

Amendment No.2 to Consultancy Contract between SoCRAN and ESDS Software Solution Pvt. Ltd.

(Extension of Contract)

Reference is invited to the Consultancy Contract signed between Society for Climate Resilient Agriculture in Nagaland (SoCRAN) and M/S ESDS Software Solutions Pvt. Ltd. dated. 30-09-2024 for providing services indicated therein.

In view of needs felt that the programme required for next eight (8) months, it was decided to extend the renewal contract for the FY 2024-25

Both the Client and the Consultant, after discussion, have mutually agreed to amend the contract. The original and amended provisions are incorporated below:

Reference	Existing provision	Amended provision
GCC 17.3	The Contract shall expire on 30 th September 2024	The Amended Contract shall expire on 31st May 2025.
GCC 18.1	The amended contract price is INR 3,75,098.4 (Inclusive of GST 18% for the extended period.)	The amended contract price is INR 5,00,131.00 (Inclusive of GST 18% for the extended period).

Except as modified expressly hereby, the Consultancy Services Contract No: APC-FOCUS/MIS/34/2020 remains unmodified and in full force and effect.

This amendment letter comes into effect from the day of signature by both the parties and forms part of the said Consultancy contract.

The following services will be delivered by the consultant as annexed.

FOR AND ON BEHALF OF
Client (SOCRAN)

FOR AND ON BEHALF OF
Consultant (ESDS Software Solution Pvt. Ltd)

(SHANAVAS C), IAS
State Project Director
FOCUS-Nagaland

(SANCHIT TARAIYA)
Regional Director- North

DATE :

DATE: 30.09.2024

SPECIAL CONDITIONS OF CONTRACT

Amendments of, and Supplements to, Clauses in the General Conditions of Contract of this Contract	
GCC 1.1	<p>(a) “Applicable Law” means the laws and any other instruments having the force of law in India, as they may be issued and in force from time to time.</p> <p>(m) “Local Currency” means Indian Rupees (INR)</p> <p>(n) “Client Country” means the country of India.</p>
GCC 3.1	This Contract shall be executed in the English language Yes [<input checked="" type="checkbox"/>]
GCC 4.1	<p>The addresses for serving notices under this Contract are:</p> <p><u>For the Client (SoCRAN):</u></p> <p>State Project Director Fostering Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland APC Office, Ground Floor Nagaland Civil Secretariat City: Kohima -797004 Country: India/ Email: spdfocus@gmail.com</p> <p><u>For the Consultant:</u> ESDS Software Solution Pvt. Ltd. Address: Plot No. B- 24 & 25, NICE Industrial Area, Satpur Nasik- 422007 Email: amandeep.sidhu@esds.co.in ; sanchit@esds.co.in</p>
GCC 9.1	The member in charge is Mr. Sanchit Taraiya
GCC 10.1	<p>The Authorized Representatives are:</p> <p><u>For the Client (SoCRAN):</u></p> <p>State Project Director (FOCUS), Nagaland APC Office, Ground Floor Nagaland Civil Secretariat City: Kohima -797004 Country: India/ Email: spdfocus@gmail.com</p>

	<p>For the Consultant:</p> <p>ESDS SOFTWARE SOLUTION PVT LTD Att.: <i>Mr. Sanchit Taraiya</i> Address: Le Meridian Commercial Tower, 6th Floor, Windsor Place, Connaught Place, New Delhi – 110001 Email: sanchit@esds.co.in, amandeep.sidhu@esds.co.in</p>
GCC 11.3	Written notification to the Client of adjustments is required.
GCC 11.5	A resident project managers/Consultant shall not be required for the duration of this Contract.
GCC 14.2	<p>Any dispute arising out of the contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the Arbitration and Conciliation Act of India as in force at the time of the contract and any amendments carried out from time to time.</p> <p>The place of arbitration proceedings will be Kohima.</p> <p>The Consultant undertakes that no judicial review will be requested unless the Arbitration proceedings have been carried out.</p> <p>IFAD Right to Observe. IFAD has the right to be an observer to any arbitration proceeding associated with this contract, at its sole discretion, but does not have the obligation to participate in any arbitration proceeding. Whether or not IFAD is an observer to any arbitration associated with this contract, the parties shall provide IFAD with written English transcripts of any arbitration proceedings or hearings and a copy of the reasoned written award within ten (10) days after (a) each such proceeding or hearing or (b) the date on which any such award is issued. IFAD may enforce its rights under this contract in an arbitration conducted in accordance with this provision. The acceptance by IFAD of the right to be an observer to the arbitration shall not constitute consent to the jurisdiction of the courts or any other body of any jurisdiction or to the jurisdiction of any arbitral panel.</p>
GCC 17.1	This Contract shall enter into force on the date of signing of the Contract by both parties.
GCC 17.2	The Effective Date shall be date of signing of the contract.
GCC 17.3	The Contract shall expire on 31st May 2025.
GCC 18.1	<p>The amount of the fixed INR 5,00,131.00 (Rupees five lakh one hundred thirty one only) for the period 1st October 2024 to 31st May 2025 (the “Contract Price”) which is inclusive of taxes as applicable or such other sum as may become payable pursuant to the provisions of this Contract at the times and in the manner prescribed by this Contract.</p> <p>The accounts are:</p>

	<p>Account Name: ESDS Software Solution Pvt. Ltd,</p> <p>Bank Name: Axis Bank Ltd</p> <p>Bank Account No: 918030109668405</p> <p>IFSC Code: UTIB0001636</p> <p>SWIFT Code: AXISSINBBA07</p> <p>Branch Address: 214,215 City Mall, 2nd Floor, Plot 1, Ganesh Khind (University) Road, Pune 411007</p>
GCC 18.1 a	<p>Payments for the deliverables (in lump-sum contracts): shall be made according to the following schedule of percentages of the amounts included in the contract:</p> <ol style="list-style-type: none"> 1. 30% of the Contract Amount to be paid as One time Cost. 2. Recurring charges (RC) (70% of Contract Amount) payable Quarterly in advance.
GCC 18.5	The interest rate to be applied in the case of late payments is the 2 percentage (10 days from date of receive of acceptable invoice/bill)
GCC 19.1	The contract is subject to the GST at the prevalent rates. The Client will pay the GST portion of the contract after applying TDS at applicable rates. The Client will pay the TDS portion of the taxes directly to the Tax authorities with confirmation to the Consultant.
GCC 32.1	NA
GCC 34.1	<p>The risks and the minimum coverage shall be as follows:</p> <ul style="list-style-type: none"> (a) employer's liability and workers' compensation insurance in respect of the personnel of the consultant and of any sub-consultants, in accordance with the relevant provisions of the applicable law, as well as, with respect to such personnel, any such life, health, accident, travel or other insurance as may be appropriate; and (b) insurance against loss of or damage to (i) equipment purchased in whole or in part with funds provided under this contract, (ii) the consultant's property used in the performance of the services, and (iii) any documents prepared by the consultant in the performance of the services.
GCC 36.1	The Consultant shall obtain the clients prior approval in writing before taking any actions of GCC 36.1. for clause (a), (b), & (c).
GCC 41.1	NA

ANNEXES TO CONTRACT

Annex A: Description of Services

The Cloud Service Provider (CSP) will equip the organization with a private Virtual Cloud Server (VCS) for project operational period to host the websites of the organization like FOCUS web portal including MIS website, Climate Information Knowledge base, Android applications and upcoming web applications. These web-based applications play a vital role in realizing the objectives of the project by assisting in data assimilation, interoperability, knowledge management, M&E and MIS support, financial budgeting & reporting. Virtual Cloud service will also host and maintain an integrated database for PMU office and 8 DMU offices to achieve data integrity, security and consistency avoiding piling and scaling of physical data at local offices and storages.

Project Objective

The vendor shall be required Cloud Service Provider to host and manage their application:

- Cloud Hosting Services for MIS Hosting Services for SOCRAN, Nagaland
- Hosting will comprise of Compute, Web Server, Storage, operating system and database licenses for VM proposed
- SOCRAN needs SSL certificate for transport level encryption
- SOCRAN wants hosting on cloud platform for twelve months initially, further extensible.
- Data Centre hosting services within India
- SOCRAN needs CSP to manage and maintenance of proposed hosting

Service Level Agreement (SLA): -

1. A private virtual cloud server with one-time initial infrastructure setup and implemented as per the requirements of the project.
2. Providing Security Implementations, Operating System, Application Software and Database maintenance, Servicing and Support.
3. Providing data and application migration services, scaling the hardware as per the requirement with dataflow.
4. Provisioning and installing third party and open-source software as per the application requirements.
5. Providing Managed services (Storage, Computational, Network and Server Monitoring) and reporting status to concerned professional at PMU.
6. Incremental database backup on daily basis, full database backup on weekly basis and full OS backup services on monthly basis and provide disaster recovery services at the time of emergency. - is
7. Provision of cloud enabled components like self-servicing, automation, capacity and life cycle management, catalogue and directory maintenance.
8. Provision of required bandwidth, high availability (99.95% uptime) and scalability.
9. Provision to IT Professionals at FOCUS, Nagaland to automatically enable any service(s) via a Web Service, provide metering and billing to provide service assurance for maintenance &

-
- operations activities.
10. Provision of automatic system and software updates/upgrades, hosting antivirus and firewall management, managing credentials, identity and access management, and managing network configurations.
 11. Support in installation of SSL certificates to websites, opening ports, reset Networks/IP addresses etc.

A 24x7 helpdesk for technical support and services and provision of contact details of Single Point of Contact (SPOC) for immediate resolution of technical issues.

An approximate total user is 200 and based on primary information about applications that will be hosted, vFirewall with 512 Mbps throughput.

- As initially ESDS has proposed minimum volume-based bandwidth based on query response, additional bandwidth if required on actual implementation, shall be upgraded/added with additional resources and charges for the same may be additional.
- 500 GB of backup space as per inputs. Further if additional bandwidth is required on actual implementation, it shall be upgraded/added with additional resources and charges for the same may be additional.
- Alpha SSL certificate shall be considered and for one domain only. If any new additional main or sub domain is added, then SOCRAN shall upgrade the SSL certificate and charges for the same may be applicable at extra as per ESDS standard rates.
- In case any additional resources or services are required which are not mentioned in Shared BoM, such additional resource or service charge will be extra. (Any new hardware, software, additional VMs, vCPU, RAM, Storage, networking and security components, etc.)
- Database management services is excluded from the consultant as the client shall manage on its own. It will be out of CSP's scope.
- MS SQL Web Edition shall be considered as for MIS hosting.
- Disaster Recovery Infrastructure has not been considered in current offering. If required in times of urgency, Feasibility needs to be checked and based on that, charges would be additional.

After the End of Contract there won't be ownership transfer of hardware proposed to host the infra at DC on cloud model to Water Resources, only the relevant data will be handover to SOCRAN authorities.

Annex B: Reporting Requirements

The consultant shall provide a quarterly technical report within 15 days from quarter ending, consisting of the following information including:

Data usage CPU

Usage RAM

Usage Server Up

time Activity log

*Technical issues and recommendation, etc. to the Deputy Manager, MIS, FOCUS- Nagaland,
email: focusdymanagermis@gmail.com.*

Backup policy:

Sr. No.	Backup Type for (Data and Log)	Backup Type for (Data and Log)	Backup Retention Schedule
1	Incremental Backup	7 Days (Every day)	Next 7 Day's (one Week)
2	Full Backup	Once in a Month	Monthly

Additional details of backup schedule:

- Backup schedule will be as per the discussion after finalization of contract.
- Installation & Configuration of agents on servers
- Backup schedule will be as per the discussion after finalization of contract.

Annex C: Key Professional Personnel

Not Required

Annex D: Breakdown of Contract Price in Indian Rupees (INR)

The contract price inclusive of taxes will be as under:

Service Components	Monthly Service Pay (A)	Prices for 08 Months (B)	Taxes 18% (C)	Total Price (B+C)
<i>ESDS' eNlight Cloud Hosting Services - Primary Site</i>	INR 52,980.00 exclusive of tax.	INR. 4,23,840.00	INR 76,291.20	INR. 5,00,131.20 inclusive of tax.

- One time cost (advance payment) 30 % of the Contract amount amounting to INR 1,50,039.3 (Rupees one lakh fifty thousand and thirty-nine rupee thirty paisa only) (exclusive of all taxes) to be paid to ESDS Software Solution Pvt Ltd on signing of the contract.
- Monthly Service Pay amounting INR 52,980 (Rupees fifty-two thousand nine hundred eighty only) exclusive of taxes shall be paid quarterly within 10 days upon receipt of invoice.
- The total payment for this contract, unless amended or extended shall not exceed INR 5,00,131.00 (Rupees five lakh one hundred and thirty-one only) inclusive of all taxes.

Annex E: Breakdown of Contract Price in INR

NA

Annex F: Services and Facilities to be Provided by the Client

Not used

Annex G: Self-Certification Form

In satisfaction of IFAD Revised Policy on Preventing Fraud and Corruption in its Activities and Operations, this Self-Certification Form is to be completed by the Consultant. The Consultant shall submit the completed form together with the signed Contract Agreement to the Client, Society for Climate Resilient Agriculture in Nagaland (SoCRAN). Instructions for completing this form are provided below.

Full legal name of consultant:	ESDS Software Solution Pvt. Ltd
Full legal name of consultant's legal representative and position:	Mr. Sanchit Taraiya
Full name and number of contract:	ESDS Software Solution Pvt. Ltd. Address: Plot No. B- 24 & 25, NICE Industrial Area, Satpur Nasik- 422007 Email: amandeep.sidhu@esds.co.in ; sanchit@esds.co.in
Project with which contract was signed:	Fostering of Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland.
Country:	India
Date:	

I **Mr. Sanchit Taraiya** do hereby certify that I am the authorized representative of **ESDS Software Solution Pvt. Ltd.** as well as that the information provided herein is true and accurate in all material respects and understand that any material misstatement, misrepresentation or failure to provide the information requested in this self-certification may result in sanctions and remedies, including the suspension or termination of the contract between the consultant and the procuring entity, as well as the permanent ineligibility to participate in IFAD-financed and/or IFAD-managed activities and operations, in accordance with the IFAD Project Procurement Guidelines, the IFAD Procurement Handbook and other applicable IFAD policies and procedures, including **IFAD's Policy on Preventing Fraud and Corruption in its Activities and Operations** (accessible at www.ifad.org/anticorruption_policy) and its **Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse** (accessible at <https://www.ifad.org/en/document-detail/asset/40738506>).

Authorized signature: _____ Date: _____

Printed name of signatory: _____

- The Consultant certifies that itself, including its director(s), partner(s), proprietor(s), Key personnel, Agents, Sub-Consultants, Sub-Contractors, Consortium and Joint Venture partners have NOT engaged in fraudulent, corrupt, collusive, coercive or obstructive practices, in connection with the present procurement process and this Contract.

- The Consultant certifies that itself, including its director(s), partner(s), proprietor(s), Key personnel, Agents, Sub-Consultants, Sub-Contractors, Consortium and Joint Venture partners are NOT subject to a criminal conviction, administrative sanctions and/or temporary suspensions for engaging in fraudulent, corrupt, collusive, coercive or obstructive practices.

- The Consultant certifies that itself, including its director(s), partner(s), proprietor(s), Key personnel, Agents, Sub-Consultants, Sub-Contractors, Consortium and Joint Venture partners are NOT subject to a debarment recognized under the Agreement for Mutual Enforcement of Debarment Decisions (the "Cross-Debarment Agreement").

- The Consultant certifies that itself, including its director(s), partner(s), proprietor(s), Key personnel, Agents, Sub-Consultants, Sub-Contractors, Consortium and Joint Venture partners have NO actual or potential conflict of interest¹ that could impact their capacity to serve the best interest of the Fund.

- The Consultant certifies that NO gratuities, fees, commissions, gifts or anything else of value, other than those shown in the bid, have been paid or exchanged or are to be paid or exchanged with respect to the present procurement process and this Contract. OR

[To be completed only if the previous box was not checked]

- The Consultant declares that the following gratuities, fees, commissions, gifts or anything else of value have been exchanged, paid or are to be exchanged or paid with respect to the present procurement process and this Contract: [Name of Recipient/Address>Date/Reason/Amount]

[Name of Recipient/Address>Date/Reason/Amount]

[Name of Recipient/Address>Date/Reason/Amount]

The Consultant acknowledges and accepts to notify the Client in the event of any material change in connection with this Self-Certification Form throughout the duration of the Contract.

¹ Conflicts of interest arise where private or personal interests of a Consultant may influence or appear to influence the impartial and objective performance of their duties. Private or personal interests include situations where a Consultant appears to benefit improperly, directly or indirectly, or allows a third party to benefit improperly, from their association with an enterprise or organization that engages in business directly or indirectly with the Project.

INSTRUCTIONS FOR COMPLETING THE SELF-CERTIFICATION FORM

The Consultant shall verify that itself, its director(s), partner(s), proprietor(s), Key personnel, Agents, Sub-Consultants, Sub-Contractors, Consortium and Joint Venture partners are NOT subject to a debarment that meets the requirement for recognition under the Agreement for Mutual Enforcement of Debarment Decisions (the "Cross-Debarment Agreement").

The Consultant shall perform the following procedures to verify that itself, including its director(s), partner(s), proprietor(s), Key personnel, Agents, Sub-Consultants, Sub-Contractors, Consortium and Joint Venture partners are NOT listed on the following listing on the grounds of "Cross-Debarment".

World Bank Listing of Ineligible Firms and Individuals - <http://worldbank.org/debarr>

The World Bank Listing of Ineligible Firms and Individuals is a searchable database that returns a positive or negative search results page upon submission of a name to be searched, in order to document the eligibility.

The Consultant should print out, date, and attach the results page(s) to the Self-Certification Form, which should read, "No Matching Records found".

If an adverse record(s) has/have been found – i.e. the results page(s) shows one or more individuals or entities, including the Consultant itself are ineligible on the grounds of "Cross-Debarment" – the Consultant must conduct additional research to determine whether the finding is a "false positive." If it is a false positive, the Consultant will mark the individual(s) or entity(ies) as eligible, and submit this additional information along with the results page(s).

If, on the other hand, the Consultant itself or any of its director(s), partner(s), proprietor(s), Key personnel, Agents, Sub-Consultants, Sub-Contractors, Consortium and Joint Venture partners are found to be ineligible at this stage, the Client will determine whether to proceed with the Contract or allow the Consultant to make a substitution. This determination will be made on a case by case basis and will require approval by IFAD regardless of the estimated value of the proposed contract.

All of these documents must be attached to the Self-Certification Form and be part of the signed Contract Agreement submitted by the Contractor to the Client.

All of these documents must be retained by the Consultant as part of the overall record of the Contract with the Client for the duration of the Contract and for a minimum period of three years following the completion of the Contract.

1. Notice of Intent to Award

Not used

Section IX. Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations

I. Introduction

1. The Fund recognizes that the prevention and mitigation of fraud and corruption in its activities and operations are core components of its development mandate and fiduciary duties. The Fund does not tolerate the diversion or waste of its resources through the practices defined in paragraph 6 below.
2. The objective of this policy is to establish the general principles, responsibilities and procedures to be applied by the Fund in preventing and addressing prohibited practices in its activities and operations.
3. This policy takes effect on the date of its issuance. It supersedes and replaces the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations (EB 2005/85/R.5/Rev.1) dated 24 November 2005.

II. Policy

A. General principles

4. The Fund has no tolerance towards prohibited practices in its activities and operations. All individuals and entities listed in paragraph 7 below must take appropriate action to prevent, mitigate and combat prohibited practices when participating in an IFAD-financed and/or IFAD-managed operation or activity.
5. The Fund endeavours to ensure that individuals and entities that help to prevent or report, in good faith, allegations of prohibited practices are protected against retaliation and to protect individuals and entities that are the subject of unfair or malicious allegations.

B. Prohibited practices

6. The following practices are considered to be prohibited practices when engaged in connection with an IFAD-financed and/or IFAD-managed operation or activity:
 - (a) A “corrupt practice” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value in order to improperly influence the actions of another party;
 - (b) A “fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party in order to obtain a financial or other benefit or to avoid an obligation;
 - (c) A “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including improperly influencing the actions of another party;
 - (d) A “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party in order to improperly influence the actions of that or another party;
 - (e) An “obstructive practice” is: (i) deliberately destroying, falsifying, altering or concealing evidence that may be material to an investigation by the Fund or making false statements

to investigators in order to materially impede an investigation by the Fund; (ii) threatening, harassing or intimidating any party in order to prevent that party from disclosing its knowledge of matters relevant to an investigation by the Fund or from pursuing such an investigation; and/or (iii) the commission of any act intended to materially impede the exercise of the Fund's contractual rights of audit, inspection and access to information.

C. Scope

7. This policy applies to all IFAD-financed and/or IFAD-managed operations and activities and to the following individuals and entities:
 - (a) IFAD staff and other persons working for IFAD as non-staff personnel ("IFAD staff and non-staff personnel");
 - (c) Individuals and entities holding a commercial contract with the Fund and any of their agents or personnel ("vendors");
 - (d) Public entities receiving IFAD financing or financing managed by the Fund and any of their agents or personnel ("government recipients") and private entities receiving IFAD financing or financing managed by the Fund and any of their agents or personnel ("non-government recipients") (all collectively referred to as "recipients"); and
 - (e) Individuals and entities, other than those referred to above, that receive, apply to receive, are responsible for the deposit or transfer of, or take or influence decisions regarding the use of proceeds from IFAD financing or financing managed by the Fund, including, but not limited to, implementing partners, service providers, contractors, suppliers, subcontractors, sub-suppliers, bidders, consultants and any of their agents or personnel. (All such individuals and entities are collectively referred to as "third parties".)

D. Responsibilities

(i) Responsibilities of the Fund

8. The Fund endeavors to prevent, mitigate and combat prohibited practices in its operations and activities. This may include adopting and maintaining:
 - (a) Communication channels and a legal framework designed to ensure that this policy is communicated to IFAD staff and non-staff personnel, vendors, recipients and third parties and that it is reflected in procurement documents and contracts relating to IFAD-financed and/or IFAD-managed activities and operations;
 - (b) Fiduciary controls and supervisory processes designed to support adherence to this policy by IFAD staff and non-staff personnel, vendors, recipients and third parties;
 - (c) Measures relating to the receipt of confidential complaints, whistle-blower protection, investigations, sanctions and disciplinary measures which are designed to ensure that prohibited practices can be properly reported and addressed; and
 - (d) Measures designed to ensure that the Fund can report individuals and entities that have been found to have engaged in prohibited practices to other multilateral organizations

which may be exposed to similar actions by the same individuals and entities and to local authorities in cases where local laws may have been violated.

(ii) Responsibilities of IFAD staff and non-staff personnel, vendors and third parties

9. When participating in an IFAD-financed and/or IFAD-managed operation or activity, IFAD staff and non-staff personnel, vendors and third parties will:
 - (a) Refrain from engaging in prohibited practices;
 - (b) Participate in due diligence checks and disclose, as required, information relating to themselves or any of their key personnel concerning relevant criminal convictions, administrative sanctions and/or temporary suspensions; information concerning agents engaged in connection with a procurement process or contract, including the commissions or fees paid or to be paid; and information concerning any actual or potential conflicts of interest in connection with a procurement process or the execution of a contract;
 - (c) Promptly report to the Fund any allegations or other indications of prohibited practices that come to their attention by virtue of their involvement in an IFAD-financed and/or IFAD-managed operation or activity;
 - (d) Fully cooperate with any investigation conducted by the Fund, including by making personnel available for interviews and providing full access to any and all accounts, premises, documents and records (including electronic records) relating to the relevant IFAD-financed and/or IFAD-managed operation or activity, and by having such accounts, premises, documents and records audited and/or inspected by auditors and/or investigators appointed by the Fund; and
 - (e) Maintain strict confidentiality regarding any and all information received as a consequence of their participation in an IFAD investigation or sanctioning process.
10. When participating in an IFAD-financed and/or IFAD-managed operation or activity, vendors and third parties will maintain all accounts, documents and records relating to that operation or activity for an adequate period of time, as specified in the relevant procurement documents or contract.

(iii) Responsibilities of recipients

11. When participating in an IFAD-financed and/or IFAD-managed operation or activity, recipients will take appropriate action to prevent, mitigate and combat prohibited practices. In particular, they will:
 - (a) Adopt appropriate fiduciary and administrative practices and institutional arrangements in order to ensure that the proceeds of any IFAD financing or financing managed by the Fund are used only for the purposes for which they were provided;
 - (b) During selection processes and/or prior to entering into a contractual relationship with a third party, conduct appropriate due diligence checks of the selected bidder or potential contractor, including by verifying whether the selected bidder or potential contractor is publicly debarred by any of the IFIs that are signatories to the Agreement for Mutual Enforcement of Debarment Decisions² and, if so, whether the debarment meets the

² The Agreement for Mutual Enforcement of Debarment Decisions, dated 9 April 2010, was signed by five of the leading IFIs, namely, the African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank and the World Bank.

requirements for mutual recognition under the Agreement for Mutual Enforcement of Debarment Decisions;

- (c) Take appropriate action to inform third parties and beneficiaries (defined as “persons whom the Fund intends to serve through its grants and loans”) of the present policy as well as the Fund’s confidential and secure e-mail address for the receipt of complaints concerning prohibited practices;
- (d) Include provisions in procurement documents and contracts with third parties which:
 - (i) Require third parties to disclose, in the course of a procurement process and any time thereafter, information relating to themselves or any of their key personnel concerning relevant criminal convictions, administrative sanctions and/or temporary suspensions; information concerning agents engaged in connection with a procurement process or the execution of a contract, including the commissions or fees paid or to be paid; and information concerning any actual or potential conflicts of interest in connection with a procurement process or the execution of a contract;
 - (ii) Require third parties to promptly report to the Fund any allegations or other indications of prohibited practices that come to their attention by virtue of their involvement in an IFAD-financed and/or IFAD-managed operation or activity;
 - (iii) Inform third parties of the Fund’s jurisdiction to investigate allegations and other indications of prohibited practices and to impose sanctions on third parties for such practices in connection with an IFAD-financed and/or IFAD-managed operation or activity;
 - (iv) Require third parties to fully cooperate with any investigation conducted by the Fund, including by making personnel available for interviews and by providing full access to any and all accounts, premises, documents and records (including electronic records) relating to the relevant IFAD- financed and/or IFAD-managed operation or activity and to have such accounts, premises, records and documents audited and/or inspected
 - (v) by auditors and/or investigators appointed by the Fund;
 - (vi) Require third parties to maintain all accounts, documents and records relating to an IFAD-financed and/or IFAD-managed operation or activity for an adequate period of time as agreed with the Fund;
 - (vii) Inform third parties of the Fund’s policy of unilaterally recognizing debarments imposed by other IFIs if such debarments meet the requirements for mutual recognition under the Agreement for Mutual Enforcement of Debarment Decisions; and
 - (viii) Provide for early contract termination or suspension by the recipient if such termination or suspension is required as a consequence of a temporary suspension or sanction imposed or recognized by the Fund;

- (e) Promptly inform the Fund of any allegations or other indications of Prohibited Practices that come to their attention;
 - (f) Fully cooperate with any investigation conducted by the Fund, including by making personnel available for interviews and by providing full access to any and all accounts, premises, documents and records (including electronic records) relating to the relevant IFAD-financed and/or IFAD-managed operation or activity and to have such accounts, premises, documents and records audited and/or inspected by auditors and/or investigators appointed by the Fund;
 - (g) Maintain all accounts, documents and records relating to an IFAD-financed and/or IFAD-managed operation or activity for an adequate period of time, as specified in the relevant financing agreement; and
 - (h) Maintain strict confidentiality regarding any and all information received as a consequence of their participation in an IFAD investigation or sanctioning process.
12. Where the Fund finds that prohibited practices have occurred, recipients will: (a) Take appropriate corrective measures in coordination with the Fund; and (b) Give full effect to any temporary suspension or sanction imposed or recognized by the Fund, including by not selecting a bidder, not entering into a contract or suspending or terminating a contractual relationship.
13. Prior to the implementation of an IFAD-financed and/or IFAD-managed operation or activity, government recipients will inform the Fund of the arrangements that they have made for receiving and taking action in response to allegations of fraud and corruption relating to the IFAD-financed and/or IFAD-managed operation or activity, including by designating an independent and competent local authority to be responsible for receiving, reviewing and investigating such allegations.
14. When participating in an IFAD-financed and/or IFAD-managed operation or activity, government recipients will, in consultation with the Fund, take timely and appropriate action to launch a local investigation into allegations and/or other indications of fraud and corruption relating to the IFAD-financed and/or IFAD-managed operation or activity; inform the Fund of the actions taken in any such investigation at such intervals as may be agreed upon by the recipient and the Fund on a case-by-case basis; and, upon the completion of such investigation, promptly share the findings and results thereof, including the supporting evidence, with the Fund. Government recipients will work with the Fund to coordinate any actions other than investigations that they may wish to undertake in response to an alleged or otherwise indicated prohibited practice.
15. Government recipients are encouraged to have in place, in accordance with their laws and regulations, effective whistle-blower protection measures and confidential reporting channels in order to appropriately receive and address allegations of fraud and corruption relating to IFAD-financed and/or IFAD-managed operations and activities.

E. Process

(i) Reporting

16. A designated confidential and secure e-mail address for the receipt of allegations of prohibited practices is available on the Fund's website.

17. In the event of uncertainty as to whether or not an act or omission constitutes a prohibited practice, the designated confidential and secure e-mail address may be used to seek guidance.
18. The Fund treats all reported allegations with strict confidentiality. This means that the Fund does not normally reveal the identity of a reporting party to anybody outside of the investigative, sanctioning or disciplinary process without the consent of the reporting party.
19. The Fund endeavors to provide protection from retaliation to any individuals or entities that have helped prevent or have reported to the Fund, in good faith, allegations or other indications of prohibited practices. IFAD staff and non-staff personnel are protected from retaliation under the Fund's Whistle-blower Protection Procedures.

(ii) Investigations

20. Where the Fund has reason to believe that prohibited practices may have occurred, the Fund may decide to review and investigate the matter, irrespective of any investigative actions launched or planned by the recipient.
21. The purpose of an investigation conducted by the Fund is to determine whether an individual or entity has engaged in one or more prohibited practices in connection with an IFAD-financed and/or IFAD-managed operation or activity.
22. Reviews and investigations conducted by the Fund are, inter alia:
 - (a) Strictly confidential, meaning that the Fund does not disclose to anyone outside of the investigative, sanctioning or disciplinary process any evidence or information relating to the review or investigation, including the outcome of a review or investigation, unless such disclosure is allowed under the Fund's legal framework;
 - (b) Independent, meaning that no authority is allowed to interfere with an ongoing review or investigation or to otherwise intervene in, influence or stop such a review or investigation; and
 - (c) Administrative, as opposed to criminal, in nature, meaning that reviews and investigations conducted by the Fund are governed by the Fund's rules and procedures, not by local laws.
23. The office within the Fund that is mandated to conduct reviews and investigations into alleged or otherwise indicated prohibited practices is the Office of Audit and Oversight (AUO). Without prejudice to paragraphs 9(d) and 11(f), AUO may agree not to disclose to anybody outside of AUO any evidence or information that it has obtained on the condition that such evidence or information may be used solely for the purpose of generating new evidence or information, unless the provider of the evidence or information consents.

F. Sanctions and related measures

(i) Temporary suspensions

24. During the course of an IFAD review or investigation, or pending the conclusion of a sanctioning process, the Fund may decide, at any time, to temporarily suspend payments to IFAD non-staff personnel, non-government recipients, vendors or third parties or to temporarily suspend their eligibility to participate in IFAD-financed and/or IFAD-managed operations and activities for an initial period of six (6) months, subject to a possible extension of that suspension for an additional six (6) months.

25. IFAD staff may be temporarily suspended from their duties in accordance with the applicable human resources framework.

(ii) Sanctions

26. If the Fund determines that IFAD non-staff personnel, non-government recipients, vendors or third parties have engaged in prohibited practices, the Fund may impose administrative sanctions on such individuals or entities.

27. Sanctions are imposed on the basis of: (i) the findings and evidence presented by AUO, including mitigating and exculpatory evidence; and (ii) any evidence or arguments submitted by the subject of the investigation in response to the findings presented by AUO.

28. The Fund may apply any of the following sanctions or a combination thereof:

- (a) Debarment, which is defined as declaring an individual or entity ineligible, either indefinitely or for a stated period of time, to: (i) be awarded any IFAD- financed contract; (ii) benefit, financially or otherwise, from any IFAD- financed contract, including by being engaged as a subcontractor; and (iii) otherwise participate in the preparation or implementation of any IFAD- financed and/or IFAD-managed operation or activity;
 - (b) Debarment with conditional release, which is defined as a debarment that is terminated upon compliance with conditions set forth in the sanction decision;
 - (c) Conditional non-debarment, which is defined as requiring an individual or entity to comply with certain remedial, preventive or other measures as a condition for non-debarment on the understanding that a failure to comply with such measures within a prescribed period of time will result in an automatic debarment under the terms provided for in the sanction decision;
 - (d) Restitution, which is defined as a payment to another party or the Fund (with respect to the Fund's resources) of an amount equivalent to the amount of the diverted funds or the economic benefit obtained as a result of having engaged in a prohibited practice; and
 - (e) Letter of reprimand, which is defined as a formal letter of censure for the actions of an individual or entity which informs that individual or entity that any future violation will lead to more severe sanctions.
29. The Fund may extend the application of a sanction to any affiliate of a sanctioned party even if the affiliate has not been directly involved in the prohibited practice. An affiliate is defined as any individual or entity that is: (i) directly or indirectly controlled by the sanctioned party; (ii) under common ownership or control with the sanctioned party; or (iii) acting as an officer, employee or agent of the sanctioned party, including owners of the sanctioned party and/or those who exercise control over the sanctioned party.
30. For the purposes of IFAD-financed and/or IFAD-managed operations and activities, the Fund may consider as debarred individuals and entities that have been debarred by another IFI where: (i) that IFI is a signatory to the Agreement for Mutual Enforcement of Debarment Decisions; and (ii) such debarment meets the requirements for mutual recognition under the Agreement for Mutual Enforcement of Debarment Decisions.³

³ The Fund may, in the future, decide to also recognize debarments imposed by entities that are not signatories to the Agreement for Mutual Enforcement of Debarment Decisions.

(iii) Disciplinary measures

31. If the Fund finds that IFAD staff have engaged in prohibited practices, the Fund may apply disciplinary measures and may require restitution or other compensation in accordance with the applicable human resources framework.

G. Referrals and information-sharing

32. The Fund may, at any time, refer information or evidence relating to an ongoing or completed investigative, sanctioning or disciplinary process to the local authorities of a Member State. In determining whether such a referral is appropriate, the Fund takes into consideration the interests of the Fund, the affected Member States, the individuals or entities under investigation and any other persons, such as witnesses, who are involved in the case.
33. If the Fund obtains information or evidence indicating potential wrongdoing in connection with the operations and/or activities of another multilateral organization, the Fund may make such information or evidence available to the other organization for the purposes of its own investigative, sanctioning or disciplinary processes.
34. In order to facilitate and regulate the confidential exchange of information and evidence with local authorities and multilateral organizations, the Fund seeks to conclude agreements which establish the rules for such an exchange.

H. Operational responses to Prohibited Practices

(i) Rejection of an award of contract

35. The Fund may refuse to give its no-objection to the award of a contract to a third party if it determines that the third party, or any of its personnel, agents, subconsultants, subcontractors, service providers, suppliers and/or their employees, engaged in a prohibited practice while competing for the contract in question.

(ii) Declaration of Misprocurement and/or ineligibility of expenditures

36. The Fund may, at any time, declare a Misprocurement and/or the ineligibility of any expenditures associated with a procurement process or contract if it determines that a third party or a representative of the recipient has engaged in a prohibited practice in connection with the procurement process or contract at issue and that the recipient has not taken timely and appropriate action, satisfactory to the Fund, to address such practices when they occur.

(iii) Suspension or cancellation of loan or grant

37. If the Fund determines that a recipient has not taken timely and appropriate action, satisfactory to the Fund, to address prohibited practices when they occur, the Fund may suspend or cancel, in whole or in part, the loan or grant affected by such practices.