GRANT AGREEMENT

Grant Number: 2000002365-Bangladesh-2019-2020

Project Title: Asia Pacific Farmers’ Programme (the “Project” or “APFP”)

The Asian Farmers Association for Sustainable Rural Development (AFA) as the Regional implementing agency (RIA) in behalf of the consortium AFA and La Via Campesina (LVC) and Coastal Association for Social Transformation (COAST) TRUST as the National Implementing Agency (NIA) or the recipient in Bangladesh each a “Party” and both of them collectively the “Parties”

HEREBY AGREE as follows:

1. The following documents collectively form this Agreement: this document, the Project Description (Schedule 1), the Allocation Table, Disbursements, Audit and Procurement Arrangements (Schedule 2), and the General Provisions Applicable to IFAD Grant Agreements (the “General Provisions”) (Schedule 3). The forms to be used by the Recipient to apply for withdrawals and provide reports are available www.asiapacificfarmers.net.

2. AFA as RIA shall provide a grant to Coastal Association for Social Transformation (COAST) Trust as the national implementing agency (NIA) in Bangladesh, which the NIA shall use to implement the Project in accordance with the Annual Workplan and budget with procurement plan (Annex 1); Key project activities and targets for logframe indicators (Annex 2) and consistent with all the terms and conditions of this Agreement.

3. The total amount of the Grant is eighty-nine thousand eight hundred twenty three US Dollars (USD 89,823) based on the approved annual workplan and budget (Annex 1). The Grant shall be used solely to finance Eligible Expenditures as defined in Schedule 2 and Schedule 3. Disbursement of the grant shall be based on section 3.3 of the Schedule 3.

4. The NIA’s Fiscal Year begins on January 1.

5. The implementation period is from October 1, 2019 until December 31, 2020. The Effective Date of the Agreement is October 1, 2019 and the completion date is November 30, 2020 and closing date is December 31, 2020.

6. The NIA shall prepare project report in accordance to section 3.5 of schedule 3. using agreed format including quantitative logframe data on semestral basis (six months) and shall be submitted within 15 days after the end of the reporting period. The project end report shall be submitted by the NIA within 30 days after the completion period or not later than December 31, 2020.

7. The NIA shall maintain separate financial records with respect to the Grant and shall prepare financial reports as stated in sections 3.7 and 3.8 of the Schedule 3 General Provisions.

8. The following are the contact addresses to be used for any communication related to the Agreement:

For AFA: For the NIA:
Asian Farmers’ Association for Coastal Association for Social Sustainable Rural Development (AFA),Inc. Transformation (COAST) Trust
Maria Elena V. Rebagay Md. Mujibul Haque Munir
Regional Program Manager NIA Coordinator
Rm 206 Partnership Center House 13, Road, 2, Shyamoli
This Agreement has been prepared in the English language in two (2) original copies, one (1) for AFA and one (1) for the National Implementing Agency (NIA).

**ASIAN FARMERS ASSOCIATION FOR SUSTAINABLE RURAL DEVELOPMENT (AFA)**

Ma.Estrella Penunia  
Secretary General  
Date: ______________

**COASTAL ASSOCIATION FOR SOCIAL TRANSFORMATION (COAST) TRUST**

Rezaul Karim Chowdhury  
Executive Director  
Date: ______________
1.1. **Country/Countries.** The APFP will build on the coverage of Medium Term Cooperation Programme Phase 2 (MTCP2), with a further expansion to six additional countries where IFAD is actively engaged, bringing the total regional coverage to 29 countries. The full coverage of all the target countries will be reviewed based on the resource mobilization effort that will be jointly conducted by IFAD and AFA. Furthermore, the APFP also seeks to obtain a more balanced partitioning of efforts between the sub-regions. The countries by sub-region are the following:

- **SAARC:** India, Sri Lanka, Bangladesh, Nepal, Pakistan, Bhutan, Afghanistan (new) and Maldives (new)
- **ASEAN:** Vietnam, Laos, Cambodia, Myanmar, Philippines, Indonesia, Thailand and Malaysia (new)
- **East Asia1:** China, Mongolia (new), Kyrgyzstan (new) and Tajikistan (new)
- **Pacific:** Fiji, Samoa, Tonga, Vanuatu, Solomon Islands, Papua New Guinea, Timor-Leste, Cook Islands, New Caledonia

The project will also engage East Asian countries such as China, Japan, and South Korea, in order to leverage their good practices in promoting Farmer Organisation (FO - including agricultural cooperatives) initiatives in enhancing production, post-production management, value chain and agribusiness sector development, and organizational strengthening.

1.2. **Direct and indirect target group.** The APFP is designed to target and reach farmers and rural producers, especially smallholder and vulnerable farmer/producers (and their households), through the medium/vehicle of their farmer organizations. Specifically, the target group are smallholder men and women farmers/producers who are members – or interested to become members – of local and national FOs in the proposed 29 countries. Amongst the target group of smallholder farmer/producers, a sub-group includes those smallholder farmers with the potential to become active economic players in a wide array of emerging value chains, supported by various quality services provided by their FOs.

1.3. **Goal & objectives.** The overall goal of the project is to contribute to an enabling environment for rural poverty reduction, through instrumental support to rural smallholders and their organizations at national, sub-regional and regional levels in Asia and the Pacific.

The project specific objective is that farmer organizations are professionally capacitated to provide sustainable demand-driven (business and technical) services to their members and engage in effective policy dialogue for the improved livelihoods and incomes of smallholder farmer/producers in Asia and the Pacific.

1.4. **Key activities by component.** The project will have three components: (i) FO services development; (ii) Policy engagement; and (iii) Project management and Monitoring & Evaluation (M&E). The key expected activities will be:

**Mapping and profiling as a preparatory and preliminary activity.** The result of this process will be the dissemination of the national directory of mapped and registered FOs (both member and non-members of MTCP2 platforms) and platforms/forums that are active in agriculture and rural development.

**Component 1: FO services development.** This component objective is that small farmers can access long-term professional services, and business services especially from their organizations, enabling them to gain a decent regular income and access to markets. The core activities are:

1. **Development of FO (demand-driven) business services with:** (a) Development of (national-level) FO production and business/marketing services; and (b) consolidation and partnership building. This intervention will build on the work with existing or transformed platforms, focusing on market engagement and broader economic services to FOs at the national level, other advanced/mature cooperatives, commodity clusters and/or social enterprises. The project will also by the medium of the platforms and other means, support or facilitate the identification, matching, linking, brokering...
and negotiation of agribusiness partnerships.

2. **Financing agribusiness partnerships.** On the basis of the FO Business Plans/Capacity Building Plans elaborated and the 4P or agribusiness partnerships proposed, the project will further identify and where required, broker the financing for the proposals. Multiple funding/financing sources will be leveraged. As previously stated, a first priority will be to screen the IFAD/EU regular country-level programmes/projects for an opportunity to finance the FO proposals through these existing or pipeline funds; in effect, the APFP will facilitate the matching and linking of FOs to these IFAD and EU-financed projects. The project will also seek, broker and negotiate either co-financing or standalone financing (of the FO proposals) from other sources, notably from the private sector and financial sector (commercial banks, etc.), as aligned with 4P principles of cost and risk-sharing in agribusiness initiatives.

However, for those FO proposals that are not able to source IFAD/EU regular programme financing or other financing, the APFP will establish a dedicated fund (non-revolving) as a so-called 'last resort' mechanism to finance the seed capital required by these FOs for their business-related operations (and/or for some capacity building/institutional strengthening needs) on a grant basis. With regards to the dedicated last-resort fund, those FOs that have been at least two years established, could be eligible for support subject to undergoing a maturity assessment and drafting an FO organizational growth monitoring document. If the minimum eligibility criteria have been met, the FO is invited to elaborate its proposed business plan, which with the maturity assessment, will be submitted to the regional implementing agency (RIA) for funding consideration through the sub-regional liaison unit to ensure quality and transparency. The Sub-regional liaison unit shall be composed of technical staff tasked to coordinate the sub-regional operation supervised by the RIA/grant recipient.

3. **Development of (national and sub/regional) services centres (business and advisory).** The project intends to support capacity building of farmer/producer organizations (FOs), with the rationale that strengthening of FOs will empower the group to become an effective partner under 4P schemes, as well as augment their capacity to take informed decisions about their business. As capacity and maturity levels are varied, the project proposes to establish and develop technical assistance team(s) or 'services centre' at national and sub-regional levels, to provide key services, support and coordination functions. These various services could comprise: centralised management information system support; specialised trainings; internal audit; technical advisory; market research and product development; networking and liaison services; policy and procedures services; HR services (recruitment and staff performance assessment); knowledge sharing; linkages with commercial banks and other brokerage services; conflict resolution; governance; and staff performance.

The services centres will be staffed at the minimum with core team including: (i) an institutional specialist; (ii) a business/financial analyst; and (iii) and marketing specialist. This core team will ensure that the centre has in place the structure to provide advisory services, explore market opportunities, monitor, report and provide requisite guidance to the FOs who will benefit from the support fund (although FOs benefitting from IFAD/EU regular programmes can also access the services of the centre). To ensure that the service centres (and the services themselves) are sustainable and profitable over the long-run, the project will develop a model for charging feasible and appropriate service fees.

**Component 2: Policy engagement.** This component objective is to promote an enabling environment that allows farmers and their organizations to realize their full potential to influence local and national agriculture-related policies. The core activities are the following:

1. **Technical assistance support for national, sub-regional and regional capacity-building.** The project makes provision for technical assistance (TA), including consultancies, to support the capacity building and institutional strengthening of FOs at the national, sub-regional and regional levels, towards their ability to engage more effectively in policy dialogue and influence policy decisions.

2. **Policy engagement and multi-level representation.** Leveraging the experience of MTCP2, as well as the recognition garnered, the project will continue to support the efforts by FOs to deepen policy engagement and strengthen FO representation at national, sub-regional and regional levels; regional interests and priorities will be further brought upwards into global dialogue and consultations.

3. **Policy and knowledge development fund.** A fund will be established to finance (national, sub-regional and/or regional) studies, policy papers, advocacy and campaign products and communication and learning tools that will directly or indirectly contribute to policy discussion. At the national level discussions will be held with IFAD on how best to cooperate on at least one policy issue, also addressed and identified in the COSOP. Bilateral discussions will also be held with EU and other donors in this same spirit.
**Component 3: Programme management and coordination.** In terms of operational management and coordination, the APFP will take advantage of the structure and capacities built during MTCP2 to ensure efficiency in programme management. This will also be cost-effective and allows for the project to be immediately operational, avoiding a slow start and the need for a long learning curve period. The procedures, processes and tools related to M&E and Knowledge Management (KM) will be leveraged, and fine-tuned where required to ensure a very strong reporting function. Other operational and technical processes will also be leveraged, scaled-up and fine-tuned as needed.

1.5. **Expected outputs and outcomes.** The project expects to achieve the following outcomes: (i) farmer organization members and member-based production and marketing organizations have increased and regular access to professional services, and business services especially, from their organizations; (ii) small farmers are gainfully engaged in agribusiness partnerships for better income-generation; and (iii) the policy environment for equitable and sustainable smallholder development, by way of the strengthened FO network is improved. Target related to specific logframe indicator shall be adjusted/re-calibrated based on the availability of co-financing from other donors.

1.6. The expected key outputs related to component 1 include: 1.1.1 Mapping and profiling - establishment of FO national directories; 1.1.2 Elaborated FO business and capacity building plans; 1.1.3 Establishment of the (business and advisory) service centres; 1.2.1 Establishment of the dedicated fund for FO development; 1.2.2 Developed FO 4P model; and 1.2.3 4P arrangements in place.

The expected key outputs related to component 2 include: 2.2.1 Elaboration of FO strategy for policy engagement; 2.1.2 FO leaders trained in priority skills for policy mediation; 2.1.3 Accreditation of FOs in sub-regional bodies; 2.1.4 Establishment of the policy and knowledge development fund; and 2.1.5 Policy briefs and papers elaborated and learning routes established.

1.7. **Recipient’s Implementation Procedures.** The APFP will draw on past lessons, and fine tune the revised operational management set-up and structure established by MTCP 2 at regional, sub-regional and national levels – this includes streamlined financial management and M&E and KM functions assigned to the regional implementation agency for the South Asia (SA) and Southeast Asia and East Asia (SEA-EA) regions; focal points will be selected for operational coordination and guidance in the aspects of sub-regional and country level policy engagement. For the Pacific, and due to its geographical dispersion, a sub-regional implementing agency will be established.

1.8. **Implementing Partners and Implementation Agreements.** Project management will be guided by a Regional steering committee (RSC) and three sub-regional committees responsible for: (i) providing direction on regional, sub-regional and national platforms’ operations; (ii) coordination among sub-regional and national stakeholders, working groups, and other stakeholders involved in implementation; (iii) review and endorsement of annual workplans and budgets (AWPB), and annual progress reports; and (iv) coordination of joint actions such as consultations, lobbying and representation.

Programme Management Units (PMUs) will be set up respectively within the RIA, sub-regional implementing agency (SRIA) of the Pacific and national implementing agencies (NIAs) to assume the functions of implementation coordination, planning and AWPB, M&E and KM, women and youth empowerment, and scaling-up and replication where applicable.

At **regional level,** AFA will be the key regional implementing agency assuming the overall project management and coordination functions and responsibilities on behalf of the AFA/La Via Campesina consortium.

At **the sub-regional level,** Pacific Island Farmers Organization Network (PIFON) will continue to assume the full functions of SRIA for the Pacific. Sub-regional focal points or coordinators of SA and SEA and EA will be mainly tasked for ensuring the conduct of the sub-regional steering committee, sub-regional planning, M&E, KM, implementation follow-ups, and coordination and participation in sub-regional policy engagement. Appointment of sub-regional focal points or coordinators will be subject to final acceptance by IFAD.

At **national level,** a national implementing agency NIA shall be identified from amongst participating national FOs to carry out implementation of the national-level programme.

As required, AFA will enter into subsidiary agreements with other implementing partners such as the NIAs and the SRIA in the Pacific, subject to IFAD’s no objection. These subsidiary agreements will clarify and detail the expected roles and responsibilities.
1.9. **Supervision modalities.** Supervision will be carried out directly by IFAD. IFAD’s direct supervision will mainly address issues as following: Programme fiduciary aspects; Development effectiveness including implementation progress, outputs and outcomes under related components and sub-components; Sustainability and scaling up; Programme management including financial management and fiduciary aspects, Risks and opportunities; Innovations and knowledge management; and Targeting and gender mainstreaming.

A mid-term review will be conducted by IFAD at PY 3, normally in conjunction with the annual direct supervision.

Implementation support will be provided by IFAD as follow-ups of its direct supervision and progress review, and as response to possible supports required by the programme management. Support will be conducted on a demand-driven basis and in accordance with needs identified.

1.10. **Risks and Mitigation Measures.** Several risks factors have been reviewed, and mitigation measures proposed to lower the residual risk. These potential risks are the following:

<table>
<thead>
<tr>
<th>Main Risks</th>
<th>Risk Levels</th>
<th>Mitigation measures</th>
<th>Residual Risk Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adequate and sufficient resources to meet demands</td>
<td>High</td>
<td>The programme will continue to mobilize additional funding, the FOs will mobilize external funding from the other development agencies and governments, their own funding in support of the implementation.</td>
<td>Medium</td>
</tr>
<tr>
<td>Fast changing market dynamics and price fluctuations</td>
<td>High and medium</td>
<td>The FOs will work to apply the GAPs and quality enhanced production, connect the production and marketing FOs and cooperatives to leading value chain and agri-sector development, and work with the leading agri-sector businesses and umbrella associations.</td>
<td>Medium</td>
</tr>
<tr>
<td>Different contexts and challenges of development between sub-regions, and countries</td>
<td>Medium</td>
<td>Differentiated planning and link respective countries opportunities to sub-regional platforms, then to the regional policy engagement and recruitment of technical support which are responsive to specific challenges.</td>
<td>Medium and low</td>
</tr>
<tr>
<td>Reliance on external agri-technical support to FOs</td>
<td>Medium</td>
<td>The programme is working to identify the successful models of agricultural extension support and build national network of technical services to be linked with the national support system and qualified private service providers. Sub-regional advisory services will be established based on the country-wise networks and competencies.</td>
<td>Low</td>
</tr>
<tr>
<td>Regional or country priority shift of donor support</td>
<td>High and Medium</td>
<td>Mobilization of multi-donor support.</td>
<td>Medium to Low</td>
</tr>
<tr>
<td>Ambitious development plan of funding instrument framework</td>
<td>Medium</td>
<td>Multi-period development plan and professional management capacity building.</td>
<td>Low</td>
</tr>
</tbody>
</table>

1.11. **Recipient’s Monitoring and Evaluation approach.** The APFP will build on the MTCP2 efforts in the areas of M&E, KM and learning, with the expectation of scaling-up the tools, M&E and management information systems primarily for improved dissemination, communication and utilisation of information generated to inform decision-making and long-term sustainability of farmer organizations.

The current M&E system has already been upgraded to a more comprehensive management information system, which will be reviewed and updated for APFP, based-on and in line with its logical framework. All M&E data will be disaggregated by gender, and where applicable, by age. The M&E system will comprise performance monitoring and impact evaluation of the project; furthermore, an M&E plan will be prepared to define processes and products to be produced or generated during the project life cycle.

In general, the M&E system will be based on performance questions and indicators following the logframe. All indicators developed are SMART indicators (Specific, Measurable, Attributable, Reliable...
and Time bound) and fulfil the Operational Results Management System requirements. It should be noted that both technical and financial monitoring will be a continuous internal exercise carried out by the NIAs, SRIAs and will feed upwards for consolidation at the RIA-level, where the RIA has responsibility for overall monitoring (and reporting) of the project. The RIA will provide guidance to the NIAs/SRIAs and ensure monitoring of activities realized under their responsibility, as well as track progress as required against target indicators on a quarterly basis.

1.12. **Knowledge Management and Learning.** Various knowledge products will also be generated under the project, to be shared, disseminated and communicated to a wide audience, not least to ongoing IFAD and EU-financed projects/programmes for complementarity and added value.

Key elements of the knowledge management strategy include the following: i) linkage to the M&E system to provide information and analysis on achievements; ii) thematic success stories from periodic conduct of planning and review meetings and M&E ("lessons-learned") workshops at various levels; iii) participatory monitoring and evaluation by FOs and exposure to the IFAD country programmes’ M&E and KM; and iv) periodic conduct of workshop to consolidate "lessons learnt" and involving FOs and IAs staffs at all levels.

In addition, the sub-regional and national implementing agencies and the participating FOs will be responsible for sharing experiences and lessons learnt, especially the successful advisory (extension) services piloted by different FOs and platforms, promoting the proven models and approaches publicly with related stakeholders and interest groups. Experiences and good practices of pluralistic advisory services and technical partnerships accumulated through other IFAD-supported grants, programmes and projects will also be drawn during implementation.
Schedule 2
Allocation Table, Disbursements, Audit and Procurement Arrangements

2.1. Allocation Table. The amounts allocated to each category for the Project shall be as follows (see details in Annex 1 AWPB with APP):

<table>
<thead>
<tr>
<th>Category of Expenditure</th>
<th>Amount (in USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. FO service development</td>
<td>12,588</td>
</tr>
<tr>
<td>II. Policy engagement</td>
<td>50,588</td>
</tr>
<tr>
<td>III. Programme Management, M&amp;E and Coordination</td>
<td>26,646</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>89,823</strong></td>
</tr>
</tbody>
</table>

2.1.1 Guide for APFP Budget Allocation per Component

<table>
<thead>
<tr>
<th>Key activities by component</th>
<th>Sample list of Eligible Activities</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 1 – FO Services Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 FO Business Services Development</td>
<td>profiling, strategic planning, business planning, farm planning, training/learning visits/exposures on farm production technologies, savings and credit training, commodity clustering, cooperative organizing</td>
<td>35%</td>
</tr>
<tr>
<td>1.2 Operationalisation of the Agribusiness Support Fund</td>
<td>basket project fund to finance business plan</td>
<td></td>
</tr>
<tr>
<td>1.3 National and SR Service Centres</td>
<td>human resource – business and marketing specialist, financing specialist, etc</td>
<td>65%</td>
</tr>
<tr>
<td>Component 2 – Policy Engagement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 TA in support of regional and sub-regional capacities</td>
<td>case studies, policy papers, training on advocacy</td>
<td>35%</td>
</tr>
<tr>
<td>2.2 Policy engagement and representation at multi-levels</td>
<td>workshop, campaigns, representations, networking, SAARC forum</td>
<td>50%</td>
</tr>
<tr>
<td>2.3 Policy &amp; Knowledge Development</td>
<td>Knowledge management products in support of policy advocacy, communication and visibility</td>
<td>15%</td>
</tr>
<tr>
<td>Component 3 - Programme Management and coordination</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 Regional/sub regional coordination &amp; events</td>
<td>NSC, SRSC, RSC</td>
<td>30%</td>
</tr>
<tr>
<td>3.2 M&amp;E, KM, communications</td>
<td>SIS mission, KM fair</td>
<td>10%</td>
</tr>
<tr>
<td>3.3 Financial management, audit</td>
<td>Audit, logistics support</td>
<td>10%</td>
</tr>
<tr>
<td>3.4 Salaries</td>
<td>coordinators, M&amp;E, KM, finance</td>
<td>40%</td>
</tr>
<tr>
<td>3.5 Travel allowances</td>
<td>program management, networking</td>
<td>10%</td>
</tr>
</tbody>
</table>

2.2 Other Sources of Funding.

Co-financing is expected to be mobilized by NIA through engagement in inclusive partnership with other stakeholders (e.g. Public and private sectors, financing institutions, cooperatives, etc) including potential cooperation with ongoing country program of development agencies particularly of IFAD and European Union.

2.3. Procurement Arrangements. Procurement of goods, works and services required for the Project shall be carried out in accordance with the Recipient's Procurement Procedures. In all cases where procurement worth more than two hundred thousand US Dollars (USD 200 000) is covered under the Project Budget, the Recipient shall be required to submit a Procurement Plan.
Schedule 3

General Provisions Applicable to IFAD Grant Agreements

3.1 Definitions

(i) “Agreement” or “the Agreement” or “this Agreement” means the Grant Agreement between AFA representing the RIA and the NIA and Schedules 1 through 3 including Annex 1 and 2 thereof.

(ii) “Audit Opinion Letter” means a letter confirming the validity of the Statements of Expenditure submitted to AFA, which is prepared by independent auditors following similar instructions set forth at [www.ifad.org/grantforms](http://www.ifad.org/grantforms).

(iii) “Authorized Representative” means the person who has the necessary authorization to sign the agreement on behalf of the NIA.

(iv) “Authorized Signatory” means the person or person(s) delegated authority by the NIA’s Authorized Representative to sign Withdrawal Applications and Statements of Expenditure on behalf of the NIA, using similar format set forth at [www.ifad.org/grantforms](http://www.ifad.org/grantforms).

(v) “Bank Account Certification Form” means a form prepared by the NIA and certified by the NIA’s bank, using similar format set forth at [www.ifad.org/grantforms](http://www.ifad.org/grantforms).

(vi) “Coercive practice” means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or its property, or persons closely related to a party, to improperly influence the actions of that party.

(vii) “Collusive practice” means an arrangement between two or more entities without the knowledge of a third party, designed to improperly influence the actions of the third party.

(viii) “Corrupt practice” means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to improperly influence the actions of another party.

(ix) “Effective Date” means the date the Agreement is signed by both Parties and the date written on the first page of the Agreement, which is the date from which the NIA has the right to incur Eligible Expenditures.

(x) “Eligible Expenditures” means expenditures eligible to be financed under the Grant. Such expenditures must satisfy all of the following requirements: they must (i) meet the reasonable cost of goods, works or services required for the Project; (ii) be covered by the relevant work plan and budget (WPB); (iii) be procured in accordance with the NIA’s or other approved AFA and IFAD Procurement Procedures; (iv) be incurred within the Project Implementation Period, except for those expenditures necessary to meet the costs of winding up the Project, which may be incurred after the Project Completion Date and before the Grant Closing Date; (v) not involve a payment which is prohibited by a decision of the United Nations Security Council or any other policy of IFAD; (vi) be supported by adequate documentation; and (vii) be verifiable by AFA in behalf of AFA-LVC consortium and IFAD.

(xi) “Fraudulent practice” means any action intended to deceive another party in order to improperly obtain a financial or other benefit or avoid an obligation.

(xii) “Grant Closing Date” means the date 15 days after the Project Completion Date or such later date as AFA may designate by notice to the NIA, which is the date by which all the obligations of the Parties under the Agreement (with the exception of the obligation to facilitate supervision and evaluation contained in paragraph 3.13 and the obligation to retain records and documents contained in paragraph 3.14) shall have been performed.

(xiii) “Implementation Agreement” means an agreement essential to the implementation of the Project between the NIA and a third party or parties that must be approved in advance by AFA, and which cannot be terminated or materially altered without the prior approval of AFA. Any Implementation Agreements related to the Project are listed in paragraph 1.7 of Schedule 1 of the Agreement.

(xiv) “Procurement Plan” means the document prepared by the NIA and approved by AFA in behalf of the consortium AFA and LVC based on the approval of IFAD on the overall/consolidated procurement plan covering all major procurements of goods, works and consulting services to be carried out in relation to the Project during the period covered by the WPB, following similar format set out at [www.ifad.org/grantforms](http://www.ifad.org/grantforms).
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(xv) “Allocation Table” means the amounts allocated for the Project as set forth in Schedule 2 of the Agreement.

(xvi) “Project Completion Date” means the date by which the implementation of the Project is to be completed.

(xvii) “Project Implementation Period” means the period beginning on the Effective Date and ending on the Project Completion Date.

(xviii) “Project” means the project described in Schedule 1 of the Agreement.

(xix) “Project party” means each entity responsible for the implementation of the Project or any part thereof.

(xx) “Project Year” means: (i) the period beginning on the Effective Date of the Agreement and ending on the last day of the then-current Fiscal Year; and (ii) each period thereafter beginning on the first day of the Fiscal Year and ending on the last day thereof, provided, however, that if the Effective Date of the Agreement falls after the midpoint of the Fiscal Year, Project Year 1 shall continue to the end of the following Fiscal Year.

(xxi) “Recipient’s Fiscal Year” means the twelve- (12) month period used by the NIA as its fiscal accounting period.

(xxii) “NIA’s Procurement Procedures” means the procedures to be used by the NIA for procurement related to the Project, which AFA as RIA has agreed that the NIA should use and which cannot be materially altered without the prior approval of AFA.

(xxiii) “Statement of Expenditure” means a form prepared by the NIA to report the expenditures incurred following similar format set forth at www.ifad.org/grantforms and in line with Schedule 2 of the Grant Agreement.

(xxiv) “Subsidiary Agreement” means any agreement by which: (i) the whole or parts of the proceeds of the Grant are made available to a Project Party; and/or (ii) a Project Party undertakes to carry out the Project, in whole or in part. Subsidiary Agreements for an amount exceeding USD 350,000 or equivalent are subject to the prior clearance of AFA and IFAD.

(xxv) “Withdrawal Application” means a form prepared by the NIA, to request disbursements from AFA, following the similar format set forth at www.ifad.org/grantforms.

(xxvi) “Work Plan and Budget” or “WPB” means the work plan and budget provided in advance for the Project, which is prepared by the Recipient and for which IFAD has provided its non-objection. If the Project Implementation Period is eighteen (18) months or less, there will be a single WPB for the Project. If the Project Implementation Period is more than eighteen months, there will be an Annual Work Plan and Budget (“AWPB”) for each twelve (12) month period during the Project Implementation Period. Every WPB must also include a Procurement Plan and cashflow forecast following similar example set forth at www.ifad.org/grantforms.

3.2 Implementation

The NIA shall implement the Project in order to accomplish the Goals and Objectives set forth in Schedule 1 of the Agreement. The NIA shall implement the Project (i) with due diligence and efficiency; (ii) in conformity with appropriate administrative, engineering, financial, economic, operational, environmental, technical and research practices; (iii) in accordance with the WPBs and (iv) otherwise in accordance with the Agreement. The NIA shall exercise the same care in the administration of the Grant as it exercises in the administration of its own funds, having due regard to economy and efficiency and the need to uphold the highest standards of integrity in the administration of public funds, including the prevention of fraud and corruption.

3.3 Disbursement of the Grant

From the Effective Date the NIA may request withdrawals from the Grant through the submission to AFA of a Withdrawal Application and other required documentation similar to those listed at www.ifad.org/grantforms.

Amounts disbursed in advance shall not exceed 70% of the expenditures included in the relevant WPB that has received no-objection. For the second and following Withdrawal Applications, in addition, the NIA shall submit to AFA a Statement of Expenditure demonstrating the use of at least 75% of the immediately preceding instalment (and 100% of previous instalments, if any). The final payment shall be made after receipt by AFA of a satisfactory Final Completion Report in accordance with paragraph
3.6 below. No Withdrawal Application will be accepted by AFA after the Grant Closing Date unless AFA has agreed in writing to an extension. In addition to withdrawal application NIA shall submit to AFA other additional information as requested.

The NIA may reallocate funds among Categories of Expenditures provided that: (i) the reallocation does not affect the basic purpose of the Project operations; and that (ii) the allocation changes do not exceed 10% of the total amount indicated in paragraph 2.1 of Schedule 2 for each category of expenditure.

3.4 Procurement

Procurement of goods, works and services required for the Project shall be carried out in accordance with the procurement procedures agreed by NIA consistent with AFA and IFAD agreement. In all cases where procurement worth more than two hundred thousand US dollars (USD 200 000) or equivalent is covered under the Project Budget, the Recipient shall be required to submit a Procurement Plan.

3.5 Progress Reports

During the Project Implementation Period, the NIA shall timely and regularly submit to AFA a Progress Report for the preceding six-month period within 15 working days of the end of the period following the agreed format including quantitative logframe data. The project end report shall be submitted by the NIA within 30 days after the completion period or not later than December 31, 2020.

In addition to the narrative progress report the following required supporting documentation shall be submitted by NIA including other additional information as requested:

AFA the following required supporting documentation plus other additional information as requested:

- 3.5.1 narrative report
- 3.5.2 quantitative data based on logframe indicators
- 3.5.3 relevant documents to support the quantitative data
- 3.5.4 photos of key events with required description
- 3.5.5 good practices (short case studies/articles/news features)

3.6 Final Completion Report

As soon as possible after the Project Completion Date, but in no event later than the Grant Closing Date, unless AFA has agreed in writing to an extension, the NIA shall submit to AFA a Final Completion Report in satisfactory form, including both technical and financial information, i.e. the project completion report, the final SOE and the related audit report, following similar formats provided at www.ifad.org/grantforms.

3.7 Accounts and Financial Reporting

The NIA shall maintain separate financial records in respect of the Grant and shall prepare financial statements in accordance with international accounting standards or other accounting standards acceptable to IFAD, as agreed with IFAD in advance. The NIA shall submit interim certified Statements of Expenditure (SOEs), signed by an Authorized Signatory on a monthly basis, within seven (7) working days of the end of the month period. A final certified SOE for the totality of eligible expenditures incurred by the Project shall be submitted by the Grant Closing Date, segregating the winding-up expenditures incurred between the Project Completion Date and the Grant Closing Date.

SOEs shall disclose the sources and uses of funds spent to finance the Grant activities, specifying whether the expenditures were funded in cash or by contributions in kind. SOEs shall consolidate the expenditures incurred by the NIA and by sub-grantees/NFO/SNFOs, if any. Income generated from advance withdrawals of the Grant (if any) will be disclosed in the SOEs and audit reports submitted to IFAD. SOEs submitted to AFA shall be in the currency (in USD) of the Grant Agreement. AFA shall not accept SOEs submitted in any other currency (if local currency is mentioned as reference in the SOE, it should be accompanied by appropriate foreign exchange rate (e.g. OANDA) as basis for the conversion of the local currency to USD).

3.8 Audit

The NIA shall have its institutional financial statements audited on a yearly basis in accordance with international auditing standards or other auditing standards acceptable to IFAD, and shall include a separate audit opinion on the SOEs presented to IFAD, which shall be annexed to the institutional financial statements, and submitted to IFAD within six (6) months of the end of the NI’s Fiscal Year. The audited institutional financial statements covering the last Fiscal Year of the Project Implementation Period, including the audit opinion on the final SOE, shall be submitted to AFA by the Grant Closing Date.
In case the Project Completion Date is not synchronized with the NIA’s Fiscal Year end, a project-specific audit opinion on the final SOE shall be required and must be submitted to AFA by the Grant Closing Date.

In case the Project Implementation Period is less than or equal to eighteen (18) months a single audit opinion on the final SOE covering the entire period may be submitted.

3.9 Representations and Warranties of the Recipient

The NIA makes the following representations and warranties to AFA as of the Effective Date and at all times during the Project Implementation Period: (i) the NIA is duly organized and validly existing under the laws of the jurisdiction in which it is registered; (ii) it has the power and authority to receive the Grant proceeds and to execute and deliver the Agreement and discharge each of its obligations thereunder, and has taken all necessary corporate action to authorize such execution, delivery and discharge; (iii) neither the execution, delivery or performance of the Agreement by the NIA, nor compliance with the terms and conditions thereof, will contravene any application of any law, regulation, court order or other legal norm to which the Recipient is subject; will conflict or be inconsistent with, or result in the breach of, any agreement or understanding to which the Recipient is a party; or will violate the constitutional documents of the Recipient; (iv) the NIA is not insolvent and is not the subject of any bankruptcy, insolvency or other similar proceedings; (v) it has not engaged in corrupt, fraudulent, collusive or coercive practices with respect to the Grant, and (vi) no official or employee of AFA or IFAD has received any direct or indirect benefit in connection with the Grant. The signature of the Agreement by the NIA constitutes (i) its consent to be bound thereby and (ii) an acknowledgement that the Agreement constitutes the legal, valid and binding obligation of the Recipient, enforceable in accordance with its terms.

3.10 Suspension

AF may suspend, in whole or in part, the right of the NIA to request and receive disbursements of the Grant or any other grant or contribution from AF if (i) the NIA has failed to perform any of its obligations under the Agreement (ii) credible allegations of coercive corrupt, fraudulent, collusive or coercive practices in connection with the NIA and/or the Project have come to the attention of AFA; (iii) any of the representations or warranties of the NIA contained in paragraph 3.9 were not valid or correct or have ceased to be valid or correct; (iv) AFA has determined that a situation has arisen which may make it improbable that the Project can be carried out successfully; or (v) AFA in behalf of the AFA-LVC consortium has determined that any amount of the Grant has been used to finance an expenditure other than an Eligible Expenditure and the NIA has failed to refund such amount in accordance with paragraph 3.14 below.

Such suspension shall continue until (i) AFA and the consortium AFA-LVC is satisfied that the reason for the suspension no longer exists, or (ii) AFA in behalf of the AFA-LVC consortium decides to terminate the Agreement in accordance with paragraph 3.11 below.

3.11 Termination

The Agreement shall remain in effect until the complete performance by the Parties of their respective obligations under the Agreement, or any other date mutually agreed upon by the Parties. AFA in behalf of the AFA-LVC consortium may terminate the Agreement if (i) the NIA fails to provide all documentation required under paragraph 3.3 for disbursement of the first installment of the Grant within three months (3) months of the Effective Date; (ii) the NIA has materially failed to perform any of its obligations under the Agreement; (iii) credible allegations of corrupt, fraudulent, collusive or coercive practices in connection with the NIA and/or the Project have come to the attention of AFA and the NIA has failed to take timely and appropriate action to address such allegations to the satisfaction of AFA and LVC consortium; (iv) any of the representations or warranties of the NIA contained in paragraph 3.8 were not valid or correct or have ceased to be valid or correct; or (v) AFA in behalf of the AFA-LVC consortium has determined that a situation has arisen which makes it improbable that the Project can be carried out successfully.

3.12 Liability beyond Termination

The obligations assumed by the Parties shall survive the early termination of the Agreement to the extent necessary to permit the orderly conclusion of the Project; the withdrawal of personnel, funds and property; the settlement of accounts between the Parties and the settlement of contractual liabilities that are required in respect of any personnel, subcontractors, consultants or suppliers, provided, however,
that in the event of early termination of the Agreement by AFA for any of the reasons set forth in paragraph 3.11 (Termination) (except for (v)), the NIA shall have no right to receive any further disbursements of the Grant or other compensation from AFA.

3.13 Supervision and Evaluation
The NIA shall facilitate all activities related to the supervision, evaluation or review of the Project carried out by AFA or third parties authorized by AFA in consultation with IFAD during the Project Implementation Period and for five (5) years thereafter.

3.14 Records and Documents
The NIA shall maintain adequate records and documents to reflect its operations related to the implementation of the Project until the Project Completion Date, and shall retain and adequately store such records and documents for five (5) years thereafter.

3.15 Refund
If (i) AFA determines that any amount previously disbursed to the Recipient shall not be required to cover further payments for Eligible Expenditures; or (ii) AFA determines at any time that any amount previously disbursed to the NIA has not been exclusively used in accordance with the requirements of the Agreement, the NIA shall, promptly upon notice from AFA and in any case within three months of the notification, refund to AFA such amount in the currency of payment. Any remaining balance previously advanced by AFA shall be refunded by the Grant Closing Date.

3.16 Visibility and Rights of Reproduction and Distribution
Any data, including raw data, collected, compiled or elaborated upon, resulting from the Project by the NIA, shall be made available to any entity upon request. Prior to the production of any written, audio visual and/or information technology material/data connected with or resulting from the Project by the NIA and intended for limited or general public, the NIA shall consult with AFA regarding the form and substance of the acknowledgement of AFA and LVC consortium including IFAD’s role in supporting the Project and shall include an acknowledgement in terms agreed by both Parties. The NIA hereby grants to AFA and the consortium including IFAD the right to reproduce and distribute copies of such written, audio-visual and/or information technology material/data for non-commercial purposes without the need for any additional permission or approval of the NIA. The NIA also grants to AFA the right to disclose project audit reports in accordance with AFA and IFAD’s disclosure policy.

3.17 Insurance
The NIA shall maintain adequate insurance for all Project assets and staff in order to safeguard the implementation of the Project.

3.18 No Agency or Liability
The NIA shall implement the Project on its own behalf and has the exclusive responsibility for its implementation; it is understood that the provision of the Grant by AFA in behalf of the consortium from IFAD shall in no way be construed as appointing the NIA or any other person or institution involved in the Project as the agent or representative of AFA-LVC consortium and IFAD; and AFA-LVC consortium shall not be liable for, and the NIA shall hold AFA-LVC consortium and IFAD harmless against, any claim for loss or damage arising in connection with the Project.

3.19 Privileges and Immunities
Nothing in the Agreement or in any document relating thereto shall be construed as constituting a waiver of any of the privileges or immunities accorded to AFA by its constituent documents or under international law.

3.20 Other Remedies
The remedies of AFA set forth in the Agreement are cumulative and shall not prejudice any other remedies which AFA would otherwise have under general principles of law. No failure or delay by AFA in exercising its rights thereunder, or course of dealing, shall operate as a waiver thereof.

3.21 Applicable Law
Any dispute arising from the Agreement shall be governed by general principles of law, rather than any particular national system of law.
3.22 **Settlement of Disputes**

The Parties shall endeavour to settle through amicable means any controversy between them in respect of the Agreement. Failing the settlement of a controversy through amicable means, the controversy shall be submitted to arbitration. To this end any dispute, controversy or claim arising out of or in connection with the Agreement or any breach thereof, shall, unless it is settled through amicable means, be settled by arbitration in accordance with the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules as at present in force. Unless otherwise agreed, there shall be one arbitrator, the place of arbitration shall be Rome, Italy, the language to be used in the arbitral proceedings shall be the English language, and the arbitral tribunal shall decide in accordance with the terms of the Agreement. The Parties agree to be bound by any arbitration award rendered in accordance with this provision as the final adjudication of any dispute; and the resulting award shall be final and binding on the Parties and shall be in lieu of any other remedy.

3.23 **Amendments**

The Agreement, including the Project Description and the Project Budget, may only be amended or otherwise modified by agreement of both Parties in writing.

3.24 **Transfer or assignment**

The NIA shall not transfer or assign any of its rights or obligations under this Agreement without the prior written agreement of AFA in behalf of the consortium.

3.25 **Communications**

All notices, requests, reports, documents and other information and communications relating to the Agreement, the Grant and the Project, including the Progress Reports and Final Completion Report, shall be in writing in the English language, unless otherwise agreed.

3.26 **Entire Agreement/Severability**

The Agreement constitutes the entire agreement between the Parties, and any prior understandings or representations, whether oral or written, are null and void. If any provision or part of any provision of the Agreement shall be found or declared to be void or unenforceable, it shall not affect any remaining part of the Agreement which shall continue in full force and effect to the extent permitted by law.
ANNEX 1: Annual Work Plan and Budget (with procurement plan)
ANNEX 2: Key Project Activities and Targets related to Logframe indicators