

## GRANT IMPLEMENTATION AGREEMENT

**Grant Number:** 2000001112

**Project name:** *Enhancing Food and Nutritional Security and Improving Livelihoods through Intensification of Rice-Fallow Systems for Pulse Crops in South Asia (Bangladesh, India and Nepal)*

AGREEMENT ("Agreement") dated 23 May 2016 between the International Fund for Agricultural Development (the "Fund" or "IFAD") and the International Center for Agricultural Research in Dry Areas (the Recipient" or "ICARDA") (the Fund and the Recipient hereinafter collectively referred to as the "Parties") for *Enhancing Food and Nutritional Security and Improving Livelihoods through Intensification of Rice-Fallow Systems for Pulse Crops in South Asia (Bangladesh, India and Nepal)* (the "Project").

### CONSIDERING:

(A) the Fund has entered into a Contribution Agreement with the World Bank as Trustee (the "Trustee") for the multi-donor trust fund MTO 069018 ("CGIAR Fund") with effective date 31 December 2012, for the purpose of receiving funds for the CGIAR Fund, as well as setting forth the terms and conditions pursuant to which the first instalment of the funds will be provided by IFAD to the CGIAR Fund – Window 3, and subsequently transferred to the specific CGIAR centre to implement the Project.

(B) IFAD has agreed to provide a grant to the International Centre for Agriculture Research in Dry Areas for an amount of USD 2 500 000 (the "Grant"), through the CGIAR Fund, in order to carry out the activities described in Schedule 1 hereto and provided that the conditions listed in paragraph 4 of this Agreement have been fulfilled.

(C) Accordingly, IFAD expects to enter into amendments to the Contribution Agreement with the World Bank for the purposes of channelling the Grant.

NOW THEREFORE, IFAD and the Recipient wish to set forth the terms and conditions under which the Grant provided to the Recipient through the CGIAR Fund shall be managed by the Recipient, and therefore hereby agree to the following:

### I. THE PROJECT

1. Date of Entry into Force, Project Completion Date and Closing Date. The Project shall be carried out starting on the date on which this Agreement enters into force, such being the date in which IFAD signs this Agreement. The Project implementation shall be completed no later than four years from the Entry into Force ("Project Completion Date"). All obligations of the Parties with the exception of the obligation to retain records, accounts and documents for operation reviews or evaluations and to facilitate supervision and evaluation shall have been performed no later than the Grant Closing Date, which is the date six (6) months after the Project Completion Date.

2. Implementation. The Recipient shall implement the Project in order to accomplish the Goals, and Objectives set forth in Schedule 1 hereto. It shall implement the Project (i) with due diligence, transparency and efficiency as required by best practice in the field concerned; (ii) in conformity with appropriate administrative, engineering, financial, economic, operational, environmental, technical and research practices; (iii) in accordance with the Work Plan and Budgets approved by IFAD; and (iv) otherwise in accordance with this Agreement. The Recipient 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. All suspected and actual cases of

irregularity, fraud and corruption related to this Agreement as well as measures related thereto taken by the Recipient shall be reported to the Fund without delay. Where appropriate the Recipient shall terminate contracts with partners, contractors or agents involved in fraudulent behaviour or corrupt practices in connection with this or any other Project implemented by the Recipient and financed by IFAD and shall take all reasonable measures to recover funds unduly paid. The Recipient shall make every effort to mobilise all the financial, human and material resources required for the full implementation of the Project, as specified in Schedule 1 hereto.

3. Eligible Expenditures. The Recipient shall have the right to incur expenditures under the Grant necessary to meet the costs of implementing the Project, as long as these expenditures are considered eligible by the Fund. In order for these expenditures to be considered eligible by the Fund, they must meet the following requirements: they must (a) meet the reasonable cost of (b) goods, works or services (c) required for the Project (d) in accordance with the Project Budget (e) which are procured in accordance with the Recipient's Procurement Procedures. In addition, in order for the expenditures to be considered eligible by the Fund, they must (f) be incurred in the period starting on the Date of Entry into Force and ending on the Project Completion Date ("Project Implementation Period"); (g) must not involve a payment which is prohibited by a decision of the United Nations Security Council or any other policy of the Fund and must (h) be recorded in the Centre's accounts, be identifiable and supported by adequate documentation and (i) be verifiable by the Fund.

4. Payment and Disbursements.

- (a) The Grant shall be disbursed in five (5) instalments through the CGIAR Fund Trustee in accordance with the following payment schedule:
- (b) The first instalment for an amount not exceeding 75% of the relevant Annual Work Plan and Budget (AWPB) shall be made available to the Recipient, net of 2% cost sharing percentage (CSP), through the Trustee, after the Date of Entry into Force of this Agreement upon submission to the Fund by the Recipient of one copy of this Agreement duly countersigned by an authorized representative of the Recipient, and an AWPB to be cleared by IFAD.
- (c) The second instalment for an amount not exceeding 75% of the relevant approved AWPB, plus a payment covering the outstanding amount of the first AWPB, shall be made available to the Recipient, net of 2% cost sharing percentage (CSP), through the Trustee, upon submission to the Fund by the Recipient of a Statement of Expenditure (SoE) with a supporting transaction list, justifying at least 75% of the first advance, and an AWPB to be cleared by IFAD.
- (d) The third instalment for an amount not exceeding 75% of the relevant approved AWPB, plus a payment covering the outstanding amount of the second AWPB, shall be made available to the Recipient, net of 2% cost sharing percentage (CSP), through the Trustee, upon submission to the Fund by the Recipient of a Statement of Expenditure (SoE) with a supporting transaction list, justifying at least 75% of the second advance and 100% of the first advance, and an AWPB to be cleared by IFAD.
- (e) The fourth instalment for an amount not exceeding 75% of the relevant approved AWPB, plus a payment covering the outstanding amount of the third AWPB, shall be made available to the Recipient, net of 2% cost sharing percentage (CSP), through the Trustee, upon submission to the Fund by the Recipient of a Statement of Expenditure (SoE) with a supporting transaction list, justifying at least 75% of the third advance and 100% of all previous advances, and an AWPB to be cleared by IFAD.
- (f) The fifth instalment for the remaining balance shall be channeled to the Recipient, net of 2% CSP, through the Trustee, after receipt by the Fund in satisfactory form of a Final Report, as described in paragraphs 6 and 7, consisting of: (i) a Final Statement of Expenditure signed by an authorised representative of the Recipient which reports on the use of the total amount of the Grant (including the 2% Trustee cost sharing), with a supporting transaction list; (ii) a Project Completion Report; and (iii) a final Audit Report completed by an independent auditor covering the entire Project Implementation Period

and the total amount of the Grant with an Audit Opinion Letter on the Statement of Expenditure, supported by a transaction list, submitted to the Fund, and a management letter.

- (g) Each and every one of the above instalments shall be channelled to the Recipient only if and to the extent that the Fund has entered into amendments to the Contribution Agreement with the Trustee regarding the respective instalments. Without prejudice to the foregoing, and notwithstanding any provision to the contrary in this Agreement, the Fund shall not be liable to the Recipient for any amount exceeding the provided Grant established in letter (B) of the Preamble to this Agreement, nor shall the Fund be liable for any exchange losses which should arise, directly or indirectly, in connection with the channelling to the Recipient of the relevant Grant instalment(s). The Recipient hereby undertakes to hold harmless and to indemnify the Fund for any such exchange losses and to adopt the prevailing exchange rate used by the Trustee to convert into USD the contribution received.
- (h) Neither this Agreement nor the payments attached to it shall be assigned by the Recipient to a third party in any manner whatsoever without the prior written consent of the Fund.

## II. REPORTING

### 5. Progress Reports.

- (a) Together with each withdrawal application, the Recipient shall submit to the Fund a Progress Report describing the quantitative and qualitative progress of the Project achieved during the previous twelve months, as well as any other issues that the Fund may reasonably request.
- (b) Each Progress Report shall be accompanied by an unaudited Statement of Expenditure, following the sample set forth in Schedule 3 hereto, covering the preceding Fiscal Year as well as an annual work plan and budget for the current Project Year to be approved by the Fund. The reporting currency for the issuance of the financial reports (Statement of expenditures) shall be dollars of the United States of America ("USD"). The Recipient shall inform the Fund without delay of any circumstances likely to hamper or delay the implementation of the Project. The Fund may request additional information any time, providing the reasons for the request. Such information shall be supplied by the Recipient within fifteen (15) days of the request. Failure by the Recipient to comply with the obligation to provide a Progress Report by the relevant deadline specified therefor may result in the Fund terminating this Agreement, taking action to prevent payment of any outstanding amount from being made and in recovering any amount unduly paid.

6. Final Report. As soon as possible after the Project Completion Date, but in no event later than six (6) months thereafter, the Recipient shall provide the Fund with a Final Report covering the Project Implementation Period of this Agreement and consisting of (i) a Final Statement of Expenditure, with a supporting transaction list, signed by an authorised representative of the Recipient which reports on the use of the total amount of the Grant; (ii) a Completion Report, of such scope and in such detail as the Fund shall reasonably request, on the execution of the Project, its costs, the activities undertaken, the level of accomplishment of the Project Goals and Objectives, the results achieved from the Project and the benefits derived and to be derived from it; and (iii) the final Project Audit Report including an Audit Opinion on the Final Statement of Expenditures, supported by a transaction list required under paragraph 7 below. If the Recipient fails to supply a Final Report by the final reporting date specified herein above, and fails to furnish acceptable written explanations of the reasons why it is unable to comply with this obligation, the Fund may take action to prevent payment of any outstanding amount from being made and to recover any amounts unduly paid or unspent.

7. Accounts and Audit. The Recipient shall maintain separate records and financial accounts prepared in accordance with internationally recognized accounting standards in respect of the Grant.

The Recipient shall submit semi-annual unaudited financial reports (SOEs), with supporting transaction lists, to IFAD, and ensure that the entire programme implementation period is covered by audit. Such financial reports shall disclose both IFAD funds and any co-financing funds, and consolidate expenditures incurred by sub-grantees, if any, which will be accountable to the Recipient for the use of sub-grant funds and be subject to normal audit oversight. Nevertheless, the Recipient will be ultimately and solely responsible for the management of grant funds and for financial reporting to IFAD.

The Recipient will have its institutional accounts, prepared in accordance with CGIAR Accounting Policies and Reporting Practices Manual – Financial Guidelines Series No. 2, audited every year by independent auditors in accordance with international audit standards, and shall deliver to IFAD a copy of its institutional audited financial statements within six months after the end of each fiscal year.

The Recipient shall ensure that within its audited financial statements, or separately, an Audit Opinion Letter on the Statement(s) of Expenditure (SoEs), as per Schedule 4, submitted to the Fund during the fiscal year is duly completed by its independent auditor. The scope of coverage on the audit of the SoEs shall include the transaction list detailing the expenditure per category, ensuring eligibility of expenditure. The auditor shall additionally provide a management letter relating to the grant, which the Recipient shall submit to IFAD along with their reply within one month of receipt thereof.

The final SOE, its supporting transaction list, and related Audit Opinion Letter shall cover the whole grant amount and shall be submitted no later than six (6) months after Project Completion Date as part of the submission of the Final Report as per paragraph 6.

Income generated from the Grant Funds (if any) will be disclosed in the Project Audit Reports and will be used exclusively for the purposes of the Grant.

### **III. VISIBILITY, RIGHTS OF REPRODUCTION AND DISTRIBUTION**

8. Acknowledgements. In the event that and prior to the production of any written, audio visual and/or information technology material connected with or resulting from the Project by the Recipient and intended for limited or general publication, the Recipient shall consult with the Fund regarding the form and substance of the acknowledgement of the Fund's role in supporting the Project and shall include a acknowledgement in terms agreed by both Parties. The Recipient hereby grants to the Fund the right to reproduce and distribute copies of such written, audio visual and/or information technology material for non-commercial purposes without the need for any additional permission or approval of the Recipient.

### **IV. REMEDIES AND DISPUTE SETTLEMENT**

9. Suspension. The Fund may suspend, in whole or in part, the right of the Recipient to incur Eligible Expenditures, to request or receive disbursements of the Grant, and/or to implement the Project as a precautionary measure if (i) the Recipient has failed to perform any of its obligations under this Agreement; (ii) credible allegations of corrupt, fraudulent, collusive or coercive practices in connection with the Recipient and/or the Project have come to the attention of the Fund; (iii) in cases of force majeure, such being any unforeseeable exceptional situation or event beyond the control of the Recipient or the Fund which prevents either of them from fulfilling any of their obligations under this Agreement, was not attributable to error or negligence on their part (or of their partners, contractors, agents or employees) and could not have been avoided by the exercise of due diligence; or (iv) the Fund has determined that a situation has arisen which may make it improbable that the Project can be carried out successfully. Such suspension shall continue until (a) the Fund is satisfied that the reason for the suspension no longer exists, in which case the Project Implementation Period is automatically extended by an amount of time equivalent to the duration of the suspension; or (b) the Fund decides to terminate the Agreement in accordance with paragraph 10 below.

10. Termination. Unless earlier terminated pursuant to this Article, the Agreement shall remain effective until the later of the Grant Closing Date or the complete performance by the Parties of their respective obligations under this Agreement, or any other date mutually agreed upon by the Parties. If, at any time, either the Recipient or the Fund believes that the purposes of this Agreement can no longer be effectively or appropriately carried out, it shall consult the other party. Failing agreement on a solution, either party may terminate this Agreement by serving two months' written notice. In this event, the Recipient shall be entitled to payment of the Grant only for the part of the Project carried out, and to reimbursement of commitments entered into by the Recipient for the implementation of the Project, which the Recipient cannot reasonably terminate on legal grounds. The Fund, at its sole discretion, may terminate the Agreement early after giving seven days' notice and without paying compensation of any kind if (i) the Recipient has failed to perform any of its obligations under the Agreement; (ii) credible allegations of corrupt, fraudulent, collusive or coercive practices in connection with the Recipient and/or the Project have come to the attention of the Fund and the Recipient has failed to take timely and appropriate action to address such allegations to the satisfaction of the Fund; (iii) the Fund has determined that a situation has arisen which makes it improbable that the Project can be carried out successfully; (iv) the Recipient has assigned the Agreement to a third party in any manner whatsoever without the prior written consent of the Fund; (v) the Recipient makes false or incomplete statements or provides reports that do not reflect reality; (vi) the Recipient commits financial irregularities or is guilty of grave professional misconduct; or (vii) the Recipient undergoes legal, financial technical or organisational change that is liable to affect this Agreement substantially. In the event of early termination of this Agreement, the Fund may demand full or partial repayment by the Recipient of any amounts unduly paid.

11. Refund/Declaration of Non-eligibility. If (i) the Fund determines that any amount of the Grant previously disbursed to the Recipient or any interest accrued thereon shall not be required to cover further payments for Eligible Expenditures; or (ii) the Fund determines at any time that any amount previously disbursed to the Recipient, including any interest accrued thereon, has not been exclusively used in accordance with the requirements of this Agreement, the recipient shall, promptly upon receipt of notice from the Fund and in no event beyond the deadline specified therein, refund to the Fund such amount in USD.

12. Applicable Law. Any dispute arising from this Agreement shall be governed by general principles of international law.

13. Settlement of Disputes. The Parties shall endeavour to settle through amicable means any controversy between them in respect of this 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 this Agreement or any breach thereof, shall, unless it is settled through amicable means, be resolved by means of a final and unappealable arbitration ruling issued in accordance with the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States in effect on the date of this Agreement.

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

## V. RECORDS

15. Supervision and Evaluation. The Recipient shall facilitate all activities related to supervision, evaluation or review of the Project carried out by the Fund, or third parties authorized by the Fund during the Project Implementation Period and for five (5) years thereafter. Any such supervision, evaluation or review shall be carried out without any cost to the Recipient.

16. Records and Documents. The Recipient shall maintain adequate records and documents, including financial accounting documents concerning the activities financed by the Grant, 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. The Recipient

shall make available to the competent bodies of the Fund, upon request, all relevant financial information, including statements of accounts concerning the Project.

## **VI. MISCELLANEOUS**

17. No Agency or Liability. It is understood that the provision of the Grant by the Fund through CGIAR Fund shall in no way be construed as appointing the Recipient or any other person or institution involved in the Project as the agent or representative of the Fund. It is further understood and agreed that the Recipient implements the Project on its own behalf and has the exclusive responsibility for its implementation and for complying with any legal obligation incumbent on it. The Fund may not under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Recipient while the Project is being carried out or as a consequence of the Project itself. Therefore, the Fund may not accept any claim for compensation or increases in payment in connection with such damage or injury. The Recipient shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them in respect of or arising out of the Project. The Recipient shall discharge the Fund of all liability associated with any claim or action brought as a result of an infringement by the Recipient or the Recipient's employees or individuals for whom those employees are responsible of rules or regulations, or as a result of violation of a third party's right. The Recipient shall hold the Fund, and the World Bank harmless against, any claim for loss, damage or injury of any kind whatsoever arising in connection with the Project.

18. Taxes. The proceeds of the Grant shall not be used for the payment of taxes which are determined by the Fund to be excessive, discriminatory or otherwise unreasonable.

19. Privileges and Immunities.

- (a) Nothing in this Agreement or in any document relating thereto shall be construed as constituting a waiver of any of the privileges or immunities accorded to the Fund by its constituent documents or under international law. The personnel undertaking and responsible for implementing the Project, whether employed by the Recipient or not, shall neither be entitled to any privileges, immunities, compensation or reimbursement on behalf of the Fund nor shall they be allowed to incur any commitments or expenses on behalf of the Fund.
- (b) The outputs of the Project are international public goods. All amounts of the Grant disbursed to the Recipient in advance shall retain their international character and by virtue of the applicable international treaties and conventions they shall be immune from confiscation, expropriation and any other form of interference, whether by executive, administrative, judicial or legislative action.

20. Conflict of Interests. The Recipient undertakes to take all necessary precautions to avoid conflicts of interests and shall inform the Fund without delay of any situation constituting or likely to lead to any such conflict. There is a conflict of interests where the impartial and objective exercise of the functions of any person under this Agreement is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another party.

21. Amendment of the Agreement. Any modification to this Agreement, including the annexes thereto, shall be set out in writing in an amendment. If the request for an amendment comes from the Recipient, the latter shall submit that request to the Fund one month before the amendment is intended to enter into force, and in any case no later than one month before the Project Completion Date, unless there are special circumstances duly substantiated by the Recipient and accepted by the Fund. Changes of address may simply be notified in writing to the Fund.

22. Representatives. The Director General of the Recipient is designated as representative of the Recipient and the Associative Vice-President, Programme Management Department of the Fund is designated as representative of the Fund, for any implementation purposes hereof, including monitoring of the compliance with the conditions of this Agreement.

This Agreement has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Recipient.



For the Fund  
Kanayo F. Nwanze  
President

Date: 23 May 2016



For the Recipient  
Mahmoud Solh  
Director General

Date: 30 May, 2016

## Schedule 1

### *Project Description*

#### 1.1 *Strategic approach, target group, and participating countries.*

*Strategy, approach and methodology.* The Project will:

- (a) Use the integrated systems approach to ensure a better understanding of trade-offs and their solutions;
- (b) Use geo-informatics applications to determine crop suitability;
- (c) Adopt and implement the innovation platforms approach;
- (d) Utilize farmers' participation; and
- (e) Utilize practices for scale up in Project design with fieldwork combined with on-farm testing of genetic materials.

*Target Group.* The target group includes 15,000 farmers and 75,000 members of farm families.

*Participating Countries.* The Project will be implemented in Bangladesh, India and Nepal.

1.2 *Goal.* The Project's goal is to establish a sustainable integrated pulse production system in rice fallows to enhance pulse production and farm income directly of nearly 15,000 farmers in India, Nepal and Bangladesh resulting in food and nutritional security of more than 75,000 members of farm families.

1.3 *Objective.* The Project's objective is the development and testing of cropping systems and agrotechnologies for improved production and productivity of lentil, grasspea and chickpea as second crop in rice- fallows for improved food and nutrition security, farm income and soil health.

1.4 *Project Outputs.* The Project outputs are two:

*Output 1: Germplasm identification*

*Output 2: Scaling up technologies*

1.5 *Activities.* The activities are listed under the outputs below:

i. *Output 1: Germplasm identification: The activities will include:*

- Identification of suitable early maturing germplasm of lentils, chickpeas and grasspeas;
- Conventional and molecular breeding methods for germplasm genotyping and phenotyping in field conditions in collaboration with partners in national agricultural research systems (NARS);
- Development and testing of integrated crop management options, including resistant varieties, application of insecticides, agronomic practices, landscape management and beneficial organisms;
- Assessing the utility and profitability of weed control methods and approaches; and
- Characterization of rice-fallow lands using geographic information systems (very high resolution imagery) to develop feasibility plans for crop intensification and diversification.

ii. *Output 2: Scaling up technologies: To achieve this output the following activities will be implemented:*

- Participatory rural appraisal and quantitative surveys to establish consumer and farmer preferences, and understand farmers' production needs, perceptions of the crops and cropping systems;
- Conduct cluster demonstrations (on 8–10 ha plots) of improved technology in farmer fields in partnership with NARS;



- Multiply quality seeds and develop seed delivery systems.

1.6 *Lesson learning and knowledge management agenda.* Lessons learning and Knowledge management will be promoted through meetings, workshops and cross-visits by partner organizations and across regions. The Project will incorporate methodologies and approaches to document (a) *explicit knowledge* by using clearly defined methods to capture knowledge; in Project documents or databases including development of manuals, written procedures, best practices, lessons learned and research findings; and (b) *tacit knowledge* to provide context for target groups, ideas and experiences by promoting knowledge sharing through farmer-to-farmer initiatives. The Project will develop a framework for documenting local farming systems as well as risks such as those related to the fact that R4D projects may be more time consuming for evolving technologies and varieties than anticipated, hence cost-resource-and-time overrun risks will be captured to inform implementation process. All database, publications, information will be gathered, and will be put together in knowledge management system, CODIS, ICARDA.

1.7 *Recipient's implementation procedures.* ICARDA will be the grant recipient responsible for all technical and fiduciary issues, and accountable to IFAD. ICARDA will ensure that:

- (a) The entire Project implementation period is covered by a financial audit;
- (b) ICARDA's institutional accounts are audited yearly in accordance with International Standards on Auditing and are in compliance with IFAD financial guidelines;
- (c) A copy of its audited institutional financial statements is submitted to IFAD within six months after the end of each fiscal year;
- (d) An audit opinion letter on the statement of expenditures with a supporting transaction list is submitted to IFAD, disclosing the amount of funds from various sources received and spent under this operation; and
- (e) The annual audit report submitted to IFAD shall include IFAD funds and any cofinancing funds, and shall consolidate expenditures incurred by sub-grantees, which will be accountable for the use of sub-grant funds and subject to normal audit oversight.

1.8 *Implementing partners and implementation agreements.* The Project will be implemented in partnership with local institutions including: Bidhan Chandra Agricultural University, Tagore Society for Rural Development and Indira Gandhi Agriculture University in India; the Bangladesh Agricultural Research Institute and Bangladesh Institute of Nuclear Agriculture in Bangladesh; and the National Grain Legumes Research Program and the Forum for Rural Welfare and Agricultural Reform for Development in Nepal. The Project will be directly supervised by IFAD.

1.9 *Recipient's monitoring and evaluation approach.* A Monitoring and Evaluation system that goes beyond tracking the progress made in delivering outputs to capturing development outcomes will be developed. This is to ensure full alignment with IFAD M&E framework. Benefitting from and building on the M&E system of the ICARDA led CRP, the M&E strategy will pay particular attention to:

- (a) Regularly monitoring and assessing the dynamics of the risks and their impact on the level of achieving or not the anticipated results in order to change course swiftly and accordingly. Developing and deploying creative approaches and powerful qualitative and quantitative indicators for the program performance and impact assessment throughout the life of the Project.
- (b) The extent of engagement and active involvement of policy makers in constraints analysis, developing policy and institutional options as well as monitoring their performance, tradeoffs and externalities.
- (c) Monitoring of emerging constraints and working with stakeholders on their solutions.
- (d) Building needed effective partnerships along the impact pathways.
- (e) The development of relevant policy, economic and environmental indicators.

The Project office will update the M & E systems annually to ensure effectiveness and relevance. The programme indicators will be reported on at goals, objectives, outputs and outcomes levels.

The Project will be evaluated externally at two points in time during its implementation; (a) mid-term evaluation to examine whether the critical assumptions still hold and to assess the appropriateness of

the implementation approach. The evaluation will also review and build on the findings of the internal mid-term evaluation; and (b) on completion to examine long-term impacts and address questions of sustainability. The evaluation will also review and build on the findings of the internal completion evaluation.

1.10 *Other sources of funding for the Project.* The Project cost is USD 4.5 million: USD 2 million will be cofinanced by CGIAR (including through the CRPs on Grain Legumes, and Agriculture for Nutrition and Health), the Government of India and OCP Foundation.

## Schedule 2

### Project Budget

2.1. *Overall Budget.* The overall budget for the Project shall be as follows:

Category of Expenditure	USD
Salaries and Allowances	648 000
Equipment and Materials	174 000
Operating Costs	198 000
Goods, Services, and Inputs	534 000
Travel and Allowances	125 000
Consultancies	72 000
Training	198 000
Workshops	185 000
Vehicles	40 000
<b>Sub-total direct costs</b>	<b>2 174 000</b>
CSP (2%)	50 000
Overheads/Management fee	276 000
<b>Sub-total indirect costs</b>	<b>312 000</b>
<b>Total</b>	<b>2 500 000</b>

2.2. *Authorized Reallocation.* Reallocation among Categories of Expenditures are authorized by the Fund provided that: (i) the reallocation does not affect the basic purpose of the Project operations; and that (ii) the budget changes do not exceed 10% of the total amount indicated in paragraph 2.1 above for each Category of Expenditure.

### Schedule 3

#### Sample Statement of Expenditure

Name of the Centre:

Number of Grant:

Name of Project:

Reporting period from \_\_\_\_\_ to \_\_\_\_\_ in \_\_\_\_\_ (USD)

Project	Category of Expenditures	Budgeted Year 1	Spent Year 1	Outstanding	Budgeted Year 2	Spent Year 2	Outstanding	Budgeted Year 3	Spent Year 3	Outstanding	TOTAL Spent
	Total										
	Total										
	Totals										

We hereby certify that the above amounts have been expended for Eligible Expenditures for the proper execution of the Project in accordance with the terms and conditions of this Agreement dated \_\_\_\_\_.

Name and Title: \_\_\_\_\_

Dated: \_\_\_\_\_

## Schedule 4

### *Sample Audit Opinion Letter*

(To be provided on letterhead of the Centre's independent auditors, signed and dated)

To:

Re: Audit Report:

Number of Grant:

Project Name:

In the course of our audit of the financial statements of the Centre for the [year ended] [period ended] [day/month/year], we examined the Statements of Expenditure submitted to IFAD during that period pursuant to this Agreement dated [day/month/year].

Our examination was made in accordance with International Standards on Auditing (ISA) and accordingly included such tests of the accounting records, verification of assets and liabilities, procurement methodologies followed, and other auditing procedures as we considered necessary in the circumstances.

In our opinion, proper records have been kept and financial statements, including the Statements of Expenditure submitted to IFAD, give a true and fair view of the state of the financial affairs of the Centre.

Dated: \_\_\_\_\_

Signed: \_\_\_\_\_