



الاستثمار في السكان الريفيين

جمهورية أوغندا من أجل
المشروع الوطني للبذور الزيتية
مذكرة إعلامية

مذكرة إلى السادة ممثلي الدول الأعضاء في المجلس التنفيذي

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المجلس التنفيذي - الدورة التاسعة والعشرون بعد المائة

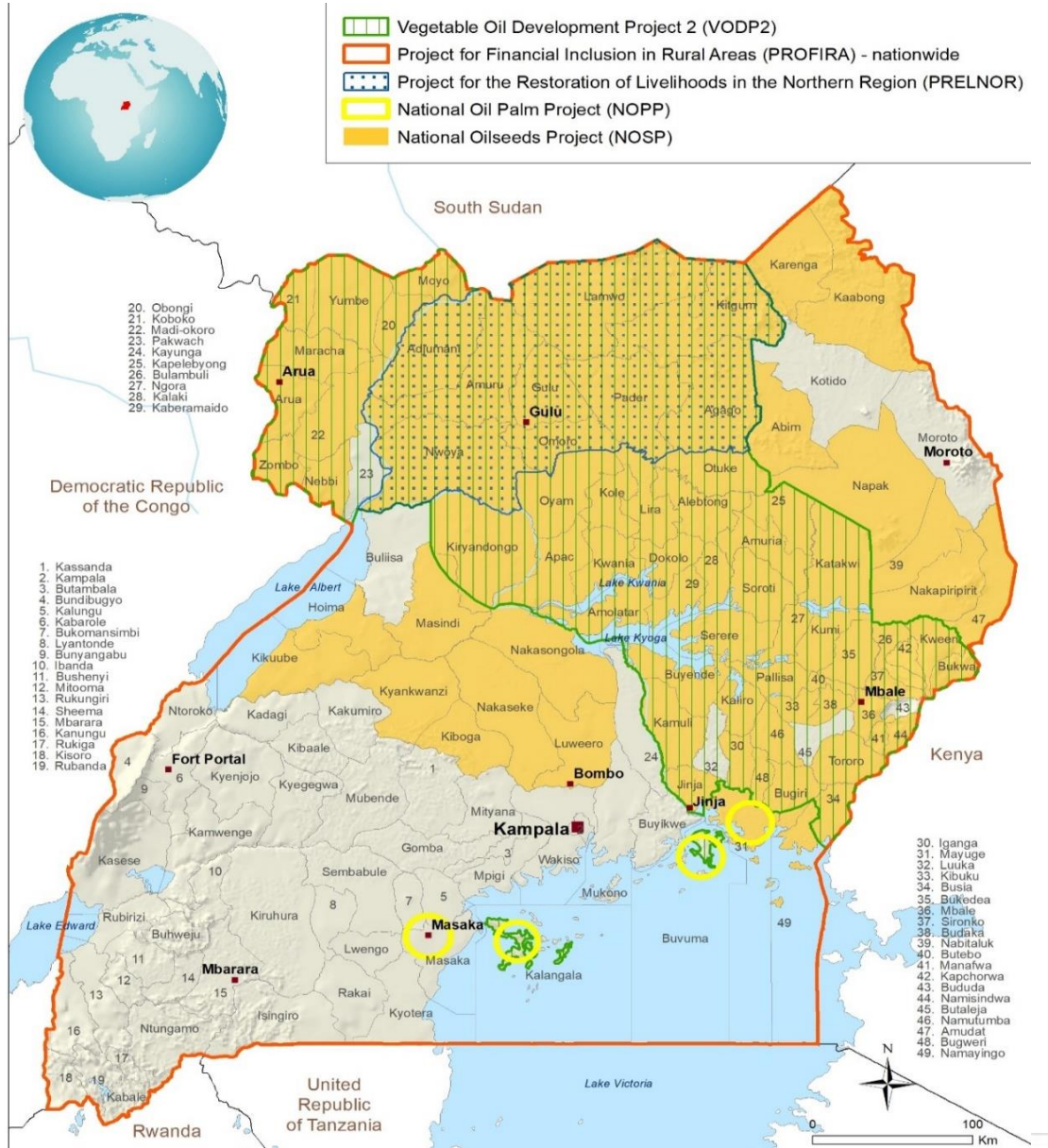
روما، 20-21 أبريل/نيسان 2020

جمهورية أوغندا: المشروع الوطني للبذور الزيتية - مذكرة إعلامية

- 1- في ديسمبر/كانون الأول 2019، نظر المجلس التنفيذي في المقترح الوارد في الوثيقة EB 2019/128/R.27. وتبنى القرار التالي:
"قرر: أن يقدم الصندوق قرضاً بشروط تيسيرية للغاية إلى جمهورية أوغندا تعادل قيمته تسعة وتسعين مليوناً وستمئة ألف دولار أمريكي (99 600 000 دولار أمريكي) بما يعادل اثنين وسبعين مليوناً وثلاثمائة ألف وحدة حقوق سحب خاصة (72 300 000 وحدة حقوق سحب خاصة) على أن يخضع لأية شروط وأحكام أخرى تكون مطابقة على نحو أساسي للشروط والأحكام الواردة في هذه الوثيقة."
- 2- وقد صادق المجلس التنفيذي على المشروع الوطني للبذور الزيتية شريطة استكمال مفاوضات اتفاقية التمويل قبل نهاية عام 2019. وسيتم توزيع نسخة من اتفاقية التمويل المتفاوض بشأنها أثناء دورة المجلس التنفيذي التاسعة والعشرين بعد المائة مع أية تغييرات معتبرة قد تطرأ على الشروط المعروضة على المجلس في دورته الثامنة والعشرين بعد المائة.
- 3- ووفقاً لشروط مصادقة المجلس التنفيذي استكملت المفاوضات في 17 ديسمبر/كانون الأول 2019. وفي هذا السياق ترد التعديلات التي طرأت على تقرير رئيس الصندوق الناجمة عن هذه المفاوضات في الملحق.
- 4- علاوة على ذلك، ترفق نسخة من اتفاقية التمويل المتفاوض بشأنها كذيل بهذه الوثيقة.

التعديلات التي طرأت على تقرير رئيس الصندوق بشأن المشروع الوطني للبذور الزيتية

يلفت انتباه المجلس التنفيذي إلى ما يلي من ضmann وتعديلات على تقرير رئيس الصندوق بشأن المشروع الوطني للبذور الزيتية (الوثيقة EB 2019/128/R.27). والذي رُفعت للمجلس التنفيذي في دورته في ديسمبر/كانون الأول 2019. وتيسيراً للرجوع إلى التعديلات، فهي ترد بأحرف بارزة، بينما يظهر النص المحذوف مشطوباً. الصفحة iii، تستبدل خريطة المشروع بالخريطة أدناه:



إن التسميات المستخدمة وطريقة عرض المواد في هذه الخريطة لا تعني التعبير عن أي رأي كان من جانب الصندوق فيما يتعلق بتقسيم الحدود أو الترخوم أو السلطات المختصة بها.

المصدر: الصندوق الدولي للتنمية الزراعية | 2020-02-05



الصفحة 4، الفقرة 20 (2) تصبح على النحو التالي:

"(2) المكون الفرعي 1-2: دعم الإنتاج والإنتاجية وتنمية الأسواق - بما يغطي الإمداد من الخدمات المالية والتقنية وخدمات المدخلات الأساسية"

الصفحة 5، الجدول 1، يعدّل المكون الفرعي 1-2 ليصبح على النحو التالي:

"1-2 دعم الإنتاج والإنتاجية وتنمية الأسواق"

الصفحة 8، الجدول 3، يعدّل المكون الفرعي 1-2 ليصبح على النحو التالي:

"1-2 دعم الإنتاج والإنتاجية وتنمية الأسواق"

الصفحة 9، الفقرة 28 تصبح على النحو التالي:

"التمويل، واستراتيجية و خطة التمويل المشترك

سيمول قرض الصندوق 99.56 مليون دولار أمريكي من إجمالي تكاليف المشروع. ويبلغ إجمالي التمويل المشترك المقدم من صندوق الأوبك للتنمية الدولية 30 مليون دولار أمريكي و سيمول مكون تنمية البنية التحتية. وستمول منظمة Heifer International 6.452 مليون دولار أمريكي من نشاط توجيه مجموعة المنتجين. وسيساهم المستفيدون من أصحاب الحيازات الصغيرة والمؤسسات الصغيرة بمبلغ 4.8 مليون دولار أمريكي و 5.8 مليون دولار أمريكي، على التوالي. وستساهم الحكومة بمبلغ 14.3 مليون دولار أمريكي في شكل ضرائب ورسوم. وبالإضافة إلى ذلك، ستقدم مؤسسة Kuehne مساعدة تقنية تبلغ قيمتها 13 000 دولار أمريكي كمساهمة عينية في تدريب خبراء سلسلة القيمة القائمين في المراكز."

الصفحة 9، الفقرة 29، تصبح على النحو التالي:

"الصرف

سيتم صرف تمويل الصندوق وفقا للبنود والشروط المتفق عليها المنصوص عليها في اتفاقية التمويل، والرسالة إلى المقترض ودليل صرف القروض. ويمول الصندوق وصندوق الأوبك للتنمية الدولية المكون 2. وسيقدم صندوق الأوبك للتنمية الدولية قرضا بقيمة 30.0 مليون دولار أمريكي في شكل تمويل مشترك لمكون تنمية البنية التحتية. وسيكون الصندوق مسؤولا عن إدارة شؤون قرض صندوق الأوبك للتنمية الدولية. ومن المتوقع أن يبدأ الصرف من صندوق الأوبك للتنمية الدولية في عام 2021 وينتهي في عام 2025."

الصفحة 10، الفقرة 38 تصبح على النحو التالي:

"ستكون الوكالات المشاركة في قيادة المشروع الوطني للبذور الزيتية على المستوى الوطني هي وزارة الزراعة والصناعة الحيوانية ومصايد الأسماك ووزارة الحكومة المحلية. وسيتم إنشاء لجنة توجيهية للمشروع من أجل: (1) تقديم توجيهات استراتيجية بشأن تنفيذ المشروع، (2) الإشراف على تخطيط المشروع، (3) استعراض خطط العمل والميزانيات السنوية، (4) استعراض التقدم المحرز في التنفيذ والأثر. وسيتم إنشاء أيضا لجنة توجيهية تقنية تضم أعضاء ينخرطون مباشرة بالتنفيذ. وستقوم وزارة الزراعة والصناعة الحيوانية ومصايد الأسماك بإنشاء وحدة لتنسيق المشروع، تكون مسؤولة عن إدارة تنفيذ المشروع، مع التركيز على المكون 1. وستقوم وزارة الحكومة المحلية بإنشاء فريق صغير لتنسيق تنفيذ المشروع لتنسيق المكون الخاص بالبنية التحتية الريفية (أي المكون 2). وفي كل من المراكز الستة، سيتم تشكيل فريق تنفيذ تقني لقيادة التنفيذ الميداني، مع التركيز على المكون 1. وعلى مستوى المقاطعات، ستضمن الحكومات المحلية تنسيق أنشطة المشروع الوطني للبذور الزيتية في خطط تنمية المقاطعات من خلال لجان التخطيط التقني في المقاطعات وستؤدي دورا رئيسيا في عمليات بناء وإعادة إصلاح طرق

الوصول إلى المجتمعات المحلية التي يدعمها المشروع الوطني للبذور الزيتية."

الصفحة 9، الفقرة 39، تصبح على النحو التالي:

"الإدارة المالية، والتوريد والتيسير

ستكون ترتيبات الإدارة المالية متواءمة مع نظام الإدارة المالية للحكومة مع بعض التحسينات لتخفيف أثر المخاطر المحددة. ويتم تصنيف مخاطر الإدارة المالية على أنها عالية، إلا أنها تنخفض إلى متوسطة بعد تنفيذ استراتيجيات تخفيف الأثر. وستتم إدارة المشروع من خلال وحدة مخصصة لتنسيق المشروع، داخل وزارة الزراعة والصناعة الحيوانية ومصايد الأسماك، وستكون مسؤولة عن كل الإدارة المالية الكلية للمشروع. وسيتم توفير الرقابة من خلال الوزارة التنفيذية. وسيتولى فريق تنسيق تنفيذ المشروع الإدارة المالية للأموال المتعلقة بالمكون 2 (انظر الفقرة 38). وسيتم فتح حساب مخصص حسابين مخصصين في مصرف أوغندا المركزي لتلقي حصائل قرض الصندوق. وسيتم فتح حسابين تشغيليين للمشروع لتنفيذ المعاملات اليومية للأنشطة التي تديرها وزارة الزراعة والصناعة الحيوانية ومصايد الأسماك ووزارة الحكومة المحلية. وسيتم توفير الأموال للمقاطعات للاضطلاع بأنشطة الرصد من خلال نظام الإدارة المالية المتكاملة للحكومة على أساس ربع سنوي من خلال آلية تجديد الموارد. وسيتم تعيين رمز ميزانية على مستوى المقاطعة للمشروع لتتبع جميع التحويلات وضمان المساءلة. وسيدير هذه العملية موظف مالي يُرشح على مستوى المقاطعة ويُدربه الصندوق أثناء استهلال المشروع."

الصفحة 11، الفقرة 40، تصبح على النحو التالي:

"وسيحفظ المشروع بحسابات وفقا لمعايير المحاسبة الدولية وامثالها للقوانين الوطنية. وعلى الرغم من أنه سيتم تعميم المشروع في إطار نظام الإدارة المالية المتكاملة للحكومة، نظرا لتحديات الإبلاغ وفقا لمتطلبات الصندوق، سيتم شراء حزمة محاسبة جاهزة، وستستمر المناقشات مع الحكومة بشأن إدراج متطلبات الإبلاغ الخاصة بالصندوق في نظام الإدارة المالية المتكاملة. وسيجري تقييم هذه المسألة بشكل مستمر أثناء التنفيذ."

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: Support to Market Linkage Infrastructure Serving Oilseed Sector*

- (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)*. ESIAAs 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 <i>pari passu</i> 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.