LARGE GRANT AGREEMENT

Grant Number: 2000001630

Project Title: Use of conservation agriculture in crop-livestock systems (CLCA) in the drylands for enhanced water use and soil fertility in NEN and LAC countries (the "Project")

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

and

The International Center for Agricultural Research in the Dry Areas (the "Recipient" or "ICARDA")

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 Project Budget (Schedule 2), the Sample Bank Account Certification Form (Schedule 3A), the Sample Withdrawal Application (Schedule 3B), the Sample Statement of Expenditure (Schedule 4), the Sample Audit Opinion Letter (Schedule 5), and the General Provisions Applicable to IFAD Large Grant Agreements (the "General Provisions") (Schedule 6). In the event of a conflict between this document and any of the Schedules, the provisions of this document shall take precedence. In the event of a conflict between the provisions of Schedule 6 and any of the other Schedules, the provisions of Schedule 6 shall take precedence.

2. The Fund shall provide a grant to the Recipient (the "Grant"), which the Recipient shall use to implement the Project in accordance with the terms and conditions of this Agreement. The Grant shall be used solely to finance Eligible Expenditures as defined in Schedule 6.

3. The total amount of the Grant is two million and five hundred thousand United States dollars (USD 2,500,000).

4. The Effective Date of the Agreement is [Signature: 13 April 2018]

5. The Project Completion Date is 30 June 2022.

6. The Grant Closing Date 31 December 2022.


(a) The following special provision shall replace General Provision 6.3 of Schedule 6 ("Disbursement of the Grant"): "As from the Entry into Force Date, and after receipt by the Fund in satisfactory form of a completed Bank Account Certification Form, and a Letter of Evidence of Authority to Sign Withdrawal Applications and Statements of Expenditure, the Recipient may request withdrawals from the Grant in advance during the Project Implementation Period by using the Withdrawal Application, to be signed by an authorised signatory. The amount so requested shall not exceed 75% of the expenditures included in the relevant Workplan and Budget.

For the second and following Withdrawal Applications, the Recipient shall submit to the Fund a Statement of Expenditure, signed by an authorised signatory, with respect to the use of at least 75% of the immediately preceding instalment (and 100% of previous instalments if any). The Recipient shall also ensure that audit requirements, as per Article 7, are fulfilled."
The last tranche shall be reimbursed by IFAD upon submission of the Final Report, in accordance with General Provision 6.6.

Funds will be disbursed through the World Bank, acting as Trustee for the multi-donor trust fund".

(b) The following special provision shall replace General Provision 6.7 of Schedule 6 ("Accounts and Audit"):

"The Recipient 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 Recipient shall submit interim certified Statements of Expenditure (SOEs), signed by an Authorized Signatory on a semi-annual basis, within forty-five (45) days of the end of the six-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. SOEs submitted to IFAD shall be in the currency of the Grant Agreement. IFAD shall not accept SOEs submitted in any other currency.

The Recipient 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 the Fund, which shall be annexed to the institutional financial statements, and submitted to IFAD within six (6) months of the end of the Recipient'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 IFAD by the Grant Closing Date.

In case the Project Completion Date is not synchronized with the Recipient's Fiscal Year end, a project-specific audit opinion on the final SOE shall be required and must be submitted to IFAD by the Grant Closing Date".

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

For the Fund:
International Fund for Agricultural Development
Attention: Rikke Oliveira
Via Paolo di Dono 44
00142 Rome, Italy

For the Recipient:
ICARDA
Attention: Kamel Shideed
Dalia Building 2nd Floor
Bashir El Kassar Street
Verdun Area
Beirut, Lebanon 1108-2010
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.

INTERNATIONAL CENTER FOR AGRICULTURAL RESEARCH IN THE DRY AREAS

Aly Abousabaa
Director General

Date: 29-03-2018

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Gilbert F. Houngbo
President

Date: ___________________________
Schedule 1

Project Description

1.1. **Strategic approach, target group and participating countries.** The Project will engage in applied research with small crop-livestock farmers and national agricultural research centres to develop contextually-relevant conservation agriculture (CA—minimum tillage, crop residue retention and soil cover) practices in crop-livestock systems (CLCA) in dry areas. CA is an efficient way of improving soil productivity and drought resilience of cropping systems. However, in these areas there is a competition for biomass, hence if more biomass is used for mulching as part of CA, fodder crops needs to be introduced in the crop rotation to compensate for the biomass no longer available for fodder. The Project will therefore support the balancing and optimisation of these systems in different agro-ecological settings, monitor socioeconomic benefits and develop guidelines for upscaling and addressing key adoption barriers. To create synergies and opportunities for upscaling the project will link with and leveraging existing or upcoming IFAD projects within the participating countries as well as developmental programmes being undertaken by national governments or multilateral and international organizations.

The main target groups directly reached by the Project will be 3,000 households of small crop-livestock farmers in NEN and LAC regions, whose livelihoods are dependent on barley, wheat, sheep and goat -based systems in NEN and maize, wheat, Andean cereal, and small ruminants, llamas, and extensive cattle -based systems in LAC countries. Through the involvement of NARES and IFAD investment project partners, the spill-overs are expected to reach further 20,000 households, benefitting indirectly from the project. Specific strategies will be used to integrated women and to involve young farmers and capture their innovative ideas and potential role as change agents.

Target countries where applied research activities will be directly implemented are Bolivia, Nicaragua, Algeria and Tunisia. In addition, through south-south exchange and learning, newly approved or under final design IFAD grant and loan projects in other countries can directly benefit from the tools, technologies, and methodologies that the current grant will generate, such as Palestine, Jordan, Peru and Brazil.

1.2. **Goal.** The goal of the Project is to sustainably increase production and enhance resilience of smallholder crop-livestock production systems to climate variability in NEN and LAC countries.

1.3. **Objectives.** The objective is to develop, in participation with smallholder crop-livestock producers, contextually relevant and gender sensitive processes for enhancing the broad uptake of CA within integrated CL systems in drylands in LAC and NEN regions.

1.4. **Outputs.** The Project shall include the following components, outcomes and outputs:

**Component 1:** Participatory adaptive research with farmers and other partners to fully implement and evaluate CLCA systems.

(a) Outcome 1: 3,000 smallholder farmers reached (at least 40% women and 20% youth below 35 years). 2,100 smallholder farmers have directly adopted CLCA farming systems (in 4 target countries) with increased production and improved cost-benefits optimized by filling research and development gaps;

- **Output 1.1:** An extended technical CLCA framework, to include crop production, stubble management, forage production, livestock and manure management resilient to shocks, is developed and applied, taking into consideration farming systems and agro-ecological specificities as well as farmers' needs for sustainable livelihood development.

- **Output 1.2:** Increased water use efficiency in rainfed and irrigated systems and reduction of erosion in soils with steep slopes.

(b) Outcome 2: At least 6 NARES, in addition to decision makers, NGOs and IFAD loan project partners in the 4 target countries have adopted tools and methodologies for reliable decision making and guide investments on contextually appropriate CLCA system.
Output 2.1: Comprehensive trade-off models between competing uses for crop residue biomass developed and simplified for wider use.

Output 2.2: Appropriate monitoring and evaluation frameworks are established.

Component 2: Accelerated adoption through the development of a delivery system.

Outcome 3: At least four effective agricultural innovation systems - one in each implementation area of the four target countries - are coalesced in order to foster broad uptake of CA practices within integrated dryland CL production systems.

Output 3.1: Contextually relevant processes for enhancing broad uptake of conservation agriculture—different from traditional (linear) processes of technology transfer - are refined in Tunisia (from a previous engagement), adapted and fine-tuned in both Algeria and Latin America (Bolivia and Nicaragua), through participatory processes.

Output 3.2: Effective delivery systems for machinery, agronomic and livestock services through facilitation of access to finance, private investment and public-private partnerships.

1.5. Activities. The Project activities will include the following:

Component 1: Selection of interested farmers among IFAD investment project beneficiaries when possible and implementation of participatory adaptive research with farmers and other partners to fully implement and evaluate CLCA systems and create evidence of benefits. The applied research will focus at optimizing CLCA systems filling research gaps and build capacities of farmers and NARES staff through learning by doing. The applied research will integrate technologies developed by ICARDA and CIMMYT with NARES partners for the two regions. Cost-benefits, trade-offs, and both input and output market viability will be evaluated and business models for local input supply will be developed to support wider adoption and decision-making. Analysis on in particular women’s roles and needs for adopting CLCA systems will be done with women farmers and a specific strategy for addressing the barriers for women will be included in the CLCA upscaling strategy.

Component 2: Development and implementation of a road map with NARES for further wider-scale upscaling of CLCA systems. This will include delivery systems for inputs and advisory services and participatory farmer-led extension systems. The upscaling will be supported by an innovation system model approach and the KM-strategy.

1.6. Lesson learning and knowledge management plan. The Project's knowledge management component will develop a process of generating relevant information and closing adoption gaps through developing, testing and disseminating CLCA information packages to smallholders (men and women) via participatory instruments and processes. Knowledge Management products will support the upscaling of field successes, including the development of a plan for documenting progress, lessons learned, and impacts of scaling-up efforts, and will ensure that the added-value information is fed back to key stakeholders (small farmers, farmers’ groups, rural women institutions, local researchers, and public and private partners) and used to support decision making towards both CLCA practices and project management/agrifood system corrections.

Printed material, online tools for data collection, analysis and sharing and E-learning will be used to generate and disseminate regionalized and relevant knowledge. The Knowledge Management approach will be based on principles of the innovation systems model including participatory research, capacity building, knowledge exchange, and dissemination events. South-South interactions will be formalised in order to share experiences and strengthen locally adapted KM systems for different IFAD investment projects.

1.7. Implementing Partners and Implementation Agreements. The implementation of project activities will be ensured by ICARDA in North Africa (NA) and through a subcontract CIMMYT in Latin America/Caribbean (LAC). Both CGIAR Centers have a long and productive history in the development and promotion of CA in NA and LAC. Activities in-country will be undertaken through collaborative agreements with local, national and regional organizations, as well as private actors and civil society institutions. Further, NARES will also be subcontracted for activities in each country.

Within ICARDA, the Project will be managed by the "Sustainable Intensification and Resilience of Production Systems Research Program". Regional offices in Tunis, Cairo, and Rabat will play a major role in establishing strong linkages between ICARDA science teams and NARES, and these regional
offices will also be in charge of the administrative and financial transactions with NARES in Algeria and Tunisia. Within CIMMYT, the project will be managed by the Sustainable Intensification Program (previously named Global Conservation Agriculture Program). CIMMYT’s headquarters in Mexico will handle the administrative and financial transactions, with collaborators in Nicaragua and Bolivia. There are no deviations from the standard procedures for financial reporting and audits.


ICARDA’s Finance Department is responsible for all financial transactions and records and for financial reporting to donors. ICARDA operates according to the CGIAR Accounting Policies and Reporting Practices, which comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

1.9. **Recipient’s Monitoring and Evaluation approach.** The steering committee (representatives from ICARDA, CIMMYT, NARES, farmer’s organizations and other key project stakeholders from partner countries, and eventually IFAD as observer) will oversee the operational, strategic and financial progress of the project and provide guidelines and support for improvement of project work on a yearly basis.

M&E indicators, developed by the selected grantee together with the national implementing partners, will be harmonized with the indicators of the IFAD investment projects. The national and sub-regional members of the grantee consortium will be responsible for collection of data for monitoring on progress in achieving the indicators and reporting in progress reports. Through action research farmers will be involved in data collection and monitoring activities.

Underpinning the Monitoring and Evaluation work will be the monitoring, evaluation and learning (MEL) system that sits within the broader mandate of the CGIAR results-based management strategy.

Key moments of reflection on outcomes and outputs of the work will be integrated into the yearly regional steering committee workshops to ensure that the work remains on target and moving towards positive outcomes for our stakeholders. ICARDA and CIMMYT will undertake two external reviewing processes, at midway and final completion of the project.

1.10. **Other Sources of Funding for the Project.** NARES will contribute in-kind for an amount of USD 0.5 million.

Nevertheless, both CIMMYT and ICARDA have projects and activities areas, which could benefit the current project. Several scientists, who will be involved in this project, work on developing tools, methodologies and technologies within other projects and initiatives, which could be directly relevant to the current CLCA project. As a result, part of the staff time of these scientists, as well as some of the products, methodologies and tools prepared and developed through other projects, could be considered as a form of contribution to the overall resources of this proposal.
Schedule 2
Project Budget

2.1.  Overall Budget. (a) The overall budget for the Project shall be as follows:

<table>
<thead>
<tr>
<th>Category of Expenditure</th>
<th>Amount (in USD)</th>
</tr>
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<tbody>
<tr>
<td>I. Salaries and Allowances</td>
<td>619 000</td>
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<tr>
<td>II. Travel and Allowances</td>
<td>199 000</td>
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<tr>
<td>III. Workshops + Training + Consultant</td>
<td>370 000</td>
</tr>
<tr>
<td>IV. Goods, Services and Inputs</td>
<td>618 000</td>
</tr>
<tr>
<td>V. Equipment and Materials</td>
<td>235 000</td>
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<tr>
<td>VI. Operating Costs</td>
<td>227 000</td>
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<tr>
<td>VII. Management Fee</td>
<td>182 000</td>
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<td>VIII. 2% CSP</td>
<td>50 000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2 500 000</strong></td>
</tr>
</tbody>
</table>

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

"Category III Workshop" means eligible expenditures includes workshops, training, consultants services.

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 3A
Sample Bank Account Certification Form

International Fund for Agricultural Development (IFAD)
Via Paolo di Dono, 44
00142 Rome, Italy

Attention: Accounting and Controller's Division (ACD)

Reference: IFAD Grant No. 2000001630
Use of conservation agriculture in crop-livestock systems (CLCA) in the drylands for enhanced water use and soil fertility in NEN and LAC countries

The following is the bank account to be used for disbursements related to the above-referenced Grant:

BANK NAME AND ADDRESS:

ACCOUNT NUMBER:

IBAN NUMBER:

PAYEE NAME AND ADDRESS:

Authorized Signatory: ____________________________
Name and Title: ____________________________
Date: ____________________________

(to be completed by the bank)

We certify that the bank account set forth above is in the name of (Recipient) and that the individual whose name appears above is an authorized signatory thereof:

__________________________________________________________________________ (Name of Certifying Officer)
__________________________________________________________________________ (Telephone number)
__________________________________________________________________________ (Name of Bank)
__________________________________________________________________________ (Date)

(Official Stamp of Bank)
International Fund for Agricultural Development (IFAD)
Via Paolo di Dono, 44
00142 Rome, Italy

Attention: Accounting and Controller's Division (ACD)

WITHDRAWAL APPLICATION

Reference: IFAD Grant No. 2000001630
Use of conservation agriculture in crop-livestock systems (CLCA) in the drylands for enhanced water use and soil fertility in NEN and LAC countries

1. Application No. ________________.

2. Please pay (currency) ____________________ (amount) ____________________.

3. This instalment is related to the attached programme of work and budget for the period from ________________ to ________________.

4. We hereby apply for this withdrawal from the Grant Account, and hereby certify and agree as follows:

   (a) The funds covered by this application are required exclusively for the purposes of the Project.

   (b) The attached certified Statement of Expenditures provides detailed information on the utilisation of the immediately preceding advance and confirms that the funds withdrawn have been exclusively used in accordance with the Grant Agreement. All documentation authenticating these expenditures has been retained in accordance with paragraph 6.13. of Schedule 6 of the Agreement. (the above article does not apply for first withdrawal application)

5. Please make payment to the bank account indicated in our Bank Account Certification Form.

Recipient: ____________________

Authorized Signature: ____________________

Name and Title: ____________________

Date: ____________________
Schedule 4
Sample Statement of Expenditure

Name of the Recipient: ________________________________

Grant No: ________________________________

Name of Project: ________________________________

Reporting period from __________ to __________ in ________

(Currency)

<table>
<thead>
<tr>
<th>Category of Expenditures</th>
<th>Budgeted</th>
<th>Received</th>
<th>Spent</th>
<th>Outstanding</th>
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<tr>
<td><strong>Totals</strong></td>
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</tbody>
</table>

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 the Agreement dated ____________.

Name and Title: ________________________________  Dated: ________________________________
Schedule 5

Sample Audit Opinion Letter

(in accordance with paragraphs 6.7 of the General Provisions, to be provided on letterhead of the Recipient’s independent auditors, signed and dated)

To: ___________________________(Recipient Name)

Re: Audit Report: ________________________

IFAD Grant Number: ________________________

Project Name: ________________________

In the course of our audit of the financial statements of [Recipient Name] for the [year ended] [period ended] [day/month/year], we examined the Statement(s) of Expenditure submitted to IFAD during that period pursuant to the Grant Agreement dated [day/month/year]. The preparation of these Statements is the responsibility of [Recipient name]. Our responsibility is to express an opinion on these Statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing (ISA) and accordingly it included examining, on a test basis, evidence supporting the amounts and disclosures in the statements of expenditures. Our audit also included assessing the accounting principles used, procurement methodologies followed, and such other auditing procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, proper records have been kept, Statements of Expenditures submitted to IFAD, have been prepared on the basis of [state accounting basis], and give a true and fair view of the financial situation of the Grant.

Dated: ________________________

Signed: ________________________
6.1 Definitions

(i) "Agreement" or "the Agreement" or "this Agreement" means the Large Grant Agreement between the Fund and the Recipient and Schedules 1 through 6 thereof.

(ii) "Audit Opinion Letter" means a letter confirming the validity of the Statements of Expenditure submitted to the Fund, which is prepared by the Recipient’s independent auditors substantially in the form set forth in Schedule 5 of the Agreement.

(iii) "Bank Account Certification Form" means a form prepared by the Recipient and certified by the Recipient's bank following the sample set forth in Schedule 3A of the Agreement.

(iv) "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.

(v) "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.

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

(vii) "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 Recipient has the right to incur Eligible Expenditures.

(viii) "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 (ii) goods, works or services (iii) required for the Project (iv) in accordance with the Project Budget (v) which are procured in accordance with the Recipient’s Procurement Procedures. In addition, they must (vi) be incurred within the Project Implementation Period; (vii) 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 (viii) be supported by adequate documentation and (ix) be verifiable by the Fund.

(ix) "Fraudulent practice" means any action intended to deceive another party in order to improperly obtain a financial or other benefit or avoid an obligation;

(x) "Grant Closing Date" means the date six (6) months after the Project Completion Date, which is the date on which all the obligations of the Parties under the Agreement (with the exception of the obligation to facilitate supervision and evaluation contained in paragraph 6.12 and the obligation to retain records and documents contained in paragraph 6.13) shall have been performed.

(xi) "Implementation Agreement" means an agreement essential to the implementation of the Project between the Recipient and a third party or parties that must be approved in advance by the Fund, and which cannot be terminated or materially altered without the prior approval of the Fund. Any Implementation Agreements related to the Project are listed in paragraph 1.8 of Schedule 1 of the Agreement.

(xii) "Procurement Plan" means the document prepared by the Recipient and approved by the Fund 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. The Procurement Plan shall include: (i) the various contracts for goods, works and consulting services required to implement the Project in the relevant period; (ii) the proposed methods of procurement for such contracts; and (iii) the related IFAD review procedures, if any.

(xiii) "Project Budget" means the budget for the Project set forth in Schedule 2 of the Agreement.

(xiv) "Project Completion Date" means the date on which the implementation of the Project is to be completed.
(xv) "Project Implementation Period" means the period beginning on the Effective Date and ending on the Project Completion Date.

(xvi) "Project" means the project described in Schedule 1 of the Agreement.

(xvii) "Recipient’s Fiscal Year" means the twelve (12) month period used by the Recipient as its fiscal accounting period.

(xviii) "Recipient’s Procurement Procedures" means the procedures to be used by the Recipient for procurement related to the Project, which have been approved in advance by the Fund and which cannot be materially altered without the prior approval of the Fund.

(xix) "Statement of Expenditure" means a form prepared by the Recipient following the sample set forth in Schedule 4 of the Agreement.

(xx) "Withdrawal Application" means a form prepared by the Recipient following the sample set forth in Schedule 3B of the Agreement.

(xxi) "Work Plan and Budget" or "WPB" means the work plan and budget for the Project prepared by the Recipient and approved by the Fund. 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.

6.2 Implementation

The Recipient shall implement the Project in order to accomplish the Goals and Objectives set forth in Schedule 1 of the Agreement. The Recipient 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 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.

6.3 Disbursement of the Grant

As from the Effective Date, and after receipt by the Fund in satisfactory form of a copy of the completed Bank Account Certification Form, the Recipient may request withdrawals from the Grant in advance during the Project Implementation Period by using the Withdrawal Application. The amount so requested shall not exceed 90% of the expenditures included in the relevant WPB. For the second and following Withdrawal Applications, the Recipient shall submit to the Fund a Statement of Expenditure with respect to the use of at least 75% of the immediately preceding installment (and 100% of previous instalments if any).

6.4 Procurement

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.

6.5 Progress Reports

Every twelve (12) months during the Project Implementation Period the Recipient shall submit to the Fund a Progress Report describing the quantitative and qualitative progress achieved on the Project during the previous twelve months, and any other issues that the Fund may reasonably request.

6.6 Final Report

As soon as possible after the Project Completion Date, but in no event later than the Grant Closing Date, the Recipient shall provide the Fund with a Final Report consisting of (i) a Final Statement of Expenditure 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 audited financial statements and Audit Opinion Letter required under paragraph 6.7.
6.7 Accounts and Audit

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

The Recipient shall ensure that the entire Project Implementation Period is covered by audit.

The Recipient shall have its institutional accounts audited every year by independent auditors acceptable to the Fund in accordance with the International Standards on Auditing. The Recipient shall deliver to the Fund a copy of its audited financial statements which shall include specific reference to the Grant, within six (6) months after the end of each Recipient’s Fiscal Year. The Recipient shall ensure that within its audited financial statements, or separately, an Audit Opinion Letter on the Statement(s) of Expenditure submitted to the Fund during the fiscal year is duly completed by its independent auditor.

If the Project Implementation Period is less than or equal to eighteen (18) months a single Audit Opinion Letter covering the entire period may be submitted.

6.8 Representations and Warranties of the Recipient

The Recipient makes the following representations and warranties to the Fund as of the Effective Date and at all times during the Project Implementation Period: (i) the Recipient 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 that it 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 Recipient, nor compliance with the terms and conditions thereof, will contravene any application 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 Recipient 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 the Fund has received any direct or indirect benefit in connection with the Grant. The signature of the Agreement by the Recipient 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.

6.9 Suspension

The Fund may suspend, in whole or in part, the right of the Recipient to incur Eligible Expenditures and/or receive disbursements of the Grant if (i) the Recipient 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 Recipient and/or the Project have come to the attention of the Fund; (iii) any of the representations or warranties of the Recipient contained in paragraph 6.8 were not valid or correct or have ceased to be valid or correct; 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 (i) the Fund is satisfied that the reason for the suspension no longer exists, or (ii) the Fund decides to terminate the Agreement in accordance with paragraph 6.10.

6.10 Termination

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 the Agreement, or any other date mutually agreed upon by the Parties. The Fund may terminate the Agreement early if (i) the Recipient fails to provide all documentation required under paragraph 6.3 for disbursement of the first installment of the Grant within three (3) months of the Effective Date; (ii) the Recipient 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 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; (iv) any of the representations or warranties of the Recipient contained in paragraph 6.8 were not valid or correct or have ceased to be valid or correct; or (v) the Fund has determined that a situation has arisen which makes it improbable that the Project can be carried out successfully.
6.11 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 the Fund for any of the reasons set forth in paragraph 6.10 (Termination) (except for (v)) the Recipient shall have no right to receive any further disbursements of the Grant or other compensation from the Fund.

6.12 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.

6.13 Records and Documents

The Recipient 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.

6.14 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.

6.15 Refund

If (i) the Fund determines that any amount previously disbursed to the Recipient 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 has not been exclusively used in accordance with the requirements of the Agreement, the Recipient shall, promptly upon notice from the Fund, refund to the Fund such amount in the currency of payment.

6.16 Visibility and Rights of Reproduction and Distribution

Any data, including raw data, collected, compiled or elaborated upon, resulting from the Project by the Recipient, shall be considered a global public good and 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 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 an 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/data for non-commercial purposes without the need for any additional permission or approval of the Recipient.

6.17 Insurance

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

6.18 No Agency or Liability.

The Recipient 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 the 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; and the Fund shall not be liable for, and the Recipient shall hold the Fund harmless against, any claim for loss or damage arising in connection with the Project.

6.19Privileges 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 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.

The Grant is provided by the Fund to the Recipient in order to accomplish its objective as set forth in Article 2 of the Agreement Establishing IFAD. 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.

6.20 Other Remedies

The remedies of the Fund set forth in the 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.

6.21 Applicable Law

Any dispute arising from the Agreement shall be governed by general principles of law, rather than any particular national system of law.

6.22 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, the number of arbitrators shall be three (3), 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.

6.23 Amendments

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

6.24 Communications

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

6.25 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.