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Investing in rural people

Republic of Uganda

National Oilseeds Project

Information note

Note to Executive Board representatives

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Executive Board — 129th Session
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For: **Information**

Republic of Uganda: National Oilseeds Project – Information note

1. In December 2019, the Executive Board considered the proposal contained in document EB 2019/128/R.27 and adopted the following resolution:

   > "RESOLVED: that the Fund shall provide a loan on highly concessional terms to the Republic of Uganda in an amount of ninety-nine million six hundred thousand United States dollars (US$99,600,000) equivalent to about seventy-two million three hundred thousand special drawing rights (SDR 72,300,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein."

2. The Executive Board approved the National Oilseeds Project in Uganda, subject to the completion of negotiations of the financing agreement before the end of 2019. A copy of the negotiated financing agreement would be tabled at the 129th Board session along with any substantive changes to the terms presented to the Board at its 128th session.

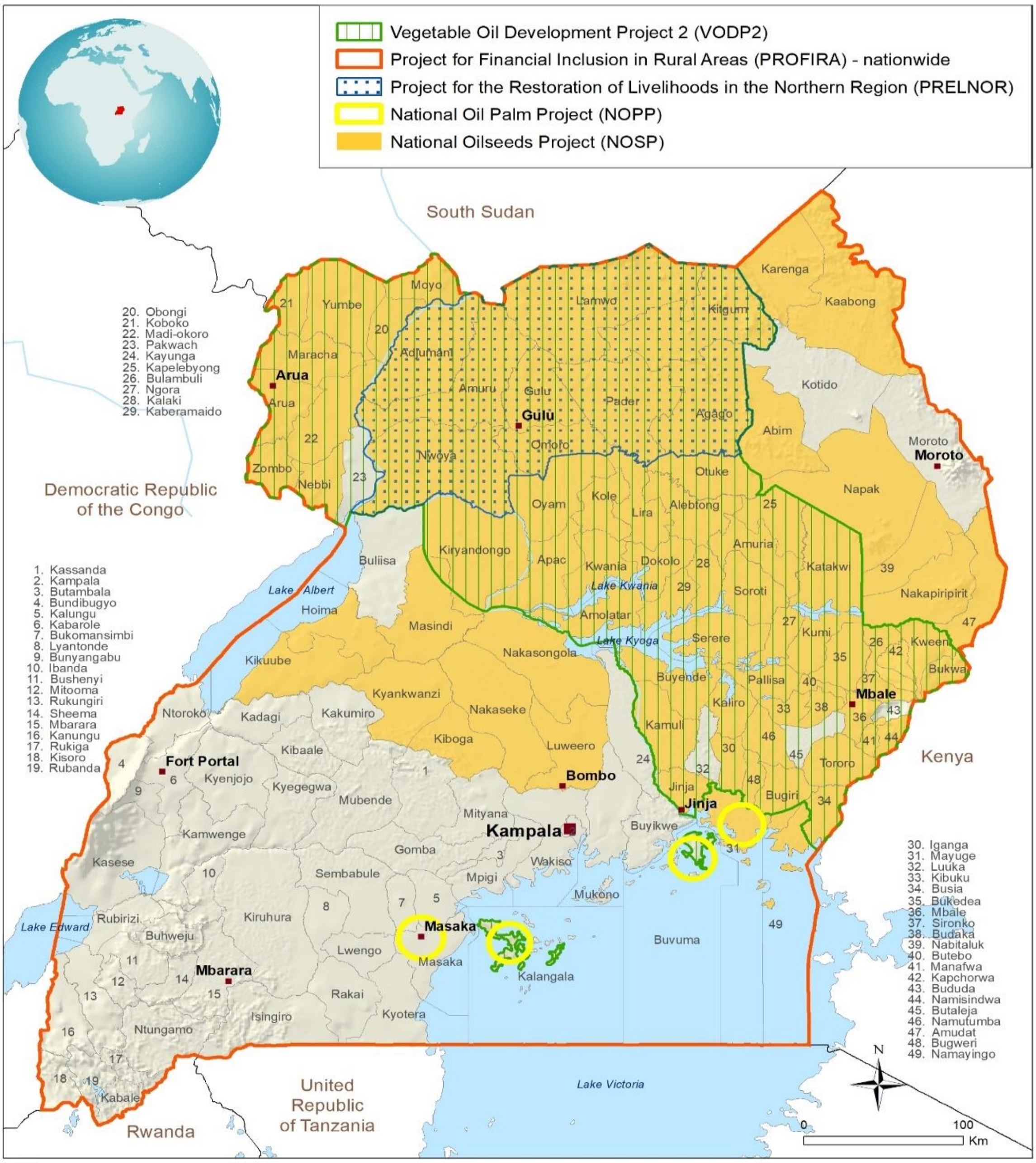
3. In accordance with the conditions of the Executive Board's approval, negotiations were concluded on 17 December 2019. In this context, modifications to the President's report, resulting from the negotiations, are presented in the annex.

4. Furthermore, a copy of the negotiated financing agreement is provided in the appendix.

Modifications to the President's report on the National Oilseeds Project (NOSP)

The attention of the Executive Board is drawn to the following modifications to the President’s report on the National Oilseeds Project (EB 2019/128/R.27), submitted to the Executive Board in December 2019. For ease of reference, the changes to the text of the report are shown in boldface, while strikethrough indicates deleted text.

Page iii, Map of the project area should be replaced with the following:



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
IFAD *Map compiled by IFAD* | 05-02-2020

Page 3, paragraph 20 (ii) should read:

"(ii) Subcomponent 1.2: support **production, productivity and** market development – covering the supply of essential financial, technical and input services."

Page 5, table 1, sub-component 1.2 should read:

"1.2 Support **production, productivity and** market development"

Page 7, table 3, sub-component 1.2 should read:

"1.2 Support **production, productivity and** market development"

Page 8, paragraph 28 should read:

"Financing and cofinancing strategy and plan

The IFAD loan will finance US$99.~~5~~**6** million of the total project cost. Cofinancing from OFID totals US$30.0 million and will finance the infrastructure development component. HI will finance US$6.~~15~~**2** million of the producer group mentoring activity. Smallholder beneficiaries and small enterprises will contribute US$4.8 million and US$5.8 million, respectively. The Government will contribute US$14.3 million in the form of taxes and duties. In addition, Kuehne Foundation will provide technical assistance valued at US$13,000 as an in-kind contribution towards the training of hub-based value chain experts."

Page 8, paragraph 29 should read:

"Disbursement

IFAD financing will be disbursed in accordance with agreed terms and conditions set forth in the financing agreement, letter to the borrower and the loan disbursement handbook. Component 2 is financed by both IFAD and OFID. OFID will extend a loan of US$30**.0** million as cofinancing towards the infrastructure development component. IFAD will be the administrator for the OFID loan. It is expected that disbursement from OFID will start in year 2021 and end in year 2025."

Page 10, paragraph 38 should read:

"Project management and coordination

The co-lead agencies for NOSP at national level will be the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) and MoLG. A project steering committee will be set up to: (i) provide strategic guidance on programme implementation; (ii) oversee programme planning; (iii) review the annual workplans and budgets (AWP/Bs); and (iv) review implementation progress and impact. **A technical steering committee will also be set up and will include members directly involved in implementation.** MAAIF will establish a PCU to be responsible for managing project implementation, with an emphasis on component 1. The MoLG will establish a small PICT to coordinate the rural infrastructure component (i.e. component 2). In each of the six hubs, a technical implementation team will be set up to lead the field implementation, focusing on component 1. At the district level, local governments will ensure that NOSP activities are coordinated within the district development plans through the district technical planning committees and will play a key role in the NOSP-supported construction and rehabilitation of community access roads."

Page 11, paragraph 39 should read:

"Financial management, procurement and governance

Financial management (FM) arrangements will be aligned with the Government's FM system with some improvements to mitigate the risks identified. The FM risk is rated high, but is moderated to medium after implementation of mitigation strategies. The project will be managed through a dedicated PCU, located at MAAIF, which will be responsible for all project FM. Oversight will be provided through the line ministry. The PICT will handle the financial management of funds related to component 2 (see para. 38). **Two** ~~A~~ designated account**s** will be opened at the Central Bank of the Republic of Uganda to receive the IFAD loan proceeds. Two programme operational accounts will be opened to cater to day-to-day transactions for activities managed by MAAIF and MoLG. Funds to districts for monitoring activities will be provided through the government IFM**I**S on a quarterly basis through a replenishment mechanism. A budget code at district level will be assigned to the project to track all the transfers and ensure accountability. This will be managed by a finance person nominated at the district level and trained by IFAD during project start-up."

Page 11, paragraph 40 should read:

"The project will maintain accounts in accordance with International Accounting Standards and in compliance with the national laws. Although the project will be mainstreamed within the Government's IFM**I**S, due to challenges of reporting according to IFAD requirements, an off-shelf accounting package will be acquired, and further discussion will continue with the Government on adopting IFAD's reporting requirements within the IFM**I**S. This will be continuously assessed during implementation."

Negotiated financing agreement: "National Oilseeds Project"

(Negotiations concluded on 17 December 2019)

Loan No: __________

Project name: National Oilseeds Project (the "NOSP" or the "Project")

The Republic of Uganda (the "Borrower"), represented by the Ministry of Finance, Planning and Economic Development

and

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

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

WHEREAS the Borrower has requested a loan from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement (the "Loan");

WHEREAS the Project shall be co-financed by the OPEC Fund for International Development (OFID). The Borrower and OFID have entered into a Financing Agreement dated _________ (the "OFID Agreement") to provide financing for the Project;

WHEREAS Heifer International will provide a grant for technical assistance for activities under component 1 as described in Schedule 1. The Borrower and Heifer International have entered into grant agreement (the "Grant Agreement") to provide financing for the Project;

WHEREAS, the Fund has agreed to provide financing for the Project.

NOW THEREFORE, the Parties hereby agree as follows:

Section A

1. The following documents collectively form this Agreement: this document, the Programme Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2) and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2018, and as may be amended hereafter from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.

3. The Fund shall provide a Loan (the "Financing") to the Borrower, which the Borrower shall use to implement the Project in accordance with the terms and conditions of this Agreement.

Section B

1. The amount of the loan is seventy two million three hundred thousand Special Drawing Rights (SDR 72 300 000).

2. The Loan is granted on highly concessional terms, and shall be free of interest but shall bear a fixed service charge of 0.75% as determined by the Fund at the date of approval of the Loan by the Fund's Executive Board, payable semi-annually in the Loan Service Payment Currency. The Loan shall have a maturity period of forty (40) years, including a grace period of ten (10) years starting from the date of approval of the Loan by the Fund's Executive Board.

3. The principal of the Loan will be repaid at four and half per cent (4.5%) of the total principal per annum for years eleven (11) to thirty (30), and one per cent (1%) of the total principal per annum for years thirty-first (31) to forty (40).

4. The Loan Service Payment Currency shall be provided in USD.

5. The first day of the applicable Fiscal Year shall be 1 July.

6. Payments of principal and service charge shall be payable on each 15 February and 15 August.

7. There shall be two Designated Accounts, one each, for the Ministry of Local Government and the Ministry of Agriculture, Animal Industries, and Fisheries denominated in United States dollars, for the exclusive use of the Project opened in the Central Bank of Uganda. The Borrower shall inform the Fund of the officials authorized to operate the Designated Accounts. The details of the Operating Accounts will be detailed in the letter to the Borrower.

8. The Borrower shall provide counterpart financing for the Project in the amount approximately equivalent to fourteen million three hundred thousand United States dollars (USD 14 300 000) in the form of taxes, duties, and other project related costs.

Section C

1. The Lead Programme Agency shall be the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF).

2. The following are designated as additional project parties: the Ministry of Local Government (MoLG) for component two of the project and participating districts.

3. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Project.

4. The Project Completion Date shall be the seventh anniversary of the date of entry into force of this Agreement and the Financing Closing Date shall be 6 months later, or such other date as the Fund may designate by notice to the Borrower.

5. Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines.

Section D

1. The Fund will administer the Loan and supervise the Project, and the Borrower will implement and conduct its own administration and supervision of the Loan and the Project.

Section E

1. The following are designated as additional grounds for suspension of this Agreement:

   (a) the Project Implementation Manual and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Project

   (b) The Project Manager and the Financial Controller have been appointed, transferred or moved from the Project Coordination Unit (PCU) without the non-objection of the Fund.

   (c) The right of the Borrower to withdraw the proceeds of the OFID Loan has been suspended or cancelled in whole or in part; or any even has occurred which, with the notice of the passage of time could result in the foregoing; and the Fund has determined that such suspension or cancellation is likely to have a material adverse effect on the Project.

2. The following are designated as additional (general/specific) conditions precedent to withdrawal:

   (a) The Project Manager and the Financial Controller within the PCU shall have been appointed with the terms of reference and qualification acceptable to the Fund.

   (b) The Designated Account or any other banking arrangements to channel the proceeds of the financing shall have been established.

3. This Agreement is subject to ratification by the Borrower.

4. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower:

Minister of Finance, Planning and
 Economic Development
Ministry of Finance, Planning and
 Economic Development
PO Box 8147
Kampala
Uganda

For the Fund:

The President
International Fund for Agricultural Development
Via Paolo di Donno 44
00142 Rome, Italy

This Agreement, [dated _____], has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Borrower.

REPUBLIC OF UGANDA

____
Authorised Representative name
Authorised Representative title

Date: ____________

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

____
Gilbert F. Houngbo
President

Date: ______________

Schedule 1

Project Description and Implementation Arrangements

I. Project Description

1. *Target Population*. The Project shall benefit smallholder farmers (women, men and youth) growing oilseeds.

2. *Project area.* The Project will be operated in six area-based hubs: four hubs (West Nile; Northern; Mid-Northern, Eastern) that were developed during implementation of Vegetable Oil Development Project Phase 2 (VODP2); and two new hubs (Mid-Western and Karamoja) will be established to scale-up VODP2 approaches and successes.

3. *Goal*. The goal of the Project is inclusive rural transformation through sustainable development of the oilseeds sector.

4. *Objective*. The objective of the Project is to accelerate commercialisation in key oilseeds value chains and thereby improve the livelihoods and resilience of the smallholders engaged in oilseed production and marketing.

5. *Components*. The Programme shall consist of the following Components:

5.1 *Component 1*: Support to Oilseeds Value Chain Development

5.1.1 *Sub-Component 1.1: Cluster Development.*

(a) *Supply chain brokering and investment facilitation*.

(i) *Cluster selection and verification.* For each supported commodity, clusters will be formulated and developed.

(ii) *Multi-stakeholder platforms.* Multi-stakeholder platforms (MSP) for oilseeds supply chains at two levels (cluster and hub) will be facilitated to enhance the value chains.

(iii) *Investment Facilitation*. NOSP-supported hub-level MSPs shall be used to facilitate and broker improved business opportunities in this sub-sector.

(b) *Producer group mentoring*.

(i) *Group formation and mobilisation.* Support that all producer groups in NOSP clusters should graduate to being fully independent, financially robust and self-managing within four years of project engagement. Mobilisation of individuals and households into the clusters and engaging them into NOSP activities shall be led by a team of market-oriented Economic Mobilizers (EM) in each hub with support from the hub Supply Chain teams.

(ii) *Business skills training.* Business skills training, focused on farming as a business, shall be provided to all interested individuals in a cluster through a peer-to-peer process. Business Skills Mentors (BSMs), residents of the communities they work in, shall be nominated by each group from among their peers and shall then be trained by NOSP to provide business skills training in their local community.

(iii) *Social Mentoring*. Social mentoring shall be offered to the households of all supported producer groups and ensure that households are able to maximize their socio-economic progress. Mentoring activities shall be delivered at community level and in groups. In addition, social mentoring activities shall adopt the Gender Action Learning System (GALS). The group-based social mentoring processes and individual mentoring of high-risk households using household methodologies shall seek to address the impact of climate change, opportunities for youth as well as nutrition.

5.1.2 *Sub-Component 1.2: Support Production, Productivity and Market Development.*

(a) *Technical Services.*

Farm Production Advisor Scheme. The Project in the conjunction and cooperation with the Borrower's extension services will launch a private service Farm Production Advisors (FPA) promotion scheme. NOSP shall fund, on a reducing subsidy the costs of the FPA, for the first two years.

(i) *Auxiliary Farm Services Promotion Scheme*. The Project shall launch an Auxiliary Farm Services Promotion Scheme to stimulate investment in local service provision for availability of powered tillage, spraying, planting, harvesting and threshing services. The scheme will offer partial investment incentives to cover some of the risk for the early adopters and reduce these incentives over three years to return to market-based financing.

(ii) *Quality Declared Seed Production Scheme*. Farmer group seed production and delivery activities shall be linked to the on-going local seed business (LSB) . The Project shall develop the capacity and support of farmer groups including through irrigation to become local seed businesses (LSBs) through training in seed production quality management systems.

(b) *Financial Services.*

(i) *Business, financial and insurance product development and training, including:* (a) strengthening VSLAs in the development of products for agricultural production finance, (b) providing technical assistance to cooperatives for agricultural lending and product development; and (c) providing technical support at the national level to assist at least four regulated financial institutions to develop innovative products for the Project target group. Furthermore, the project shall train the frontline staff of lending institutions in innovative agricultural lending practices.

5.2 *Component 2*: <u>Support to Market Linkage Infrastructure Serving Oilseed Sector</u>

(a) *Selection of community access roads*. The selection of roads for the Project's support shall be done through a consultative and participatory process at the district/sub-county and multi-stakeholder platform levels. The selection shall be initiated by a mapping of priority oilseed production areas (current and potential) and the status of community access road (CARs) in these areas.

(b) *Community awareness and social mobilization*. When the roads to be improved are identified, the district and sub-county local governments shall hold community meetings in the villages that the road shall pass through to make the citizens aware of the upcoming project, make them fully aware of possible negative and positive impacts of the road and get acceptance of the road applying the principles of free, prior and informed consent. The project shall facilitate the establishment of area level road committees to facilitate interaction with the communities during road design and construction activities.

(c) *Feasibility studies and detailed designs of CARs.* Feasibility studies and detailed designs shall be done by contracted consulting companies.

(d) *Specification of CARs.* Existing CARs upgraded or new ones built shall be constructed with standards consistent with climate change resilient norms. An estimated 2,500 km of CARs shall be constructed or rehabilitated, including all the required ancillary structures as per the requirements of the District Class III roads standard of the Ministry of Works and Transport (MoWT). In addition, the road design shall use hydrological models that include the future climate scenarios to confirm the adequacy of hydraulic structures to extreme climate events, commensurate with the expected life of the road. In addition to integrating emerging climate parameters and projections into road design, the project shall work to incorporate road water harvesting in all roads as feasible, where the opportunities are available and do not lead to excessive increase in construction costs.

(e) *Environmental and Social Impact Assessments (ESIAs)*. ESIAs shall be carried out for all roads that are selected as feasible, in accordance with national laws and regulations.

(f) *Implementation of Environmental and Social Management Plans (ESMPs).* The plans shall be developed in a participatory manner and implemented following the same principle. The implementation of the ESMPs shall be monitored by the road committee.

(g) *Construction of roads.* Road construction shall be carried out by competitively recruited private contractors to District Class III road specifications. The procurement processes shall be managed by the Local Governments with support and supervision by the PCU and PICT. The employment of workers shall follow national construction industry standards, paying attention to conditions for workers. The contractor shall be encouraged to recruit both skilled and unskilled labour from the local communities as much as is practical.

(h) *Construction supervision*. The District Local Government engineers shall be responsible for the supervision of construction works. The Project Implementation Coordination Team (PICT) engineers shall provide quality assurance during the construction by making periodic site inspections, attending site meetings and reviewing proposed construction methodologies, test results, progress reports and payment certificates. As a part of M&E activities, the construction supervision reporting shall be digitalised.

(i) *Commissioning and handover.* At the completion of construction, each road shall be commissioned and handed over to the district authorities by the contractors. The road committee shall also sign the handover certificate to indicate that they participated in the oversight of construction and are satisfied with the way the contractor conducted work.

(j) *Road maintenance*. Road maintenance shall be the responsibility of the district Local Governments and the sub-county Local Governments.

II. Implementation Arrangements

A. Organisation and management

6. *Lead Project Agency*. The lead agency for NOSP shall be the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) through a dedicated PCU. The Ministry of Local Government (MoLG) in close coordination with MAAIF will implement component 2 of the Project.

7. *Programme steering Committee (PSC)*.

7.1 *Establishment.* The PSC shall be chaired by the PS MAAIF with PS MOLG as the Alternate Chair and comprise of representatives of public and private sector stakeholders engaged in the development of the oilseeds sector. The PSC shall meet twice a year and otherwise when required.

7.2 *Responsibilities*. A PSC shall be constituted to: (i) provide strategic guidance to project implementation; (ii) oversee project planning; (iii) approve the Annual Work Plans and Budgets (AWPB) prior to submission to IFAD; and (iv) review implementation progress and impact.

8. *Project Coordination Unit (PCU).*

8.1 *Establishment and composition*. PCU shall be established by MAAIF to be responsible for managing the implementation of the Project. It shall be led by a Project Manager and include key staff such as Value Chain Leader and Deputy; Financial Controller; Procurement Specialist; Specialists for Social Inclusion, Environment and Climate, M&E and KM, Rural Finance; and supporting staff. The PCU shall be based in Lira Municipality, located centrally in the project area, to facilitate close supervision, coordination and technical support of the NOSP field activities. The PCU would have a small Liaison Office in MAAIF, Kampala.

8.2 *Responsibilities*. The responsibilities of the PCU in MAAIF shall include the following core tasks: (i) manage effectively project activities and finances, with emphasis on Component 1; (ii) liaise with line ministries and other agencies to ensure smooth project implementation; (iii) procure, contract, manage and supervise performance-based contracts with service providers as required for different NOSP activities; (iv) prepare project AWPBs for the PSC and IFAD approval; (v) control the flow of NOSP funds; (vi) develop and implement a knowledge management and communication strategy; (vii) report through a participatory M&E system to be developed for NOSP; and (viii) submit required project implementation progress and financial reports to Borrower and IFAD.

9. *Project Implementation Coordination Team (PICT).*

9.1 *Establishment and composition.* A small NOSP Project Implementation Coordination Team (PICT) shall be established by MoLG to coordinate Component 2. The PICT shall comprise of a Coordinator (seconded by MoLG); Infrastructure Engineer (seconded by MoWT); Financial Controller; Procurement Specialist; and Accountant. In addition, five Infrastructure Engineers shall be recruited and based in selected hubs.

9.2 *Responsibilities*. Specific responsibilities of the PICT in MoLG shall be: (i) manage project activities under Component 2 and the related IFAD and OFID loan funds; (ii) procure, contract, manage and supervise design contracts for CARs in liaison with DLGs; (iii) support DLGs in procurement and management of contractors of CARs; (iv) liaise with the MAAIF PCU to prepare project AWPBs for PSC and IFAD approval; (v) disburse and control the flow of funds for Component 2 activities; and (vi) work with the MAAIF PCU to submit and consolidate required project implementation progress and financial reports to Borrower and IFAD.

B. Monitoring and Evaluation (M&E).

NOSP shall develop a robust M&E system in compliance with IFAD and the Borrower requirements. The M&E system shall be fully aligned with IFAD's Operational Results Management System (ORMS) and will achieve the following objectives: (i) guiding implementation; (ii) sharing knowledge and scaling up good practices; and (iii) supporting decisions and policy enhancement.

C. Knowledge Management (KM).

After the project start-up, the project shall, with support from IFAD experts, develop an effective NOSP Knowledge Management (KM) Strategy. The KM Strategy shall have a strong focus on documenting best practices as well as positive and negative lessons from NOSP implementation experience, supported by reliable evidence and analysis.

D. Mid-term Review (MTR).

As NOSP is a seven-year project, an MTR shall be undertaken around the fourth year of NOSP implementation. The MTR will be jointly organised by Borrower and IFAD in close collaboration with the other stakeholders.

E. Programme Implementation Manual.

The PCU and PICT shall prepare a PIM to be approved by the Fund. PCU and PICT shall adopt the PIM substantially in the form agreed with the Fund and may make amendments thereto from time to time, in agreement with the Fund. The Borrower shall cause the Project to be carried out in accordance with the PIM. In case of any discrepancies between the provisions of the PIM and those of this Agreement, the provisions of this Agreement shall prevail.

Schedule 2

Allocation Table

1. *Allocation of Loan Proceeds.* (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Loan/Grant and the allocation of the amounts to each category of the Financing and the percentages of expenditures for items to be financed in each Category:

Category	Loan Amount Allocated (expressed in SDR)	Percentage of financing[1] net of taxes
Works	16 650 000	100% of IFAD funds to be paid *pari passu* with OFID financing
Goods, Services & Inputs	24 500 000	100%
Trainings & Workshop	10 600 000	100%
Grants & Subsidies	6 300 000	100%
Operating costs	7 000 000	100%
Unallocated	7 250 000	100%
TOTAL	72 300 000	100%

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

(i) Works comprises civil works for the Project

(ii) Goods, Services, and Inputs includes equipment and materials.

(iii) Trainings and Workshop includes consultancies.

(iv) Operating costs includes salaries, allowance, and other operating costs.

(v) Grant and Subsidies comprises of cofinancing from the project where other stakeholders are contributing their own financings.

(vi) Unallocated funds: funds that can be reallocated to any of the other categories upon request from the Borrower, subject to the Fund’s approval. The funds will cater for unforeseen/contingency costs that will arise during project implementation such as price and physical cost variations.

(c) *Start-up Costs*. Withdrawals in respect of expenditures for start-up costs incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of five hundred thousand United States dollars (USD 500 000).

[1] The amounts of the Financing are net of any third party private contribution, beneficiary contribution and government contribution.

Schedule 3

Special Covenants

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower to request withdrawals from the Loan Account if the Borrower has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project:

1. Within twelve (12) months of the entry into force of the Financing Agreement, the Project will install a customized accounting software as it is the practice in IFAD on-going supported projects, to satisfy International Accounting Standards and IFAD's requirements.

2*.* *Planning, Monitoring and Evaluation*. The Borrower shall ensure that (i) a Planning, Monitoring and Evaluation (PM&E) system shall be established within twelve (12) months from the date of entry into force of this Agreement.

3. *Compliance with the Social, Environmental and Climate Assessment Procedures* (SECAP). The Borrower shall ensure that the Project will be implemented in compliance with IFAD's SECAP.

4 *Anticorruption Measures*. The Borrower shall comply with IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations.

5. Sexual Harassment, Sexual Exploitation and Abuse. The Borrower and the Project Parties shall ensure that the Project is carried out 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.