
Republic of Kenya
Integrated Natural Resources Management
Programme
Negotiated financing agreement

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Negotiated financing agreement

Integrated Natural Resources Management Programme

(Negotiations concluded on 29 August 2024)

Loan No: _____

Project name: Integrated Natural Resources Management Programme (“the INReMP”/ “the Programme”)

The Republic of Kenya (the “Borrower”) represented by the Cabinet Secretary to The National Treasury and Economic Planning

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 Programme described in Schedule 1 to this Agreement;

WHEREAS the Borrower has undertaken to provide additional support, financially or 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 the Special Covenants (Schedule 3).

2. The Fund’s General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, 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”) which the Borrower shall use to implement the Programme in accordance with the terms and conditions of this Agreement.

Section B

1. A. The amount of the Loan is one hundred and twenty-six million, eight hundred and ten thousand United States dollars (USD 126 810 000).

2. The Loan is granted on blend terms, and shall be subject to interest on the principal amount outstanding and a service charge as determined by the Fund at the date of approval of the Loan by the Fund’s Executive Board. The interest rate of 1.41% and service

charge of 1.39% d will be fixed for the life cycle of the loan and payable semi-annually in the Loan Service Payment Currency, and shall have a maturity period of twenty-five (25) years, including a grace period of five (5) years starting from the date of approval of the Loan by the Fund's Executive Board. The principal of the Loan will be repaid in equal instalments.

3. The Loan Service Payment Currency shall be in United States dollars (USD).
4. The first day of the applicable Fiscal Year shall be 1 July.
5. Payments of principal, interest and service charge shall be payable on each 15 June and 15 December.
6. There shall be a Designated Account denominated in USD, opened at the Central Bank of Kenya to receive resources from the IFAD Loan, for the implementation of the Programme. The Borrower shall inform the Fund of the officials authorized to operate the Designated Account.
7. A Designated Account for the exclusive use of the Programme shall be held by the National Treasury at the Central Bank of Kenya to receive funds from IFAD. The Borrower shall inform the Fund of the officials authorized to operate the Designated Account.
8. There shall be two Project Operational Accounts in Kenya shillings (KES) to receive the proceeds of the Financing from the IFAD Designated Account, for the exclusive benefit of the Programme. One for the National Government (NG) and one for the County Governments (CG). A distinct operational account shall also be maintained in local currency to receive counterpart contributions from the Government of the Republic of Kenya.
9. Reporting: The Programme will be required to prepare quarterly and annual financial statement in accordance with the requirements of the PFM Act 2012 and IFAD's requirements.
10. Auditing: The Programme will be audited by the Office of the Auditor General.
11. The Borrower shall provide counterpart financing for the Programme in the amount of twenty-three million and five hundred thousand United States Dollars (23 500 000 USD) in the form of in-kind contribution and the value of exemption of taxes and duties.
12. All Goods and Services imported or purchased locally by the programme contractors, sub-contractors for the exclusive and direct use in the Programme shall be exempt from Excise Duty, Import Duty, Value Added Tax (VAT), Import Declaration Fee (IDF) and Railway Development Levy (RDL) in accordance with the applicable tax laws in Kenya.
13. Any income earned by contractors, consultants and experts using the programme funds shall be subject to income tax in accordance with the applicable tax laws in Kenya.

Section C

1. The Lead Programme Agency shall be the Ministry of Agriculture and Livestock Development under its State Department for Agriculture.
2. 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.

3. The Programme Completion Date shall be the eighth (8th) 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.

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

Section D

1. The Fund will administer the Loan 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 Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Programme.
- (b) Key Programme Coordination and Management Unit (PCMU) staff as described in Schedule 3 Section I.11 have been transferred or moved from PCMU without the non-objection of the Fund.

2. The following are designated as additional grounds for cancellation of this Agreement:

- (a) In the event that the Borrower did not request a disbursement of the Financing for a period of at least 12 consecutive months without justification subsequent to the first eighteen (18) months from entry in force of the Financing Agreement.

3. The following are designated as additional general conditions precedent to withdrawal:

- (a) The IFAD no objection on the first Annual Work Plan and Budget (AWPB) and Procurement Plan (PP) shall have been obtained.
- (b) The IFAD no objection to the Programme Implementation Manual (PIM) shall have been obtained.
- (c) Key Programme staff have been appointed: Programme Coordinator, Financial Controller, Procurement Specialist and Monitoring, Evaluation and Knowledge Management Specialist.
- (d) A suitable off-the-shelf accounting software shall have been procured and installed, to satisfy International Accounting Standards and IFAD requirements.
- (e) Designated Account(s) shall have been opened 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:

Cabinet Secretary
The National Treasury and Economic Planning
P.O. Box 30007 00100
Nairobi
Kenya

For the Fund:

The President
International Fund for Agricultural Development
Via Paolo di Dono 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 KENYA

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

Date: _____

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

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

Date: _____

Schedule 1

Programme Description and Implementation Arrangements

I. Programme Description

1. *Target Population.* INReMP's direct beneficiaries are estimated at 407,176 vulnerable rural households (2,035,880 million people). These will be selected from the following target groups: a) food insecure and vulnerable rural farmer households (20 per cent of programme target); b) Moderately food insecure rural farmer households (40 per cent of programme target); c) Food secure, semi-structured and structured medium farmer households (30 per cent of programme target); and d) Micro, small and medium scale enterprises (10 per cent of programme target).
2. *Programme area.* The Programme will be implemented in the Cherangany Hills and Mau West water towers focusing on the following ten counties: a) the Cherangany water tower counties of Elgeyo Marakwet, West Pokot, Trans Nzoia and Uasin Gishu; b) Cherangany downstream counties of Nandi and Kakamega (implementing the GEF funded Integrated Land and Water Management for Food, Water and Climate Security in the Dairy Food System to co-finance INReMP); and c) one upstream county of the Mau West Catchment and three downstream counties of the Lake Victoria basin of Kericho, Kisumu, Homa Bay and Migori (*the "Programme Area"*).
3. *Goal.* The goal of the Programme is to contribute to improved rural households, food, nutrition, and income security in a sustainable and resilient ecosystem.
4. *Objectives.* The objective of the Programme is to enhance integrated natural resources management, increase resilience to climate change and improve beneficiaries' livelihoods, particularly for women, youth, and other vulnerable groups.
5. *Components.* The Programme shall consist of the following Components: (i) Community-led Enhanced Environment and INRM, Ecosystem Services, and Climate Action; (ii) Improved, Inclusive and Sustainable Rural Livelihoods; and (iii) Strengthened Policies and Institutions for INRM and Rural Coordination.

5.1 Component 1: **Community-led Enhanced Environment and INRM, Ecosystem Services, and Climate Action.**

This component will support target beneficiaries to sustainably manage key natural resources within their communities. It will focus on the following five key natural resources identified across all the ten counties during the INReMP design Mission: a) forests; b) rangelands; c) arable land; d) wetlands; and e) water resources (groundwater, springs, rivers/streams, and lakes) and f) watersheds.

Component 1 includes two sub-components: Sub-component 1.1 - Community Empowerment, Youth and Gender Transformative Approaches; Sub-component 1.2 - Improve Environmental Sustainability, INRM, and Ecosystem Services

5.2 Component 2: **Improved, Inclusive and Sustainable Rural Livelihoods**

This component is essential for the success of component 1. It seeks to support communities and households to improve their livelihoods and incomes using interventions that are beneficial to the management of the natural resource base. These activities will serve as incentives for the communities to sustainably conserve the environment in which they live.

Component 2 includes two Sub-components: Subcomponent 2.1: Improve Production and Productivity of Selected Nutrition; Improve Value Addition and Market Linkages of Selected Value Chains and Nature-based Enterprises.

5.3 Component 3: **Strengthened Policies and Institutions for INRM and Rural Coordination.**

This will be a cross-cutting component servicing the technical components and facilitating pathways for the effective and efficient implementation of INReMP interventions. It will strengthen institutions for sustainable management of investments under the Programme. Policy support will facilitate the development, review and update of policies and strategies in areas identified as essential for integrated natural resources management.

Component 3 includes two Sub-components: Subcomponent 3.1 - Institutional Strengthening and Policy Support; Sub-component 3.2 - Programme Coordination and Implementation Support Services.

II. Implementation Arrangements

6. *Lead Programme Agency.* The Lead Implementing Agency will be the State Department for Agriculture of the Ministry of Agriculture and Livestock Development.

7. *National Programme Steering Committee (NPSC).* A NPSC under the co-chairmanship of the Principal Secretaries, State Department for Agriculture and State Department for Environment and Climate Change, will be set up to provide overall policy and strategic guidance to the Programme. The other members will be Principal Secretaries drawn from: a) National Treasury; b) State Department for Livestock Development; c) State Department for Water and Sanitation; d) State Department for Irrigation; e) State Department for the Blue Economy and Fisheries; f) State Department for Forestry; g) State Department for Cooperatives; h) State Departments for Gender and Youth; i) State Department for Internal Security and National Administration; and j) State Department for Environment and Climate Change, k) the CEO of the Council of Governors; l) Two County Executive Committee Members (CECM) from the Programme counties; m) Kenya National Farmers Federation, (KENAFF); n) A representative from National Alliance of Community Forest Associations (NACOFA); and o) a representative of Kenya Private Sector Alliance (KEPSA).

The main responsibility of the NPSC will be to ensure successful implementation of the Programme. The NPSC tasks will include, **inter alia**: a) policy and strategic guidance on the INReMP focus; and b) priority setting and institutional strengthening to ensure that the Programme achieves its objective and contributes to the higher-level sector policy and strategic goals. This will necessitate reviewing Programme progress against targets, assessing management effectiveness, appraisal of annual performance and recommending renewal of contracts of PCMU staff, deciding on corrective measures, where appropriate, identifying lessons learned and good practices, approving AWPBs

8. *National Technical Committee (NTC)* – A National Technical Committee shall be established to provide technical advice to the NPSC. The NTC shall consist of technical experts preferably at the Director/Commissioner level, appointed by the individual NPSC members. The membership in terms of institutional representation will therefore mirror that of the NPSC. The NTC shall provide technical advice on matters that require approval and/or discussion by the NPSC.

9. *Programme Coordination and Management Unit.* A Programme Coordination and Management Unit (PCMU) will be established comprising a team of officers recruited through a competitive process led by the State Department for Agriculture. In addition to the PCMU's core staff of Programme Coordinator, Financial Controller, Monitoring, Evaluation and Knowledge Management Specialist and Procurement Specialist, the PCMU will comprise technical officers and support staff as follows: NRM Specialist, Infrastructure Specialist, Agricultural Livelihood Specialist, Community Development, Gender and Youth Specialist, Nutrition and Social Inclusion Specialist, Agribusiness Development Specialist, Programme Accountants (2), Accounts Assistant, Knowledge Management Officer, M&E

Assistant, ICT Assistant, Programme Assistants (2), Office Assistant (2), Drivers (5). Detailed Terms of Reference (ToRs) for all PCMU positions are included in the PIM.

The PCMU responsibilities will include, **inter alia**, the: a) facilitation of a conducive environment for Programme activities, including the multiple partnerships required for effective implementation; b) implementation of the Programme activities in line with the AWPBs approved by the National Programme Steering Committee (NPSC) and provided with a 'No-Objection' from IFAD; c) development of operational strategies and establishment of effective tools for Programme implementation; d) financial and administrative management of Programme resources, preparation of AWPBs, mobilisation and coordination of implementation partners; e) monitoring, evaluation, knowledge management, learning and reporting implementation progress.

10. *Interim Start-up Team* –An Interim Start-up team will be constituted by the Lead Programme Agency to proactively take the lead in ensuring that all the identified key start-up activities are fulfilled within the stipulated time-frame to kickstart and ensure full integration of the start-up team to the design process. The Interim start-up team will function for a maximum period of not more than six months and subject to IFAD's non-objection.

11. *At County level* – A multi-sectoral County Programme Steering Team (CPST) composed of the CECMs of relevant County Departments, County Commissioner and relevant National Government Agencies at the county level shall be established to work closely with the existing County Agricultural Sector Steering Committee (CASSCOM) to steer implementation of the Programme activities at the county level. The CPST shall be chaired by the CECM in charge of Agriculture. In addition, a County Programme Implementation Team (CPIT) with representation mirroring the CPST, composed of members at the level of a director will be established and will be responsible for the day-to-day implementation of Programme activities. Also, a dedicated programme coordinating team composed of a Coordinator, Accountant, Procurement Officer, and M&E Officer shall be seconded on a full-time basis by the county government for day-to-day coordination of the Programme activities at the county level. The coordinator shall be the head of the CPIT and the Secretary to the CPST. As much as possible, the coordinating team shall be ring-fenced to avoid interruption of Programme implementation.

12. *Implementing partners.* The Programme will assess and collaborate through a Memorandum of Understanding (MoUs) with Programme partners drawn from the private sector and relevant Government Agencies, such as the Kenya Agriculture Livestock and Research Organization (KALRO), National Environmental Management Authority (NEMA), Kenya Forest Service (KFS), Kenya Wildlife Service (KWS), Kenya Forest Research Institute (KEFRI), Kenya Water Towers Agency (KWTA), National Environment Trust Fund (NETFUND), Water Sector Trust Fund, Water Resources Authority, National Irrigation Authority, Kenya Meteorological Department, Kenya Marine & Fisheries Research Institute (KMFRI) and The Nature Conservancy. The MoU/contractual agreement shall clearly specify, the scope of the work to be undertaken, staffing and institutional arrangements, budget, reporting and fiduciary requirements, implementation records, and performance evaluation criteria, where relevant.

13. *Monitoring and Evaluation.* The logical framework will be the foundation of the Programme's M&E system and contains a set of defined Programme specific indicators and core indicators selected from the IFAD Core Indicators, to guide continuous performance assessment of the Programme. The full Programme M&E system will be developed in accordance with the requirements of IFAD and GoK and will be coordinated by the PCMU set up within the state department for Agriculture as the executing agency and supported by the CPITs. The M&E system will conform to IFAD's Operational Results Management System (ORMS), updated SECAP guidelines and Core Outcome Indicator Framework. The system will also conform to existing GoK M&E arrangements, including alignment with the recently developed Agriculture Sector-wide Monitoring and Evaluation framework and relevant integrated natural resource management frameworks at national and county

levels. The INReMP's M&E logical framework will also feed the County Integrated Monitoring and Evaluation System (CIMES) as well as Jaza Miti App, among others. The Resilience Design and Monitoring Tool (RDMT) will be embedded in the M&E system with RDMT questions included in the system to collect resilience data at the household level.

The Programme will develop an M&E Plan at the start of implementation. The objectives of this M&E Plan will be to guide the Programme management team during implementation and to ensure achievement of the set goal and development objective. The Plan will also be helpful in enabling accurate and timely reporting of Programme progress and performance to all stakeholders. The M&E system will rely on data from periodic monitoring but, more importantly, on specific outcome/impact measurement surveys which will be carried out by the PCMU, especially after the MTR.

The M&E strategy will use digital tools, such as Kobo Toolkit and a web-based Management Information System (MIS), and GIS to collect and analyse information about Programme outreach, and impact. The Programme will use data generated from the M&E system to continuously evaluate the Programme's theory of change and to inform knowledge generation and dissemination for enhanced impact.

The Programme will undertake a baseline survey (including Empowerment, Nutrition and youth modules) at the start of implementation and subsequent rigorous evaluations that seek to establish Programme impacts and provide lessons learned for enhanced Programme impacts. The Programme's evaluation strategy will use quantitative and qualitative methods to determine how it contributed to improved livelihoods and nutrition among beneficiaries, at baseline, mid-term, annual surveys, and end-line with a control group as per the IFAD COI guidelines.

14. *Knowledge Management.* Knowledge Management in the Programme will be guided by a Knowledge Management and Communication Strategy (KMCS) to be developed at the beginning of Programme implementation or build on existing ones where applicable. The Programme M&E system will form the foundation of KM&L system and will, thus, be a primary instrument of information capture and storage. KM activities will ensure that the Programme implementation is a continuous learning process during which quantitative and qualitative data will be compiled, analysed, and disseminated as lessons learned, thematic studies and stories from the field. The lessons and experiences will be systematized and utilised as part of the policy engagement activities undertaken by the undertaken by the Programme.

15. *Programme Implementation Manual.* A Programme Implementation Manual with the associated annexes will be finalized at Programme inception, approved by the National Programme Steering Committee and subjected to IFAD's no objection. Any amendment to the PIM must receive an IFAD's no objection prior to it becoming effective.

Schedule 2

Allocation Table

1. *Allocation of Loan.* (a) The Table below sets forth the Components of Eligible Expenditures to be financed by the Loan and the allocation of the amounts to each component of the Financing and the percentages of expenditures for items to be financed in each Component:

Component	IFAD Loan Amount Allocated (expressed in USD)	Percentage (net of taxes)
I. Community led Enhanced Environment and INRM Ecosystem Services	32 150 000	100%
II. Improved, inclusive and Sustainable Rural Livelihoods	71 960 000	100%
III. Institutional strengthening, policy support and program coordination	22 700 000	100%
Total	126 810 000	

(b) *Reallocation.* The Borrower may request reallocation amongst components for prudence and to enhance food and nutrition security, community and environment centric impact for IFAD's non objection.

2. *Disbursement arrangements*

(a) *Start-up Costs.* Withdrawals in respect of expenditures for start-up costs for Components III 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) activities to be financed by Start-up Costs 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 Borrower to request withdrawals from the Loan/Grant 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 Programme:

1. Within 6 months of entry into force of the Financing Agreement, the Programme will procure and 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. Within twelve (12) months of entry into force of the Financing Agreement, the Programme will enter into Memorandum of Understandings (MoU) with implementing partners 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 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.
4. *Affirmative Action:* The Borrower shall ensure that a strategy for gender has been designed to contribute to the social and economic inclusion of youth, women and other vulnerable and marginalised groups and offer them an equal opportunity to participate and benefit from the programme activities
5. *Marginalized Groups and Minorities.* The Borrower shall ensure that the concerns of Marginalized Groups and Minorities 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 national legislation on the protection of Marginalized Groups and Minorities;
 - (b) Marginalized Groups and Minorities are adequately and fairly represented in all local planning for Programme activities;
 - (c) Marginalized Groups and Minorities' rights are duly respected;
 - (d) Marginalized Groups and Minorities communities, participate in policy dialogue and local governance;
 - (e) The Programme will not involve encroachment on traditional territories used or occupied by Marginalized Groups and Minorities.
6. *Land tenure security.* In the event there is land acquisition, the Borrower shall ensure that this 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 Borrower shall comply with IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations.
8. *Sexual Harassment, Sexual Exploitation and Abuse.* The Borrower 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 State Department for 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 Borrower shall ensure that a request is sent to IFAD to access the project procurement Contract Monitoring Tool in the IFAD Client Portal (ICP). The Borrower shall ensure that all contracts, memoranda of understanding, purchase orders and related payments are registered in the Project Procurement Contract Monitoring Tool in the IFAD Client Portal (ICP) in relation to the procurement of goods, works, services, consultancy, non-consulting services, community contracts, grants and financing contracts. The Borrower shall ensure that the contract data is updated on a quarterly basis during the implementation of the Program.

11. The Key Project Personnel are: Programme Coordinator, Financial Controller, Procurement Specialist and Monitoring, Evaluation and Knowledge Management Specialist. In order to assist in the implementation of the Project, the [PCMU], 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 [PCMU] 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 Programs's circumstances.

II. SECAP Provisions

1. For programmes presenting high or substantial social, environmental and climate risks, the Borrower 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 shall not amend, vary or waive any provision of the Management Plan(s), unless: (i) agreed in writing by the Fund and (ii) Borrower has complied with the requirements applicable to the original adoption of the Management Plan(s).

2. The Borrower shall not, and shall cause the Executing Agency, all its contractors, its sub-contractors, and suppliers not to commence implementation of any works, unless all 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.

3. The Borrower 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).

4. The Borrower 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 and the Management Plan(s), if any.

5. 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 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 shall:

- Notify IFAD promptly;
- Provide information on such risks, impacts and accidents;
- Consult with 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 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 the context of the loan or within the Borrower'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 (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 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 allegations 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).

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

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

- Reports on the status of compliance with the standards, measures and requirements set forth in IFAD 's SECAP 2021 Edition, ESCMPs and the management plan (if any) on a semi-annual 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 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 IFAD 's SECAP 2021 Edition and the Management Plan(s) (if any) promptly after becoming aware of such a breach.

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