

**Format P10**  
**Agreement on Grant-In-Aid**

This agreement is made between Indo-German Bilateral Project "Watershed Management", B-4/1, Vasant Vihar, New Delhi - 110 057, through its duly authorized representative

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hereinafter referred to as the "First Party" and

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through its duly authorized representative

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hereinafter referred to as the "Second Party".

On the basis of the exchange of notes between the Government of the Federal Republic of Germany and the Government of India, and on a decision taken by the Project Monitoring Committee on \_\_\_\_\_ in New Delhi, and within the scope of the contributions made by the Government of the Federal Republic of Germany to the project "Watershed Management", the First Party on behalf of the German Technical Cooperation (GTZ) has agreed to give a grant-in-aid to the Second Party.

It is agreed:

1. That the First Party shall give to the Second Party a grant-in-aid of

Rs. \_\_\_\_\_

(in Words) : \_\_\_\_\_

2. That the grant shall be used exclusively:

for the purpose of \_\_\_\_\_

during the period \_\_\_\_\_

in the watershed \_\_\_\_\_

in the state of \_\_\_\_\_

as specified and detailed in the annexures hereto .

3. The Memorandum of Understanding between \_\_\_\_\_ and \_\_\_\_\_ and the Indo-German Bilateral Project “Watershed Management” dated \_\_\_\_\_ and attached in annex 1, forms an integral part of this agreement.
4. Any amount of the grant that remains unused on the completion of this agreement shall be repaid not later than 3 months after termination of the agreement to a third party, which will be appointed by the German Embassy, New Delhi.
5. Any amount required for the completion of this agreement in excess of the agreed amount of the grant shall be borne by the Second Party.
6. The proposed strategy as attached, the project proposal as attached and the cost estimates on yearly and quarterly basis as attached and which have been submitted by the Second Party earlier and which have been approved by both parties form an integral part of the agreement.
7. The project proposal will be based on the Guiding Principles of the Indo-German Bilateral Project “Watershed Management” as attached. These Guiding Principles form an integral part of this agreement.
8. The First Party shall disburse to the Second Party the grant in quarterly instalments by cheques or demand drafts. Any costs resulting out of this transfer are borne by the First Party.
9. The quarterly instalment shall be given by the First Party to the Second Party in advance at the beginning of each quarter.
10. A separate bank account and/or savings account for the grant must be opened and separate book of accounts for all expenditures resulting out of the activities must be kept. The reasons for any deviation of this, must be given to the First Party in writing not later than 3 months after signing this agreement. Any costs resulting out of this are borne by the Second Party.
11. On receipt of each advance payment the Second Party shall issue to the First Party, a duly signed receipt, as attached.
12. The Second Party shall submit to the First Party a Quarterly Progress Report as attached. This Quarterly Progress Report must be submitted latest by the end of the subsequent month to the respective quarter. If no Quarterly Progress Report has been received, it is assumed that no expenditures have occurred in this quarter, and no further advance payments will be made.
13. At the end of each quarter the Second Party shall also supply to the First Party, if requested explicitly by the First Party, an account with detailed expenditures, supported by original bills and receipts.

14. If the total expected expenses for the following quarter are less than 50% of the unutilized advances or if the remaining outstanding advance is more than Rs.3,00,000/- (Rs.3 lakhs) no further advance will be paid.
15. Interest received on advances which have not yet been spent will be deducted from the next payment following the assessment of the amount of interest received. This will be either at the end of the Indian financial year on March 31st, and/or at the end of the period of audit.
16. The Second Party shall further submit on half yearly basis a written Half Yearly Status Report of the progress of the project as attached. If no Half Yearly Status Report has been received it is assumed that no activities and expenditures have occurred in this half year, and no further advance payments will be made.
17. The Second Party will submit to the First Party along with the project proposal a “Manpower Planning” as attached, indicating the names and responsibilities of the functionaries to be assigned to implement the activities under this agreement. Any change in this regard should be notified in advance and in writing to the First Party.
18. In case the First Party is not satisfied with the progress of the project and/or the proper use of the grant, the First Party may revoke at any time this agreement and withhold payments of further instalments and/or claim reimbursement of any unspent amounts and/or claim reimbursement of costs occurred because of the termination of this agreement and/or claim reimbursement of damages and lost interests resulting of the termination of this agreement.
19. Written recommendations by the First Party for the proper and effective execution of the project must be implemented by the Second Party, unless the Second Party gives in writing, reasons for deviating from the recommendations. These reasons should be accepted by First Party in writing. If the First Party has not received any written reply to their recommendations within one month it is assumed that the recommendations of the First Party have been accepted by the Second Party.
20. Assets to be purchased with a value of Rs.10,000/- or more, require prior separate written approval by First Party.
21. Once a year, a Chartered Accountant and Quantity Surveyor appointed and paid by the First Party shall carry out an audit of the books of accounts and an assessment of the physical works, related to this project. The Second Party shall make available to the Chartered Accountant and Quantity Surveyor all necessary and required books, files, field assistance, access etc in this respect.
22. The Second Party shall whenever required, after prior written notice, permit the First Party, or its representative or a representative appointed by the German Embassy, to consult at any time the books and records kept in connection with the activities and also to see and inspect items procured or results of the work and provide all necessary and required information in this regard.

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23. That in the event the project “Watershed Management” comes to an end in the duration of this agreement, the German Embassy, New Delhi is free to appoint any other person to represent/replace the First Party for handling the balance of already made advance payments.
24. This agreement can be terminated by either of the contracting parties by means of written notice given six months in advance.
25. The present agreement comes into force with immediate effect from the date of signing.
26. In case of unforeseen events which impede the implementation of the project both parties can terminate the agreement immediately. They will come together to settle modalities in order to ensure that the premature termination of the project has no major disadvantages on the involved population.
27. Disputes or differences resulting out of this agreement will be resolved and settled by a person appointed by the German Embassy, New Delhi.
28. At least six months before the expiry of the present agreement a joint evaluation of the project activities will be carried out under the leadership of the First Party. All costs for this evaluation will be borne by the First Party.
29. In the course of the activities resulting out of this agreement the Second Party shall at all times make it apparent that he is carrying out activities and performing services within the framework of the German Technical Cooperation and the name Indo-German Bilateral Project “Watershed Management” should be clearly stated on all assets acquired under this agreement.
30. Furthermore, the Second Party will through its behaviour and/or action not harm or damage any of the activities of partner organizations involved in the project nor will it damage the reputation of the Indo-German Bilateral Project “Watershed Management” or the German Technical Cooperation in general.
31. The activities carried out must comply with the latest developments and accepted rules of the relevant disciplines, the state of the art and pertinent socio-economic findings.
32. Publications of findings linked to this agreement must include proper acknowledgement of Indo-German Bilateral Project “Watershed Management” and 2 copies of each of these publications should be sent to the First Party.
33. The First Party disclaims all liability consequential to this agreement. The Second Party must ensure that none of the activities resulting out of this agreement will cause any damage or harm to individuals, government property and/or private property.

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- 34. In the event of individual provisions of this contract being invalid, the validity of the remaining provisions shall not be affected.
- 35. Amendments to this agreement shall be in writing only.
- 36. This agreement shall be deemed to be an agreement governed by the laws of the Republic of India.
- 37. LIST OF ENCLOSURES.
  - 1. Memorandum of Understanding.
  - 2. Preselection 2 : Proposed Strategy.
  - 3. Project Proposal.
  - 4. Guiding Principles of Indo-German Bilateral Project "Watershed Management"
  - 5. Quarterly Project Planning (Physical and Financial).
  - 6. Yearly Project Planning (Physical and Financial).
  - 7. Format for Receipt of Advance Payments of Grant-in-Aid.
  - 8. Format for Quarterly Progress Report.
  - 9. Format for Half Yearly Status Report
  - 10. Manpower Planning.

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First Party	Date	Second Party

Seen for Government of India, Ministry of Agriculture, Soil and Water Conservation Division

..... Date: .....