

GRANT AGREEMENT

Funded by the China-IFAD South-South and Triangular Cooperation Facility

Grant Number: _____

Project Title: _____ (the "Project")

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

and

_____ (the "Recipient")

each a "Party" and both of them collectively the "Parties"

WHEREAS:

- A. On 12 February 2018, the Ministry of Finance of the People's Republic of China (the "MOF PRC") and IFAD signed a Supplementary Funds Agreement with the objective of creating a China-IFAD South-South and Triangular Cooperation Facility (the "Facility"). The Facility pursues the overarching objective of mobilizing knowledge, technologies and resources from the Global South to accelerate rural poverty alleviation, enhance rural productivity, and advance rural transformation.
- B. The MOF PRC agreed to provide IFAD with a financial contribution to finance the Facility;
- C. Subsequently, the MOF PRC approved the Project on ____ [date];
- D. [The Project shall complement the _____ [IFAD projects];
- E. On the basis of the above and other considerations, the Fund agreed to extend a grant to the Recipient on the terms and conditions set forth in this Agreement;¹
- F. In that context the Recipient is expected to provide ([in kind] or [in-cash]) co-financing for the Project _____ [in words] (_____) [in numbers]; and
- G. The commitment of the Grant is subject to the availability of funds in the Facility.

NOW THE PARTIES HEREBY AGREE as follows:

1. The following documents collectively form this grant agreement (the "Agreement"): this document, the Project Description (Schedule 1), the Allocation Table (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 submit accounts and financial reporting are available at www.ifad.org/grantforms. The project progress report, completion report and other project adjustment request templates are available at www.ifad.org/en/sstcf.
2. IFAD 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 3. The Grant is financed through a contribution from the MOF PRC and no amounts will be disbursed to the Recipient unless and until they have been received by IFAD.

¹ Preamble specific to grants allocated under China-IFAD SSTC Facility.

3. The total amount of the Grant is _____ [in words] (_____) [in numbers].
4. The Recipient's Fiscal Year begins on²_____.
5. The Effective Date of the Agreement is³_____.
6. The Project Completion Date is⁴_____.
7. The Grant Closing Date is⁵_____.
8. The General Provisions shall be amended as follows:

- (i) *Provision 3.5 Procurement para (c) IFAD Client Portal (ICP) Contract Monitoring Tool* shall not apply.
- (ii) *Provision 3.6 Progress Reports and Other Implementation Information*, shall be deleted and replaced as follows:

"3.6 During the Project Implementation Period, the Recipient shall submit to IFAD a Progress Report for the preceding twelve (12) month period within ninety (90) days of the end of the Recipient's Fiscal Year, following the format provided at www.ifad.org/sstcf.

The Recipient shall submit to IFAD the required information outlined in Appendices 1, 2 and 3 in the progress report template for the preceding six (6) months period on a semi-annual basis within thirty (30) days of the end of every six (6) months period of project implementation, following the format provided at www.ifad.org/sstcf.

- (iii) *Provision 3.7 Final Completion Report*, shall be deleted and replaced as follows:

"3.7 As soon as possible after the Project Completion Date, but in no event later than the Grant Closing Date, unless IFAD has agreed in writing to an extension, the Recipient shall submit to IFAD a Final Completion Report in satisfactory form, including both technical and financial information, i.e. the project completion report, the final certified SOE, transaction list, and the Audit Opinion on the SOE, following the formats provided at www.ifad.org/sstcf and www.ifad.org/grantforms."

- (iv) *Provision 3.18 Visibility and Rights of Reproduction and Distribution*, shall be deleted and replaced as follows:

"(a) IFAD will be entitled to all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or documents and other materials which the Recipient has developed under the Agreement and which bear a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the Agreement.

(b) IFAD will provide the Recipient with a non-exclusive, royalty free, worldwide, perpetual, non-transferable license to use, reproduce and adapt the intellectual property of and other proprietary rights to products, processes, inventions, ideas, know-how, or documents and other materials which the Recipient has developed under the Agreement by any method now known or later developed.

(c) In the event of 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 obtain IFAD's

2 This is confirmed during negotiations by the Recipient.

3 This should be the date of the signature of the last of the parties; normally IFAD signs last.

4 To be inserted either before or after signature in line with discussions and funds availability.

5 This is normally 6 months after the project completion date.

prior authorization in writing in order to acknowledge that the Project was carried out with the funding of MOF PRC and IFAD and to display in an appropriate way MOF PRC and IFAD's official logos.

- (d) All publications by the Recipient pertaining to the Project that have received funding from IFAD, in whatever form and whatever medium, including to the internet, shall carry the following disclaimer: "This document has been produced with the financial assistance of the MOF PRC and IFAD. The findings, opinions, interpretations and conclusions expressed in this publication are those of the authors and do not necessarily reflect the views of IFAD, its Executive Board or any of IFAD's Member State. MOF PRC and IFAD do not guarantee the accuracy of the data included in this work. The boundaries, colours, denominations, and other information shown on any map in this work do not imply any judgement on the part of MOF PRC and IFAD concerning the legal status of any territory or the endorsement or acceptance of such boundaries. The views expressed herein can in no way be taken to reflect the official opinion of IFAD or the MOF PRC".
- (e) IFAD shall have the right to disclose Project audit reports in accordance with IFAD's disclosure policy."

- (v) *Provision 3.25 Amendments*, shall be deleted and replaced as follows:

"The Recipient is expected to perform the Project during the agreed Project Implementation period.

Any extension to the Project Completion and Grant Closing dates shall be granted on an exceptional basis. For any extension and any other modifications (including but not limited to changes to the Project scope, budget allocation, and Project results framework) deemed as essential for Project implementation, the Recipient shall send an official request to IFAD in written. The request will be subject to IFAD and MOF PRC review and approval. The Agreement shall then be amended by agreement of both parties in writing."

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

For IFAD:

Attention: [IFAD project leader]
[IFAD Country office or sponsoring division]
[Address]

Attention: [Facility Secretariat staff]

Global Engagement, Partnerships and Resource Mobilization Division
Via Paolo di Dono 44
00142 Rome, Italy

For the Recipient:

Attention: [click and type]
[click and type]
[Address]

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

International Fund for
Agricultural Development

[name]
[President for large grants] [Sponsoring Division Director for small grant]
[Date]

[Recipient Name]

[Authorised Representative]
[Name and title]
[Date]

Schedule 1

Project Description

1.1 *Country/Countries*

1.2 *Direct and indirect target group*

1.3 *Goal & objectives*

1.4 *Key activities by component*

1.5 *Expected outputs and outcomes*

The Recipient shall summarize the project logframe as outlined in the project proposal.

1.6 *Recipient's Implementation Procedures*

1.7 *Implementing Partners and Implementation Agreements*

The Key Project Personnel are: [Project Manager, Financial Specialist, Officer for Monitoring and Evaluation, Knowledge Management Officer, Procurement Officer, Social Inclusion and Gender Specialist, and Environment and Climate Assessment Specialist].

In order to assist in the implementation of the Project, the [PIU/PMU], unless otherwise agreed with IFAD, shall employ or cause to be employed, as required, key staff whose qualifications, experience and terms of reference are satisfactory to IFAD. Key Project Personnel shall be seconded to the [PIU/PMU] in the case of government officials or recruited under a consulting contract following the individual consultant selection method in the IFAD Procurement Handbook, or any equivalent selection method in the national procurement system that is acceptable to IFAD.

The recruitment of Key Project Personnel is subject to IFAD's prior review [as is the dismissal of Key Project Personnel]. Key Project Personnel are subject to annual evaluation and the continuation of their contract is subject to satisfactory performance. Any contract signed for Key Project Personnel shall be compliant with the national labour regulations or the ILO International Labour Standards (whichever is more stringent) in order to satisfy the conditions of IFAD's updated SECAP. Repeated short-term contracts must be avoided, unless appropriately justified under the [Project/Programs]'s circumstances.

1.8 *Recipient's Monitoring and Evaluation approach*

1.9 *Risks and Mitigation Measures*

1.10 *Knowledge Management and Learning*

Outcomes and results emerging from the implementation of the Project shall be documented and shared in forms of knowledge and communication products following the guidance provided at www.ifad.org/sstcf and/or through the IFAD's Rural Solutions Portal (RSP) and Facility webpage (<https://www.ifad.org/en/sstcf>).

1.11 *Supervision modalities*

The Recipient shall submit to the Facility Secretariat through the [Sponsoring Division] the Progress Reports and the Final Completion Report as stipulated in paragraph 8 of this Agreement, to facilitate the Fund's supervision and review of the Project.

The Facility Secretariat shall issue clearance or request supporting documents or clarifications within ten (10) working days from receipt of the documentation.

Project supervision shall be conducted by the [Sponsoring Division] with support as needed from the Facility Secretariat following IFAD's standard policies, procedures and guidelines.

On ad hoc basis, the MOF PRC's representatives may participate to missions of supervision to visit and study any activity implemented within the Project.⁶

1.12 *Linkages*

The Project aligns with the Sustainable Development Goals (SDG), IFAD's Strategic Framework 2016-2025, the SSTC Corporate Strategy.

With the IFAD Project to be complemented...

With the Country Strategy...

1.13 *Sustainability and Scaling up*

⁶ Paragraph 28, Supplementary funds agreement China – IFAD.

Schedule 2

Allocation Table, Sources of funding and Disbursements

2.1. *Allocation Table*

The amounts allocated to each category for the Project shall be as follows:

Category of Expenditure ⁷	Amount (in currency)
I. Consultancies	
II. Goods, Services & Inputs	
III. Workshops and Training	
IV. Travel, Salaries and Operational Costs	
V. Overheads / Management Fees	
TOTAL	

2.2. *Other Sources of Funding*

The Recipient will co-fund the Project for a total amount of [XXXX], [in cash and/or in-kind].

2.3. *Disbursements*

From the Effective Date, the Recipient may request withdrawals from the Grant through the submission to IFAD of the required documentation listed at www.ifad.org/grantforms.

Payments to the Withdraw Applications (WA) shall be made after the Recipient receives no objection on the Annual Work Plan and Budget (AWPB) from the China-IFAD SSTC Facility Secretariat. Facility Secretariat shall issue clearance or request supporting documents or clarifications within ten (10) working days from receipt of the required documentation, including:

- AWPB for the first WA.
- AWPB, Statements of Expenditure (SOE) and Transaction List for subsequent WAs.

IFAD will disburse the Grant resources to the Recipient's designated bank account as below:

[Recipient's designated bank account]

[Disbursement through ICP] In addition to the requirements of paragraph 3.3 of the General Provisions, the Withdrawal Applications (WA) and Statements of Expenditure (SOE) should be submitted through IFAD Client Portal (ICP), once the letter of evidence of authority to sign WAs and SOE and permission to access the ICP website has been submitted to IFAD, as per the format set forth in the IFAD Grant Forms.

⁷ These are recommended budget categories for the Facility-funded SSTC projects. Categories can be changed based on the project budget and activities, but should always limited to 5 and aligned with IFAD Standard Categories.

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 IFAD and the Recipient and Schedules 1 through 3 thereof.
- (ii) "Allocation Table" means the IFAD amounts allocated for the Project as set forth in Schedule 2 of the Agreement.
- (iii) "Audit Opinion" means a written statement describing the auditor's independent opinion on the Statement of Expenditure submitted to IFAD based on the evaluation of the conclusions drawn from the audit evidence obtained and the basis for the opinion.
- (iv) "Authorized Representative" means the person who has the necessary authorization to sign the Agreement on behalf of the Recipient.
- (v) "Authorized Signatory" means the person(s) delegated authority by the Recipient's Authorized Representative to sign Withdrawal Applications and Statements of Expenditure on behalf of the Recipient, using the format set forth at www.ifad.org/grantforms
- (vi) "Bank Account Certification Form" means a form prepared by the Recipient and certified by the Recipient's bank, using the format set forth at www.ifad.org/grantforms.
- (vii) "Coercive Practice" means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party in order to improperly influence the actions of that or another party.
- (viii) "Collusive Practice" means an arrangement between two or more parties designed to achieve an improper purpose, including improperly influencing the actions of another party.
- (ix) "Corrupt Practice" means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value in order to improperly influence the actions of another party.
- (x) "Effective Date" means the date on which 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.
- (xi) "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 Recipient's or other approved 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) not involve a payment which may constitute a Prohibited Practice; (vii) be supported by adequate documentation; and (viii) be verifiable by IFAD.
- (xii) "Fraudulent Practice" means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party in order to obtain a financial or other benefit or to avoid an obligation.
- (xiii) "Grant Closing Date" means the date six (6) months after the Project Completion Date or such later date as IFAD may designate by notice to the Recipient, 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 3.14 and the obligation to retain records and documents contained in paragraph 3.15) shall have been performed.
- (xiv) "Implementation Partner" means each entity responsible for the implementation of the Project or any part thereof.

- (xv) "Obstructive Practice" means: (i) deliberately destroying, falsifying, altering or concealing evidence that may be material to an investigation by the IFAD, or making false statements to investigators in order to materially impede an investigation by the IFAD into allegations of corrupt, fraudulent, coercive or collusive practices; and/or (ii) threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to an investigation by the IFAD or from pursuing such investigation; and/or (iii) the commission of any acts intended to materially impede the exercise of the IFAD's contractual rights of audit, inspection and access to information.
- (xvi) "Procurement Plan" means the document prepared by the Recipient and approved by IFAD 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 the format set out at www.ifad.org/grantforms.
- (xvii) "Prohibited Practice" means any Corrupt, Fraudulent, Collusive, Coercive or Obstructive Practice engaged in connection with an IFAD-financed and/or managed operation or activity.
- (xviii) "Project Completion Date" means the date by which the implementation of the Project is to be completed.
- (xix) "Project Implementation Period" means the period beginning on the Effective Date and ending on the Project Completion Date.
- (xx) "Project" means the project described in Schedule 1 of the Agreement.
- (xxi) "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.
- (xxii) "Recipient's Fiscal Year" means the twelve- (12) month period used by the Recipient as its fiscal accounting period.
- (xxiii) "Recipient's Procurement Procedures" means the procedures to be used by the Recipient for procurement related to the Project, which IFAD has agreed that the Recipient should use and which cannot be materially altered without the prior approval of IFAD.
- (xxiv) "Sexual Exploitation and Abuse" means any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purpose, including, but not limited to, profiting monetarily socially or politically from the sexual exploitation of others (Sexual Exploitation); the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions (Sexual Abuse).
- (xxv) "Sexual Harassment" means any unwelcome sexual advance, request for sexual favour or other verbal, non-verbal or physical conduct of a sexual nature that unreasonably interferes with work, alters or is made a condition of employment, or creates an intimidating, hostile or offensive work environment.
- (xxvi) "Statement of Expenditure" or "SOE" means a form prepared by the Recipient to report the expenditures incurred following the format set forth at www.ifad.org/grantforms and in line with Schedule 2 of the Grant Agreement.
- (xxvii) "Statement of Responsibility" means a letter prepared by the Recipient following the format set forth at www.ifad.org/grantforms.
- (xxviii) "Subsidiary Agreement" means any agreement by which: (i) the whole or parts of the proceeds of the Grant are made available to an Implementing Partner; and/or (ii) an Implementing Partner undertakes to carry out the Project, in whole or in part. Subsidiary Agreements for an amount exceeding USD 100,000 or equivalent are subject to IFAD's prior no-objection. Any Subsidiary Agreements related to the Project shall be listed in paragraph 1.7 of Schedule 1 of the Agreement
- (xxix) "Third Parties" means individuals and entities, other than the Parties, that receive, apply to receive, are responsible for the deposit or transfer of, or take or influence decisions regarding the use of proceeds from the Grant, including, but not limited to: Implementing Partners, service

providers, contractors, suppliers, sub-contractors, sub-suppliers, bidders, consultants and any of their agents or personnel.

- (xxx) "Withdrawal Application" or "WA" means a form prepared by the Recipient, to request disbursements from IFAD, following the format set forth at www.ifad.org/grantforms.
- (xxxi) "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 (18) 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 cash flow forecast following the example set forth at www.ifad.org/grantforms.

3.2 *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; (v) in accordance with the provisions of the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations, as may be amended from time to time; (vi) in accordance with the provisions of the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, as may be amended from time to time. 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 Prohibited Practices and Sexual Harassment, Sexual Exploitation and Abuse. The Recipient remains solely and uniquely responsible vis-à-vis IFAD for grant funds made available to and managed by Implementing Partners.

3.3 *Disbursement*

From the Effective Date the Recipient may request withdrawals from the Grant through the submission to IFAD of the required documentation listed at www.ifad.org/grantforms.

Amounts disbursed in advance shall not exceed 90% of the expenditures included in the relevant WPB that has received IFAD no-objection. For the second and following Withdrawal Applications, in addition, the Recipient shall submit to IFAD 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 IFAD of a satisfactory Final Completion Report in accordance with paragraph 3.7 below. No Withdrawal Application will be accepted by IFAD after the Grant Closing Date, unless IFAD has agreed in writing to an extension.

IFAD may request additional information and supporting documentation, as required.

3.4 *Reallocation*

The Recipient 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.

3.5 *Procurement*

- (a) Procurement of goods, works and services required for the Project shall be carried out in accordance with the procurement procedures agreed by IFAD with the Recipient. In all cases where procurement worth more than two hundred thousand United States Dollars (USD 200 000) or equivalent is covered under the WPB, the Recipient shall be required to submit a Procurement Plan.
- (b) The Recipient shall: (i) inform Third Parties of the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations and IFAD Policy on Prevention and Responding to Sexual Harassment, Sexual Exploitation and Abuse; and (ii) ensure that all bidding documents and contracts for procurement of goods, works and services financed by the Grant are in accordance with the above mentioned Policies. For the avoidance of doubt, IFAD requires that

all bidding documents and contracts for procurement of goods, works and services financed by the Grant include provisions requiring bidders, suppliers, contractors, sub-contractors and consultants to: (i) allow full inspection by IFAD of all bidding documentation and related records; and (ii) fully cooperate with agents or representatives of IFAD carrying out an audit or investigation.

- (c) **IFAD Client Portal (ICP) Contract Monitoring Tool.** The Borrower/Recipient shall ensure that a request is sent to IFAD to access the project procurement Contract Monitoring Tool in the IFAD Client Portal (ICP). The Borrower/Recipient shall ensure that all contracts, memoranda of understanding, purchase orders and related payments are registered in the Project Procurement Contract Monitoring Tool in the IFAD Client Portal (ICP) in relation to the procurement of goods, works, services, consultancy, non-consulting services, community contracts, grants and financing contracts. The Borrower/Recipient shall ensure that the contract data is updated on a quarterly basis during the implementation of the Project/Program.

3.6 *Progress Reports and Other Implementation Information*

During the Project Implementation Period, the Recipient shall submit to IFAD a Progress Report for the preceding twelve (12) month period within ninety (90) days of the end of the Recipient's Fiscal Year, following the format provided at www.ifad.org/grantforms.

In addition to the Progress Reports required by the foregoing provision of this paragraph, the Recipient and the Project Parties shall promptly inform IFAD of:

- (a) Any condition that interferes with, or threatens to interfere with, the implementation of the Project or the achievement of its Goal and Objectives. In particular, the Recipient shall promptly notify IFAD of any allegations of Prohibited Practices that are received in relation to any of the Project activities.
- (b) Any non-compliance with the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse.

3.7 *Final Completion Report*

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

3.8 *Accounts and Financial Reporting*

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, and in line with the IFAD Handbook for Financial Reporting and Auditing of IFAD-financed projects.⁸ The Recipient shall submit interim certified SOEs, signed by an Authorized Signatory on a semi-annual basis, within forty-five (45) days of the end of the six (6) 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 Recipient and by sub-grantees, 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 IFAD shall be in the currency of the Agreement. IFAD shall not accept SOEs submitted in any other currency.

3.9 *Audit*

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. In accordance with

⁸ Available at: <https://www.ifad.org/en/document-detail/asset/39641638>.

the IFAD Handbook for Financial Reporting and Auditing of IFAD-financed Projects, the Recipient shall ensure that the audit covers the entire Project Implementation Period.

If the total amount of the Grant is less than or equal to two hundred thousand United States Dollars (USD 200 000), the Recipient shall submit to IFAD a Statement of Responsibility on the SOEs presented to IFAD. Both the institutional audited financial statements and the Statement of Responsibility on the SOEs must be submitted to IFAD within six (6) months of the end of the Recipient's Fiscal Year. A final Statement of Responsibility on the final SOE must be submitted by the Recipient to IFAD by the Grant Closing Date.

If the total amount of the Grant is more than two hundred thousand United States Dollars (USD 200 000) or equivalent, the Recipient shall provide a separate Audit Opinion on SOEs presented to IFAD, which may be either annexed to the institutional audited financial statements or submitted separately. Both the institutional audited financial statements and the Audit Opinion on SOEs must be submitted to IFAD within six (6) months of the end of the Recipient's Fiscal Year. A project-specific Audit Opinion on the final SOE must be submitted to IFAD 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 by the Grant Closing Date.

IFAD may engage independent auditors of its choice to audit the accounts relating to the Grant. IFAD may finance the cost of such audit by withdrawal from the Grant proceeds.

3.10 *Representations and Warranties of the Recipient*

The Recipient makes the following representations and warranties to IFAD 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 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 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 Recipient is not insolvent and is not the subject of any bankruptcy, insolvency or other similar proceedings; (v) it has not engaged in Prohibited Practices with respect to the Grant; (vi) it has not engaged in any acts of Sexual Harassment, Sexual Exploitation and Abuse and (vii) no official or employee of IFAD 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.

3.11 *Suspension*

IFAD may suspend, in whole or in part, the right of the Recipient to request and receive disbursements of the Grant or any other grant or contribution from IFAD if (i) the Recipient has failed to perform any of its obligations under the Agreement (ii) credible allegations of Prohibited Practices in connection with the Recipient and/or the Project have come to the attention of IFAD; (iii) credible allegations of acts of Sexual Harassment, Sexual Exploitation and Abuse in connection with the Recipient and/or the Project have come to the attention of IFAD; (iv) any of the representations or warranties of the Recipient contained in paragraph 3.10 were not valid or correct or have ceased to be valid or correct; (v) IFAD has determined that a situation has arisen which may make it improbable that the Project can be carried out successfully; or (vi) IFAD has determined that any amount of the Grant has been used to finance an expenditure other than an Eligible Expenditure and the Recipient has failed to refund such amount in accordance with paragraph 3.17 below.

Such suspension shall continue until (i) IFAD is satisfied that the reason for the suspension no longer exists, or (ii) IFAD decides to terminate the Agreement in accordance with paragraph 3.12 below.

3.12 *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. IFAD may

terminate the Agreement if (i) the Recipient fails to provide all documentation required under paragraph 3.3 for disbursement of the first instalment 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 Prohibited Practices in connection with the Recipient and/or the Project have come to the attention of IFAD without the Recipient having taken timely and appropriate action, satisfactory to IFAD, to remedy the situation; (iv) credible allegations of acts of Sexual Harassment, Sexual Exploitation and Abuse in connection with the Recipient and/or the Project have come to the attention of IFAD without the Recipient having taken timely and appropriate action, satisfactory to the IFAD, to remedy the situation; (v) any of the representations or warranties of the Recipient contained in paragraph 3.10 were not valid or correct or have ceased to be valid or correct; or (vi) IFAD has determined that a situation has arisen which makes it improbable that the Project can be carried out successfully.

3.13 *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, sub-contractors, consultants or suppliers, provided, however, that in the event of early termination of the Agreement by IFAD for any of the reasons set forth in paragraph 3.12 (*Termination*) (except for (vi)), the Recipient shall have no right to receive any further disbursements of the Grant or other compensation from IFAD.

3.14 *Supervision and Evaluation*

The Recipient shall facilitate all activities related to the supervision, evaluation or review of the Project carried out by IFAD or third parties authorized by IFAD during the Project Implementation Period and for five (5) years thereafter.

3.15 *Records and Documents*

The Recipient shall maintain adequate records, accounts and documents (including electronic records) to reflect its operations related to the implementation of the Project until the Grant Closing Date, and shall retain and adequately store such records, accounts and documents for five (5) years thereafter.

3.16 *Taxes*

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

3.17 *Refund*

If (i) IFAD determines that any amount previously disbursed to the Recipient shall not be required to cover further payments for Eligible Expenditures; or (ii) IFAD 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 IFAD and in any case within three (3) months of the notification, refund to IFAD such amount in the currency of payment. Any remaining balance previously advanced by IFAD shall be refunded by the Grant Closing Date.

3.18 *Visibility and Rights of Reproduction and Distribution*

- (a) IFAD will be entitled to all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or documents and other materials which the Recipient has developed under the Agreement and which bear a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the Agreement. For the sake of clarity, IFAD's retention of proprietary rights does not exclude the Recipient's right to be identified as the author of a work and other related unalienable moral rights, as the Recipient may be entitled.
- (b) IFAD will provide the Recipient with a non-exclusive, royalty free, worldwide, perpetual, non-transferable license to use, reproduce, and adapt the intellectual property of and other proprietary rights to products, processes, inventions, ideas, know-how, or documents and other materials which the Recipient has developed under the Agreement by any method now known or later developed.
- (c) In the event of 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 obtain IFAD's prior authorization in writing in order to acknowledge that the Project was carried out with the funding of IFAD and to display in an appropriate way IFAD's official logo.

- (d) All publications by the Recipient pertaining to the Project that have received funding from IFAD, in whatever form and whatever medium, including to the internet, shall carry the following disclaimer: "This document has been produced with the financial assistance of IFAD. The findings, opinions, interpretations and conclusions expressed in this publication are those of the authors and do not necessarily reflect the views of IFAD, its Executive Board, its Members, or any Member State they represent. IFAD does not guarantee the accuracy of the data included in this work. The boundaries, colours, denominations, and other information shown on any map in this work do not imply any judgement on the part of IFAD concerning the legal status of any territory or the endorsement or acceptance of such boundaries."
- (e) IFAD shall have the right to disclose project audit reports in accordance with IFAD's disclosure policy.

3.19 *Insurance*

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

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

3.21 *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 IFAD by its constituent documents or under international law.

3.22 *Other Remedies*

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

3.23 *Applicable Law*

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

3.24 *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.

3.25 *Amendments*

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

3.26 *Transfer or Assignment*

The Recipient shall not transfer or assign any of its rights or obligations under this Agreement without the prior written agreement of IFAD.

3.27 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.

3.28 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.