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**Federal Democratic Republic of Ethiopia**

**Participatory Agriculture and Climate  
Transformation Programme (PACT)**

**Negotiated financing agreement**

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## **Negotiated financing agreement: Participatory Agriculture and Climate Transformation Programme (PACT)**

(Negotiations concluded on 25 November 2022)

IFAD Grant No: \_\_\_\_\_

ASAP+ TRUST Grant 1 No: \_\_\_\_\_

ASAP+ TRUST Grant 2 No: \_\_\_\_\_

Project name: Participatory Agriculture and Climate Transformation Programme ("the PACT"/ "the Programme")

Federal Democratic Republic of Ethiopia (the "Recipient")

and

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

and

The Adaptation for Smallholder Agriculture Programme Trust Fund (the "ASAP Trust")

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

**WHEREAS** the Executive Board of the Fund, at its 105<sup>th</sup> Session, approved the establishment of the ASAP Trust and further approved that the Fund be the Administrator of the ASAP Trust, acting through its President;

**WHEREAS** on the basis of the above and other considerations, the ASAP Trust has agreed to extend an ASAP+ Grant 1 and an ASAP+ Grant 2 (hereinafter ASAP+ Grants) to the Recipient for the purpose of financing the Programme described in Schedule 1 to this Agreement;

**WHEREAS** the commitment of the ASAP+ Grants is subject to availability of funds in the ASAP Trust;

**WHEREAS** the Recipient has requested a grant, from the Fund (IFAD Grant) for the purpose of financing the Programme described in Schedule 1 to this Agreement;

The Recipient has undertaken to provide additional support, financially and in kind that may be needed to the Programme;

**WHEREAS**, the Fund has agreed to provide financing for the Programme;

**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 and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2020, 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, except for the provisions that refer to Loan financing which shall not 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 Grant (the "IFAD Grant") and the ASAP Trust shall provide a Grant 1 and Grant 2 (the "ASAP+ Grants") (together the "Financing") to the Recipient, which the Recipient shall use to implement the Programme in accordance with the terms and conditions of this Agreement.

## **Section B**

1. A. The amount of the IFAD Grant is United States Dollars seventy eight million (US\$ 78 000 000).
- B. The amount of the ASAP+ Grant 1 is United States Dollars seven million (US\$ 7 000 000).
- C. The amount of the ASAP+ Grant 2 is United States Dollars three million five hundred thousand (US\$ 3 500 000).

3. The Fund shall credit the amount of the ASAP+ Grants into the ASAP+ Grant account(s) only when the funds have been received from the ASAP Trust. Any withdrawals from the ASAP+ Grant Account(s) shall be subject to the condition that sufficient funds for the Programme shall have been received by the Fund and deposited in the ASAP+ Grant Account(s) to cover the withdrawal and that the Fund shall have been notified of such transfer and deposit in writing by the ASAP Trust. The Fund shall have no obligation to extend financial assistance to the Recipient under this Agreement for the purpose of the Programme if no funds are available in the ASAP+ Grant Account(s) for the Programme.

4. The first day of the applicable Fiscal Year shall be the 8<sup>th</sup> of July.

5. There shall be three (3) Designated Accounts denominated in USD opened at the National Bank of Ethiopia to receive resources from the IFAD and the ASAP+ Grants respectively for the implementation of the Programme. The Recipient shall inform the Fund of the officials authorized to operate the Designated Accounts.

6. There shall be Programme Account(s) opened at the federal and regional level in local currency at a local commercial bank acceptable to IFAD. Separate Programme Accounts shall be opened for the different Programme Co-financers. A separate Programme Account shall also be maintained in local currency to receive the contributions from the government of the Federal Democratic Republic of Ethiopia.

7. The Recipient shall provide counterpart financing for the Programme in the amount of approximately United States dollars twenty four million three hundred and nine thousand (US \$24 309 000) which will include taxes and duties foregone and a direct contribution.

## **Section C**

1. The Lead Programme Agency shall be the Ministry of Agriculture.
2. The following are designated as additional Programme Parties:

- a. The Regional governments of: (i) Oromia; (ii) Southern Nations, (iii) Nationalities and Peoples' Region; (iv) Sidama; (v) Somali and (vi) South West Ethiopia;
  - b. The *woredas* administrations;
  - c. Vita;
  - d. Rabobank/Acorn;
  - e. Agriculture Transformation Institute; and
  - f. Ethiopian Institute of Agriculture Research
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 Programme.
4. The Programme 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 Recipient.
5. Procurement of goods, works and services financed by the Financing shall be carried out in accordance with procurement methods and any other measures identified by IFAD.

#### **Section D**

1. The Fund will administer the Financing and supervise the Programme.

#### **Section E**

1. The following are designated as additional grounds for suspension of this Agreement:
  - (a) The Programme Implementation Manual (PIM) 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 Recipient, has determined that it has had, or is likely to have, a material adverse effect on the Programme.
  - (b) In the event that the Recipient did not request a disbursement of the Financing for a period of at least 12 months without justification.
2. The following are designated as additional grounds for cancellation of this Agreement:
  - (a) In the event that the Recipient did not request a disbursement of the Financing for a period of at least 12 months without justification.
3. The following are designated as additional conditions precedent to withdrawal:
  - a) The IFAD no objection to the PIM shall have been obtained.
  - b) The IFAD no objection on the first Annual Workplan and Budget (AWPB) shall have been obtained.
  - c) The Key Programme staff have been appointed as per section 11 Schedule 3 of this Agreement.
  - d) An appropriate accounting software has been procured and installed, to satisfy International Accounting Standards and IFAD's requirements.
  - e) For disbursement of funds to the regions and *woredas*, the Memorandums of Understanding (MoUs) by and between the Federal Government and participating regions, and between regions and *woredas* have been entered into.

5. This Agreement is subject to ratification by the Recipient.
6. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Recipient:

Minister of Finance  
Ministry of Finance  
P.O. Box 1905  
Addis Ababa  
Ethiopia  
Facsimile Number: + (2511) 551355

Copy to:

Ministry of Agriculture  
P. O. Box  
Addis Ababa  
Ethiopia  
Facsimile Number:

For the Fund:

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

For the ASAP Trust:

President of the International Fund for Agricultural  
Development in its capacity as Trustee of the  
Adaptation for Smallholder Agriculture Programme  
Trust Fund  
International Fund for Agricultural Development  
Via Paolo di Dono, 44  
00142 Rome, Italy

If applicable, the Parties accept the validity of any qualified electronic signature used for the signature of this Agreement and recognise the latter as equivalent to a hand-written signature.

This Agreement, dated \_\_\_\_\_, has been prepared in the English language in three (3) original copies, one (1) for the Fund, one (1) for the Recipient and one (1) for the ASAP Trust.

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

\_\_\_\_\_

"[Authorised Representative Name]"  
"[Authorised Representative title]"

Date: \_\_\_\_\_

INTERNATIONAL FUND FOR  
AGRICULTURAL DEVELOPMENT

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Alvario Lario Hervas  
President

Date: \_\_\_\_\_

ADAPTATION FOR SMALLHOLDER AGRICULTURE PROGRAMME TRUST FUND

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Alvario Lario Hervas  
President of the International Fund for Agricultural  
Development in its capacity as Trustee of the  
Adaptation for Smallholder Agriculture Programme  
Trust Fund

Date: \_\_\_\_\_

## Schedule 1

### *Programme Description and Implementation Arrangements*

#### I. Programme Description

1. *Target Population.* The Programme will benefit 150,000 households, with the targeted participation of women (50 per cent), youth (40 per cent) and persons with disabilities (5 per cent). The primary target group will include: (i) poor households (with land holdings of less than two hectares of cultivable land with limited livestock); (ii) pastoralists; (iii) agro-pastoralists engaged in less-diversified traditional livelihood systems; (iv) persons with disabilities in rural areas; (v) underemployed and unemployed rural youth owning little or no land; and (vi) female-headed households.
2. *Programme area.* The Programme shall be implemented in the following regional states of Ethiopia: (i) Oromia; (ii) Southern Nations; (iii) Nationalities, and Peoples' Region; (iv) Sidama; (v) Somali; and (vi) South West Ethiopia (*the "Programme Area"*).
3. *Goal.* *The goal of the Programme is to contribute to poverty reduction and improved resilience in selected landscapes/woredas.*
4. *Objectives.* The objective of the Programme is to enable 150,000 vulnerable rural households (men, women, youth and persons with disabilities) in selected *kebeles* to sustainably improve incomes, food and nutrition security and build resilience to climate shocks.
5. *Components.* The Programme shall consist of the following Components:
  - 5.1 *Component 1: Community-led, climate-smart productive landscapes* - This component will support: (i) community-led equitable access and sustainable use of natural resources; (ii) development of inclusive and equitable water and local market-related infrastructure; (iii) market-led, climate-adapted enhancement of smallholder and pastoral productivity and production of target crop and livestock commodities; and (iv) improved dietary diversity.  
The expected outcome will be sustainable access and utilization of natural resources, better nutrition and increased agricultural productivity.
  - 5.2 *Component 2: Agribusiness development* - This component will support: (i) market access linkages; and (ii) tailored business support to young women and men agro-entrepreneurs.  
The expected outcomes will be strengthened capacities of farmers' and pastoralists' organizations to improve access to finance; access to remunerative markets; and job creation for small-scale farmers and pastoralists, including women, men, youth and persons with disabilities.
  - 5.3 *Component 3: Institutional and policy strengthening and implementation support services* - This component will be a cross-cutting, servicing the technical components and facilitating pathways for effective and inclusive functioning of the target value chains, from production to consumption. The component will support: (i) institutional strengthening; (ii) policy support; and (iii) implementation support services.

#### II. Implementation Arrangements

6. *Lead Programme Agency.* The Ministry of Agriculture will be the Lead Programme Agency.

7. *Programme Management Unit.* Programme institutional arrangements for coordination will be specified at three levels – federal, regional, and *woreda*. The Ministry of Agriculture as the Lead Programme Agency will establish a Federal Programme Coordination Unit (FPCU) to be established at the federal level. At the regional level, Regional Programme Coordination Units (RPCUs) will be established. The RPCUs will report to the FPCU and will be responsible for overseeing operations at the *woreda*. The roles of the different entities will be clearly spelt out in the PIM.

To facilitate the effective implementation of the Programme, Memorandums of understanding (MoUs) will be entered into by and between the Federal Government and participating regions, and between regions and *woredas*. These MoUs will govern the responsibilities of each party at each level and ensure that the roles are clear and formalized. MoUs execution will be a condition precedent for disbursements of funds to the regions and *woredas*.

8. *Financial Management.* The FPCU will be responsible for the overall financial management of PACT. It will be responsible for releasing funds against agreed annual workplans and budgets (AWPBs), disbursing funds to implementing entities and coordinating financial reporting for PACT. The RPCUs will be responsible for overseeing the financial operations of *woreda* offices as well as regional expenditure. Implementation will be reported in the Integrated Financial Management System. Harmonized financial reporting templates for all co-financiers will be prepared at start-up.
9. *Implementing partners.* The Programmes implementing partners are:
- a. The *woredas* administrations; and
  - b. The Regional governments of: (i) Oromia; (ii) Southern Nations, (iii) Nationalities, and Peoples' Region; (iv) Sidama; (v) Somali and (vi) South West Ethiopia.
  - c. Vita;
  - d. Rabobank/Acorn;
  - e. Agriculture Transformation Institute;
  - f. Ethiopian Institute of Agriculture Research

10. *Planning Monitoring and Evaluation.* The Monitoring and Evaluation (M&E) process will be coordinated by the Ministry of Agriculture and the FPCU and supported by the RPCUs. The M&E system will conform to IFAD's Operational Results Management System, updated SECAP guidelines and Core Outcome Indicators Measurement Guidelines, as well as the existing Ministry of Agriculture monitoring and evaluation arrangements.

A detailed monitoring and evaluation plan will be prepared at the beginning of implementation. The approved AWPB will be the only mechanism through which Programme resources will be spent and will serve as the basis for monitoring progress.

11. *Knowledge Management.* To facilitate the dissemination of knowledge products, PACT will develop a website and a knowledge management portal with links to the Ministry of Agriculture website and social media, and short messaging services will be implemented. Knowledge management activities will be aligned with the monitoring and evaluations system and outline the strategy for how information is to be obtained, analysed, and disseminated.
12. *Programme Implementation Manual.* A comprehensive Project Implementation Manual will be prepared, together with an AWPB, procurement plan and terms of reference for various service providers to be procured, and to ensure implementation readiness. Any revisions to the PIM and AWPB shall require prior approval by the Fund.



## Schedule 2

### Allocation Table

1. *Allocation of Loan/Grant Proceeds.* (a) The Table below sets forth the Categories of eligible expenditure to be financed by the Grants and the allocation of amounts to each category :

<b>Category</b>	<b>IFAD Grant (expressed in USD )</b>	<b>ASAP+1 Grant (expressed in USD )</b>	<b>ASAP+2 Grant (expressed in USD )</b>
Component 1. Community led climate-smart productive landscapes	51 120 000		
Component 2. Inclusive and equitable market access	4 860 000		
Component 3. Institutional & policy strengthening, implementation support services	14 220 000		
Unallocated	7 800 000		
<b>TOTAL</b>	<b>78 000 000</b>	<b>7 000 000</b>	<b>3 500 000</b>

The amounts shown in the Table above are net of taxes, Government contributions and contributions of other co-financiers.

2. *Disbursement arrangements*

- (a) *Start-up Advance.* 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 USD 400,000 under component 3. Activities to be financed by the Start-up Advance will require the no objection from IFAD to be considered eligible.

### Schedule 3

#### *Special Covenants*

#### **I. General Provisions**

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 Recipient to request withdrawals from the Grant Account if the Recipient 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 Programme:

1. Within twelve (12) months of entry into force of the Financing Agreement, the implementing partners will enter into Memorandums of Understandings (MoU) that will structure the collaboration, define roles, responsibilities and duties with regards to implementation, financial management, accounting and reporting.

3. *Planning, Monitoring and Evaluation.* The Recipient 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.

4. *Gender.* The Recipient shall ensure that it develops a gender and youth strategy and action plan to facilitate equitable participation of women and men to the economic opportunities and benefits generated by the Programme.

5. *Indigenous People Concerns.* The Recipient shall ensure that the concerns of IPs are given due consideration in implementing the Programme and, to this end, shall ensure that:

- (a) the Programme is carried out in accordance with the applicable provisions of the relevant IP national legislation;
- (b) indigenous people are adequately and fairly represented in all local planning for Programme activities;
- (c) IP rights are duly respected;
- (d) IP communities, participate in policy dialogue and local governance;
- (e) The terms of Declarations, Covenants and/or Conventions ratified by the Borrower on the subject are respected;
- (f) The Programme will not involve encroachment on traditional territories used or occupied by indigenous communities.

6. *Land tenure security.* The Recipient shall ensure that if applicable, the land acquisition process has already been completed and that compensation processes were consistent with international best practice and free prior and informed consent principles.

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

8. *Sexual Harassment, Sexual Exploitation and Abuse.* The Recipient and the Programme Parties shall ensure that the Programme 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.

9. *Use of Programme Vehicles and Other Equipment.* The Borrower shall ensure that:

- (a) all vehicles and other equipment procured under the Programme are allocated to the Ministry of Agriculture and other Implementing Agencies for Programme implementation;

- (b) The types of vehicles and other equipment procured under the Programme are appropriate to the needs of the Programme; and
- (c) All vehicles and other equipment transferred to or procured under the Programme are dedicated solely to Programme use.

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

11. The Key Project Personnel are: Programme Manager, Financial Specialist, Officer for Monitoring and Evaluation, Knowledge Management Officer, Procurement Officer, Social Inclusion and Gender Specialist, and Environment, Climate Assessment Specialist and Safeguards Specialist. In order to assist in the implementation of the Project, the PMU, unless otherwise agreed with IFAD, shall employ or cause to be employed, as required, key staff whose qualifications, experience and terms of reference are satisfactory to IFAD. Key Project Personnel shall be seconded to the PMU in the case of government officials or recruited under a consulting contract following the individual consultant selection method in the IFAD Procurement Handbook, or any equivalent selection method in the national procurement system that is acceptable to IFAD. The recruitment of Key Project Personnel is subject to IFAD's prior review, as is the dismissal of Key Project Personnel. Key Project Personnel are subject to annual evaluation and the continuation of their contract is subject to satisfactory performance. Any contract signed for Key Project Personnel shall be compliant with the national labour regulations or the ILO International Labour Standards (whichever is more stringent) in order to satisfy the conditions of IFAD's updated SECAP. Repeated short-term contracts must be avoided, unless appropriately justified under the Programmes' circumstances.

## **II. SECAP Provisions**

1. The Borrower/Recipient shall carry out the preparation, design, construction, implementation, and operation of the Project/Programme in accordance with the nine standards and other measures and requirements set forth in the Updated Social, Environmental Climate Assessment Procedures of IFAD ("SECAP 2021 Edition"), as well as with all applicable laws and regulations to the Borrower/Recipient and/or the sub-national entities relating to social, environmental and climate change issues in a manner and substance satisfactory to IFAD. The Borrower/Recipient shall not amend, vary or waive any provision of the SECAP 2021 Edition, unless agreed in writing by the Fund in the Financing Agreement and/or in the Management Plan(s), if any.

2. For programmes presenting high or substantial social, environmental and climate risks, the Borrower/Recipient shall carry out the implementation of the Programme in accordance with the measures and requirements set forth in the Environmental and Social Impact Assessments (ESIAs)/Environmental, Social and Climate Management Frameworks (ESCMFs) and/or Resettlement Action Plans/Frameworks (RAPs/Fs) and Environmental, Social and Climate Management Plans (ESCMs) for high risk projects and Abbreviated ESIAs and/or Abbreviated RAP/F and ESCMs for substantial risk projects and Free, Prior and Informed Consent (FPIC) Plans, FPIC Implementation Plans, Indigenous Peoples Plans (IPPs), Pesticide Management Plans, Cultural Resources Management Plans and Chance Finds Plans (the "Management Plan(s)"), as applicable, taken in accordance with SECAP requirements and updated from time to time by the Fund.

The Borrower/Recipient shall not amend, vary or waive any provision of the ESCMPs and Management Plan(s), unless agreed in writing by the Fund and if the Borrower/Recipient has complied with the same requirements as applicable to the original adoption of the ESCMPs and Management Plan(s).

3. The Borrower/Recipient shall not, and shall cause the Executing Agency/ lead Programme Agency, all its contractors, its sub-contractors and suppliers not to commence implementation of any works, unless all Project/Programme affected persons have been compensated and/or resettled in accordance with the specific RAP/Abbreviated RAP, FPIC and/ or the agreed works and compensation schedule.

4. The Borrower/Recipient shall cause the Lead Programme Agency to comply at all times while carrying out the Programme with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s), if any.

5. The Borrower/Recipient shall disclose the draft and final ESIA reports and all other relevant Management Plan(s) with Programme stakeholders and interested parties in an accessible place in the Programme-affected area, in a form and language understandable to Programme-affected persons and other stakeholders. The disclosure will take into account any specific information needs of the community (e.g. culture, disability, literacy, mobility or gender).

6. The Borrower/Recipient shall ensure or cause the Executing Agency and Implementing Agency to ensure that all bidding documents and contracts for goods, works and services contain provisions that require contractors, sub-contractors and suppliers to comply at all times in carrying out the Programme with the standards, measures and requirements set forth in the SECAP 2021 Edition, ESCMPs and the Management Plan(s), if any.

7. The Borrower/Recipient will ensure that a Programme-level grievance mechanism is established that is easily accessible, culturally appropriate, available in local languages, and scaled to the nature of the Programmes activity and its potential impacts to promptly receive and resolve concerns and complaints (e.g. compensation, relocation or livelihood restoration) related to the environmental and social performance of the Programme for people who may be unduly and adversely affected or potentially harmed if the Programme fails to meet the SECAP standards and related policies. The Programme-level grievance mechanism needs to take into account indigenous peoples, customary laws and dispute resolution processes. Traditional or informal dispute mechanisms of affected indigenous peoples should be used to the greatest extent possible.

8. This section applies to any event which occurs in relation to serious environmental, social, health & safety (ESHS) incidents (as this term is defined below); labor issues or to adjacent populations during Project/Programme implementation that, with respect to the relevant IFAD Programme:

- (i) has direct or potential material adverse effect;
- (ii) has substantially attracted material adverse attention of outside parties or create material adverse national press/media reports; or
- (iii) gives rise to material potential liabilities.

In the occurrence of such event, the Borrower/Recipient shall:

- Notify IFAD promptly;
- Provide information on such risks, impacts and accidents;

- Consult with Project/Programme-affected parties on how to mitigate the risks and impacts;
- Carry out, as appropriate, additional assessments and stakeholders' engagements in accordance with the SECAP requirements; and
- Adjust, as appropriate, the Project/Programme-level grievance mechanism according to the SECAP requirements; and
- Propose changes, including corrective measures to the Management Plan(s) (if any), in accordance with the findings of such assessment and consultations, for approval by IFAD.

**Serious ESHS incident** means serious incident, accident, complaint with respect to environmental, social (including labor and community), health and safety (ESHS) issues that occur in loan or within the Borrower/Recipient's activities. Serious ESHS incidents can comprise incidents of (i) environmental; (ii) occupational; or (iii) public health and safety; or (iv) social nature as well as material complaints and grievances addressed to the Borrower/Recipient (e.g. any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination, accidents of members of the public/local communities, resulting in death or serious or multiple injuries, sexual harassment and -violence involving Project/Programme workforce or in relation to severe threats to public health and safety, inadequate resettlement compensation, disturbances of natural ecosystems, discriminatory practices in stakeholder consultation and engagement (including the right of indigenous peoples to free, prior and informed consent), any allegation that require intervention by the police/other law enforcement authorities, such as loss of life, sexual violence or child abuse, which (i) have, or are likely to have a material adverse effect; or (ii) have attracted or are likely to arouse substantial adverse attention of outside parties or (iii) to create substantial adverse media/press reports; or (iv) give, or are likely to give rise to material potential liabilities).

9. The Borrower/Recipient shall ensure or cause the Executing Agency, Implementing Agency, contractors, sub-contractors and suppliers to ensure that the relevant processes set out in the SECAP 2021 Edition as well as in the ESCMPs and Management Plan(s) (if any) are respected.

10. Without limitation on its other reporting obligations under this Agreement, the Borrower/Recipient shall provide the Fund with:

- Reports on the status of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition, ESCMPs and the management plan (if any) on a semiannual basis - or such other frequency as may be agreed with the Fund;
- Reports of any social, environmental, health and safety incidents and/accidents occurring during the design stage, the implementation of the Programme and propose remedial measures. The Borrower/Recipient will disclose relevant information from such reports to affected persons promptly upon submission of the said reports ; and
- Reports of any breach of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s) (if any) promptly after becoming aware of such a breach.

11. The Borrower/Recipient shall fully cooperate with the Fund concerning supervision missions, midterm reviews, field visits, audits and follow-up visits to be undertaken in accordance with the requirements of SECAP 2021 Edition and the Management Plan(s) (if any) as the Fund considers appropriate depending on the scale, nature and risks of the Project/Programme.

12. In the event of a contradiction/conflict between the Management Plan(s), if any and the Financing Agreement, the Financing Agreement shall prevail