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Investing in rural people

## Signed Supplementary Fund Agreements between IFAD and Small Foundation, the New Venture Fund and the Rockefeller Foundation

### Note to Executive Board representatives

#### Focal points:

#### Technical questions:

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#### Dispatch of documentation:

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Executive Board — 126<sup>th</sup> Session  
Rome, 2-3 May 2019

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For: Information

## Supplementary Fund Agreements between IFAD and Small Foundation, the New Venture Fund and the Rockefeller Foundation

1. At its sessions in September and December 2018 respectively, the Executive Board authorized the President to negotiate and finalize supplementary fund agreements with Small Foundation and the New Venture Fund in support of the Smallholder and Agri-SME Finance and Investment Network (SAFIN), and with the Rockefeller Foundation in support of IFAD's efforts to reduce food loss and waste in sub-Saharan Africa.
2. The supplementary fund agreement between IFAD and Small Foundation was signed on 3 October 2018; the supplementary fund agreement between IFAD and the New Venture Fund was signed on 22 October 2018; and the supplementary fund agreement between IFAD and the Rockefeller Foundation was signed on 14 December 2018. Scanned copies of the signed agreements are herewith attached for information.

**SUPPLEMENTARY FUNDS AGREEMENT**  
BETWEEN  
SMALL FOUNDATION  
AND  
THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT  
REGARDING  
PROVISION OF FINANCIAL ASSISTANCE FOR THE SMALLHOLDER AND AGRI-SME  
FINANCE AND INVESTMENT NETWORK (SAFIN)

**WHEREAS:**

A. Small Foundation (hereinafter "the Donor") is a company incorporated under the laws of Ireland with registered number 447577 and Charity Registration Number CHY 17841. The Donor's vision is Africa permanently free from extreme poverty and chronic hunger by 2030. The Donor's mission is to catalyse the proliferation of sustainable income-generating opportunities for extremely poor people in rural sub-Saharan Africa. The Donor's goal is to support initiatives that improve the business ecosystems that proliferate income opportunities for those in extreme poverty by expanding the access of micro, small and medium enterprises to knowledge, skilled human resources, finance, technology and markets. It aims to do this in ways that are effective, sustainable and scalable.

B. The International Fund for Agricultural Development (hereinafter "IFAD"), a specialized agency of the United Nations, is an international financial institution established by an international agreement (the Agreement Establishing IFAD) with the objective to mobilize additional resources to be made available on concessional terms for agricultural development in developing Member States;

C. Small Foundation and IFAD share the goal to help families and communities in rural Africa to attain, through their own abilities and efforts, food security and diversified constantly-improving livelihoods;

D. The Parties share the belief that this aim can be achieved also through the development of rural economies and food systems in which small-scale producers and agri- small and medium enterprises (hereinafter "SMEs") have better access to finance in order to improve their investment capacity. As such, both parties have joined the SAFIN network, which Secretariat is hosted by IFAD, as a pre-competitive space to align their and other partners' efforts and to scale up and multiply their positive impact, via activities and tools for shared learning, peer support, frank and open dialogue, and the identification of opportunities for coordinated action;

E. The Donor has decided to provide a financial contribution of US\$300,000 in the form of a grant to finance SAFIN (hereinafter "the Project") (Schedule 1 – the Project's concept note and budget), subject to the terms and conditions set forth in this Supplementary Funds Agreement (hereinafter "the Agreement");

F. IFAD is prepared to accept the financial contribution of US\$300,000 from the Donor, including its administration, according to the provisions set forth in this Agreement;

**NOW THEREFORE**, the Donor and IFAD (also referred individually as "Party" and together as "Parties") hereto agree as follows:

#### **I. THE CONTRIBUTION**

1. The Donor will make available to IFAD, for the purpose of the Project, a financial contribution in the amount of US\$300,000 (hereinafter "the Contribution" subject to the Conditions Precedent set in Schedule 3 being satisfied in accordance with their terms.
2. The Parties recognize and agree that the funds being given to IFAD by the Donor shall be considered and treated as supplementary funds under IFAD's governing rules and regulations.
3. IFAD will use the Contribution exclusively for the purpose of the Project as described in Schedule 1 and in accordance with the terms and conditions set forth in this Agreement.
4. The Parties agree that the following categories of expenditures shall be financed through the Contribution:
  - Investment cost: US\$285,000
  - Management Fees: US\$15,000
5. Amendment of the budget, of allocations amongst categories of expenditures or description of the Project may be done by IFAD unilaterally as long as notice is given to the Donor and the amendment does not impair the development, purpose, and financial balance of the Project.

#### **II. THE PROJECT AND ACTIVITIES**

1. Activities to be financed under this agreement shall be related to supporting the Secretariat of SAFIN. Specifically, the contribution will go towards funding SAFIN Secretariat operating costs for the period between 1 January 2019 and end of 2020, including recruitment activities for some of the positions the Secretariat to start in the last quarter of 2018.
3. SAFIN is an inclusive partnership of actors operating in different parts of the ecosystem for agricultural and related rural SME investment, with a focus on access to finance and complementary services. Members of the network share the recognition that smallholder farmers and other rural SMEs are key investors in inclusive and sustainable rural economies and food systems. They further share an appreciation of the many challenges and gaps in the ecosystem around such investments, and an interest in joining forces to address these.
4. The SAFIN Secretariat plays a coordinating and facilitating role for SAFIN activities as endorsed by SAFIN partners and formally approved by the SAFIN Steering Committee. It does not have a direct implementation role except for activities that relate to knowledge management, communication and convening.
5. IFAD shall promptly inform the Donor, as a SAFIN partner, of all material changes to the SAFIN strategy, as decided by SAFIN partners collectively and formally approved by the SAFIN Steering Committee. This shall be done, without limitation, by way of frequent contact between the SAFIN Secretariat and the Donor's management team, as may be requested by the Donor from time to time, between the Donor's directors' representatives and the Steering Committee of SAFIN, subject to agreement from Steering Committee members.

### III. FINANCIAL PROVISIONS

1. The Contribution will be provided by the Donor to IFAD in two instalments in US\$ in line with the requirements set in this Article III and Article IV below.

2. The Contribution shall be credited in US\$ to the following Supplementary Funds account:

Bank name: Wells Fargo Bank, N.A.

Bank address: 375 Park Avenue, 10152 New York, United States

Bank account holder: IFAD CLG

Bank account number: 2000192008552

SWIFT code: PNBPU33NNYC

3. All payments by the Donor under this Agreement shall be requested by IFAD by a withdrawal letter request to the Donor or such other document as may be agreed between the Parties from time to time.

4. If, by 31 October 2018, all of the Conditions Precedent have not been fulfilled or waived then the Parties may defer the First Payment to a later date as agreed between the Parties and if no such date can be agreed this Agreement shall be deemed terminated.

5. Within 15 Business Days of the receipt by the Donor of the documentation provided for in Section 3 of this Article, the Donor shall transfer USD 150,000 (the "First Payment") to IFAD in respect of the period up to 31 December 2019.

6. All further payments to be made by the Donor to IFAD under this Agreement shall be made by way of annual payments (the "Periodic Payments") beginning, unless otherwise agreed in writing between the Parties, with 1 January 2020, subject to an assessment of IFAD's performance of its roles and responsibilities under this Agreement based on narrative reports from the SAFIN Secretariat and subsequent discussion with Small Foundation based on such reports, in line with the operating plans and budgets set out in Schedule 1 as amended from time to time in accordance with Section 11 of this Article and the achievement of the Milestones.

7. Periodic Payments shall be made after the amounts have been agreed in accordance with Article IV and no later than 15 Business Days after the receipt by the Donor of the documentation provided for in Section 3 of this Article.

8. The Donor shall specify the purpose of payment in order to identify credit on receipt and shall notify IFAD of each deposit in writing.

9. Upon notification from the Donor of each deposit, IFAD shall acknowledge receipt of the funds in writing.

10. IFAD shall promptly inform the Donor of any significant changes in the plan of operations of the Project which might involve a modification of fund requirements.

11. IFAD may apply to the Donor at any time for a revision of any or all allocations of funds under this Agreement. There will be no obligation on the Donor to approve any revisions sought.

12. In order to contribute to the defrayment of the cost of administering the Supplementary Funds, IFAD will deduct from the Contribution and will retain for its own account an up-front charge of 5% of each received instalment from the total Contribution plus complete interest retention ("IFAD Management Fee" in Schedule 1).



13. IFAD shall maintain separate records and ledger accounts in respect of the Project under this Agreement.
14. IFAD's disbursements shall be subject to the following conditions:
  - a) sufficient funds have been deposited by the Donor with IFAD; and
  - b) IFAD has been notified of each deposit made by the Donor in writing.
15. IFAD shall have no obligation to extend any financing under this Agreement if no funds are available from the Donor.
16. Any balance of the Contribution remaining unspent following completion of the Project and discharge of all activities and commitments entered into for the purpose of the Project, shall be refunded to the Donor (based on its pro-rata contribution to the Project) or otherwise dealt with as mutually agreed in writing by the Parties.

#### IV. PROCUREMENT AND REPORTING

1. Procurement of goods for the purpose of the Project shall be carried out in accordance with IFAD's rules and regulations, including but not limited to IFAD's Project Procurement Guidelines, IFAD's General Conditions for Agricultural Development Financing, and IFAD's Handbook on consultants and other persons hired by IFAD under a non-staff contract.
2. Not later than 30 days prior to the commencement of its financial year, the SAFIN Secretariat shall submit to the Donor:
  - a) An annual operating plan and budget for that year which shall identify the funding gap if any in relation to the year of implementation together with a request to SF for funding for that year. Such plan and budget will be based on Schedule 1 and proposed variations (if any) will be highlighted and explained.
  - b) An indicative annual operating plan and budget for the succeeding year and the expected funding gap in relation to that year.
  - c) An outline forecast for the remaining years up to the Termination Date and the expected funding gap in those years.
3. IFAD shall provide the following information to the Donor:
  - a) Progress and Evaluation Reports consisting of:
    - (i) Progress reports on:
      - A. a quarterly basis to be provided verbally within 30 days of the end of each quarter; and
      - B. an annual basis to be provided in written form within 45 days of the end of financial year, such reports to be of a narrative nature and distinct from the financial report referred to in Section 4 of this Article IV, and in addition to the reports at (A),  
 setting out information on all projects relating to research, dissemination, development and fund-raising undertaken by IFAD in the context of the Secretariat of SAFIN, and progress toward Small Foundation-specified milestones the content of such reports to be agreed between the Parties from time to time.
    - (ii) All project evaluation reports prepared by IFAD or third parties for internal or external use, to be provided to SF as and when completed.
    - (iii) Planning information consisting of all strategic plans and budgets provided to the Steering Committee of SAFIN.

(iv) All impact evaluation reports prepared by SAFIN or third parties for internal or external use, to be provided to SF as and when completed.

4. In accordance with IFAD procedures for supplementary funds, the accounting records of the Contribution will be audited on an annual basis by an external audit firm as part of IFAD's consolidated financial statements.
5. Within 180 days from year end closing (31 December), IFAD shall provide the Donor with the financial report related to the Project extracted from the IFAD annual consolidated financial statements.
6. All records and accounts related to the Project and Contribution shall be expressed in US\$.
7. The Donor may request monitoring visits to locations of its choosing where collaborative SAFIN network activities may be underway, which the Secretariat may have a role in facilitating. In such instances, the Secretariat of SAFIN shall in a timely fashion facilitate such visits with the Donor and other parties nominated by the Donor. The implementation of such visits will depend also on the availability of local SAFIN partners, which is beyond the scope of responsibility of the SAFIN Secretariat.

## V. COMMUNICATION

1. IFAD agrees to keep the Donor informed on key issues, key learnings, as well as of progress or problems in the Project implementation, as they arise.
2. The Donor and IFAD shall meet annually and whenever necessary to plan and review the progress of the Project's on-going activities.
3. All written communications required or permitted by this Agreement shall be in writing and delivered in person, sent by mail, or sent as scanned document by email and shall be directed to the following addresses:

For the Donor: Elizabeth Wilson  
Senior Executive, Small Foundation  
1-2 Cavendish Row, Dublin, Ireland  
elizabethwilson@smallfoundation.ie

For IFAD: Luis Jimenez-McInnis  
Director, Partnership and Resource Mobilization Office  
Via Paolo di Dono 44, 00142-Rome,  
E-mail: l.jimenez-mcinnis@ifad.org

4. The Donor and IFAD shall advise one another of any change of address.

## VI. EFFECTIVENESS AND TERMINATION

1. This Agreement shall enter into force on the date of its signature by the Parties, as of the date of the last signature, and shall remain in force and effect until 31 December 2020, unless earlier terminated in accordance with Section 2 or 3 of this Article.
2. Either Party has the right to terminate at any time this Agreement by giving the other Party a two months written notice.

3. If either Party breaches any provision of this Agreement and if such breach is not cured within thirty (30) days after receiving written notice from the other Party specifying such breach in reasonable detail, the non-breaching Party shall have the right to terminate this Agreement by giving written notice thereof to the Party in breach, which termination shall go into effect immediately on receipt of the notice.

4. The Parties agree that in case of early termination of this Agreement in accordance with Section 2 or 3 of this Article, the Donor will have no obligation to make any further payments under this Agreement and IFAD shall return to the Donor any unexpended portion of the Contribution following:

- a) satisfaction of all commitments and liabilities undertaken by IFAD hereunder prior to the receipt of the notice of termination (including but not limited to any liability arising out of contractual obligations entered into by IFAD with any consultant and/or third party); and
- b) the orderly conclusion of all activities that are ongoing under this Agreement at the time of receipt of the notice of termination.

5. In the event that this Agreement is terminated due to IFAD, acting reasonably, failing to prevent a Fraudulent Act<sup>1</sup>, IFAD must use reasonable endeavours to recover any payments by the Donor that have been the subject of the Fraudulent Act and will repay funds so recovered (if any) to the Donor.

#### **VII. ANTI-CORRUPTION**

IFAD has a mandate to enable the rural poor to overcome poverty, and the prevention of corruption in its operations is inherent in this role. IFAD is committed to promoting and adhering to the highest standards of probity and accountability in the use of its funding and takes a zero-tolerance stance towards cases of fraud and corruption in its activities and operations, both within the institution and under its projects and programs. Each Party undertakes to report to the other all material suspected illegal, corrupt or fraudulent practice of which they have knowledge or become aware. Failure to disclose suspected illegal, corrupt or fraudulent practice will be considered a breach of this Agreement.

#### **VIII. PRIVILEGES AND IMMUNITIES**

Nothing in this Agreement shall be deemed as a waiver of or otherwise affect the privileges and immunities of IFAD under the Agreement Establishing the International Fund for Agricultural Development, the Convention on the Privileges and Immunities of the Specialized Agencies of the United Nations (1947), any other international treaty or convention, or under international customary law.

#### **IX. APPLICABLE LAW AND DISPUTE SETTLEMENT**

1. The present Agreement and any document or arrangement relating thereto shall be governed by general principles of international law, to the exclusion of any single national system of law.

2. The Parties agree that in the event of any controversy or dispute arising out of or in connection with the implementation of this Agreement, every effort shall be made to amicably reach a settlement by direct negotiation. In cases where consultations or negotiations do not

<sup>1</sup> By fraudulent act what is intended is any act or omission, including a misrepresentation, which knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

allow the Parties to come to an agreement, the controversy/dispute shall be settled by final and binding arbitration in accordance with the Permanent Court of Arbitration, Arbitration Rules 2012.

#### X. GENERAL PROVISIONS

1. IFAD shall not be held liable for any delay or damages caused to the Project due to a late deposit or a failure to deposit by the Donor of the funds due under this Agreement.
2. IFAD will exercise the same care in the discharge of its functions under this Agreement as it exercises with respect to the administration and management of its own affairs. IFAD will exercise the overall responsibility for the execution of the Project, making every effort to ensure effective and timely delivery of inputs and production of outputs.
3. Nothing in the Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between IFAD and the Donor or appoint one Party the agent of the other and neither Party can commit the other financially or otherwise to any third parties.
4. For the avoidance of doubt, each Party shall be wholly responsible for its own financial, tax and legal affairs and such affairs are not underwritten by the other Party. Neither Party shall be responsible for any activities or programmes carried out by the other Party or any results or actions arising from such.
5. This Agreement may be amended only by written agreement between the Parties.
6. The Agreement is the entire agreement between the Parties and supersedes any prior oral or written agreements or communications between them regarding the subject matter.
7. If any court or competent authority finds that any provision (or any part of any provision) of the Agreement is invalid, illegal or unenforceable, that provision or part shall, to the extent required, be deemed to be deleted and the validity and enforceability of the other provisions of the Agreement shall not be affected.

In witness whereof, the Parties, being duly authorized thereto, have signed the present Agreement in English in two original copies.

#### SMALL FOUNDATION

  
Conor Brosnan,  
Chief Executive Officer

Date: 23 October 2018

#### INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

  
Luis Jiménez-McInnis,  
Director Partnership and Resource  
Mobilization Office

Date: 05 October 2018



**Schedule 1 - Operating plans and budgets**

**THE SAFIN "THEORY OF CHANGE"**

Since SAFIN aims to bring together a critical mass of actors playing a role in different parts of the ecosystem for agri-SME finance, its theory of change rests on these assumptions:

- Positive change across the five areas of work identified by partners can impact positively on the five key features of a more inclusive and effective ecosystem;
- Partners all have a direct or indirect stake in all identified areas of work and stand to gain from working better with other partners in all of them;
- Activity lines should inform each other to form a virtuous circle over time, with policy and learning-oriented activities feeding off and into collaborative practice and investment;
- Partners representing agri-SMEs and smallholder farmers have an especially important role in shaping an effective agenda for SAFIN and for the broader ecosystem.

**AGREED WORKSTREAMS AND LINES OF ACTIVITY FOR 2019-2020**

The partnership aims to accompany the timeline of the 2030 Agenda (including the Addis Ababa Action Agenda), with milestone moments of self-assessment at 2020 and 2025. The SAFIN pilot phase covers the period 2019-2020.

Workstream	Activity Lines	Activities
Advocacy and Policy Engagement	Advocate and inform policy debates on bridging the agri-SME investment gap	Contribution to Annual Report of UN IATF on FID
		Side events at annual FID under ECOSOC
		Scoping for 'State of the World of Finance' for SH and agri-food and rural SMEs
		Development/maintenance of key events calendar
	Coordinated participation in regional/global forums	2 Policy briefs per year
	Outreach to different SAFIN ecosystem communities	Side meetings at regional events of Farmers' Organizations/cooperatives Support to travel by Farmers' Organizations to relevant global and regional fora Side events at relevant policy or industry forums
Mobilizing Finance	Research on opportunities/risks in diversifying sources of development finance for ag (i.e. blended finance)	Develop reference book for blended finance transactions
	Advocacy in international policy forums for better use of development finance to strengthen FIs	Deep dive on application of DAC policy principles for blended finance in ag sector (research and convening of 1/2 events)
Alignment of Investments	Piloting framework for country-level diagnostic of investment and financing gaps/opportunities	Piloting framework for investment prospectuses in 4 countries per year
		Mapping tool



Workstream	Activity Lines	Activities
		Stocktaking of existing projects/expected results across network
	Developing collaborative programmes on the basis of the shared diagnostic framework	Tracking new initiatives to launch around investment prospectuses
	Reporting on commitments, achievements, learning and impact resulting from collaborative programmes	Working on a SAFIN results/impact report
Innovation	Pooling expertise and knowledge around new initiatives, instruments, and products to be launched by partners	Partner-driven activity line, activities may vary
	Sharing learning and building the partners' knowledge base on innovative models of delivery of finance and TA	Webinars on innovative models of TA delivery
		Workshop on innovative models of TA delivery + annual partners' meeting (2018)
Strategic Knowledge Agenda	Annual/biennial SAFIN conference on specific themes of interest to partners (2019, 2020)	
	Facilitating dialogue between academic and non-academic communities on top research questions	TBD
	Website development/maintenance	

#### What success may look like by the end of 2020:

- Documented increase in attention to agri-SME finance and investment in key global policy forums;
- An improved evidence base is available to a range of actors in the development finance landscape, to inform better practice in mobilizing private finance for agri-SME investments;
- At least 10 country investment prospectuses are developed through rigorous, inclusive processes that engage smallholders and other agri-SMEs, government, and private investors;

- Documented growth in the number of SAFIN partners' collaborative activities and in the volume of investments they involve in the agri-SME finance ecosystem in selected countries;
- At least 3 new major initiatives or product lines initiated by SAFIN partners in the area of agri-SME finance benefit from learning and peer support across the network.

**BUDGET FOR 1 JANUARY 2019 – 31 DECEMBER 2020**

<b>Expenses</b>	
SAFIN Coordination Team	1,316,066
Other Core Costs	70,600
<b>TOTAL CORE COSTS</b>	<b>1,386,666</b>
<b>Workstreams*</b>	
Advocacy and Policy Engagement	68,000
Mobilizing Finance	100,000
Alignment of Investments	500,000
Innovation	0
Strategic Knowledge Agenda	120,000
<b>TOTAL WORKSTREAM COSTS</b>	<b>788,000</b>
<b>TOTAL EXPENSES</b>	<b>2,174,666</b>
<b>Income</b>	
Small Foundation	300,000
Other Core Cost Grants**	1,086,666
Workstream Grants*	788,000
<b>TOTAL INCOME</b>	<b>2,174,666</b>
<b>NET SURPLUS / DEFICIT</b>	<b>0</b>

**Notes on budget**

\*Workstreams will be moved forward by partner contributions and only if funds are available; Workstream grants will be raised separately

\*\*Estimated amount. USAID is a confirmed funder. Potential further funders include Italian Government, European Commission and IFAD.

**Schedule 2 – Milestones**

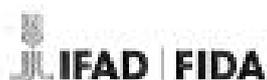
<b>Milestones</b>	<b>Target Completion Date</b>
<b>Team and Organisational Development</b>	
1. Hired team for Secretariat	31 January 2019
2. Finalised plan for evolving SAFIN Secretariat structure after pilot phase	30 June 2020
3. Clear approach to engaging local actors is included in the design of all agreed SAFIN work-streams for 2019 and 2020	30 June 2019
4. Members accurately describe the goals of the initiative and show commitment to the elements of the common agenda	30 June 2020
<b>Core Activities</b>	
1. 1 annual conference organised and held	31 December 2019
2. Engage at least 3 new additional members that are private sector financial service providers, subject to Steering Committee decision	31 December 2019
3. Annual strategic priorities and work plans for 2019 and 2020	30 June 2019 30 June 2020 ongoing
4. Plan developed for next steps beyond 2020	
5. SAFIN Secretariat seeks feedback from partners and creates pathways for partners to become involved in SAFIN activities	31 December 2020
6. Documented growth in the number of SAFIN partners/ collaborative activities and in the volume of investments they involve in the agri-SME finance ecosystem	31 December 2020 31 December 2020
7. Documented increase in attention to agri-SME finance and investment in key global policy forums	
8. An improved evidence base is available to a range of actors in the development finance landscape, to inform better practice in mobilizing private finance for agri-SME investments	
<b>Learning and Sustainability</b>	
9. Share learnings with SF on network effectiveness	Ongoing
10. Confirmed strategy for SAFIN and developed resourcing plan for post pilot phase	30 June 2020

**Schedule 3 – Conditions Precedent**

The Conditions Precedent are:

1. SAFIN receives commitment or other clear indication of intention to cover core costs estimated at USD 1.38 million, based on the 2019-2020 budget outlined in Schedule 1, which may be amended by agreement of both Parties
2. SAFIN provides SF with plan for SAFIN Senior Coordinator role and transition/recruitment, if applicable, from Bettina Preto as Senior Coordinator
3. SF reviews and approves recruitment plan and process for SAFIN Senior Coordinator, while accepting that this will be governed by IFAD Human Resource Policies
4. IFAD begins recruitment process for the SAFIN Secretariat team





Investing in rural people  
 Investir dans les populations rurales  
 Invertir en la población rural  
 الاستثمار في السكان الريفيين

15 October 2018

**SUBJECT:** Letter of Agreement between the International Fund for Agricultural Development (IFAD) and New Venture Fund (NVF).

Dear Mr Bodner,

I am pleased to refer to the decision of NVF to provide US\$62,875.02 in supplementary funds to the International Fund for Agricultural Development (IFAD) in support of the Annual Plenary Meeting and workshop of the SAFIN network that will take place from 11 to 12 October 2018.

The contribution will be administered in accordance with IFAD's Financial and Administrative Regulations and Rules and be treated as supplementary funds. IFAD will maintain separate records and ledger accounts in respect of the funds deposited by the new Venture Fund. All records and financial reports related to this contribution will be expressed in US\$. In order to assist in the defrayment of the costs of administration, IFAD will deduct and retain for its own account, an amount equal to five per cent of the total available budget plus complete interest retention.

The accounting records for the Contribution will be audited on an annual basis by an external audit firm as part of IFAD's consolidated financial statements, from which IFAD shall extract the annual statement of expenditure related to this specific Contribution.

Any disbursement to finance the agreed activities shall be subject to the condition that sufficient funds shall have been deposited with IFAD and IFAD shall have been notified of such deposit in writing. IFAD shall have no obligation to extend any financing if no funds are available.

The contribution will be used for activities as described in the Application Form attached.

The contribution will be paid in one instalment in US\$ to IFAD's bank account as follows:

*[Handwritten signature]*

Mr Lee Bodner  
 President  
 New Venture Fund  
 Washington, DC

## Wells Fargo USD ACCOUNT (CLG) - BU031

Bank name: Wells Fargo Bank, N.A.  
 Routing No. FW 026005092  
 SWIFT BIC: PNBUS3NNYC  
 Account number: 2000192008552  
 Account name: IFAD CLG  
 Bank address: 1300 I Street, N.W. 11th Floor,  
 West Tower, Washington DC 20005  
 USA

The purpose of payment will be specified in order to identify credit on receipt. IFAD will immediately, in writing, acknowledge receipt of the funds.

IFAD shall provide NVF with a final report that is due to NVF on or before December 15, 2018. The full report must include the following certification: "All International Fund for Agricultural Development activities conducted with the Grant funds were and are consistent with charitable purposes as set forth in Section 501(c)(3) of the Internal Revenue Code." IFAD will prepare the report in accordance with the reporting guidelines attached.

Both Parties agree that in the event of any controversy or dispute arising out of or in connection with the implementation of this Agreement, every effort will be made to amicably reach a settlement by direct negotiation. In cases where consultation or negotiation do not allow the parties to come to an agreement, the Parties may take all appropriate measures to settle any dispute, controversy or claims arising from this Agreement by another mutually agreed mode of settlement.

Nothing in this letter shall be deemed as a waiver of or otherwise affect the privileges and immunities of IFAD under the Agreement Establishing the International Fund for Agricultural Development, the Convention on the Privileges and Immunities of the Specialized Agencies of the United Nations (1947), any other international treaty or convention, or under international customary law.

This letter of agreement becomes effective as of the date of its counter-signature and remains in full force and effect as long as all mutual obligations are fulfilled.

I would be grateful if you could kindly confirm your approval by counter signing this letter of agreement and returning one original copy to my attention, at your earliest convenience. Following your approval and counter-signature of this letter of agreement, we would be grateful for making arrangements for the payment of the funds to the bank account detailed above.

I take this opportunity to express my gratitude to New Venture Fund for this contribution.

Yours sincerely,



Luis Jiménez McInnis  
 Director

Partnership and Resource Mobilization Office

Countersigned on behalf of New Venture Fund:

Date: Oct 22, 2018  
Signature: *Robert Liberty*



December 4, 2018

This letter supersedes our letter of November 2, 2018

Mr. Gilbert Houngbo  
 President  
 International Fund for Agricultural Development  
 Via Paolo di Dono, 44  
 Rome 00142  
 Italy

In reply, please quote: 2018 FOD 013

Dear Mr. Houngbo:

I am pleased to report that The Rockefeller Foundation (the "Foundation") has taken action to provide a project support grant to the International Fund for Agricultural Development as described in this letter (the "Grant Agreement"). In accepting these funds, the International Fund for Agricultural Development accepts the terms and conditions described in this Grant Agreement.

#### Grant Overview

**Grant Number.** 2018 FOD 013

**Amount and Purpose of Grant.** Up to \$262,500 in support of providing technical support and training to a network of Rockefeller Foundation partners, in an effort to help farmers reduce post-harvest losses for crops in Kenya, Rwanda, Nigeria and Tanzania.

**Term.** The 12-month period December 1, 2018 to November 30, 2019.

**Budget.** Use of the grant funds is restricted to line items detailed in the budget approved for the grant (see Addendum 2). Please also refer to "Use of Grant Funds" in the *Other Terms and Conditions* section below for additional restrictions. You may, without seeking Foundation approval, reallocate up to 10 percent of funds from one budget category to another existing budget category. Prior to re-budgeting more than 10 percent of any category or creating a new budget line, a written request must be made to the Foundation. If a revised budget is approved, any subsequent financial reports should be based on the revised budget. Please see *Requesting an Extension or Modification of the Grant* section below for detailed instructions.

#### **Rockefeller Foundation Contacts for this Grant**

- Project-related questions should be addressed to: **Betty Kibera, Associate Director**, [BKibera@rockfound.org](mailto:BKibera@rockfound.org), in our Nairobi office: Capital Hill Square, Western Wing, 3rd Floor, Ghylu Road, off Hala Selesse Avenue, P. O. Box 14331-00600, Nairobi, Kenya.
- All administrative questions should be directed to: **Jennifer Cooper, Grants Manager**,



400 Fifth Avenue New York, NY 10018-2702  
 T (212) 607-6000 F (212) 754-2458 [www.rockefellerfoundation.org](http://www.rockefellerfoundation.org)



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- [JCooper@rockfound.org](mailto:JCooper@rockfound.org), in our New York office.
- Grant reports should be submitted via the Grantee Portal (<https://granteeportal.rockefellerfoundation.org/>). Questions regarding report submissions should be directed to [Officeofgrantsmanagement@rockfound.org](mailto:Officeofgrantsmanagement@rockfound.org).
- Communications-related questions should be addressed to [media@rockfound.org](mailto:media@rockfound.org) or 212-868-8500.

#### Project Deliverables, Reporting Guidelines, and Payment Terms

**Grant Deliverables and Payments.** The Foundation will disburse grant funds to the International Fund for Agricultural Development upon our receipt of this Grant Agreement signed by an authorized officer of your organization, and upon the satisfactory completion by your organization of all the terms and conditions for this grant, including submission of deliverables and reports as outlined in this section and the attached *Deliverables and Payment Schedule (Addendum 1)*.

It is important that all Deliverables (as defined in Addendum 1), including narrative and financial reports, be submitted in a timely manner; otherwise payment may be delayed on this and other Rockefeller Foundation grants (if any) to your organization. Please indicate the grant number referenced in this Grant Agreement on all submissions. Addendum 1 outlines when deliverables are due and payments are expected to be made. In addition, please send to the Foundation copies of all papers, manuscripts, and other materials produced that are a direct result of the Rockefeller Foundation's grant. All deliverables and reports should be submitted via the Grantee Portal (<https://granteeportal.rockefellerfoundation.org/>).

#### Requesting an Extension or Modification of the Grant

To request an extension or modification of this grant, the International Fund for Agricultural Development must submit:

- A detailed explanation for the need for the change;
- A revised budget and/or a revised milestones and deliverables table, if applicable; and
- An up-to-date narrative report and financial accounting (if requested by the Foundation).

Requests to modify a grant are necessary when the grantee must change the activities to be completed under the grant, add new budget categories, reallocate more than 10 percent of any budget category, or make other substantive changes to the project. Under no circumstances can the purpose of the grant be modified.

All extension and modification requests should be sent to Jennifer Cooper, [JCooper@rockfound.org](mailto:JCooper@rockfound.org). If the request is approved, the Foundation will send a notification to your organization and the revised *Deliverables and Payment Schedule* will be updated in the Grantee Portal, if applicable.

#### Other Terms and Conditions

**Staffing.** The International Fund for Agricultural Development hereby agrees to notify the Foundation of any change in key personnel for this project. The Foundation reserves the right to terminate the grant following any such change when the change of staff results in a clear undermining of the project's ability to achieve its development objectives.



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**Tax Status.** We have made this grant with the understanding that the International Fund for Agricultural Development is an "international organization" designated by Executive Order under 22 United States Code section 288. You hereby agree to notify the Foundation promptly if there is any material change in your organizing documents or other similar materials or information submitted to the Foundation or NGOsource.

**Use of Grant Funds.** Grant funds may not be used for purposes other than those described in this Grant Agreement; funds not used for the purposes of the grant must be repaid to the Foundation. Any grant funds not used by the termination date of this grant will revert to the Foundation.

While the Foundation is providing support for this project, except as expressly noted in this Grant Agreement, sole responsibility for the supervision, direction and control of the conduct of the project lies with the International Fund for Agricultural Development.

Grant funds may not be used to pay for costs associated with Foundation staff traveling to or attending any meetings, conferences or other events. If your organization unavoidably incurs any expenses related to Foundation staff travel or attendance, please send an invoice to the Foundation for repayment rather than covering those costs from the grant funds.

The International Fund for Agricultural Development does not advance funds for the purposes of this grant. Therefore, any disbursement or expenditure by the International Fund for Agricultural Development for the purposes of this grant are subject to the condition that sufficient funds have been deposited with the International Fund for Agricultural Development.

The International Fund for Agricultural Development will administer with the International Fund for Agricultural Development's Financial and Administrative Regulations and Rules applicable to supplementary funds.

The International Fund for Agricultural Development will retain five percent (5%) of the direct costs plus interest to cover the costs of administrative support as reflected in the budget.

The International Fund for Agricultural Development shall not be held liable for any delay or damages caused to the Project due to a late deposit or a failure to deposit by the Donor of the funds due under this Agreement. The International Fund for Agricultural Development will exercise the same care in the discharge of its functions under this Agreement as it exercises with respect to the administration and management of its own affairs. The International Fund for Agricultural Development will exercise the overall responsibility for the execution of the Project, making every effort to ensure effective and timely delivery of inputs and production of outputs.

**Accounting and Auditing.** For a period of at least four years after the termination of the grant, the International Fund for Agricultural Development shall retain books and records with respect to the use of these grant funds.

In accordance with The International Fund for Agricultural Development's procedures for the supplementary funds, the International Fund for Agricultural Development's accounting records will be audited by an external audit firm as part of the annual audit of the International Fund for Agricultural Development's consolidated financial statements, from which a financial report related to this specific grant will be extracted.



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The International Fund for Agricultural Development will submit financial and narrative reports to the Foundation no later than one hundred and eighty (180) days after the year end closing (31 December).

**Privileges and immunities.** Nothing in this Agreement shall be deemed as a waiver of or otherwise affect the privileges and immunities of the International Fund for Agricultural Development under the Agreement Establishing the International Fund for Agricultural Development, the Convention on the Privileges and Immunities of the Specialized Agencies of the United Nations (1947), any other international treaty or convention, or under international customary law.

**Applicable law and dispute settlement.** The present Agreement and any document or arrangement relating thereto shall be governed by general principles of international law, to the exclusion of any single national system of law. The Parties agree that in the event of any controversy or dispute arising out of or in connection with the implementation of this Agreement, every effort shall be made to amicably reach a settlement by direct negotiation. In cases where consultations or negotiations do not allow the Parties to come to an agreement, the controversy/dispute shall be settled by final and binding arbitration in accordance with the Permanent Court of Arbitration, Arbitration Rules 2012.

**Anti-Terrorists.** The International Fund for Agricultural Development confirms that it does not, in accordance with its policies and procedures, engage in, promote or support any terrorist activity, and that it will give effect to applicable resolutions of the United Nations Security Council that prohibit the engagement, promotion or support of organizations or individuals involved in terrorist activities. With respect to sub-grants to other entities under the terms of this Grant Agreement, the International Fund for Agricultural Development will include a provision in each grant agreement with such sub-grant recipient that the recipient will not use the proceeds of the grant for the purposes of any payment to persons or entities, or for the import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.

**Intellectual Property.** Please also note that by signing and returning the enclosed copy of this letter, the International Fund for Agricultural Development grants to the Foundation a perpetual, worldwide, non-exclusive license to use, reproduce, distribute, display, perform, edit, adapt, create derivative works from and otherwise exploit and sublicense, in all languages and all media now known or hereafter developed, all written work or other materials of any nature created by it under this Grant Agreement, including the Deliverables ("the Work"). The International Fund for Agricultural Development acknowledges and agrees that no royalties will be paid for such use, total compensation being the grant described in this agreement.

**Warranty/Indemnity.** The International Fund for Agricultural Development represents, warrants and covenants that the Work is original and that it is the sole creator of the Work, except for any material incorporated into the Work created or owned by third parties, from whom the International Fund for Agricultural Development has obtained or will obtain, at its expense, all irrevocable, royalty-free, worldwide, transferable and perpetual licenses necessary to incorporate and use such third-party material in the Work. The International Fund for Agricultural Development further represents, warrants and covenants that the Work does not and will not contain any matter that is obscene or libelous, in violation of any copyright, trademark, proprietary right, or personal right of any third party, or otherwise violate any law.

**Public Announcement of Grant and Dissemination of Grant-Related Products.** The Rockefeller Foundation encourages its grantees to announce grants; however, you must receive approval, in advance, from the Foundation's Communications Office to use any language that purports to interpret the



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Foundation's intent in making the grant. Please also note in your communications about the Foundation's grant that although the Foundation is providing financial support for your project, it is not responsible for the project, and it is important that your communications be clear on this point (e.g., stating that the Foundation is providing financial support for your project is accurate; stating that the Foundation is "sponsoring" your project is not).

The Foundation's Communications Office must also approve, in advance, any press release or other media or public communications, written or electronic, you intend to issue concerning the awarding of the grant. The Foundation must also approve, in advance, any use of the Foundation's logo. Grantees are free to disseminate information about their experiences and findings during the course of the project to those who might benefit from this knowledge; in that connection, the Foundation views itself as an active partner that can further enhance and expand communications outreach and expects to be notified in advance regarding media outreach. For further information or assistance related to communications concerning this grant, please contact the Foundation's Communications Office (e-mail: [media@rockfound.org](mailto:media@rockfound.org); phone: 212-869-8600; fax: 212-862-8441).

The Foundation's web site will include a brief description of this grant. On occasion, the Foundation also posts grantees' publications and other related items on its web site. In addition, such information is provided to the Foundation Center and to media and other organizations that provide grantseekers and researchers with information about the interests and activities of private foundations.

**Effectiveness and termination.** This Agreement shall enter into force on the date of its signature by the Parties, as of the date of the last signature, and shall remain in force and effect until November 30, 2019.

Either Party has the right to terminate at any time this Agreement by giving the other Party a 30-day written notice. If either Party breaches any provision of this Agreement and if such breach is not cured within thirty (30) days after receiving written notice from the other Party specifying such breach in reasonable detail, the non-breaching Party shall have the right to terminate this Agreement by giving written notice thereof to the Party in breach, which termination shall go into effect immediately on receipt of the notice. In case of early termination of this Agreement, the International Fund for Agricultural Development shall return to the Donor any unexpended portion of the Contribution following:

a) satisfaction of all commitments and liabilities undertaken by the International Fund for Agricultural Development hereunder prior to the receipt of the notice of termination (including but not limited to any liability arising out of contractual obligations entered into by the International Fund for Agricultural Development with any consultant and/or third party); and

b) the orderly conclusion of all activities that are ongoing under this Agreement at the time of receipt of the notice of termination.

**Authority to Sign.** The person signing this Grant Agreement on behalf of the International Fund for Agricultural Development represents and certifies that she or he has full, express power and authority to do so.

**Entire Agreement.** This agreement constitutes the entire understanding between us with respect to its subject matter and supersedes all prior agreements, discussions or representations between us. Any modification of this agreement must be in writing and signed or sent electronically by the Foundation's Office of Grants Management.



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It is a pleasure to report this action to you.

Sincerely yours,

Shari Patrick  
General Counsel  
& Corporate Secretary

Copy to: Fabrizio Bresciani  
Nicola Carta  
Domenico Nardelli  
Advit Nath

The undersigned organization agrees to the terms and conditions set forth in this letter.

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

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

Name: Luis Jiménez-Morales

Title: DIRECTOR, PARTNERSHIP AND RESOURCE MOBILIZATION OFFICE

Date: 14 Dec 2018



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#### ADDENDUM 1: DELIVERABLES AND PAYMENT SCHEDULE

Deliverables	Due Date	Payment Amount
<ul style="list-style-type: none"> <li>• Grant Agreement-Counter-signed</li> <li>• Banking Information</li> </ul>	N/A	\$150,000
A detailed work plan for activities across the four value chains	By January 31, 2019	N/A
<ul style="list-style-type: none"> <li>• A narrative report detailing progress within each of the value chains on supporting multi-stakeholder platforms</li> <li>• Due diligence narrative reports for Small- and Medium-Sized Enterprises in at least two value chains</li> </ul> <p><i>(Deliverables in and above this row must be submitted and approved before release of this payment)</i></p>	By May 30, 2019	\$113,000
<ul style="list-style-type: none"> <li>• A report on Small- and Medium-Sized Enterprises accessing financial products</li> <li>• A report detailing financial products designed for Small- and Medium-Sized Enterprises</li> <li>• A sustainability plan for the multi-stakeholder platforms (Maize, Tomato, Cassava, Mangoes)</li> </ul>	November 30, 2019	N/A
<ul style="list-style-type: none"> <li>• Final Narrative Report covering the period: December 1, 2018 - November 30, 2019</li> <li>• Final Financial Report covering the period: December 1, 2018 - November 30, 2019</li> </ul>	By June 30, 2020	N/A

Any modifications to this table which are approved by the Foundation will be reflected in the Grantee Portal.

*It is crucial that narrative and financial reports follow the guidelines listed below. Please utilize this checklist before submitting a narrative and financial report. Incomplete reports will not be accepted. All Deliverables should be clearly identified by referencing the language in the table above.*

#### Narrative Reports should:

- ✓ Include an executive summary;
- ✓ Clearly indicate the time period that the report covers;
- ✓ Detail progress made in achieving the agreed upon milestones (if applicable);
- ✓ Indicate lessons learned that may inform your future work;
- ✓ Describe any challenges and how they were addressed;
- ✓ Indicate compliance with the terms of this Grant Agreement, and
- ✓ Be signed by (or submitted electronically by or on behalf of) the principal investigator or another appropriate official of the organization.

#### Financial Reports should:



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- ✓ Specify the time period covered by the report;
- ✓ Be submitted in four columns: the first column should reflect the original budget (as amended, if applicable), the second column should show actual expenditures against the budget categories, the third column should show the balance (budget minus expenditures), and the fourth column should show the percentage of change between columns one and two;
- ✓ Be in U.S. dollars, indicating exchange rates if converting from a different currency (adding columns to show the exchange rates, if necessary);
- ✓ Include a narrative explanation of any variances from the budget in excess of 10 percent;
- ✓ Include a statement that the grant funds were used solely for the purpose for which the grant was made;
- ✓ Be submitted in Excel if at all possible;
- ✓ If applicable, include a report on unexpended funds in addition to funds subsequently received if a prior financial report shows unexpended funds;
- ✓ Include a revised budget for the remainder of the grant if the report shows a significant balance on hand (and please note that if grant funds remain unpaid, the payment schedule for the remaining funds may be changed based on the new budget); and
- ✓ Be signed by (or submitted electronically by or on behalf of) a financial officer of the institution.

All grant reports and deliverables should be submitted via the Grantee Portal (<https://granteeportal.rockefellerfoundation.org/>). Questions regarding report submissions should be directed to **Officeofgrantsmanagement@rockfound.org**.

All documents listed above under "Deliverables," other than the signed grant agreement, are included in the "Deliverables" for purposes of this Grant Agreement.

## **ADDENDUM 2: BUDGET (See next Page)**

**Rockefeller Foundation Budget Template  
Budget Summary**

<b>Applying Organization:</b>	International Fund for Agricultural Development
<b>Project Title:</b>	Catalyzing Post-harvest Management for Food Systems Transformation project
<b>Principal Investigator:</b>	Fabrizio Bresciani, Regional Economist, Asia and the Pacific Division
<b>Financial Officer Title:</b>	Domenico Nardelli, Director and Treasurer, Treasurer Services Division

Beginning and Ending dates of requested funding: \_\_\_\_\_ December 2018 \_\_\_\_\_ TO \_\_\_\_\_ November 2019 \_\_\_\_\_  
Date Date Date Date

Note: Please do not edit items shaded in blue, as they are automatically calculated

	Total Project Budget	Budget for Year 1	Budget for Year 2	Budget for Year 3
	From: December 2018 To: November 2019	From: To:	From: To:	From: To:
<b>DIRECT COSTS</b>				
<b>Staff Costs</b>				
Salaries	\$0	\$0	\$0	\$0
Fringe Benefits	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Direct Costs</b>				
Consultants/contracts	\$115,000	\$115,000	\$0	\$0
Travel	\$40,000	\$40,000	\$0	\$0
Equipment Purchase	\$0	\$0	\$0	\$0
Office Expenses	\$0	\$0	\$0	\$0
Communications/Publications	\$20,000	\$20,000	\$0	\$0
Conferences/Meetings	\$40,000	\$40,000	\$0	\$0
Evaluation	\$0	\$0	\$0	\$0
Other	\$35,000	\$35,000	\$0	\$0
<b>Subtotal</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL DIRECT COSTS</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$0</b>
<b>INDIRECT COSTS (*)</b>	<b>\$12,500</b>	<b>\$12,500</b>		
<b>GRAND TOTAL</b>	<b>\$262,500</b>	<b>\$262,500</b>	<b>\$0</b>	<b>\$0</b>

Total funding requested by source	Status (**)	Total Project Budget	Year 1	Year 2	Year 3	Notes / Comments
Rockefeller Foundation		\$262,500	\$262,500			
International Fund for Agricultural Development		\$0				i.e. in-kind and cash contributions
Other donor #1		\$0				
Other donor #2		\$0				
Budget surplus / (shortfall)		\$0	\$0	\$0	\$0	

\* For indirect costs, the Foundation encourages prospective grantees to budget for all direct project costs. Direct project costs may include renting office space only if that space is rented specifically for the project. Beyond direct project costs, the Foundation will consider providing overhead of up to 15 percent to those institutions that are eligible to receive overhead from the Foundation under U.S. Internal Revenue Code regulations. Overhead or indirect expenses generally include office rent and utilities or other designated expenses as an allocated cost established by your institution; this cost is also sometimes referred to as an administrative or management fee by the institution. For some types of grantees, because of IRS regulations, no indirect funding is permitted.

\*\* Status terms: Please use these terms to describe the status of funding requests to other funders (add additional description if required)  
Committed  
Requested  
Under discussion  
Not yet under discussion