014		Letter from PMU
Concurrence for DPR by PMU	D, S-PMU	Mar. 2015		Tender document
Procurement of contractors	PMU	June-Aug, 2015		Tender document
Construction	contractors/WUA	Aug 2015-Aug 2016		contract/completion report
3rd Priority Sub-projects (Third Batch)				
Organization of Famers groups	B-PMU, community motivators	Oct. 2015		
Conduct of farmers training	B-PMU, community motivators	July.2015-Mar.2018		training schedule, materials & proceedings
Finalization of Short list	D& S-PMU	Sept. 2015		Letter from PMU
Concurrence for DPR by PMU	D, S-PMU	Feb. 2016		Tender document
Procurement of contractors	PMU	June-Aug, 2016		Tender document
Construction	contractors/WUA	Aug 2016 to Aug 2017		contract/completion report

Detailed Scope of Work ¹

1. Infrastructure Development Component

For promotion of vegetable production and improved productivity of food grain, development of irrigation and drainage facilities is proposed. Also, improvement of the access farm roads and construction of collection centers would reinforce the linkage between the farmers to the market. The short-listed 210 sub-projects for this Project are spread over 5 districts, 18 sub-projects in Bilaspur, 39 in Hamirpur, 56 in Kangra, 54 in Mandi and 43 in Una district. The Component includes the new development and improvement of irrigation and drainage facilities for 3,712 ha and new construction and improvement of 100 km of access farm road, as summarised below.

Summary of Infrastructure Development Component

Number of Irrigation Systems and Farm Access Roads covered in the Project

Unit: (no.)

No	District	Number of Sub-projects			Irrigation System						Access farm road
		Total (A+B)	New (A)	Improvement (B)	New				Improvement		
					FIS	LIS	DTW	STW	FIS	LIS	
1	Bilaspur	18	15	3	6	8	0	1	1	2	11
2	Hamirpur	39	15	24	0	13	2	0	0	24	32
3	Kangra	56	46	10	31	9	6	0	10	0	29
4	Mandi	54	54	0	41	13	0	0	0	0	36
5	Una	43	42	1	0	1	21	20	0	1	39
Total		210	172	38	78	44	29	21	11	27	147

Total CCA (Cultivable Command Area) of Irrigation System and total length of roads

No	District	Total of Sub-projects (ha)	Total of New systems (ha)	Total of improved systems (ha)	Irrigation System (ha)						Farm road (km)
					New				Improvement		
					FIS	LIS	DTW	STW	FIS	LIS	
1	Bilaspur	313	251	62	85	150	0	16	22	40	6.9
2	Hamirpur	532	195	337	0	179	16	0	0	337	18.5
3	Kangra	1,352	861	491	542	146	173	0	491	0	22.8
4	Mandi	984	984	0	736	248	0	0	0	0	28.1
5	Una	531	525	6	0	10	238	277	0	6	23.7
Total		3,712	2,816	896	1,363	733	427	293	513	383	100.0

Note: New: Completely newly developed irrigation systems

Improvement: Improvement of existing irrigation systems

FIS: Flow Irrigation System, LIS: Lift Irrigation System, DTW: Deep Tube Well, STW: Shallow Tube Well

¹ This Detailed Scope of Works described here is based on the Chapter 6 of the Preparatory Study for this project. However, during the detailed fact finding mission on September 2010, some of the components are dropped or added due to the necessity, manageability, nature of the Japanese ODA.

2 Farmers Support Component

The Farmers Support Component is composed of i) Organization of farmers' groups, ii) Vegetable promotion, iii) Food grains productivity improvement, and iv) Promotion of food processing.

Summary of Farmers Support Component

Name of Program	Implemented by	Aim
1. Formation and formalization of farmers group	Consultant, External resource agencies (SAMETI, KVK, University & Research Institute, NGO), PMU	Formation of the farmers group for management of irrigation facilities and enhancement of agriculture activities
2. Vegetable promotion	External resource agencies (SAMETI, KVK, University & Research Institute, NGO), Consultant, PMU and Farmers	Enhancement of vegetable cultivation technologies of farmers and development of the capacity of extension officers
3. Food grains productivity improvement	External resource agencies (SAMETI, KVK, University & Research Institute, NGO), Consultant, PMU and Farmers	Enhancement of food grain cultivation technologies of farmers and development of the capacity of extension officers
4. Promotion of post-harvest processing	External resource agencies (SAMETI, KVK, University & Research Institute, NGO), Consultant, PMU, private sector and SHG	Enhancement of food processing technologies of farmers and development of the capacity of extension officers

SAMETI: State Agricultural Management and Extension Training Institute, KVK: Krish Vigyan Kendra: Agriculture /Farm Science Centre.

2.1 Organization of Farmers Group

For the sake of efficient implementation of farmers training, as well as for ensuring the participatory operations and maintenance of irrigation facilities from the planning stage, a farmers group shall be organized in each community. Also for the income generating activities including vegetable processing and sales, Self-Help Group (SHG) of women shall be organized.

Activities to empower farmers and improve the capacities of local communities will be conducted as below, mainly facilitated by community motivators, under management and supervision of the PMU staff.

a. Awareness camp	<ul style="list-style-type: none"> Explanation of the project activities to the community in the sub-project sites and raising the interest and involvement in the Project.
b. Formation and formalization of farmers group	<ul style="list-style-type: none"> Workshops of farmers to develop objectives and norms of construction, O&M, water distribution, financial management and external relations Training for Management Committee (MC) members on role and responsibility of office bearers and introduction of key topics for farmers group Exposure visit of MC members to well-functioning Water Users' Association and farmers organization in other states

c. Capacity development of farmers group/SHG on participatory management processes and institutional development	<ul style="list-style-type: none"> • Training to MC members on participatory management processes including leadership, communication and conflict resolution • Training of office bearer on communication, leadership and participation • Workshop on resource mobilization and revenue collection • Training on accounting principles and practices: accounts, book keeping, financial audit and financial disclosures • Training of SHG members on credit management • Training of office bearers of SHG on book keeping and accounts • Workshop of SHG members on promotion and management of business micro-enterprises • Refresher training of MC members on accounts
d. Capacity development of Management Committee members on O&M of irrigation and water management	<ul style="list-style-type: none"> • Workshop to discuss principles and practices of irrigation and water management • Training on water use planning for equitable water distribution • Field training on basic engineering skills with reference to land-levelling, drainage, water courses, field channels etc.
e. Capacity development support to sub-project farmers for enhancement in income through agricultural production and crop diversification	<ul style="list-style-type: none"> • Field training on cultural and management practices for cultivation of high-value vegetable crops • Workshop on post-harvest management and sale of produce in markets of large cities at premium price • Training and demonstration on value addition in specific vegetable produce to SHG members
f. Promotion of federation of farmers group	<ul style="list-style-type: none"> • Workshop for development of cluster federation • Training or efficiency development of federation members • Workshop for development of regional federation (Block PMU) • Workshop for development of apex federation

2.2 Vegetable Promotion

The Agriculture Development Officers (ADO) and Agriculture Extension Officers (AEO) assigned in PMU will be trained on vegetable cultivation technologies under Technical Cooperation Project, in cooperation with such resources agencies SAMETI, KVK, universities. The trained ADO and AEO will establish a demonstration plot of 500 ha including 500m² of micro irrigation poly-house facility at the farmers plots for each sub-project site and will undertake a series of field demonstration of vegetable cultivation based on the needs and level of farmers in the area. ADO and AEO will organize a field day program for each cultivation season and share the experience of the demonstration plot. It is expected to collaborate with government program for poly house construction under National Bank for Agriculture and Rural Development (NABARD) for extension of the technologies from the demonstration farm to other farm. The program components are described below.

a. Orientation and need assessment	<ul style="list-style-type: none"> • Explanation to farmers on outline of a series of demonstration, checking their level, assessing training needs
b. Farm economy management training	<ul style="list-style-type: none"> • Training of farmers groups with the support of community motivators, and monitoring of farm economy management and periodical evaluation
c. Techniques of organic fertilizers making & application	<ul style="list-style-type: none"> • Production of liquid manure and compost through training of farmers groups by extension officers and community motivators
d. Cultivation practices	<ul style="list-style-type: none"> • Trial cultivation of vegetables (cauliflower, tomato, potato, peas, garlic, onion, exotic vegetables) through training of farmers groups by extension officers with the support of community motivators
e. Cropping pattern arrangement	<ul style="list-style-type: none"> • Trial to modify cropping pattern based on the result of farm economy management, trial cultivation, market price, weather condition, varieties by training of farmers groups with the support of community motivators
f. Demonstration at collection centers	<ul style="list-style-type: none"> • Construction of model collection centres in 28 selected sub-project sites • Trial grading, packing and cooling for shipping through training of farmers groups by extension officers and community motivators
g. Demonstration of poly house	<ul style="list-style-type: none"> • Training for PMU Staff (ADO and AEO) • Trial cultivation of vegetables using poly-house and micro irrigation facilities through training of farmers groups by extension officers and community motivators
h. Program for next generation	<ul style="list-style-type: none"> • Training for PMU Staff (ADO and AEO) • Field trials and demonstration in school vegetable garden, supply materials and tools, practices by school clubs, school fairs and festivals

2.3 Food Grains Productivity Improvement

The ADO and AEO assigned in PMU will be also trained by the State Government institution of SAMETI, KVK, universities, research institutions and the project consultants for the food grains cultivation technologies aiming at improvement of productivity. The trained ADO and AEO will conduct regular training for improvement of food grains cultivation to farmers, on such techniques as seed selection, sterilizing, seeding, transplanting, as well as application of compost and organic fertilizers.

2.4 Promotion of Post-Harvest Processing

The community motivators assigned in the PMU will be trained by the State Government institution of SAMETI, KVK, universities and/or project consultants for the post harvest processing at first. The trained community motivators will give necessary technologies to SHG organized in each village. Since the activities are expected to link up to the private

sector, the regular meetings among SHGs and private sectors will also be organized.

a. Small scale agro-processing	<ul style="list-style-type: none"> • Orientation workshop for SHG • Training for SHG on group management and accounting including budget planning and monitoring of income and expenditure • Training on post-harvest, processing and other income generation activities
b. Public Private Partnership (PPP)	<ul style="list-style-type: none"> • Periodical meetings with stakeholders (growers, commission agents, wholesalers, retailers, consumers, extensions and researchers) to explore business opportunities through exchange of views and opinions among stakeholders

3. Institutional Development Program

Proposed Institutional Development Program consists of 3 components of i) Strengthening of DOA, ii) Strengthening of Extension Service Function and iii) Baseline Survey and Impact Assessment.

Summary of the Institutional Development Program

Name of Program	Implemented by	Aim
Strengthening of DOA	DOA with external resources	To improve PMU management capacity for proposed ODA Loan Project
Strengthening of Extension Service Function	DOA with external resources	To improve the capacity of staff on PMU for effective implementation of the agriculture extension work, community mobilization and formation and formalization of group of farmers
Baseline Survey and Impact Assessment	PMU	To grasp the household data and measure the output and impact of the project interventions on the target population to monitor and evaluate the Project for the better implementation

3.1 Strengthening of DOA

For smooth implementation of the Project, management and planning capacity of the DOA staff need to be developed. Necessary human resources will be recruited on the contractual basis. Major components of the program are as follows.

a. Establishment of PMU	<ul style="list-style-type: none"> • Establishment of State PMU, 3 District PMUs and 8 Block PMUs • Deputation of DOA staff to PMU and recruitment of staff from the external resources
b. Setup of PMU Office at each level and procurement of equipments / tools for PMU Offices	<ul style="list-style-type: none"> • Office space, office furniture & equipments including computers, network servers • Transport facilities of vehicles and motorbikes • Visual aids equipment • Survey and design equipments
c. Capacity building of PMU staff	<ul style="list-style-type: none"> • Orientation workshop on project objective, outputs, approach

on planning, implementation, monitoring and management under the Plan-Do-Check-Action (PDCA) Cycle	<ul style="list-style-type: none"> of work, role clarification • Training of participatory irrigation management • Training events for PMU staff on PDCA cycle • Exposure visits to other states on farmers' group management
d. Establishment of Management Information System (MIS) & Geographic Information System (GIS) system	<ul style="list-style-type: none"> • Establishment of MIS & GIS facilities at State PMU and District PMUs • Development of appropriate softwares • Training for MIS & GIS staff

3.2 Strengthening of Extension Service Function

There are various stakeholders involved in extension service, such as extension officers (PMU staff), and community motivators² to support their activities at the community level, and external resources such as governmental institutions, universities and NGOs. This sub-component focuses on capacity development of these stakeholders and preparation of materials to be used for extension activities. However, since the capacity development for extension officers (PMU staff) was agreed to be covered by the Technical Cooperation Project, this item should be deleted from this Project to avoid duplication.

Items of capacity development required for each stakeholder are summarized below.

a. Preparation of information, education and communication (IEC) material for dissemination	<ul style="list-style-type: none"> • Preparation of design & contents for wall writing and posters on crop diversification • Wall writing and fixing posters in each sub-project site • Street play on present situation of marginal and small farmers and improvement through crop diversification, organizing farmers group and irrigation • Publication of handouts and manuals on crop diversification to specific vegetables production and irrigation water management • Preparation of video programs and display in each sub-project site • Farmers' fair in each cluster (once a year, for 5 years)
b. <u>Capacity development of extension officers (This activity has been agreed to be covered by the Technical Cooperation Project)</u>	<ul style="list-style-type: none"> • <u>Key topics of project; institutional development, irrigation management, agricultural productivity and marketing</u> • <u>O&M of minor irrigation system and soil conservation measures</u>
c. Capacity development of Community Motivators for efficient discharge of responsibility	<ul style="list-style-type: none"> • Training on institutional development processes like: organizing meeting, communication skills, documentation skills, elections etc. (Twice a year for 2 years) • Training on enhancing agricultural production through

² Community motivator is to be employed by the Project to be assigned to each sub-project site (a person who has resided in that very community when possible). Community motivators function as facilitators for group training and activities, trainers for farmers on certain techniques acquired through the training provided under the Project, as well as liaisons between the PMU and the sub-project site.

	<ul style="list-style-type: none"> crop diversification (Once a year from 3rd year onwards) • Training on promotion and strengthening of SHG (Twice a year for 3 years) • Training on facilitation for promotion of business micro-enterprises by SHG members • Training on fostering market linkages • Exposure visits of Community Motivators to projects of participatory irrigation management in other states
d. Strengthening of linkage among researchers, extension workers and farmers	<ul style="list-style-type: none"> • Workshop for strengthening of researchers, extension officers and farmer linkage (once every year from 3rd year onwards) • Field visit of researchers and extension workers to analyze the constraints in field and include them in research agenda (in every Block PMU area)

3.3 Baseline Survey and Impact Assessment

The baseline, mid-line and end-line surveys would be arranged by PMU under support of the project consultants by employing outsourcing services of experienced survey agency, including universities and NGOs.

Data would be collected on the items listed as Operation and Effect Indicators of the Project, as well as other items to be affected in the long term, e.g., profile of assets, resource situation and profile of livelihoods etc. Data on these long-term aspects will be collected and analyzed so that changes in them could be recorded at the time of terminal evaluation. Data on these would be collected during the survey and analyzed for interpretation.

The terminal impact assessment, in addition to data collection from the selected sub-project locations, will also gather information from non-project locations in other areas as a control group to compare achievements of the Project. This will be in addition to comparison against baseline information from the project area.

Major components of the program are as follows. The number of samples here are suggested by the Preparatory Survey Team for this Project as below, but it could be determined by PMU after commencement of the Project.

a. Baseline survey	<ul style="list-style-type: none"> • Household survey in approximately 21 sites (10% of 210 candidate Sub-project sites in the short list), 20 samples in each sites (total 400 households) • Survey to be carried out by resource agency, supervised by District PMU at each site, under overall coordination of State PMU with technical and managerial support by project consultant for TOR preparation, selection of survey contractors, field execution, analysis & evaluation, report preparation, dissemination
b. Mid-term impact assessment	<ul style="list-style-type: none"> • Household survey in 9 sites (10% of implemented sites), 20 samples in each sites (180 samples) • Community-based Impact Assessment (CBIA) for capturing indicators of change in 9 sites (10% of implemented sites)

	<ul style="list-style-type: none">• Survey to be carried out by resource agency, supervised by District PMU at each site, under overall coordination of State PMU
c. Terminal impact assessment	<ul style="list-style-type: none">• Household survey in 12 sites (5% of implemented sites), 20 samples in each sites (240 samples)• Community-based Impact Assessment (CBIA) for capturing indicators of change in 9 sites (10% of implemented sites)• Survey to be carried out by resource agency, supervised by District PMU at each site, under overall coordination of State PMU

Cost for Infrastructure Development and Improvement

(Unit: Rs.'000)

Particulars of Activity	Unit Cost	Quantity	Amount	Remarks
1. Minor Irrigation System				
1.1 Construction of Minor Irrigation System				
Flow Irrigation System	250.0	1,307 ha	326,750	75 sub-projects
Lifting Irrigation System	390.0	745 ha	290,550	44 sub-projects
Deep Tube Well System	350.0	471 ha	164,850	31 sub-projects
Shallow Tube Well System	240.0	293 ha	70,320	21 sub-projects
1.2 Improvement of Minor Irrigation System				
Flow Irrigation System	240.0	513 ha	123,120	11 sub-projects
Lifting Irrigation System	370.0	383 ha	141,710	28 sub-projects
1.3 Survey, Investigation & Design		5 %	56,000	(rounded)
Sub-total of 1			1,173,300	210 Sub Projects
2. Access Farm Road				
2.1 Construction of Access Farm Road				
Plain Terrain (Una)	0.0	0.00 km	0	
Sub-mountainous Terrain (Bilaspur, Hamirpur)	0.0	0.00 km	0	
Mountainous Terrain (Mandi, Kangra)	0.0	0.00 km	0	
2.2 Improvement of Access Farm Road				
Plain Terrain (Una)	300.0	24.00 km	7,200	22 sub-projects
Sub-mountainous Terrain (Bilaspur, Hamirpur)	500.0	25.00 km	12,500	23 sub-projects
Mountainous Terrain (Mandi, Kangra)	700.0	51.00 km	35,700	41 sub-projects
2.3 Survey, Investigation & Design		15 %	8,000	(rounded)
Sub-total of 2			63,400	96 sub-projects
3. Micro-irrigation system for Demonstration				
3.1 Construction of Micro-irrigation system				
Micro-irrigation system	420.0	52 sites	21,840	1 demonstration farm for 4 sub-projects
Sub-total of 3			21,840	
Total			1,258,540	

Source: estimated by JICA Preparatory Survey Team

Cost for Infrastructure Development Support

(Unit: Rs.'000)

Particulars of Activity	Unit Cost	Quantity	Amount	Remarks
1. Induction Workshop for Community Motivators	54.0	15 times	810	2 persons x 210 sites, 28 persons per workshop
2. Awareness Camp involving Community	16.0	210 sites	3,360	100 persons per sites
3. Formation and formalization of Farmers Group				
3.1 Workshop of Group to Develop Objectives & Norms	8.5	210 sites	1,785	Each site Introduction of key topics 30 times = (210sites) / (7 sites per time)
3.2 Training to MC Members on Role and Responsibility	67.0	46 times	3,082	
3.3 Exposure visit of MC members to WUA in Other States	80.0	30 times	2,400	
			7,267	
4. Capacity development of Farmers Groups on participatory management processes and institutional development				
4.1 Training of MC Members	72.8	30 times	2,183	30 times = (210 sites) / (7 sites per time)
4.2 Training of Women Members	84.6	15 times	1,269	15 times = (210 sites) / (14 sites per time)
4.3 Workshop on resource mobilization and revenue collection	27.4	15 times	411	15 times = (210sites) / (14 sites per time)
4.4 Training on Accounting Principles and Practices	118.8	15 times	1,782	15 times = (210sites) / (14 sites per time)
4.5 Training of SHG Members	3.9	210 sites	819	
4.6 Training of office-bearers of SHG	84.6	15 times	1,269	15 times = (210 sites) / (14 sites per time)
4.7 Workshop of SHG Members	7.2	210 sites	1,512	
4.8 Refresher training of MC Members	86.0	15 times	1,290	15 times = (210 sites) / (14 sites per time)
Sub-total			10,535	
5. Capacity development of MC members on O& M of irrigation and water management				
5.1 Workshop to discuss principal and practices of irrigation and water management	11.0	210 sites	2,310	30 times = (210 sites) / (7 sites per time)
5.2 Training on microplanning tools and techniques	72.8	30 times	2,183	
5.3 Field training on basic engineering skills	5.1	210 sites	1,071	
Sub-total			5,564	
6. Promotion of Federation of Farmers Groups				
6.1 Workshop for Cluster Federation Development	23.6	60 times	1,416	2 workshops in each cluster
6.2 Training for Efficiency Development of Members	60.4	8 times	483	36 federations, 2 training for 9 federations
6.3 Workshop for Development of Federation	22.4	16 times	358	8 Block PMUs x 2 times
6.4 Workshop for development of Apex Federation	37.5	2 times	75	
Sub-total			2,333	
7. Provision for support services				
7.1 Support services	65.0	210 sites	13,650	
Sub-total			13,650	
Total:-			43,518	

Grand Total (Infrastructure Development Component)

1,302,058

Cost for Farmers Support Program

(Unit: Rs.000)

Particulars of Activity	Unit Cost	No.	Amount	Trainers	Trainees
1. Vegetable Promotion					
1.1 Orientation & Need Assessment	7.0	210 sites	1,470	PMU (*1)	Farmers' Group
1.2 Farm Management			5,145		
1) Training of Bookkeeping	7.0	210 sites	1,470	PMU (*1)	Farmers' Group
2) Training of Budgeting & Monitoring	17.5	210 sites	3,675	PMU (*1)	Farmers' Group
1.3 Preparation Techniques			73,808		
1) Water Saving & Soil Conservation			16,170		
a. Training of Trainers	14.0	0 times	0	PMU (*2)	PMU (*1)
b. Training of Farmres Group	77.0	210 sites	16,170	PMU (*1)	Farmers' Group
2) Organic Fertilizer & Application			7,140		
a. Training of Trainers	20.9	0 times	0	PMU (*2)	PMU (*1)
b. Training of Farmres Group	34.0	210 sites	7,140	PMU (*1)	Farmers' Group
3) Assistance for Promotion of Vermi-Compost	7.8	2,650 No	20,670		
4) Exhibitions, Kisan Mela and Vegetable Shows	100.0	55 Unit	5,500		1 Farmer fair a year in all 3 DPMU & 8 BPMU for 5 years
5) Training in application of Fertilizer and Micro Nutrients with efficient Micro-Irrigation systems	105.8	230 Hect	24,328		
1.4 Cultivation Practice			27,405		
1) Strategic Vegetables Growing			16,485		
a. Training of Trainers	22.0	0 times	0	PMU (*2)	PMU (*1)
b. Cauliflower Growing	17.0	210 sites	3,570	PMU (*1)	Farmers' Group
c. Tomato Growing	45.5	210 sites	9,555	PMU (*1)	Farmers' Group
d. Potato & Peas Growing	16.0	210 sites	3,360	PMU (*1)	Farmers' Group
2) Exotic Vegetables Growing			10,920		
a. Training of Extension Workers	19.0	0 times	0	PMU (*2)	PMU (*1)
b. Training of Farmres Group	52.0	210 sites	10,920	PMU (*1)	Farmers' Group
5 Cropping Pattern Arrangement			4,095		
1) Training of Extension Workers	31.0	0 times	0	PMU (*2)	PMU (*1)
2) Training of Farmres Group	19.5	210 sites	4,095	PMU (*1)	Farmers' Group
1.6 Organic Pest Management and IPM			13,230		
1) Training of Extension Workers	54.5	0 times	0	PMU (*2)	PMU (*1)
2) Training of Farmers Group	33.0	210 sites	6,930	PMU (*1)	Farmers' Group
3) Exposure Visits	30.0	210 sites	6,300	PMU (*1)	Farmers' Group
1.7 Post-harvest Technique			11,970		
1) Training of Extension Workers	44.5	0 times	0	PMU (*2)	PMU (*1)
2) Training of Farmres Group	57.0	210 sites	11,970	PMU (*1)	Farmers' Group
1.8 Farm Mechanization			20,070		
1) Training of Extension Workers	29.5	1 times	30	PMU (*2)	PMU (*1)
2) Training of Farmres Group	167.0	120 sites	20,040	PMU (*1)	Farmers' Group
1.9 Micro-irrigation and Poly-house			2,130		
1) Training of Extension Workers	29.5	1 times	30	PMU (*2)	PMU (*1)
2) Training of Farmres Group	10.0	210 sites	2,100	PMU (*1)	Farmers' Group

Attachment 7-2

Particulars of Activity	Unit Cost	No.		Amount	Trainers	Trainees
1. 10 Program for Next Generation				<u>6,030</u>		
1) Training of Extension Workers	29.5	1	times	30	PMU (*2)	PMU (*1)
2) 2) Training of Farmres Group	100.0	60	sites	6,000	PMU (*1)	Farmers' Group
1. 11 Construction of Collection Centers	3,700.0	23	sites	<u>85,100</u>		
1. 12 Recruitment of Community Motivators	126.0	210	sites	<u>26,460</u>		
Total				<u>276,913</u>		
2. Food Grain's Productivity						
2. 1 Improvement of Food Grain Productivity				<u>12,600</u>		
1) Training of Extension Workers	25.8	0	times	0	PMU (*2)	PMU (*1)
2) Training of Farmres Group	60.0	210	sites	12,600	PMU (*1)	Farmers' Group
Total				<u>12,600</u>		
3. Promotion of Post Harvest Processing						
3.1 Small Scale Agro-Processing				<u>28,455</u>		
1) Orientation Workshop for SHG	9.0	210	sites	1,890	PMU (*1)	SHG Members
2) Training of Accounting for SHG	5.0	210	sites	1,050	PMU (*1)	SHG Members
3) Training of Budgeting & Monitoring	20.0	210	sites	4,200	PMU (*1)	SHG Members
4) Training of Organic Fertilizer	34.0	210	sites	7,140	PMU (*1)	SHG Members
5) Training of Seedling Raising	53.0	210	sites	11,130	PMU (*1)	SHG Members
6) Training of Food Processing	14.5	210	sites	3,045	PMU (*2)	SHG Members
3.2 Public Private Partnership	140.0	15		<u>2,100</u>	PMU	Stakeholders
Sub-total (3.1 to 3.2)				<u>30,555</u>		
Total				<u>30,555</u>		
Grand Total				<u>320,068</u>		

Note PMU (*1): ADO & AEO in Block PMU

PMU (*2): Project Consultant and Resource Agencies

Training for Extension Officers will be conducted by the Technical Cooperation Project.

Cost Breakdown for Institutional Development Component

1. Strengthening of DOA

(Unit: Rs.'000)

Particulars of Activity	Unit Cost	Quantity	Amount	Remarks
1. Recruitment of PMU Staff (Out-Source)				
1.1 State PMU	1,560.00	7.0 years	10,920	1 location
1.2 District PMU	6,480.00	6.0 years	38,880	3 locations
1.3 Block PMU	23,400.00	6.0 years	140,400	8 locations
Sub -Total:-			190,200	
2. Capacity Development of Project Staff on PDCA Cycle				
2.1 Orientation Workshop of PMU Staff	72.50	2 times	145	State PMU (*1),D&B-PMU Staff,30 persons
2.2 Training of District & Block Project Managers on PLM	40.00	12 persons	480	Block Project Mangers
2.3 Training for PMU Staff on PDCA Cycle	160.50	2 times	321	PMU (*1),D,B-PMU Staff at District PMU
2.4 Exposure Visits of PMU Staff (Other States)	195.00	2 times	390	D&B-PMU Staff
2.5 Peer Learning Workshop	140.00	2 times	280	PMU (*1)D&B-PMU Staff40 persons
Sub -Total:-			1,616	
3. Establishment of MIS & GIS and Monitoring System				
3.1 Establishment of MIS & GIS at PMU	1,400.00	1 L. S.	1,400	
3.2 Development of appropriate software	5,494.00	1 L. S.	5,494	
3.3 Training of PMU Staff on MIS & GIS	83.50	9 times	752	each District PMU in 3 years
Sub -Total:-			7,646	
4. Procurement of Equipment and Tools to PMU				
4.1 Project Office	17,850.00	1 location	17,850	New construction i/c Hiring charges for 1st Two Years
4.2 Rented accomodation for office space for District PMU	30.00	252 months	7,560	3 D-PMUs , 7 years, Rs.30,000 per month(New Construction / Hiring Charges)
4.3 Rented accomodation for office space for Block PMU	20.00	672 months	13,440	8 B-PMUs) 7 years, Rs.20,000 per month(New Construction /Hiring Charges)
4.3 Furriture & office-equipments, computer network system	910.00	12 location	10,920	Including computer servers, audio visual aids (projecters)
4.4 Transport facilities at PMU (pick-up vans & car) including hiring up of vehicle	20,300.00	1 LS	20,300	
4.5 Visual aids extension equipments such as; LCD projectors, Camera	150.00	12 location	1,800	
4.6 Survey and design equipments at PMU	24,785.00	1 LS	24,785	
Sub -Total:-			96,655	
Total:-			296,117	

Cost Breakdown for Institutional Development Component

2. Strengthening of Extension Service Function

(Unit: Rs.'000)

Particulars of Activity	Unit Cost	Quantity	Amount	Remarks
1. Preparation of Information, Education and Communication (IEC) Material for Dissemination				
1.1 Posters	200.0	1	200	5 kinds per year, for 3 years
1.2 Wall writings & fixing of posters	1.0	210 sites	210	
1.3 Street plays on present situation and improvement	4.0	210 sites	840	
1.4 Publication of handouts and manuals	450.0	1	450	
1.5 Preparation of video programs	1,000.0	1	1,000	10 programs per year, for 3 years
1.6 Display of video shows in project villages	3.0	210 sites	630	
1.7 Farmers' fair in each Cluster	260.0	30 times	7,800	once a year for 5 years in each cluster
Sub Total:-			11,130	
2. Capacity Development of Extension Staff				
Training of Agriculture Extension Staff	131.0	0 times	0	Once a year for 2 years at each Block PMU
2.2 Training of Engineering Staff	94.6	0 times	0	on O&M and soil conservation measures
Sub Total:-			0	
3. Capacity Development of Community Motivators for Efficient Discharge of their responsibility				
3.1 Training on Institutional Development Processes	114.9	48 times	5,515	Twice a year for 3 years at each Block PMU
3.2 Training on basics of irrigation management	79.6	24 times	1,910	Once a year for 3 years at each Block PMU
3.3 Training on enhancing agricultural production	79.6	24 times	1,910	Once a year from 3rd year onwards at each Block PMU
3.4 Training on promotion and strengthening of SHG	108.9	48 times	5,227	Twice a year for 3 years at each Block PMU
3.5 Training on facilitation for business promotion of SHG	114.9	16 times	1,838	Once a year for 2 years at each Block PMU
3.6 Training on fostering market linkages	79.6	16 times	1,274	Once a year for 2 years at each Block PMU
Exposure Visits on Participatory Irrigation Management	140.0	4 times	560	Andhra Pradesh/ Gujrat/ M.P.
3.8 Peer Learning Workshop for Community Motivators	117.0	4 times	468	
Sub Total:-			18,703	
4. Strengthening of Research- Extension- Farmer Linkages	191.0	4 times	764	Once a year from 3rd year onwards
5. Joint Field Visit of Researcher & Extension Staff	12.0	40 times	480	Once a year in each Block PMU
6. Overseas Training, Exposure/Study Visits of Project	500.0	25 Persons	12,500	
Total:-			43,577	

Cost Breakdown for Institutional Development Component

3. Baseline Survey and Impact Assessment

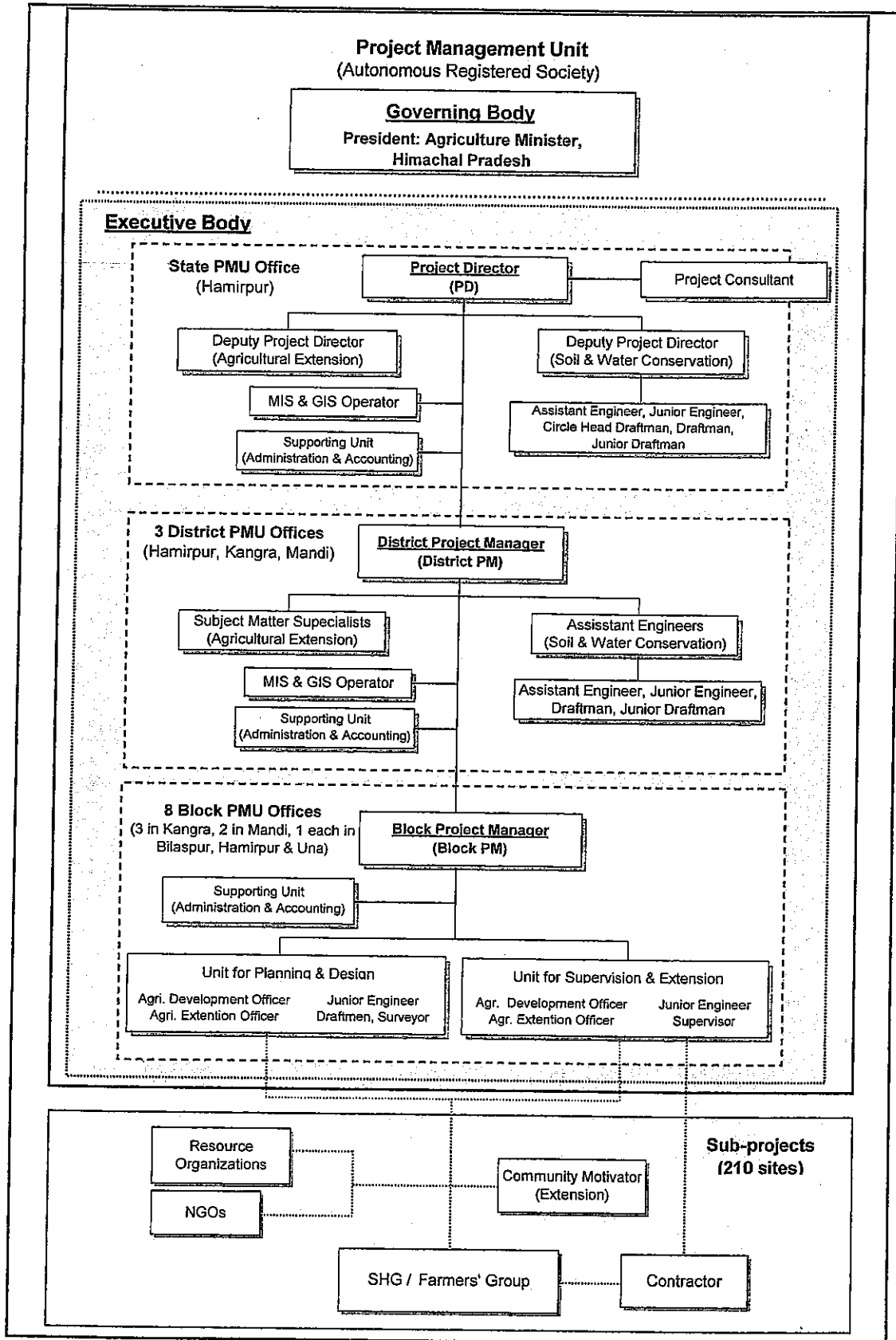
(Unit: Rs.'000)

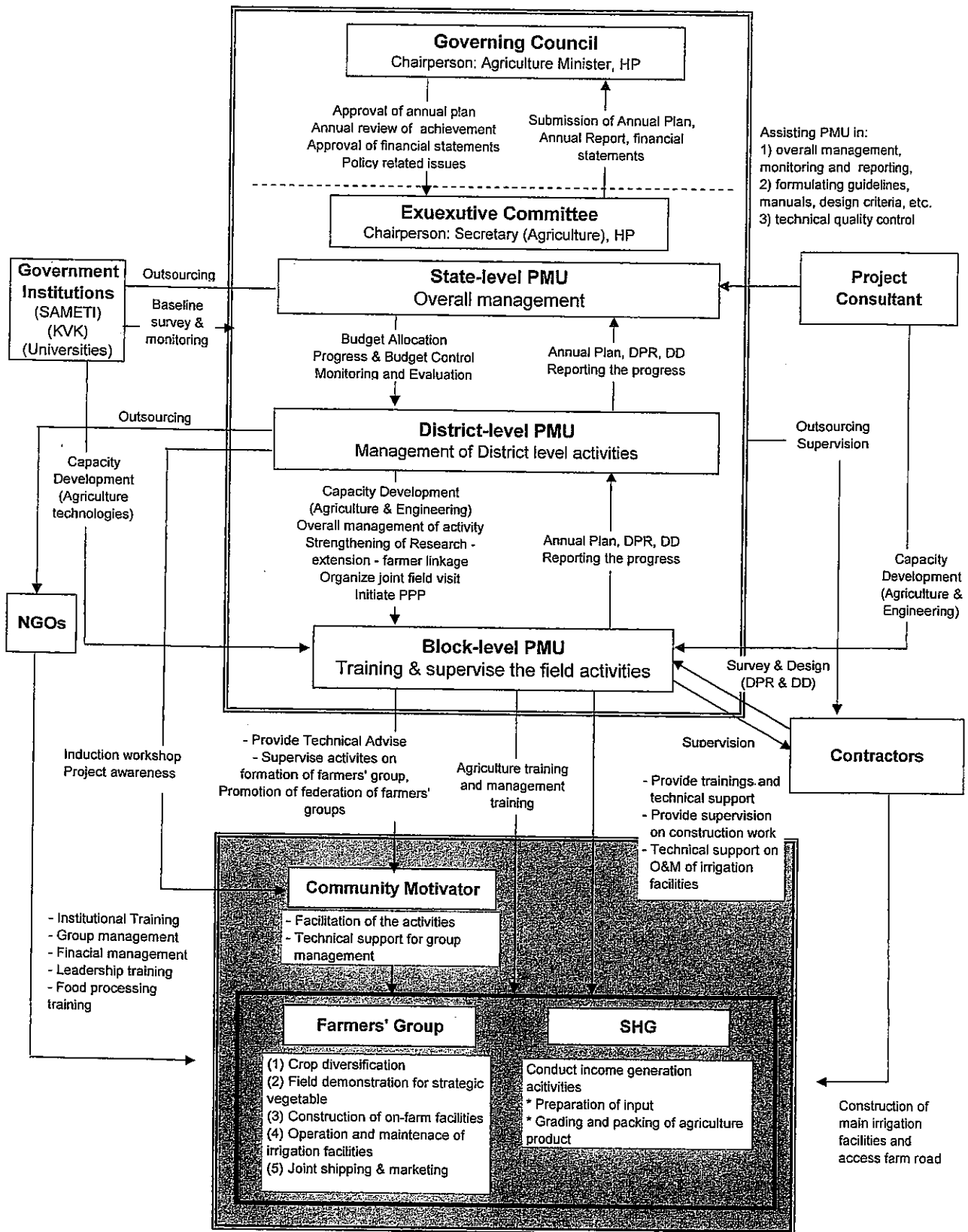
Particulars of Activity	Unit Cost	Quantity	Amount	Remarks
1. Baseline Survey				
1.1. Development of tool, guideline & formats	184.0	1	184	Sampling techniques and procedures to be included
1.2 Pilot testing of questionnaire	17.0	1	17	
1.3 Modification & revision in questionnaire & printing	48.5	1	49	
1.4 Orientation- training of survey team	47.5	1	48	
1.5 Field work: Collection of data & supervision	728.0	1	728	
1.6 Data entry, analysis and preparation of draft report	105.7	1	106	
1.7 Discussion, feedback and finalization of draft report	48.0	1	48	
1.8 Coordination & administration	15%	1	177	15% of the above total
Sub Total:-			1,356	
2. Mid-term Impact Assessment				
2.1 Development of design, tool, guideline & formats	136.0	1	136	Sampling techniques and procedures to be included
2.2 Preparation of design, lead questions or CBIS	102.0	1	102	Community-based Impact Assessment to capture indications
2.3 Hindi translation and printing of formats	13.3	1	13	
2.4 Orientation of team undertaking assessment	41.9	1	42	
2.5 Field work: Collection of data and supervision for quality	326.3	1	326	
2.6 Field work for Community-based Impact Assessment:	78.6	1	79	Focus Group Discussion with Farmers Group members
2.7 Data entry, CBIA data compilation, analysis and draft report	116.2	1	116	
2.8 Discussion, feedback, preparation of final report	58.0	1	58	
2.9 Coordination & administration	15%	1	131	15% of the above total
Sub Total:-			1,003	
3. Terminal Impact Assessment				
3.1 Development of design, tool, guideline & formats	119.0	1	119	Sampling techniques and procedures to be included
3.2 Preparation of design, lead questions for CBIA	136.0	1	136	CBIA: Community-based Impact Assessment
3.3 Hindi translation and printing of formats	22.0	1	22	
3.4 Orientation of team undertaking assessment	47.5	1	48	
3.5 Field work: Collection of data & supervision for quality	398.4	1	398	
3.6 Field work for CBIA:	326.4	1	326	Focus Group Discussion with Farmers Group members
3.7 Data entry, CBIA data compilation, analysis and draft report	231.6	1	232	
3.8 Discussion, feedback, preparation of final report	58.0	1	58	
3.9 Coordination & administration	15%	1	201	15% of the above total
Sub Total:-			1,540	
Total:-			3,899	

Grand Total (Institutional Development Component)

343,593

Project Management Unit





Standard Schedule for Employment of Consultants

Action	Timing	Standard Duration Required	Relevant Provision of L/A	Remarks
Issuance of EOI	Nov 2010	3 months (including 45 days for press)	NIL	Procurement can be started after the Prior Notification by GOJ to GOI as per OECD rules (in principle).
Submission of SL, TOR and RFP for JICA's review and concurrence	Feb 2011	0.8 months	Section 4 (1) of Schedule 4	TOR in addition to manning schedule and cost estimation should be agreed between DOA and JICA at the time of JICA's Appraisal Mission (Section 3.03 of the GL).
JICA's concurrence	Mar 2011 (only after L/A)	0.2 months		If JICA has no comments on it, its concurrence is issued in 2 weeks.
Issuance of RFP to short listed firms	Mar 2011	3 months (1.5 months for bid period + 1.5 months for analysis)	NIL	At least 45 days should be provided to consulting firms to prepare their proposals (Section 3.05(3) of the GL).
Submission of result of analysis of technical proposals for JICA's review and concurrence	Jun 2011	1 month	Section 4 (2) of Schedule 4	Quality and Cost Based Selection is adopted and proportion between Quality and Cost is 80:20 (Section 3.02 of the GL).
JICA's concurrence	Jul 2011	1 month		If JICA has no comment on it, its concurrence is issued in 2 weeks.
Submission of result of evaluation of proposals of the highest-ranked consultant for JICA's review and concurrence	Aug 2011	1 month	Section 4 (3) of Schedule 4	Before initiating contract negotiations, it should be submitted.
JICA's concurrence	Sep 2011	1 month		If JICA has no comment on it, its concurrence is issued in 2 weeks.
Conclusion of contract	Oct 2011	1 month	NIL	
Submission of a duly copy of contract for JICA's review and concurrence	Nov 2011	1 month	Section 4 (6) of Schedule 4	
JICA's concurrence	Dec 2011 (only after effectuation of L/A)	1 month		If JICA has no comment on it, our concurrence is issued in 2 weeks.
Total		13 months (12 months fill awarding the contract)		

Attachment 11

Applicable Guidelines: Guidelines for the Employment of Consultants under Japanese ODA Loans (March 2009)
 Applicable Sample Bidding Document: Sample Request for Proposals under Japanese ODA Loans (September 2009)
 Other Applicable Document: Guide for Evaluation Procedures for Employment of Consultants under Japanese ODA Loans (December 2006, Amend December 2009)

Principles of Procurement under the Project

Guidelines

1. Procurement of goods and services for the Project shall be implemented in accordance with "Guidelines for Procurement under Japanese ODA Loans" dated March 2009 and selection of consultants shall be in accordance with "Guidelines for Employment of Consultants under Japanese ODA Loans" dated March 2009. The Executive Agency (EA) may make the use of the domestic procurement rules, but JICA's guidelines should overrule whenever JICA's guidelines and such procurement rules are in conflict.

Consulting Services

2. Whereas requirements of JICA's review and concurrence would be stipulated in the Loan Agreement, JICA's review and concurrence is usually required for (a) Short-list, Terms of Reference, and Letter of Invitation (Request for Proposal), (b) evaluation results of proposals, and (c) contract (ex-post concurrence). EA agreed to start preparation of TOR, Letter of Invitation (Request for Proposal), Short-list right after Government of Japan make prior-notification to the Government of India, without waiting for Exchange of Notes between both Governments and signing of Loan Agreement with JICA. Letter of Invitation may be prepared, with reference to JICA's sample documents. The key features of the JICA's consultant guidelines are as follows:
 - (a) Selection procedures of consultants should be Quality- and Cost-Based Selection (QCBS). 20% of the financial proposal, 80% of the technical proposal will be evaluated for selection of international consultant.
 - (b) Information on JICA's files on consultants is available, at the request of the Borrower.
 - (c) Short list should normally consist of not less than three and not more than five consultants.
 - (d) Letter of Invitation should stipulate the details of the selection procedure including technical evaluation categories and the weight for evaluation.
3. However, for cases where QCBS is not the most appropriate, other methods of selection, such as Quality-Based Selection (QBS) or Single-Source Selection (SSS) are applied. QBS is a method based on evaluating only the quality of the technical proposals and the subsequent negotiation of the financial terms and the contract with the highest ranked consultant. QBS should be applied only for the following types of assignments.
 - (a) Complex or highly specialized assignments for which it is difficult to define precise TOR and the required input from the consultants;
 - (b) Assignments where the downstream impact is so large that the quality of the service is

- of overriding importance for the outcome of the project (for example, engineering design of major infrastructure);
- (c) Assignments that can be carried out in substantially different ways such that financial proposals may be difficult to compare; and
 - (d) Assignments including supervision of large and complex construction works for which it is particularly important to take safety measures.
4. SSS shall be used only in exceptional cases. SSS may be appropriate only if it presents a clear advantage over competition:
- (a) For tasks that represent a natural continuation of previous work carried out by the firm;
 - (b) In emergency cases, such as in response to disasters;
 - (c) For very small assignments; or
 - (d) When only one firm is qualified or has experience of exceptional worth for the assignment
5. Letter of Invitation (Request for Proposal) usually includes the following:
- (a) Letter;
 - (b) Project Information including (i) introduction and information about the project background, (ii) project description, (iii) information on the area, and (iv) organization to implement the Project;
 - (c) Other Relevant Information including (i) technical information, (ii) relevant laws and regulations, and (iii) service provided by the Employer;
 - (d) Terms of Reference including (i) purpose, (ii) scope of consulting services, (iii) reporting, and (iv) provisions required by JICA;
 - (e) Information to Consultants in Preparation of Proposal;
 - (f) Evaluation Criteria; and
 - (g) Contract Conditions.

Procurement Package and Methods

6. The tender and contract packaging was based on nature of goods and services, and consideration of optimal package size—as large as possible—to attract the maximum participation from capable companies. Packages of procurement of goods and services under Public Awareness Components, which involve many small contracts and are implemented by direct contracting, shopping, LCB or other methods, are not able to be finalized at this stage, but will be determined by EA.
7. According to JICA's Procurement Guidelines, International Competitive Bidding (ICB) is applied in general. When procurement of good and services is made through small

contracts and evidently does not attract foreign companies, National (Local) Competitive Bidding (LCB) may be applied and national and state procurement rules can be applied while abiding by four principles of "Guidelines for Procurement under JICA ODA Loans" dated March 2009: economy, efficiency, non-discrimination among eligible bidders, and transparency. EA agreed to request JICA for prior concurrence in cases of a change in procurement methods.

Sample Documents

8. EA agreed to use JICA's Sample Bidding Documents with necessary modification suitable to needs for each package.

Principles of Procurement of Goods and Services

9. The key principles for procurement of goods and services in the Project are as follows:
 - (a) Preferential treatment of Indian companies is not acceptable under international competitive bidding.
 - (b) JICA's Procurement Guidelines do not allow price negotiation in principle. EA may conduct price negotiation with the lowest evaluated bidders only in exceptional cases subject to consultation with JICA, where the lowest evaluated bidder's price is substantially higher than credible estimates, as stipulated in Clause 5.10 of JICA's Procurement Guidelines. JICA is afraid that price negotiation may deteriorate quality of goods and works, and ultimately lead to higher prices including a cushion in bid prices to be given up for negotiation.
 - (c) Contract documents should have adequate price adjustment mechanism and fair claim and dispute resolution procedure based on international rules.
 - (d) A list of taxes and duties imposed and exempted should be clearly indicated in the tendering document to avoid any confusion and disputes with bidders.
 - (e) Submission of alternative bids may be allowed when it is clearly stipulated in the bidding documents, but those of the lowest evaluated bidders alone should be evaluated.
 - (f) In case of slice and package tendering, while bidders are allowed to participate in more than one package, EA may choose a combination of bidders to obtain the lowest evaluated prices as a whole and evaluate qualification of those bidders through predetermined prequalification criteria stipulated in prequalification and tendering documents.
 - (g) In cases of two-envelop procedures (with regard to any contract the value of which is estimated to be not less than THREE BILLION Japanese Yen (¥3,000,000,000)), EA has to request for JICA's concurrence in evaluation of technical bids before opening financial bids.
 - (h) Consultant Guidelines introduces the Borrower's debriefing to unsuccessful consultants

as follows: "If any consultant who submitted a proposal wishes to ascertain the reasons why its proposal was not selected, such consultant should request an explanation from the Borrower. The Borrower shall promptly provide an explanation as to why its proposal was not selected." In addition, Procurement Guidelines introduces the Borrower's debriefing to unsuccessful bidders as follows: "If any bidder who submitted a bid wishes to ascertain the reasons why its bid was not selected, such bidder should request an explanation from the Borrower. The Borrower shall promptly provide an explanation as to why its bid was not selected."

JICA's Review and Concurrence for Procurement

10. Whereas requirements of JICA's review and concurrence would be stipulated in the Loan Agreement, JICA's review and concurrence is, depending on the estimated contract amount, usually required for (i) prequalification documents, (ii) prequalification evaluation results, (iii) tender documents, (iv) tender evaluation results, and (v) contract (ex-post concurrence).

Table: Requirement of JICA's Review and Concurrence
(subject to the stipulations of the Loan Agreement)

	Less than 1,000 million yen	Not less than 1,000 million yen	Not less than 3,000 million yen
Prequalification Evaluation Criteria	No	No	Required
Prequalification Evaluation Result	No	Required (In case of P/Q)	Required (In case of P/Q)
Tender Document	No	No	Required
Tender Evaluation Result	No	Required	Required
Contract	Required (In case of ICB)	Required	Required

Procurement and Implementation Methods

Particulars of Activity	Proponent / Owner	Executer / Contractor	Procurement Method
1. Strengthening of DOA			
1.1 Recruitment of PMU Staff (Out-source)			
1.1.1 State PMU	DoA	DoA	Direct undertaking
1.1.2 District PMU	DoA	DoA	Direct undertaking
1.1.3 Block PMU	DoA	DoA	Direct undertaking
1.2 Capacity Development of Project Staff on PDCA Cycle			
1.2.1 Orientation Workshop of PMU Staff	PMU	PMU/Consultant	Direct undertaking
1.2.2 Training of District & Block Project Managers on PIM	PMU	PMU/Consultant	Direct undertaking
1.2.3 Training for PMU Staff on PDCA Cycle	PMU	PMU/Consultant	Direct undertaking
1.2.4 Exposure Visits of PMU Staff	PMU	PMU/Consultant	Direct undertaking
1.2.5 Peer Learning Workshop	PMU	PMU/Consultant	Direct undertaking
1.3 Establishment of MIS & GIS and monitoring system			
1.3.1 Establishment of MIS & GIS at PMU	PMU	Consultant	Direct undertaking
1.3.2 Development of appropriate software	PMU	Consultant/Developer	Direct undertaking / Local Bidding
1.3.3 Training of PMU Staff on MIS & GIS	PMU	Consultant	Direct undertaki
1.4 Procurement of equipment and tools to PMU			
1.4.1 Project Office	PMU	Contractor	Local Bidding
1.4.2 Rented accomodation for office space	PMU	PMU(D)	Direct undertaking
1.4.3 Furniture & office-equipments, computer network system	PMU	Supplier	Local Bidding
1.4.4 Transport facilities at PMU (pick-up vans and car)	PMU	Supplier	Local Bidding
1.4.5 Visual aids extension equipments (e.g., LCD projectors,	PMU	Supplier	Local Bidding
1.4.6 Small and portable farm machinery for farm trials	PMU	Supplier	Local Bidding
1.4.7 Survey and design equipments at PMU	PMU	Supplier	Local Bidding
2. Strengthening of Extension Service Function			
2.1 Preparation of Information, Education and Communication (IEC) Material for Dissemination	PMU	PMU(D)	Direct undertaking
2.2 Capacity Development of Community Motivators for Efficient Discharge of their Responsibility			
2.2.1 Training on Institutional Development Processes	PMU	PMU(B) / Resources Agency	Direct undertaking / Direct Appointment / Local Bidding
2.2.2 Training on basics of irrigation management	PMU	PMU(B) / Resources Agency	Direct undertaking / Direct Appointment / Local Bidding
2.2.3 Training on enhancing agricultural production	PMU	PMU(B) / Resources Agency	Direct undertaking / Direct Appointment / Local Bidding
2.2.4 Training on promotion and strengthening of SHG	PMU	PMU(B) / Resources Agency	Direct undertaking / Direct Appointment / Local Bidding
2.2.5 Training on facilitation for busiess promotion of SHG	PMU	PMU(B) / Resources Agency	Direct undertaking / Direct Appointment / Local Bidding
2.2.6 Training on fostering market linkages	PMU	PMU(B) / Resources Agency	Direct undertaking / Direct Appointment / Local Bidding
2.2.7 Exposure Visits on Participatory Irrigation Management	PMU	PMU(B) / Resources Agency	Direct undertaking / Direct Appointment / Local Bidding
2.2.8 Peer Learning Workshop for Community Motivators	PMU	PMU(B) / Resources Agency	Direct undertaking / Direct Appointment / Local Bidding
2.3 Strengthening of Research - Extension - Farmer Linkage	PMU	PMU(D)	Direct undertaking
2.4 Joint Field Visit of Resracher & Extension Staff	PMU	PMU(D)	Direct undertaking
3. Baseline Survey and Impact Assessment			
3.1 Baseline Survey	PMU	Resources Agency	Local Bidding
3.2 Midterm Impact	PMU	Resources Agency	Local Bidding
3.3 Terminal Impact Assessment	PMU	Resources Agency	Local Bidding

Procurement and Implementation Methods

Particulars of Activity	Proponent /Owner	Executer / Contractor	Procurement Method
4. Farmers' Support Component			
4.1 Vegetable Promotion			
4.1.1 Orientation & Need Assessment	PMU	PMU(D) / Consultant	Direct undertaking
4.1.2 Farm Management			
1) Training on Bookkeeping	PMU	PMU(B)	Direct undertaking
2) Training on Budgeting & Monitoring	PMU	PMU(B)	Direct undertaking
4.1.3 Preparation Techniques			
1) Organic Water Saving & Soil Conservation Training for Farmres' Group	PMU	PMU(B)	Direct undertaking
2) Organic Fertilizer & Application Training for Farmres' Group	PMU	PMU(B)	Direct undertaking
4.1.4 Cultivation Practice			
1) Strategic Vegetables Growing			
a. Cauliflower Growing	PMU	PMU(B)	Direct undertaking
b. Tomato Growing	PMU	PMU(B)	Direct undertaking
c. Potato & Peas Growing	PMU	PMU(B)	Direct undertaking
2) Exotic Vegetables Growing Training for Farmres' Group	PMU	PMU(B)	Direct undertaking
4.1.5 Cropping Pattern Arrangement			
1) Training for Farmres' Group	PMU	PMU(B)	Direct undertaking
4.1.6 Organic Pest Management and IPM			
1) Training for Farmers' Group	PMU	PMU(B)	Direct undertaking
2) Exposure Visits	PMU	PMU(B)	Direct undertaking
4.1.7 Post-harvest Technique			
1) Training for Farmers' Group	PMU	PMU(B)	Direct undertaking
4.1.8 Farm Mechanization			
1) Training for Extension Officers	PMU	PMU(D) / Consultant / Resources Agency	Direct undertaking / Direct Appointment / Local Bidding
2) Training for Farmers' Group	PMU	PMU(B)	Direct undertaking
4.1.9 Micro-irrigation and Poly-house			
1) Training for Extension Officers	PMU	PMU(D) / Consultant / Resources Agency	Direct undertaking / Direct Appointment / Local Bidding
2) Training for Farmers' Group	PMU	PMU(B)	Direct undertaking
4.1.10 Program for Next Generation			
1) Training for Extension Officers	PMU	PMU(D) / Consultant / Resources Agency	Direct undertaking / Direct Appointment / Local Bidding
2) Training for Farmers' Group	PMU	PMU(B)	Direct undertaking
4.1.11 Construction of Collection Centers	PMU	Contractor	Local Bidding
4.1.12 Construction of Poly-houses	PMU	Supplier	Local Bidding
4.1.13 Recruitment of Community Motivators	PMU(D)	PMU(B)	Direct undertaking
4.2 Food Grain's Productivity			
4.2.1 Improvement of Food Grain Productivity			
1) Training of Farmres' Group	PMU	PMU(B)	Direct undertaking
4.3 Promotion of Post Harvest Processing			
4.3.1 Small Scale Agro-Processing			
1) Orientation Workshop for SHG	PMU	PMU(B)	Direct undertaking
2) Training on Accounting for SHG	PMU	PMU(B)	Direct undertaking
3) Training on Budgeting & Monitoring	PMU	PMU(B)	Direct undertaking
4) Training on Organic Fertilizer	PMU	PMU(B)	Direct undertaking
5) Training on Seedling Raising	PMU	PMU(B)	Direct undertaking
6) Training on Food Processing	PMU	PMU(D) / Consultant / Resources Agency	Direct undertaking / Direct Appointment / Local Bidding
4.3.2 Public Private Partnership	PMU	PMU(D)	Direct undertaking

Procurement and Implementation Methods

Particulars of Activity	Proponent /Owner	Executer / Contractor	Procurement Method
5. Infrastructure Development Program			
5.1 Minor Irrigation System			
5.1.1 Survey/Design of Minor Irrigation System	PMU	PMU(B)	Direct undertaking
5.1.2 Construction/Improvement of Minor Irrigation System	PMU	Contractor / Farmers' Group	Local Bidding / Direct Appointment
5.2 Access Farm Road			
5.2.1 Survey/Design of Access Farm Road	PMU	PMU(B)	Direct undertaking
5.2.2 Construction/Improvement of Access Farm Road	PMU	Contractor / Farmers' Group	Local Bidding / Direct Appointment
5.3 Micro-irrigation system for Demonstration			
5.3.1 Survey/Design of Micro irrigation system	PMU	Engineering Firm	Local Bidding
5.3.2 Construction/Improvement of Micro irrigation system	PMU	Contractor / Farmers' Group	Local Bidding / Direct Appointment
6. Infrastructure Development Support			
6.1 Induction Workshop for Community Motivators	PMU	PMU(D)	Direct undertaking
6.2 Awareness Camp involving Community	PMU	PMU(D)	Direct undertaki
6.3 Formation and formalization of Farmers Group			
6.3.1 Workshop of Group to Develop Objectives & Norms	PMU	PMU(B)	Direct undertaking
6.3.2 Training to MC Members on Role and Responsibility	PMU	PMU(B)	Direct undertaking
6.3.3 Exposure visit of MC members to WUA in Other Area	PMU	PMU(B)	Direct undertaking
6.4 Capacity development of farmers groups on participatory management processes and institutional development			
6.4.1 Training for MC Members	PMU	PMU(B)	Direct undertaking
6.4.2 Training for Women Members	PMU	PMU(B)	Direct undertaking
6.4.3 Workshop on resource mobilization and revenue collection	PMU	PMU(B)	Direct undertaking
6.4.4 Training on Accounting Principles and Practices	PMU	PMU(B)	Direct undertaking
6.4.5 Training for SHG Members	PMU	PMU(B)	Direct undertaking
6.4.6 Training for office-bearers of SHG	PMU	PMU(B)	Direct undertaking
6.4.7 Workshop for SHG Members	PMU	PMU(B)	Direct undertaking
6.4.8 Refresher training for MC Members	PMU	PMU(B)	Direct undertaking
6.5 Capacity development of MC members on O & M of irrigation and water management			
6.5.1 Workshop to discuss princles and practices of irrigation	PMU	PMU(B)	Direct undertakir
6.5.2 Training on microplanning tools and techniques	PMU	PMU(B)	Direct undertaking
6.5.3 Field training on basic engineering skills	PMU	PMU(B)	Direct undertaking
6.6 Promotion of Federation of Farmers Groups			
6.7.1 Workshop for Cluster Federation Development	PMU	PMU(B)	Direct undertaking
6.7.2 Training for Efficiency Development of Members	PMU	PMU(B)	Direct undertaking
6.7.3 Workshop for Development of Federation	PMU	PMU(B)	Direct undertaking
6.7.4 Workshop for development of Apex Federation	PMU	PMU(B)	Direct undertaking
7. Consulting Services			
7.1 Consulting Services	PMU	International Consultant	International Bidding

Note PMU(D) : PMU Office at District Level

PMU(B) : PMU Office at Block Level

Basis for EIRR Culculation

1. Economic Evaluation

The Project befit is calculated in accordance with “with/without” case analysis. In the current cropping pattern in Himachal Pradesh, maize and paddy are cultivated during Kharif (Rainy Season) and Wheat in Rabi (Dry Season); and those other crops: tomato, root vegetable, peas, and cauliflower, are cultivated throughout the year in the limited areas where water is sufficiently available. With the Project, the cropping pattern is assumed to shift to less cropping area for food grain, and larger cropping area for other high-valued crops; and larger production volume per unit area (hectare). Incremental value between “with” and “without” case is the Project Benefit. The cropping pattern, estimated production volume, required inputs for cultivation, and other unit figures are based on analysis of Preparatory Study Team for this Project.

Based on cash flow of those benefits and costs of the Project, Economic Internal Rate of Return (EIRR) is calculated.

2. Project Benefit and Cost

2.1 Project Benefit

- Incremental increase of sales of crops

2.2 Project Cost

- Infrastructure Development (irrigation facilities and roads); Farm Development; Institutional Building; Consulting Services, Administration are included;
- Tax, Physical Contingency, Price Escalation and Interest during Construction, are not included. No land acquisition is expected.
- Operation and maintenance cost: 5% of cost of infrastructure

3. Economic Internal Rate of Return (EIRR)

Based on the cash flow as per attached, EIRR is calculated as 15.96. The result shows the Project benefit is more than economic opportunity cost (9-11%) and economically feasible.

SOE Procedure

1. What is the SOE Procedure?

“SOE” stands for “Statement of Expenditures” which simplifies the supporting documents for requesting disbursements. The SOE Procedure is not a distinct method of loan disbursement (disbursement procedures). It is used in conjunction with disbursement procedures such as the Special Account Procedure, the Reimbursement Procedure or the Transfer Procedure and require no submission of supporting documents (details of “supporting documents” are as per footnote 4 on page 4).

2. When is the SOE Procedure applied?

SOE Procedure is applied when it is expected that there will be many expenditures and the amount of each payment will be small, resulting in the frequent adherence to laborious formalities, i.e. lots of invoices and payments receipts.

Normally, the Borrower submits all supporting documents for each payment, such as the receipt of payments and invoice, to the JICA when requesting a loan disbursement. The JICA checks the eligibility of each expenditure by checking the contents of the supporting documents submitted every time before disbursing the loan.

However, when using the SOE Procedure, individual loan disbursements are made on the basis of a summary of payments (Statement of Expenditures: SOE) which simplifies the supporting documents, without invoices and payment of receipts. The eligibility of the expenditures is confirmed once a year by an independent auditor. Thus, timely disbursement of the loan in accordance with the schedule for the implementation of the project becomes possible.

3. How to apply and implement the SOE Procedure?

(1) Application of the SOE Procedure

When the Borrower/Executing Agency wishes to apply the SOE Procedure, or when the adoption of the SOE Procedure is considered appropriate due to the nature of the project, the JICA normally examines the use of the SOE Procedure at the time of Appraisal.

The main points to be confirmed when adopting the SOE Procedure are given below

- Possibility of an independent audit: Whether an audit of the expenditure under Project by an independent auditor with appropriate expertise is possible.
- Adequate fund management structure: Whether adequate accounting and the

internal management capabilities of the Borrower and the Executing Agency are assured, the flow of funds related to payments for the project is clear, and the method of managing the flow of funds has been established.

(2) Selection of an Auditor

When it is determined that the adoption of the SOE Procedure is appropriate, the JICA asks the borrower to select an auditor and submit information about the auditor. In the meantime, JICA study adequacy of accounting and internal management capabilities of the Borrower and the Executing Agency.

Two types of auditors can be selected for an audit of SOEs. One is a government auditing organization such as the Board of Audit, and the other is a private sector auditing organization that primarily conducts audits of financial statements. In either case, the main criteria for determining eligibility for selection of an auditor are described in the three points below:

- Independence: The auditor is required to be independent from the organization being audited (the Borrower or the Executing agency) and the body selecting the auditor. In particular, when the auditor is a government auditing organization, the JICA has to study the audit system in the country and confirm its legal and organizational independence.
- Expertise: In order to achieve the objectives of the audit, the capacity of the auditor to conduct the audit effectively and efficiently from an expert perspective is critical. This is determined on the basis of the size, reliability, experience with similar audits, and level of training of the auditing organization.
- Auditing Standards: In order to ensure the reliability of the audit, audits must be conducted on the basis of Generally Accepted Auditing Standards (GAAS)¹. In addition to GAAS, an audit that complies with the International Standards on Auditing (ISA)² for a private sector audit firm or the International Organization of Supreme Audit Institutions (INTOSAI) Auditing Standards for government auditing organizations is also acceptable.

As mentioned above, selection of a competent auditor is an essential factor in ensuring appropriate disbursement operations under the SOE Procedure.

It is, therefore, preferable that an agreement be concluded by the JICA and the

¹ GAAS is a general term that includes international auditing standards and the auditing standards of the relevant country. Specifically, the auditing standards commonly used in the relevant country are included in addition to the International Standards on Auditing (ISA), and the International Organization of Supreme Audit Institutions (INTOSAI) Auditing Standards.

² International Standards on Auditing (ISA): Auditing standards for public accounting established by the International Federation of Accountants (IFAC).

Borrower regarding the auditor to be assigned by the time of the L/A ³. In this respect, the L/A requires the Borrower to furnish the JICA as soon as possible with an Engagement Letter signed by the authorized person of the selected auditor in which the auditor agrees to audit the records and accounts related to the applicable expenditures financed from the Loan and to submit to the Borrower a certified copy of the report of such an audit.

(3) Maintenance of records and accounts

The Borrower or Executing Agency should maintain or cause to be maintained records and accounts that are adequate to reflect, in accordance with consistently maintained sound accounting practices, the expenditures financed from the proceeds of the Loan.

The JICA may inspect the Borrower or Executing Agency's status of such custody from time to time.

(4) Coverage of the SOE audits and the Auditor's Terms of Reference (TOR)

The objective of an SOE audit is post facto confirmation of the eligibility and conformity of the expenditure stated in the SOE prepared by the Borrower or the Executing Agency (when a Special Account Procedure is used, withdrawals from the special account) and its compliance with the provisions and objectives of the Loan Agreement by an expert, independent and third party auditor. In other words, the objective is to confirm whether the expenditures entered in the relevant SOE (and special account withdrawals) are eligible for financing under the Loan Agreement and backed by necessary and sufficient supporting documents using an auditor. In order for the auditor to understand the coverage of the SOE audit and the auditor's TOR, the Borrower is required to explain the objectives of any SOE audit as well as the objectives of the Loan Agreement, including non-eligible items for JICA's financing, to the auditor before conducting the audit.

In this respect, the audit shall cover, but not limited to, the following points;

- Statement of Expenditures (SOE): The auditor is required to audit whether expenditures stated in the SOE, according to which the Borrower or Executing Agency has requested disbursement, are eligible for financing under the JICA ODA loan and were used for the objectives of the Loan Agreement.
- Withdrawals from the special account: When the Special Account Procedure is used as the method of loan disbursement, the auditor is required to audit

³ In cases in which reference to the name of the auditor in the L/A is not applicable, (e.g. selection of the auditor every year is required), it could be substituted by, for example, "an auditor acceptable to the BANK" in the L/A.

whether any withdrawal from the special account is eligible for financing under the JICA ODA loan and was used for the objectives of the Loan Agreement.

Custody of supporting documents⁴: The auditor is required to confirm whether necessary and sufficient supporting documents for the SOE are being maintained by the Borrower or the Executing Agency or not.

In order to confirm that the audit of SOEs has been promptly implemented, the Borrower or the Executing Agency is required to use the Standard Audit Report.

(5) Required Action in response to the Auditor’s opinion

In response to the Auditor’s opinion other than an Unqualified Opinion, the Borrower or the Executing Agency is required to take appropriate action before submitting the Audit Report to the JICA, as described in the following paragraph (6).

(6) Submission of an Audit Report to the JICA

The Borrower or Executing Agency is required to furnish the JICA with a certified copy of the Audit Report by the auditor, as soon as it is available, and no later than 6 to 9 months from the end of each fiscal year in accordance with the stipulation of the Loan Agreement.

(7) Expenditures related to the Audit

When additional expenses arise due to the conduct of an audit, the JICA usually allows such expenses to be included in the project costs as a part of the local currency portion (or the foreign currency portion if the auditor is not from the Borrower’s country).

If there is a request from the Borrower, the JICA also examines the possibility of making these expenses eligible for financing. Expenses are only made eligible for financing when the relevant additional expenses can be clearly distinguished from general administration expenses (For example, such a distinction would be difficult if the Board of Audit has been assigned as the auditor).

⁴ Supporting documents are as follows:

Supporting documents	(1) Documents that prove the receipt of the funds by the contractor or consultants in exchange for the provision of goods or services	(2) Documents that can confirm the use of the funds
Acceptable examples	(i) Bill of Exchange, (ii) Receipt, (iii) Cancelled Bank Check, and (iv) Cancelled Demand Draft	Invoices

(8) Adjustment

In the event that the use of a specified amount of the Loan is not justified⁵ according to the certified copy of the audit report, the Borrower is required to refund this amount to the JICA or JICA will deduct this amount from the next disbursement.

If the Borrower, in the opinion of the JICA, has failed to perform its obligations related to the SOE Procedure, most of which are stated in 3. (2)~(6) above, the JICA may, by giving notice to the Borrower, suspend in whole or in part the rights of the Borrower under the Loan Agreement until the JICA has determined that such a failure has been fully remedied.

⁵ Examples of an unjustified payment: no supporting documents were maintained or the payment was made for non-eligible items

**EXAMPLES OF AUDIT REPORTS
OTHER THAN THOSE WITH AN UNQUALIFIED OPINION**

Qualified Opinion:

Separate paragraph required after the Scope Paragraph

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Revised Opinion Paragraph

In our Opinion, with regard to the SOEs, except for the items as described in the preceding paragraph, adequate supporting documents have been maintained to support the claims to the JICA for reimbursement of the expenditures incurred and that the expenditures are eligible for financing under the Loan Agreement.

Adverse Opinion:

Separate paragraphs required after the Scope Paragraph

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Revised Opinion Paragraph

In our opinion, with regard to the SOEs, subject to the matter discussed in the preceding paragraph, adequate supporting documents have not been maintained to support claims to the JICA for reimbursement of the expenditures incurred, or the expenditures are not eligible for financing under the Loan Agreement.

Disclaimer regarding the Opinion:

Revised Introductory Paragraph

We were engaged to audit the accompanying Statements of Expenditures (SOEs) for the years []. The SOEs are the responsibility of []'s management. (Omit the sentence stating the responsibility of the auditor.)

(The Scope Paragraph is either omitted or amended according to the circumstances.)

Revised Opinion Paragraph

Due to the significance of the matters discussed in the preceding paragraph, we cannot express an opinion on the SOEs.

