

**DRAFTGUIDELINES FOR SUPPORT TO MARKET ACCESS FACILITY (MAF)**  
**UNDER FOCUS – NAGALAND**

**A. INTRODUCTION:**

Postharvest management of agriculture produce help farmers to add value to the produce, hold back stock to avoid distress sale immediately after the production when prices are generally lowest, and learn vertical integration of services to realize better marketing opportunities. Project would facilitate setting up marketing shed/Centre/Common Facility Centres/Collection Centres/Agro-Processing units in Project Districts for promotion of value chain commodities. The facility would be at strategic cluster locations under the project districts with road and transport connectivity, and ideally having access to other support services such as banking, postal, and internet connectivity. The facility would have options for multiple commodities for round the year utilization.

The marketing system/channel and post-harvest marketing infrastructure have not been able to keep pace with the growing production and demands of consumers. The need for providing farmers with access to competitive markets with adequate infrastructure including proper storage, cold chain, logistics etc. to enable them to realize better prices on the one hand and providing fresh and hygienic product to consumers at stable and affordable prices on the other arises. The agricultural, horticulture and livestock marketing sector requires strengthening of marketing channel and supply chain through investments in market access facilities for value addition to produce, reduction in post-harvest losses etc. Keeping these in view, ***IFAD-FOCUS Nagaland has come up with Support to Market Access Facility for farmers which can be availed in FOCUS implementing districts viz. Kohima, Wokha, Mokochung, Zunheboto, Phek, Mon, Kiphire and Longlengdistricts.***

**B. OBJECTIVES:**

1. To promote and develop marketing infrastructure for effectively managing marketable products of agriculture, horticulture and livestock.
1. To promote Commercial crop value chains and facilitate linkages in between farmers and processors.

2. Bring transparency in market transactions and price fixation for agriculture produce and through provision of backward and forward linkages to enable farmers to realize higher price and income.
3. To promote Value Chain Crops and facilitate linkages to farmers with processors/buyers etc.
4. Provide professional managed competitive alternative marketing structures that provide multiple choices of farmers for sale of their agriculture produce.
5. To promote & implement quality control, sorting and grading standard to help farmers attain better market rates.
6. Drive reforms in agricultural marketing sector resulting in accelerated development of marketing and post-harvest infrastructure including sorting, grading, weighing, packaging, etc.
7. To promote the use of ICT as a tool of extension, sensitize and orient farmers to respond to new challenges in agricultural and allied sector marketing.

### **C. FINANCIAL IMPLICATION:**

The grant will be sanctioned to the beneficiaries only after approval from the competent authority in the form of advance grant not exceeding 20% of the total grant from the project initially and subsequently as milestone payments. The subsequent milestone payments shall be released only on submission of documents evidencing utilisation of atleast 75% of the previous releases. All documents to be submitted to concern department for scrutiny and for further release of fund. The grant will be available only on capital cost of the project.

The MAF grants would be awarded as follows:

- a. 0-10 Lakh Grant: at least 20% applicant's contribution (80:20).
- b. 11-20 Lakhs Grant: at least 15% applicant's contribution (85:15)
- c. 21-25 Lakhs Grant: at least 10% applicant's contribution (90:10)
- d. No Grants would be awarded in excess of 25 Lakh.

*\* Favourable consideration would be given to applicants contributing greater than the specified percentage of their own contribution.*

The project should be in compliance to the guidelines provided; SOCRAN, with the approval of IFAD, may revise the guidelines from time to time. In case, for any reason there is variation in the guidelines, the grant would be restricted to the original proposal of the project.

#### **D. ELIGIBILITY CRITERIA:**

1. Registered Value Chain Farmers' Groups (VCFGs)/Village Farmers' Groups (VFGs under FOCUS Nagaland
  2. Society & Cooperative/Cooperative Marketing Federations having legal entity.
  3. Should have a credible secure access to land (Preferably Village Council/Administration)
  4. Should have book keeping system and at least one year management account or audited financial statements.
  5. Capacity to provide 20% counterpart in cash or kind. Labor contribution, existing assets (related to proposed project), building, raw materials are eligible under in kind counterpart.
  6. Reputation of fair dealing and empathy with smallholders and the poor, sound management and corporate governance systems.
  7. Comply with the relevant environmental regulations and agricultural practices
- \* Positive/Favourable consideration will be given to applicants having high proportions of women/youth participation.*

#### **E. PROPOSALS (DPRs) DEVELOPMENT & IMPLEMENTATION PROCESS**

Early sensitization, consultation and provision of guidance on FOCUS principles, objectives, and specific (targeted) interests amongst all the potential project stakeholders (FIGs, SHGs, CBOs or Farmer producer groups/societies/cooperatives) underlies the evolution and implementation of the project.

Simultaneously, PMU would need to invite expressions of interest to obtain MAF grants from reputable FIGs, SHGs, CBOs or Farmer producer groups/societies/cooperatives, who are then short listed and selected based on a set of criteria and commitment and interest in pro-poor development. These partners are subsequently requested to submit proposals in the form of Business Plans (BP) which include an investment plan and an implementation plan (Annex A).

In this early stage, the PMU is forefront in promoting, sensitizing and brokering first contact with the partners; as the process progresses, the PMU continues its brokerage role and facilitates- the negotiations and fine-tuning of the proposals. Within the PMU, the Business

Development Team, staffed with specialists would be primarily responsible for networking, working with applicants, negotiations, on site and off site appraisal. The unit would also be responsible for regular meetings and follow up with applicants to identify any issues during implementation.

Upon BP submission, the PMU conducts a preliminary feasibility assessment and short-listing, and undertakes site-visits to meet with farmer groups related to applicants; after this, the PMU facilitates BP development sessions with the applicant in order to finalize a feasible BP that benefits all parties (with emphasis on financial and economic benefits to the smallholder producer; at this stage, producers are also pre-identified by the applicant). The BP then undergoes a final appraisal by the PMU team, and is forwarded to the Business Proposal Screening Committee (BPSC) of which three permanent members are appointed by the PSC (Project Steering Committee) who undertakes further field visits if necessary to validate the appraisal and comments on/ proposes further adjustment, at this stage economic, social and environmental feasibility and pro-poor strategy of the proposal is validated and approved by the committee (refer Annex Ba for evaluation criteria). During BPSC evaluation all finalized and duly approved specifications endorsed by respective experts/line agencies for agreed machinery/equipment, and also drawings and BOQs of infrastructure etc. should be submitted by the applicant for technical evaluation and recommendations.

#### **F. MONITORING & EVALUATION OF THE PROJECT:**

Monitoring & evaluation of beneficiaries shall primarily be the responsibility of FOCUS Marketing unit & respective DMU's on a monthly or quarterly basis submitting their reports to the implementing agency (SoCRAN).

#### **G. AUDIT**

SOCRAN will undertake the audit of the grant recipient records and the grant recipient shall provide all financial records and documents related to the utilisation of the grant. The grant recipient shall undertake all steps to comply with the observations of the audit.

## **H. CONTRACT AGREEMENT:**

SoCRAN shall sign Contract Agreement for implementation of Market Access Facility with eligible beneficiaries and FOCUS Marketing Unit to ensure effective implementation, timely execution of action plan and fund flow mechanism.

## **H. IMPORTANT POINTS FOR SUBMISSION OF DPR**

1. How it would benefit small farmers targeted by FOCUS for support.
2. It would give details of the technical nature of the investment (including drawings, diagrams and equipment) and its expected operation. This would detail its product(s), their source, their markets, the process of adding value and the likely markets for the product(s). It would also detail staffing of the MAF, broken down by age, skill and gender.
3. It would contain an indicative business plan viable for at least 3 (three) years showing:
  - a. Itemised capital expenditure.
  - b. Operational costs, including:
    - i. Purchases from farmers
    - ii. Volume of commodity expected to be handled
    - iii. Salaries and wages
    - iv. Routine maintenance costs
    - v. Routine operational costs
    - vi. Administration costs
    - vii. Financing costs
  - c. Loan Repayments (if any)
  - d. Depreciation
  - e. Revenues and their sources and timing.
  - f. A projected cash flow for 3 (three) years.
  - g. A proposed disbursement schedule for the investment.
  - h. A credible overall profitable projection.

## **I. LIST OF INDICATIVE MAF AND OTHER SUPPORTING INFRASTRUCTURE:**

1. Equipment/machinery for cleaning, sorting, grading, washing, slicing, packaging etc. as required.

2. Common Auction house / Open raised, covered platform / Pack houses etc.
3. Zero Energy Cooling Chamber / Deep Freezer / Storage facility/ Reefer Vans/Solar powered Freezer etc.
4. Electronic weighing scales/normal weighing scales/ weigh bridge.
5. Meat processing facilities (Chicken, Pork, Goat etc)
6. Feed mills for animals
7. Marketing Shed/Centres /Collection/AggregationCentres

**J. ILLUSTRATIVE LIST OF PROCESSING ACTIVITIES:**

	Primary processing	Secondary processing	Tertiary processing
Fruits & Vegetables	Cleaning, Sorting, Grading & Cutting	Slices, pulps, flakes, paste, preserved & flavored	Ketchups, jam juices, pickles, preserves, candies, chips, squash etc

*\* The above table is indicative and does not illustrate all processes*

*Nomenclature*

Simple Project Proposal Format (at least 5 pages maximum of 10 pages plus annexes if needed)

1. Applicant Details	
Full legal name	
Company registration number <i>(where applicable)</i>	
<b>Legal Structure</b>	<p>Please select the most appropriate alternative that applies to your organization with an “X” from the following, and provide particular information where requested.</p> <p> <input type="checkbox"/> Farmers producers Company  <input type="checkbox"/> Farmers Interest Group  <input type="checkbox"/> SHGs  <input type="checkbox"/> Community Based Organization  <input type="checkbox"/> Company Limited by Association  <input type="checkbox"/> Co-operative Society  <input type="checkbox"/> Agri Based entrepreneurs  <input type="checkbox"/> Aggregators / traders  <input type="checkbox"/>  <input type="checkbox"/> Other (Please specify            .....            .....            .....         </p>
<b>Property Rights</b>	<p>Please select the most appropriate alternatives that applies to your organization with an “X” from the following:</p> <p>           Land                    <input type="checkbox"/> Owned      <input type="checkbox"/> Leased      <input type="checkbox"/> Rented            Buildings                <input type="checkbox"/> Owned      <input type="checkbox"/> Leased      <input type="checkbox"/> Rented            Plant and Machinery <input type="checkbox"/> Owned      <input type="checkbox"/> Leased      <input type="checkbox"/> Rented         </p>

	<p><i>If property is leased or rented;</i></p> <p>Period of lease/rent contract:  .....</p> <p><i>If property is leased;</i></p> <p>Name of the financial institution/s:  .....</p>
<p><b>Type of Business Operation</b></p>	<p>Please select the most appropriate alternative that applies to your organization from the following:</p> <p><input type="checkbox"/> Agriculture production      <input type="checkbox"/> Agriculture Trading</p> <p><input type="checkbox"/> Distribution                      <input type="checkbox"/> Services</p> <p><input type="checkbox"/> Other. <i>Please specify:</i></p> <p>.....</p> <p>.....</p> <p>Please specify the products manufactured / services offered /items processed or packed / distributed:</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>
<p>Contact person  <b>(Complete Name, Position, Contact Number, Email)</b></p>	
<p>Official (registered) address</p>	
<p>Postal address  <i>(for correspondence)</i></p>	
<p>Telephone number</p>	
<p>Email address</p>	
<p>Type of business</p>	



Year operations started	
Number of staff	
Number of shareholder/members	
Management and organization capacity Clearly describe the management, organizational and financial capability you have to implement this project.	<p>As for the Management and Organization: Kindly discuss the positions with qualifications (operations manager, bookkeeper, cashier, etc) to be created/involved in the implementation, amount of compensation and benefits – if possible.</p> <p>For the financial capability, aside from the possible counterpart of the FO, involvement of bookkeeper, cashier, and knowledge in simple financial recording are all recommended.</p>
<b>2. Enterprise/Individual Operation or Activity Details</b>	
Title of the proposal:	
Estimated new employment opportunities/farmers covered under this project (Number of Direct/Indirect Beneficiaries (Women, Men, Youth)	<p>Direct beneficiaries: Members who are directly involved in the operation of the project.</p> <p style="padding-left: 40px;">Number of Women:</p> <p style="padding-left: 40px;">Number of Men:</p> <p style="padding-left: 40px;">Number of Youth:</p> <p style="padding-left: 40px;">Employment opportunities:</p> <p>Indirect Beneficiaries: Persons who will also benefit with the project (Households, etc)</p> <p style="padding-left: 40px;">Number of Women:</p> <p style="padding-left: 40px;">Number of Men:</p> <p style="padding-left: 40px;">Number of Youth:</p> <p style="padding-left: 40px;">Employment opportunities:</p>

Problem Definition: Clearly describe the specific problem your project is trying to address. Explain how solving/alleviating this problem will increase the income of smallholder by minimum 30% from the current situation and your income. (Maximum 300 characters).

Describe your project idea to address the problem stated above. Please detail the specific objective(s) of this project, including targeted beneficiaries and/or area that you plan to reach during implementation. (Maximum 500 characters).

Project Implementation: How will you implement your project idea? Describe the concrete steps or major activities that the project will undertake to meet your objective(s). Include the length and scope of each major activity. Explain the status of the idea: Is this a brand new idea or has the idea already been tested or piloted? Has a feasibility study been conducted? (Maximum 700 characters).

Marketing: Describe current status on target commodity in market and potential towards local and export market. Provide details of an end market analysis conducted so far? (Context, channels, customers, competitors, communication and choices).

Results: Please state the tangible expected results of your project and its direct impact on improving outcomes for the targeted beneficiaries/area. Provide estimates of the number of your project will benefit. (Maximum 300 characters).

Measurability: Describe the specific method(s) and indicators that will be used to measure project success and implementation. Indicators should demonstrate that project objective(s) described above. (Maximum 300 characters).

Sustainability (Organizational and Financial): What characteristics of project will ensure that it is sustainable? Describe any major challenges that project faces and how it will be overcome. (Maximum 300 characters).

Proposed Investment/ Budget (clearly identifying the items or activity being financed by the Private sector, Producers and the Focus project).

**Important documents that need to attached: FO Information Requirements**

- 1.1 Last one year’s financial statements or management account (profit and loss, balance sheet, cash flow, equity and membership growth details)
- 1.2 Audit opinion if available
- 1.3 List of assets
- 1.4 List of labilities
- 1.5 BoD remuneration details (all the expenses related to the Board – travel, per diem, sitting fees or any other internal dealings)
- 1.6 BoD details and tenure
- 1.7 Last AGM Minutes of the meeting

1.8 Existing Management structure and remuneration

1.9 Details of the financial grant or equipment grant they have received in past

1.10 Bank Account details – signatories and mandate details, bank account statement for last 1 years

**1.11 ID card: Aadhar, PAN card**

1.12 Business activities details - flow of goods/ services chart

## Evaluation Criteria

Submitted proposal would be evaluated based on the below rating system through both internal and external evaluation committees.

Evaluation Criteria	Weight (%)	Relevance
<b>Overall concept</b>	12.5	<ul style="list-style-type: none"> <li>• Concept</li> <li>• National priority &amp; import substitution</li> <li>• Problem identification</li> <li>• Goals &amp; objectives</li> <li>• Geographical coverage (Low income)</li> <li>• Sustainability</li> </ul>
<b>Social &amp; Entrepreneurship development</b>	20	<ul style="list-style-type: none"> <li>• Vulnerability &amp; resilience (Rural systems)</li> <li>• Cultural norms &amp; beliefs</li> <li>• Gender related empowerment</li> <li>• Youth involvement</li> <li>• Job creation</li> <li>• Strengthening of FO/PGs/COOPs</li> <li>• Nutrition sensitivity</li> </ul>
<b>Legal &amp; Environment aspects</b>	10	<ul style="list-style-type: none"> <li>• Protection of public health</li> <li>• Reduction of hazardous waste toxicity</li> <li>• Statutory compliance</li> <li>• Impact on national heritage, protected areas and natural resources</li> <li>• Climate resilience</li> </ul>
<b>Access to Technology and Market</b>	15	<ul style="list-style-type: none"> <li>• Technology dissemination</li> <li>• Market Access Facility</li> <li>• Raw material price, quality &amp; availability</li> </ul>

		<ul style="list-style-type: none"> <li>• Marketing plan</li> <li>• Post-harvest technology &amp; management</li> </ul>
<b>Economic &amp; Financial aspects</b>	30	<ul style="list-style-type: none"> <li>• Investment plan (Capital structure and contribution of partners)</li> <li>• Cost of production</li> <li>• Sales forecast</li> <li>• Incremental income</li> <li>• Cash flow &amp; profitability</li> <li>• Loan structure &amp; repayment</li> </ul>
<b>Management &amp; schedule</b>	12.5	<ul style="list-style-type: none"> <li>• Organizational structure and ground level operation.</li> <li>• Identification of risk and mitigation</li> <li>• Training &amp; development assessment and plan</li> <li>• Financial strength of the promotor</li> <li>• Implementation, monitoring &amp; fund disbursement plan</li> </ul>
<b>Overall</b>	100	

The grant will be approved only if the proposal obtains a minimum of 70% of the score. If any proposal obtains less than 70% marks, the deficiencies/required improvements in the proposal will be communicated and the proposal could be resubmitted for evaluation after complying with the recommendations.

**CONTRACT AGREEMENT FOR IMPLEMENTATION OF MARKET ACCESS FACILITY**

**Between**

**THE FOSTERING CLIMATE RESILIENT UPLAND FARMING SYSTEMS IN THE NORTH EAST  
(FOCUS), NAGALAND**

**And**

**(Implementing Agency)**

This agreement is signed on the day of \_\_\_\_\_(month), of the Year Two Thousand and, between the following parties:

The Fostering Climate Resilient Upland Farming Systems in The North East (**FOCUS**) (which expression shall, unless repugnant to the context of its meaning thereof, include its successors, nominees and assignees), located at

\_\_\_\_\_ (Address), which has the mandate of implementing and expediting Market Access Facility pertaining to FOCUS in the state of \_\_\_\_\_ here after referred to as the **First Party**;

**AND**

\_\_\_\_\_, (which expression shall, unless repugnant to the context of its meaning thereof, include its successors, nominees and assignees), located at \_\_\_\_\_(address).*<Include a brief one paragraph description of the implementing agency here>*, here after referred to as the **Second Party**;

The First Party and Second Party shall collectively be known as "**Parties**" to this agreement.

WHEREAS the **First Party** is responsible for implementation of the Agencies/beneficiaries fund in the project districts of \_\_\_\_\_, in accordance with the requirements of the Fostering Climate Resilient Upland Farming Systems in The North East (FOCUS), Government of Nagaland;

AND WHERE AS the Second **Party with** expertise in the areas of \_\_\_\_\_

\_\_\_\_\_ And \_\_\_\_\_ proposes the project to be implemented under the Market Access Facility Projects Component of the Fostering Climate Resilient Upland Farming Systems in The North East (FOCUS in the Town/Villages) of \_\_\_\_\_ in the district of \_\_\_\_\_;

AND WHEREAS the **Parties** agree that the activities shall be under taken without discrimination – direct or indirect, because of, but not limited to, caste, race, ethnicity, religion or creed, status of nationality, political belief, gender, or handicapped status.

NOW THEREFORE, on the basis of mutual trust and in the spirit of mutual cooperation the parties have entered into this present Agreement.

1. **DEFINITIONS:** For the purpose of this Agreement, the following definitions shall apply:

“FOCUS” shall mean the Fostering Climate Resilient Upland Farming Systems in The North East, Nagaland;

“**Project Management Committee**” or “PMC” shall refer to the committee constituted under the Market Access Facility component of FOCUS with the mandate to approve MAF projects and recommend their sanction to FOCUS management; shall mean the nodal office for implementation of FOCUS  
“Implementing Agency” shall refer to the institution / agency responsible for implementing the project under the Market Access Facility component of FOCUS and within the terms of this agreement, also referred to as the Second Party;

“Project” shall refer to the proposal approved by the PMC under the Market Access Facility component of FOCUS;

“Expenditure” shall mean the sum of disbursements made and valid outstanding obligations incurred in respect of goods and services rendered;

“Assets” shall mean cash, supplies including physical assets such as constructions or purchased machinery and equipment purchased by the



Second Party in the course of and with the funds of this Project;

“To advance” shall mean a transfer of Assets, the accounting of which must be rendered by the Second Party at a later date, as herein agreed upon between the Parties;

“Income” shall mean the interest on Project funds and all revenue derived from the use or sale of capital equipment, and from items purchased with funds provided by the First Party, or from revenues generated from Project outputs;

“Site” or “Sites” shall mean the Town or village where the Project will be implemented and agreed upon in the context of this Agreement;

“Reporting Quarter” shall mean a period of three (3) Reporting Months for which progress has to be reported through quarterly progress reports;

“Fiscal Year” shall refer to the period between 1<sup>st</sup> April of the first year and 31<sup>st</sup> March of the year immediately thereafter the first year.

## **2. IMPLEMENTING SITES:**

The Project will be implemented in the following sites:

(list the towns/villages where the project will be implemented here)

The Project will be implemented by the Second Party in the sites mentioned in this Agreement;

The Second Party shall undertake, as per the conditions of this Agreement, the complete responsibility for the successful commissioning and implementation of the Project;

The Second Party shall designate its representative to act as a Focal Point of the Project, in consultation with the FOCUS\_\_\_\_\_, who shall act as the overall coordinator of the Project and assume primary responsibility for all aspects of it;

The Second Party may be called upon by the FOCUS\_\_\_\_\_for meetings at their respective Headquarters to discuss the progress of the Project and make presentations thereon;

### **3. DURATION**

This Agreement shall come into effect on \_\_\_\_\_ (OR the date of signature of this agreement by all Parties) and shall be valid for a period of \_\_\_\_\_ Year(s)/month(s).

This Agreement may be extended by mutual consent of all Parties in writing.

### **4. GENERAL PROVISIONS:**

The Second Party shall implement the Project under this Agreement with due diligence and efficacy and with due regard to the judicious use of funds;

The Second Party shall act at all times so as to protect and not be in conflict with the interests of the First Party;

The First Party under takes no responsibilities in respect of life, health, accident, travel or any other insurance coverage which may be necessary or desirable for the purpose of this Agreement or personnel performing services under this Agreement;

The Second Party shall be solely liable for the claims by the other parties arising from the negligent acts of the Second Party to admission in the course of implementing this Agreement and under no circumstances shall the First Party be held liable for such claims by other parties.

In the event that the Second Party defaults on the deliverables, the First Party shall be entitled to recover the funds advanced to the Second Party as per extant rules;

### **5. RECORD, INFORMATION AND REPORTS:**

The Second Party shall keep accurate and up-to-date records and documents in respect to all expenditures incurred with the funds made available to it under this Agreement;

The Second Party shall ensure that all expenditure made is in conformity with the provisions of this Agreement and for each disbursement, adequate supporting documentation shall be maintained, including original invoices, bills, and receipts pertinent to the transaction;

The Second Party shall maintain a record of all Income and Assets generated under the project and make this record available to the other Parties of this Agreement on a demand basis;

The Second Party shall compile, furnish and make available to the First Party, any reasonable request in respect of the information and reports of services undertaken in the course of implementation of the Project by the Second Party;

Upon completion of the Project or Termination of the Agreement, the Second Party shall maintain all Project-related records for a period of at least four (4) years from the termination of the Agreement or completion of the Project, unless otherwise agreed upon between the Parties;

The Project will be monitored at the state level by the PMU,\_\_\_\_\_. The Second Party will be required to submit duly filled quarterly progress reports to the PMU in formats prescribed by the FOCUS ,\_\_\_\_\_ no later than 15 calendar days after the end of the Reporting Quarter;

On completion of the Project, the Second Party will be expected to submit a Project Completion Report no later than calendar month after termination of the project. Inter alia, this report will cover:

- I. Achievements against the result-based frame work of the Project;
- II. Impact assessment of the Project on the lives of the intended beneficiaries, including, where applicable, details of the improvement of their livelihood opportunities;
- III. Key learning's from implementation of the Project;
- IV. Suggestions for sustainability of the Project in the Site(s) mentioned in this Agreement;
- V. Suggestions for scaling-up the initiative;
- VI. Recommendations for inclusion of the initiative within the wider policy and programme implementation of FOCUS;
- VII. Audited statement of funds released for the project;

The Project will be monitored at the state level by the PMU FOCUS. The Second Party will be required to submit duly filled quarterly progress reports to the PMU in the prescribed format no later than 15 calendar days after the end of the Reporting Quarter;

The Parties agree that all records, information and reports generated by the Second Party in the course of implementing this Agreement will be the Intellectual Property of the FOCUS and the permission to use any such material generated must be confirmed in writing by the FOCUS;

The Second Party agrees to indemnify the FOCUS and the First Party against all claims and damages for any infringement of any Intellectual Property Rights while providing their services under the activities covered under this Agreement;

#### **6. GRANT FUNDS SHALL BE RELEASED IN UP TO FOUR (4) INSTALLMENTS:**

1. 1st installment - 30% upon signing of grant agreement
2. 2nd installment - 30% upon acceptance of first report and achievement of agreed milestones.
3. 3rd installment - 30% upon acceptance of second report and achievement of milestones.
4. 4th installment - 10% upon acceptance of final report and achievement of milestones.

**If procurement of machinery and equipment is required, the entrepreneur(s)/beneficiary(ies) will be purchased first by him/her selves the Machinery and equipment. The beneficiary undertakes to follow procurement process as detailed in community procurement guidelines issued by FOCUS. The project will reimburse the actual cost as per the project norms by producing Utilization Certificate and progress report. Before any succeeding installment of money is released the organization must submit a utilisation report for previously released money. In case sub project face techno-managerial issue, PMU will have to provide professional support.**

#### **Payment conditions**

Payment shall be made in **INR** no later than 30 days following the submission of acceptable invoices in duplicate to the coordinator designated in paragraph 4 and acceptance of the deliverables by the client.

#### **7. PROJECT ADMINISTRATION**

1. Coordinator: The client designates Mr./Ms. [please insert name and job title] as client's coordinator; the coordinator will be responsible for the coordination of activities under this contract, for acceptance and approval of the reports and of other deliverables by the client and for receiving and approving invoices for the payment.
2. Reports: The reports listed in Annex C, "agency reporting obligations", shall be submitted in the course of the assignment, and will constitute the basis for the payments to be made under paragraph 3.

## **8. PERFORMANCE STANDARDS**

The VCFGsVFGs/societies/legal entity undertakes to perform the services with the highest standards of professional and ethical competence and integrity. The agency shall promptly replace any employees assigned under this contract that the client considers unsatisfactory.

## **9. PROHIBITION OF FRAUD AND CORRUPTION**

- 1) The VCFGsVFGs/societies/legal entity shall abide by and perform the contract in compliance with the Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations (hereinafter, "IFAD's Anticorruption Policy")<sup>1</sup>. Failure to comply with this policy may lead to termination of contract as set out in clause 15.
- 2) In accordance with IFAD's Anticorruption Policy, the Fund has the right to sanction firms and individuals, including by declaring them ineligible, permanently or for a stated period of time, to participate in any IFAD-funded or IFAD-managed activity or operation (debarment). The Fund also has the right to recognize debarments by other International Financial Institutions in accordance with IFAD's Anticorruption Policy.
- 3) The VCFGsVFGs/societies/legal entity will take appropriate measures to inform potential sub-contractors, sub-agency, beneficiary, agents and any of its agents or personnel of their obligations under IFAD's Anticorruption Policy and require their compliance with this policy in connection with their involvement in competing for, or executing, this contract.
- 4) The VCFGsVFGs/societies/legal entity is required to complete and sign the attached self-certification form. In particular, the agency is obliged to disclose relevant prior sanctions and criminal convictions and any commissions or fees paid or are to be paid to any agents or other party in connection with this procurement process or the execution of the contract.
- 5) The VCFGsVFGs/societies/legal entity is required to fully cooperate with any investigation conducted by the Fund, including by making personnel available for

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<sup>1</sup>The policy is accessible at: [www.ifad.org/anticorruption\\_policy](http://www.ifad.org/anticorruption_policy).

interviews and by providing full access to any and all accounts, premises, documents and records (including electronic records) relating to this contract or the relevant procurement process and to have such accounts, premises, records and documents audited and/or inspected by auditors or investigators appointed by the Fund or by the client.

- 6) The VCFGsVFGs/societies/legal entity shall keep all records and documents, including electronic records, relating to this contract, its execution and/or the corresponding bidding process available for a minimum of three (3) years after completion of the execution of the contract.

## **10. PROHIBITION OF SEXUAL HARASSMENT, SEXUAL EXPLOITATION AND ABUSE**

The VCFGsVFGs/societies/legal entity expressly agrees to abide by and to perform the contract in compliance with IFAD's Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse<sup>2</sup>, which is an integral part of these conditions of contract for purchase orders. The agency shall take all appropriate measures to prevent and prohibit sexual harassment and sexual exploitation and abuse on the part of its personnel and subcontractors or anyone else directly or indirectly employed by the agency or any of its subcontractors in the performance of the contract. The agency shall immediately report to the client or IFAD any incidents of sexual harassment and sexual exploitation and abuse arising out of or in connection with the performance of the contract or prior to its execution, including convictions, disciplinary measures, sanctions or investigations. The client may take appropriate measures, including the termination of the contract, on the basis of proven acts of sexual harassment, sexual exploitation and abuse arising out of or in connection with the performance of the contract.

## **11. CONFIDENTIALITY**

The VCFGsVFGs/societies/legal entity shall not, during the term of this contract and within two years after its expiration, disclose any proprietary or confidential information relating to the services, this contract or the client's business or operations without the prior written consent of the client.

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<sup>2</sup>The policy is accessible at <https://www.ifad.org/en/document-detail/asset/40738506>.

## 12. OWNERSHIP OF MATERIAL

Any studies, reports or other material, graphic, software or otherwise, prepared by the agency for the client under the contract shall belong to and remain the property of the client. The agency may retain a copy of such documents and software<sup>3</sup>.

## 13. AGENCY/BENEFICIARY NOT TO BE ENGAGED IN CERTAIN ACTIVITIES

The VCFGsVFGs/societies/legal entity agrees that, during the term of this contract and after its termination, the agency and any entity affiliated with the agency, shall be disqualified from providing goods, works or services (other than consulting services that would not give rise to a conflict of interest) resulting from or closely related to the consulting services for the preparation or implementation of the project.

## 14. INSURANCE

The VCFGsVFGs/societies/legal entity will be responsible for taking out any appropriate insurance coverage.

## 15. ASSIGNMENT

The VCFGsVFGs/societies/legal entity shall not assign this contract or sub-contract any portion of it without the client's prior written consent.

## 16. LAW GOVERNING CONTRACT AND LANGUAGE

The contract shall be governed by the laws of India under the jurisdiction of Kohima Bench and the language of the contract shall be English.

## 17. TERMINATION OF THIS AGREEMENT:

1. If the Second Party terminates the Agreement in writing prior to the completion of the duration of the Agreement, the Agreement will be deemed to be "Terminated" only upon subsequent written confirmation of the same by the First Party
2. None of the Parties to this Agreement shall be held responsible for non-fulfillment of their obligations under this Agreement due to the exigencies of one or more of **Force Majure** events such as, but not limited to Floods, Earthquakes, Strikes, Lockouts, Epidemics, and

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<sup>3</sup>Restrictions about the future use of these documents and software, if any, shall be specified at the end of paragraph 9.

Riots, provided that on the occurrence and cessation of such an event(s), the affected Parties shall give notice in writing to the other Parties within calendar days of the occurrence and cessation of such an event(s). In such an event(s), the Parties will be expected to re-negotiate the timelines of this Agreement and agree upon the revised timelines in writing.

3. If the VCFGs/VFGs/societies/legal entity does not remedy a failure in the performance of its obligations under the contract within seven (7) business days after being notified, or within any further period as the client may have subsequently approved in writing;
4. If the VCFGs/VFGs/societies/legal entity or any of its personnel or agents, or its sub-contractors, sub-consultants, suppliers, or any of their agents or personnel, is found to have engaged in prohibited practices as defined in the IFAD Revised Policy on Preventing Fraud and Corruption in Its Operations and Activities<sup>4</sup> in any IFAD-funded or IFAD-managed activity or operation, including in competing for, or performing its obligations under, the contract;
5. if the supplier is found to have engaged in acts of Sexual Harassment, Sexual Exploitation and Abuse arising out of or in connection with the performance of the contract;
6. if the VCFGs/VFGs/societies/legal entity or any of its personnel or agents, or its sub-contractors, sub-consultants, suppliers, or any of their agents or personnel, is found to have engaged in prohibited practices as defined in the IFAD Revised Policy on Preventing Fraud and Corruption in Its Operations and Activities<sup>5</sup> in any IFAD-funded or IFAD-managed activity or operation, including in competing for, or performing its obligations under, the contract;
7. If the client, in its sole discretion and for any reason whatsoever, decides to terminate this contract.

#### 18. DISPUTE:

This Agreement shall be governed by the Laws of the\_\_\_\_\_. In respect of all matters arising out of or relating to this Agreement, the courts at\_\_\_\_\_ shall have exclusive jurisdiction

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<sup>4</sup> The policy is accessible at [www.ifad.org/anticorruption\\_policy](http://www.ifad.org/anticorruption_policy).

<sup>5</sup> The policy is accessible at [www.ifad.org/anticorruption\\_policy](http://www.ifad.org/anticorruption_policy).



**IN WITNESS THERE OF** the representatives of the Parties to this Agreement being fully authorised have here unto signed in their respective names and have executed these present this \_\_\_\_\_ day of \_\_\_\_\_ (month) \_\_\_\_\_ (year).

**A. AUTHORSIED SIGNATORIES**

For an on behalf of the FOCUS, Nagaland

***As the First Party***

\_\_\_\_\_

Name:

\_\_\_\_\_

Designation:

\_\_\_\_\_

For an on behalf of \_\_\_\_\_

(The Implementing Agency),

***As the Second Party***

\_\_\_\_\_

Name:

\_\_\_\_\_

Designation:

\_\_\_\_\_

***In the presence of the following two witnesses***

Witness 1 signature: \_\_\_\_\_ Witness 2 signature: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Designation: \_\_\_\_\_ Designation: \_\_\_\_\_