Mountain Facility
Operational Manual

Mountain Partnership, UN FAO

Phase I
Mountain Facility Investment Support (MFIS)

GCP/GLO/015/MUL

2022 - 2025
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Definitions:

**Mountain Facility:** The Mountain Facility is the multi-donor financing mechanism operated by the Mountain Partnership (MP) to respond rapidly to members’ requests and needs with specific grants.

**Mountain Facility Investment Support (MFIS):** The provision of financial non-repayable support from the Food and Agriculture Organization of the United Nations (FAO) for the implementation/completion of works or projects. These works or projects are governed by an MFIS Agreement, with the beneficiary and FAO as signatories.

**MFIS Agreement:** A formal agreement between FAO and a named beneficiary, describing the conditions, required activities/works (including any milestones associated with payment), budget/total award, and payment schedule.

**MFIS Implementation Plan:** The work plan developed by the beneficiary, specifying conditions such as milestones to be achieved by the Beneficiary against a pre-agreed payment schedule, attached to the MFIS Agreement as indicated in Annex II. The structure of an MFIS Implementation Plan may vary according to the needs of the project, at the discretion of the Budget Holder (BH).

**Lead applicant:** The Beneficiary who submitted an application for receiving a Mountain Facility investment support.

**Secondary applicant:** The organization who is partnering the Lead applicant in the proposed project.

**Application:** The form submitted by the Beneficiary to apply for a Mountain Facility investment support.

**Mountain Facility Technical Evaluation Team (ET):** The ET is comprised of FAO technical and programme/project support staff. The ET is responsible for the technical assessment of the business plan, under a competitive selection process, and the suitability of activities/works proposed, in specific reference to eligibility criteria and selection criteria.

**Mountain Facility Selection Committee (SC):** The SC will conduct a review and endorse the provisional ranked list of applications. It will then provide the ranked list of applications to the Budget Holder who is ultimately and solely responsible for the award/rejection of applications and will endorse or reject these recommendations.

**Applicant’s contribution:** The MFIS plan involves an applicant’s cash contribution of a minimum 30 percent of total budget. The total budget can include additional applicants’ in-kind contribution of a maximum 5 percent of the total budget.

**FAO’s contribution:** The maximum FAO’s contribution for each project is USD 25 000. This contribution cannot exceed 65 percent of the total budget of the investment.
### Acronyms:

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBG</td>
<td>Direct Beneficiary Grant</td>
</tr>
<tr>
<td>FAOR</td>
<td>FAO Representative</td>
</tr>
<tr>
<td>MP</td>
<td>Mountain Partnership</td>
</tr>
<tr>
<td>MPS</td>
<td>Mountain Partnership Secretariat</td>
</tr>
<tr>
<td>MF</td>
<td>Mountain Facility</td>
</tr>
<tr>
<td>MP member</td>
<td>Member of the Mountain Partnership</td>
</tr>
<tr>
<td>MFIS</td>
<td>Mountain Facility Investment Support</td>
</tr>
<tr>
<td>PGS</td>
<td>Participatory Guarantee Systems</td>
</tr>
<tr>
<td>TPC</td>
<td>Third Party Certification</td>
</tr>
<tr>
<td>ET</td>
<td>Mountain Facility Technical Evaluation Team</td>
</tr>
<tr>
<td>SC</td>
<td>Mountain Facility Selection Committee</td>
</tr>
</tbody>
</table>
Background, purpose, and scope

1. This Grant Operational Manual outlines the administrative and financial processes to award small grants under the framework of the Mountain Facility. The Mountain Facility is the multi-donor financing mechanism operated by the Mountain Partnership (MP) to respond rapidly to members’ requests and needs with specific grants. The facility is implemented by the MP (GCP/GLO/015/MUL).

2. The Mountain Partnership Steering Committee launched the Mountain Facility in 2016 and defined six broad thematic areas of work for funding:
   I. Policy support and institutional strengthening
   II. Capacity-building
   III. Climate change adaptation and resilience building
   IV. Natural resources management
   V. Strengthening of local economies
   VI. Data collection and dissemination

   The areas of work could be revised in the future if the Mountain Partnership Steering Committee decides to.

3. Precise operational arrangements and control structures for the Mountain Facility vary by Phase, depending on the scope, location, objectives and other factors. On average, each phase will run over a period of three years and include seven core components/steps, namely:
   I. Publication of a call for applications and the establishment of a timeframe for application
   II. Submission of applications
   III. Screening of applications
   IV. Scoring/ranking of applications and co-design of investment plan
   V. Final selection of applications and notification of results
   VI. Establishment of Mountain Facility Investment Support (MFIS) agreements and MFIS implementation plans
   VII. Implementation of the MFIS Works/Activities

   The programme will end after the last disbursement of the grant and the final report of the implementation of the projects funded have been submitted and verified.

4. In Phase I, “Mountain Facility Investment Support (MFIS) for the promotion of climate resilient business models based on mountain biodiversity and of sustainable local economies in mountain areas”, the Mountain Facility will target three of the thematic areas of work: III) Climate change adaptation and resilience building, IV) Natural resources management and V) Strengthening of local economies. The purpose of this Mountain Facility Investment Support (MFIS) is to assist
mountain innovative entrepreneurship in implementing their concrete and achievable business plans, to provide financial and technical capacity to cope with climate change effects and reduce livelihoods vulnerability, as described below:

- **FAO contribution maximum USD 25 000 (maximum 65 percent of the total budget);**
- **Applicant’s cash contribution minimum 30 percent of the total budget;**
- **Total budget can include additional in-kind contribution maximum 5 percent of the total budget.**

The total amount committed for Phase I is **USD 120 000.**

5. Phase I “**Mountain Facility Investment Support (MFIS) for the promotion of climate business models based on mountain biodiversity and of sustainable local economies in mountain areas**” will target:

- Investments to promote mountain biodiversity and agrobiodiversity conservation, through improved production, productivity, quality, clean technologies, processing, access to markets and value addition.
- Promotion of mountain products based on native biodiversity and agroecology principles, as a strategy for food security and food sovereignty.
- Promotion of fair value chains and social enterprises, strengthening local producers’ participation and governance.
- Implementation of nature-based solutions, including reforestation and agroforestry practices, for climate change mitigation and adaptation in mountain ecosystems.

All recipients will be selected competitively.
1. **Eligibility**

1. **Eligibility criteria for Phase I - MFIS.**

An application is eligible if all the following criteria are met:

- The proposed project targets one of the following areas of work:
  - Climate change adaptation and resilience building;
  - Natural resources management; and/or
  - Strengthening of local economies.

- The proposed project is a multi-partner project with at least two partner organizations;

- The lead applicant organization (i.e. who submits the application) is a member of the Mountain Partnership.

- The lead applicant organization is neither a national government nor a local government institution;

- At least one applicant organization is located in a developing country;

- All applicants either have a formal legal personality or an ad hoc recognition for the purpose of participating in the Mountain Facility Investment scheme (e.g. letter or note verbale by a public entity in the country where the grant activities will be carried out);

- The applicants are not bankrupted, liquidated or administered by the courts;

- The lead applicant organization possesses a bank account registered in its own name;

- The proposed project includes an applicants’ contribution of no less than 35 percent of the total proposed budget.

- The applicants’ cash contribution is minimum 30 percent of the total proposed budget (this can include a loan acquisition, which falls under the full responsibility of the applicant/s);

- Any applicants’ in-kind contribution is up to 5 percent of the total proposed budget (i.e. office, staff time, means of transportation, PC equipment, etc.);

- The applicants provide evidence of their ability to co-invest in the project;

- The applicants provide evidence of their ability (i.e. physical and legal) to use capital and/or other assets that are involved in their investment plans (e.g. agricultural land, building, machinery, labour, skills, etc.).

2. National and local government institutions can participate as partner organizations and contribute either in cash and/or in-kind to the project, but they cannot be the lead applicant and they cannot be the recipients of the grant.

3. Ineligible investments include: procurement of illegal material, harmful or exploitative forms of labour and violation of basic principles of non-discrimination, equal opportunities, occupational safety and health, and/or child labour prevention contrary to applicable national employment and labour laws and FAO’s Environmental and Social Standards (ESS).1

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1 Particularly ESS 7 – Decent work. FAO,2015: *Environmental and Social Management Guidelines*
4. **Priority will be given to project proposals that:**

- Apply gender transformation approaches and include the participation of women, youth, and/or marginalized and/or Indigenous groups;
- Include innovative approaches to food security, food sovereignty and household incomes;
- Promote fair value chains and social enterprises, strengthening local producers’ participation and governance;
- Promote sustainable mountain management practices (agrobiodiversity, forest management, water management practices);
- Promote implementation of climate change mitigation and adaptation practices; and
- Promotes organic certified products either through a participatory guarantee systems (PGS) or third party certification (TPC), or include the implementation of a PGS to certify farming systems.

2. **Selection of beneficiaries**

The selection of beneficiaries for MFIS will be through a **competitive selection process**, considering the investment’s objectives, scope and socioeconomic and technical selection criteria.

**Step I: Call for applications**

1. FAO through the MPS will directly invite all the MP members to apply. The MPS will communicate the scope of available support, the eligibility and selection criteria and scoring, the application process and timeframe for submission. All information will be available in the Mountain Facility Portal.

2. The Mountain Partnership Secretariat (MPS) is available for clarification, for example on the topic, procedure, drafting, and selection criteria. For any request please contact: Mountain-Products@fao.org.

**Step II: Submission of applications**

1. Applications should be submitted to FAO within the deadline specified in the call for applications and by the means stipulated in the Mountain Facility Portal’s application form (Annex I). Any applications received after the deadline will not be considered.

2. The lead applicant organization formulates and submits the application through the Mountain Facility Portal. Only one application may be submitted for each lead organization. Secondary applicants cannot participate in more than one application.
3. Applications should be completed and signed using the prescribed form. Applications that do not use the prescribed form or that do not include all the items and supporting documents required in the application form will be rejected.

**Step III: Screening of applications**

1. Following the closing date for the submission of applications, the Mountain Facility Technical Evaluation Team (ET) will screen and review the applications.

The ET is comprised exclusively of FAO technical staff and consultants. Roles and composition of the ET are described below:

- MP commercial development expert (Chairperson)
- MP project specialist (Secretary)
- MP marketing specialist
- MP sustainable mountain development expert
- MP climate risk management specialist

2. Each application will be screened for completeness of information, eligibility, beneficiary contribution and documents, and will be included in the screening process with a unique application serial number.
Step IV: Scoring/Ranking of applications and co-design of investment plan

1. The eligible applications will be scored and ranked against the selection criteria detailed below:

<table>
<thead>
<tr>
<th>Selection criteria</th>
<th>Sub-criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Priorities</strong></td>
<td>Subtotal</td>
<td>30</td>
</tr>
<tr>
<td>Apply gender transformation approaches and include the participation of women, youth, and/or marginalized and/or indigenous groups</td>
<td>Max 5</td>
<td></td>
</tr>
<tr>
<td>Include innovative approaches to food security, food sovereignty and household incomes</td>
<td>Max 5</td>
<td></td>
</tr>
<tr>
<td>Promote fair value chains and social enterprises, strengthening local producers’ participation and governance</td>
<td>Max 5</td>
<td></td>
</tr>
<tr>
<td>Promote sustainable mountain management practices (agrobiodiversity, forest management, water management practices)</td>
<td>Max 5</td>
<td></td>
</tr>
<tr>
<td>Promote implementation of climate change mitigation and adaptation practices</td>
<td>Max 5</td>
<td></td>
</tr>
<tr>
<td>Promotes organic certified products (either through a PGS or TPC) or include the implementation of a PGS</td>
<td>Max 5</td>
<td></td>
</tr>
<tr>
<td><strong>Feasibility &amp; sustainability</strong></td>
<td>Subtotal</td>
<td>30</td>
</tr>
<tr>
<td>Expected results are technically achievable</td>
<td>Max 6</td>
<td></td>
</tr>
<tr>
<td>Project duration is appropriate</td>
<td>Max 6</td>
<td></td>
</tr>
<tr>
<td>Risks and assumptions are taken into account</td>
<td>Max 6</td>
<td></td>
</tr>
<tr>
<td>Long-term economic, environmental and social sustainability are considered and explained</td>
<td>Max 6</td>
<td></td>
</tr>
<tr>
<td>Sustainable Development Goals (SDGs) achievement is supported</td>
<td>Max 6</td>
<td></td>
</tr>
<tr>
<td><strong>Potential impact &amp; replicability</strong></td>
<td>Subtotal</td>
<td>20</td>
</tr>
<tr>
<td>The project aims to strengthen the governance of local producers’ organizations</td>
<td>Max 4</td>
<td></td>
</tr>
<tr>
<td>The project envisages the direct involvement of producers in activities and decisions</td>
<td>Max 4</td>
<td></td>
</tr>
<tr>
<td>The project includes contributions from national/local institutions, and/or private sector</td>
<td>Max 4</td>
<td></td>
</tr>
<tr>
<td>The project includes a co-investment that is higher than the minimum required</td>
<td>Max 4</td>
<td></td>
</tr>
<tr>
<td>The project has the potential to be replicated, scaled up and/or attract additional co-investors and contributions</td>
<td>Max 4</td>
<td></td>
</tr>
<tr>
<td><strong>Economic efficiency</strong></td>
<td>Subtotal</td>
<td>10</td>
</tr>
<tr>
<td>The budget is appropriate and sufficiently detailed</td>
<td>Max 2.5</td>
<td></td>
</tr>
<tr>
<td>The project expected results are economically feasible</td>
<td>Max 2.5</td>
<td></td>
</tr>
<tr>
<td>The project quantifies its cost-benefit impact (n. of direct and indirect beneficiaries, hectares, etc.)</td>
<td>Max 2.5</td>
<td></td>
</tr>
<tr>
<td>The project describes the market environment, the opportunities and its marketing strategy</td>
<td>Max 2.5</td>
<td></td>
</tr>
<tr>
<td><strong>Reciprocity &amp; reinvestment</strong></td>
<td>Subtotal</td>
<td>10</td>
</tr>
<tr>
<td>The project aims to re-invest part of the generated financial benefits in projects of other organisations</td>
<td>Max 5</td>
<td></td>
</tr>
<tr>
<td>The project aims to exchange lessons learned, best practices and experiences with other organizations</td>
<td>Max 5</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL POINTS</strong></td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

2. Applications that obtain at least 60 points in the technical evaluation will be shortlisted and called for individual interviews. The individual interviews will be conducted by the ET as part of their
evaluation process. The ET can request additional information/clarification to the applicants. The ET may avail itself of additional assistance from the FAO country office, FAO Representatives (FAORs) in the country where applicant organizations are based, or where the project will take place, to verify the eligibility requirements and information provided in the application.

ET may request the shortlisted applicants to improve/integrate/co-design business plans and amend the investment budget. This opportunity can be given only once. In such a case, the ET will set a deadline for re-submission, between one and four weeks based on the complexity of the required changes. Upon request of shortlisted applicants, the ET will offer limited technical support to improve/integrate/co-design business plans and amend the investment budget.

3. **The applicant must prove its financial capacity to co-invest** no less than 35 percent of the total application plan’s budget. Applicants’ contribution can be in-kind (such as office, staff time, means of transportation, PC equipment, etc.), not exceeding 5 percent of the total application plan’s budget. A bank account statement in the lead applicant organization’s name will serve as a supporting document to the contribution payment capacity of the applicant and will be a prerequisite to the signature of the investment support agreement. In the bank account statement, the applicant will demonstrate a sufficient excess of liquidity to cover the investment contribution.

4. **The applicant is entirely responsible for a loan acquisition if needed for the matching contribution.** In the case where the matching contribution is to be financed through a loan, and if this loan is not yet approved, upon the approval of the BH, the ET may release a written statement where it specifies that an applicant is participating in the grant scheme *MFIS – Phase I* and its application is currently being screened for final consideration of an award by FAO. This process does not represent any financial obligation by FAO to the applicant, nor guarantees that the applicant will finally be awarded with a grant. The loan confirmation letter from the bank will serve as a supporting document to the matching contribution payment capacity of the beneficiary and will be a prerequisite to the signature of the investment support agreement.

5. Following the review process and business plans co-design, the ET will score and rank the applications and submit the ET official report to the Mountain Facility Selection Committee (SC).

**Step V: Final selection of applications and notification of results**

1. The ET official report containing shortlisted and ranked applications and relevant supporting documents stating the payment capacity of the applicants will be reviewed by the SC.

The SC is composed of:
- A Mountain Partnership project manager (Chairperson)
- A Mountain Partnership forestry officer (Secretary)
- A value chain expert, from one of the following partners: Slow Food, IFOAM-Organics International, EcorNaturaSì, acting as MPS advisor for application selection.
- The president of Terra del Terzo Mondo, or a person who will act on his behalf, as a representative of the Mountain Facility donor.

2. The selection of applications will take place on the basis of the ranking (Step IV above) undergone by the ET. The SC will review the scoring of shortlisted applications and validate/reject them or request an amendment/clarification with reference to the pre-defined eligibility and selection criteria, i.e. verifying that all due procedures described in this Operation Manual were followed. In the event of a tie, each SC member will own one vote to make a decision on the final ranking.

3. On the basis of available funds, the SC will endorse the applications that will be considered for the grant and will be documented in the SC minutes of the meeting with specific recommendations.

4. The list of applications endorsed by the SC and relevant supporting documents stating the payment capacity of the beneficiary will be provided to the BH, who is ultimately and solely responsible for the award/rejection of applications as informed by the technical/selection committees. Final selection represents a financial decision by FAO and therefore rests exclusively with the BH.

5. FAO will inform all applicants of the outcome of the selection process. In case of rejection, no further correspondence or discussion shall be exchanged following the published confirmation of this outcome.

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2 Slow Food is an international, non-profit, grassroots organization that aims to promote good, clean and fair food for everyone through a network of producers, artisans, farmers, cooks, researchers and activists defending, fostering and educating the world on agrobiodiversity and local food cultures. It has over 100,000 members worldwide and is active in 150 countries. Slow Food is a MP member and in 2016 launched in collaboration with the MP the Mountain Partnership Products Initiative, a certification and labelling scheme to strengthen the resilience of mountain peoples, their economies and their ecosystems.

3 IFOAM-Organics International is the only international umbrella organization for the organic world, uniting a diverse range of stakeholders contributing to the organic vision. It builds awareness among the public and advocates for sustainable policies, builds capacity and facilitates the transition of farmers to organic agriculture, IFOAM-Organics International works in more than 120 countries and is a MP member since 2019.

4 EcorNaturaSì Spa was founded in 2009 by Ecor, the largest wholesale distributor of organic and biodynamic products in Italy and NaturaSì, an organic supermarkets’ chain. The group is committed to creating value in the organic supply chain and has thirty years of experience in the organic and biodynamic food sector. It is specialized in the entire production and distribution process and serves over a thousand shops throughout Italy. The group ensures quality products from field to shelf and has logistic centres in the Veneto and Emilia regions of Italy.

5 Terra del Terzo Mondo Onlus is an Italian non-profit organization that was founded in 2000 and is a MP member since 2018. Its objective is the promotion of self-sufficiency among small-scale farmers in rural and mountainous areas of Ethiopia through support, education and capacity development on technical skills as well as managerial and entrepreneurial abilities, towards the achievement of social, environmental and economic sustainability in the production and distribution of agricultural products.
3. Establishment of MFIS agreements and MFIS implementation plans

1. Regardless of project type, the BH is responsible for establishing a legally binding agreement between FAO and selected beneficiaries, governing the performance of the specific works and/or activities. The contents and structure of this agreement may vary by investment, subject to specific objectives.

2. An integral part of every MFIS agreement is the MFIS implementation plan, which describes practical matters related to the delivery of agreed work/activities, including milestones, budget, and payment schedule. A template of the MFIS agreement is available in Annex II.

3. Upon final selection, FAO will follow up with beneficiaries to gather the information required to define MFIS implementation plan that includes:

   a. the **scheme of works and activities** to be implemented, **including specific milestones** to be achieved by the beneficiary, which will then inform the schedule and value of payments from FAO;

   b. the **approved budget** of the grant award based on the agreed MFIS implementation plan including, as needed: the detailed listing of equipment to be purchased and the details of the financing of the investments (matching contribution and specifically promoted investments), availability check and identification of possible suppliers of goods and/or service providers; and

   c. the **payment schedule**, with **ex ante** payment and/or **ex post** payments in instalments conditional to the achievement of defined milestones, according to the modality of support identified by the MFIS agreement. Maximum **ex ante** payment cannot exceed 30 percent of the total FAO support, as per FAO regulations.

4. The MFIS implementation plan will inform the drafting of the MFIS agreement with each beneficiary using a standardized template.

5. The MFIS agreement will have FAO and the beneficiary as signatories, and on a need-base, also FAORs in countries where the beneficiary of the project is located, as witness.
4. Implementation of the MFIS Works/Activities

Step VI: Delivery of support

6. FAO (Mountain Partnership Secretariat) will manage the MFIS agreements, in compliance with applicable rules and regulations and according to the modality of support of Direct Beneficiary Grants.

7. The amount and timing of payment instalments will be made based on the approved MFIS agreement budget that defines the costs lines to be covered by FAO and those to be covered by the beneficiary. The payments will be done by FAO following the certification of the successful completion of the specific milestones as reflected in the signed MFIS agreement.

8. FAO will directly manage MFIS payments and disburse funds to beneficiaries through direct electronic bank transfers to the beneficiaries’ accounts. FAO will deliver the support with a combination of ex ante and ex post payments in tranches, following the certification of the successful completion of the specific milestones as reflected in the signed MFIS agreement.

   *Ex ante* payments will be limited and cannot exceed 30 percent of the total FAO contribution budget, as per FAO regulations. The following payments will occur only upon confirmation that 80 percent of the previous advance has been satisfactorily consumed.

9. As per FAO regulations, payments in currency other than USD will be processed at the official United Nations Operational Rates of Exchange applicable when the payment is issued.\(^6\)

10. The beneficiary will report to FAO any possible deviation or anticipated delay relative to the schedule and conditions set out in the MFIS agreements. Any amendments should be subject to FAO approval.

11. Achievement of milestones should be certified by the beneficiary in writing an official email communication and providing narrative, financial and video/photographic evidence of the milestones achievement before the release of each payment scheduled in the MFIS agreement. Field visits will be carried out on a needs-base, planned case by case by MPS technical personnel, if further verification is considered necessary.

Step VII: Technical support of implementation and Monitoring

To enhance the effectiveness and sustainability of the support, the MPS will deliver needs-based, complementary, tailored assistance such as coaching, consulting and field visits. Monitoring will have two steps:

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\(^6\) United Nations Operational Rates of Exchange are published at https://treasury.un.org/operationalrates/OperationalRates.php#I
<table>
<thead>
<tr>
<th>WHEN</th>
<th>HOW</th>
<th>BY WHOM</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Upon receipt of first progress report and request of first payment</td>
<td>Verification of achievement of first milestone, based on: documentation (narrative, financial, photographical and video) received from the beneficiary; field visit will be carried out on a needs-base, planned case by case by MPS technical personnel, if further verification is considered necessary.</td>
</tr>
<tr>
<td>2</td>
<td>Upon receipt of final report and request of final payment</td>
<td>Verification of achievement of project goals, based on: documentation (narrative, financial, photographical and video) received from the beneficiary; field visit will be carried out on a needs-base, planned case by case by MPS technical personnel, if further verification is considered necessary.</td>
</tr>
</tbody>
</table>

The monitoring team will be composed by MPS technical personnel and will verify the achievement of milestones and report to the BH for the release of relevant payments indicated in the grant agreements.

A self-check monitoring system will be set-up on the Mountain Facility Portal by which the grantees will report the advancement of the project. The selected candidates will fill out progress reports, a final report and pre-established forms for the disbursement of funds on an agreed calendar. Non-compliance with the self-check monitoring duties may result in the delay of payment of the second and possible third disbursement of funds.

FAO (Mountain Partnership Secretariat) may engage the FAO Country Office to exercise, on exceptional conditions, monitoring of beneficiaries' compliance with the grant agreement and verify the achievement of results. If further verification is necessary, it will be planned case by case by MPS technical personnel. At least 10 percent of the beneficiaries will be visited for verification or monitoring.

Following the establishment of the investment support projects, success stories and lessons learned will be developed

**Step VIII: Revision of this Manual**

This Operational Manual may be revised to enhance efficiency and effectiveness of the investment support and adjusted to changing circumstances taking into consideration lessons learnt from implementation and findings from project monitoring. Any revision should be approved in compliance with FAO rules and regulations.
Annex A – Mountain Facility Investment Support application form

Mountain Facility - Phase I, 2022 – 2025

The Mountain Facility is the multi-donor financing mechanism operated by the Mountain Partnership (MP) to respond rapidly to members’ requests and needs with specific grants. The facility is implemented by the Mountain Partnership.

In Phase I “Mountain Facility Investment Support (MFIS) for the promotion of climate resilient business models based on mountain biodiversity and of sustainable local economies in mountain areas”, the Mountain Facility will target three thematic areas of work: Climate change adaptation and resilience building, Natural resources management and Strengthening of local economies. The purpose of this Mountain Facility Investment Support (MFIS) is to assist mountain innovative entrepreneurship in implementing their concrete and achievable business plans, to provide financial and technical capacity to cope with climate change effects and reduce livelihoods vulnerability, as described below:

- FAO contribution maximum USD 25 000 (maximum 65 percent of the total budget);
- Applicant’s cash contribution minimum 30 percent of the total budget;
- Total budget can include additional in-kind contribution maximum 5 percent of the total budget.

The total amount committed for Phase I is USD 120 000. Phase I MFIS will target mountain agribusinesses to receive support for their investment in improved production, productivity, quality, innovation or value addition in an environmentally sustainable manner at any stage of the agricultural and food value chains.

All recipients will be selected competitively. Organizations mainly composed of women and youth are encouraged to apply. For any additional information or clarification on the application from, contact: Mountain-Products@fao.org.

APPLICATION SUBMISSION AND DEADLINE
Applications should be completed using the online application form. Your application should be submitted including all attachments mentioned below.

Applications must be submitted no later than [15:00] on: (XX-XX-202x)

Only one application may be submitted by each applicant, whether the applicant is a lead applicant or a secondary applicant. If more than one application is submitted by the same applicant, whether lead or secondary applicant, all applications associated with the applicants will be rejected.

Once submitted, an application cannot be recalled. Applications submitted and any attached documentation will not be returned to the applicants. Applications that do not comply with these requirements will not be considered. Any applications received after the deadline will not be considered.
Eligibility criteria for Phase I - MFIS.

An application is eligible if all the following criteria are met:

- The proposed project targets one of the following areas of work:
  - Climate change adaptation and resilience building;
  - Natural resources management; and/or
  - Strengthening of local economies.
- The proposed project is a multi-partner project with at least two partner organizations;
- The lead applicant organization (who submits the application) is a member of the Mountain Partnership.
- The lead applicant organization is neither a national government nor a local government institution;
- At least one applicant organization is located in a developing country;
- All applicants either have a formal legal personality or an ad-hoc recognition for the purpose of participating in the Mountain Facility Investment scheme (i.e. letter, note verbale etc. by a public entity in the country where grants activities will be carried out);
- The applicants are not bankrupted, liquidated or administered by the courts;
- The lead applicant organization possesses a bank account registered in its own name;
- The proposed project includes an Applicants’ contribution of no less than 35 percent of the total proposed budget.
- The applicants’ cash contribution is minimum 30 percent of the total proposed budget (this can include a loan acquisition, which falls under the full responsibility of the applicants);
- Any applicants’ in-kind contribution is up to 5 percent of the total proposed budget (i.e. office, staff time, means of transportation, pc equipment, etc);
- The applicants provide evidence of their ability to co-invest in the project;
- The applicants provide evidence of their ability (physical, legal) to use capital and/or other assets that are involved in their investment plans, e.g. agricultural land, building, machinery, labour, skills, etc.

5. National and local government institutions can participate as partner organizations and contribute either in cash and/or in-kind to the project, but they cannot be the lead applicant and they cannot be the recipients of the grant.

6. Ineligible investments include: procurement of illegal material, harmful or exploitative forms of labour and violation of basic principles of non-discrimination, equal opportunities, occupational safety and health, and/or child labour prevention contrary to applicable national employment and labour laws and FAO’s Environmental and Social Standards (ESS).  

---

7 Particularly ESS 7 – Decent work. FAO,2015: [Environmental and Social Management Guidelines](http://www.fao.org)
The eligible applications will be scored and ranked against the selection criteria detailed below:

<table>
<thead>
<tr>
<th>Selection criteria</th>
<th>Sub-criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priorities</td>
<td>Subtotal</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Apply gender transformation approaches and include the participation of women, youth, and/or marginalized and/or indigenous groups;</td>
<td>Max 5</td>
</tr>
<tr>
<td></td>
<td>Include innovative approaches to food security, food sovereignty and household incomes;</td>
<td>Max 5</td>
</tr>
<tr>
<td></td>
<td>Promote fair value chains and social enterprises, strengthening local producers’ participation and governance;</td>
<td>Max 5</td>
</tr>
<tr>
<td></td>
<td>Promote sustainable mountain management practices (agrobiodiversity, forest management, water management practices);</td>
<td>Max 5</td>
</tr>
<tr>
<td></td>
<td>Promote implementation of climate change mitigation and adaptation practices;</td>
<td>Max 5</td>
</tr>
<tr>
<td></td>
<td>Promotes organic certified products (either through a PGS or TPC) or include the implementation of a PGS</td>
<td>Max 5</td>
</tr>
<tr>
<td>Feasibility &amp; sustainability</td>
<td>Subtotal</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Expected results are technically achievable</td>
<td>Max 6</td>
</tr>
<tr>
<td></td>
<td>Project duration is appropriate</td>
<td>Max 6</td>
</tr>
<tr>
<td></td>
<td>Risks and assumptions are taken into account</td>
<td>Max 6</td>
</tr>
<tr>
<td></td>
<td>Long-term economic, environmental and social sustainability are considered and explained</td>
<td>Max 6</td>
</tr>
<tr>
<td></td>
<td>Sustainable Development Goals (SDGs) achievement is supported</td>
<td>Max 6</td>
</tr>
<tr>
<td>Potential impact &amp; replicability</td>
<td>Subtotal</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>The project aims to strengthen the governance of local producers’ organizations</td>
<td>Max 4</td>
</tr>
<tr>
<td></td>
<td>The project envisages the direct involvement of producers in activities and decisions</td>
<td>Max 4</td>
</tr>
<tr>
<td></td>
<td>The project includes contributions from national/local institutions, and/or private sector</td>
<td>Max 4</td>
</tr>
<tr>
<td></td>
<td>The project includes a co-investment that is higher than the minimum required</td>
<td>Max 4</td>
</tr>
<tr>
<td></td>
<td>The project has the potential to be replicated, scaled up and/or attract additional co-investors and contributions</td>
<td>Max 4</td>
</tr>
<tr>
<td>Economic efficiency</td>
<td>Subtotal</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>The budget is appropriate and sufficiently detailed</td>
<td>Max 2.5</td>
</tr>
<tr>
<td></td>
<td>The project expected results are economically feasible</td>
<td>Max 2.5</td>
</tr>
<tr>
<td></td>
<td>The project quantifies its cost-benefit impact (n. of direct and indirect beneficiaries, hectares, etc.)</td>
<td>Max 2.5</td>
</tr>
<tr>
<td></td>
<td>The project describes the market environment, the opportunities and its marketing strategy</td>
<td>Max 2.5</td>
</tr>
<tr>
<td>Reciprocity &amp; reinvestment</td>
<td>Subtotal</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>The project aims to re-invest part of the generated financial benefits in projects of other organizations</td>
<td>Max 5</td>
</tr>
<tr>
<td></td>
<td>The project aims to exchange lessons learned, best practices and experiences with other organizations</td>
<td>Max 5</td>
</tr>
<tr>
<td><strong>TOTAL POINTS</strong></td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>
1. **Title of the proposed project and geographical area of investment:**

   ____________________

2. **Name of the LEAD APPLICANT ORGANIZATION/INSTITUTION (i.e. the recipient organization):**

   ____________________

3. **Name of the SECONDARY APPLICANT ORGANIZATION/INSTITUTION:**

   ____________________

4. **Name of other partners in the project (if any):**

   ____________________

5. **Rationale for the proposed investment** (maximum 250 words):

   Describe why you think this investment is important and innovative (e.g. expected market demands and needs, available related natural resources, labour, innovations).

6. **Description of the proposed investment** (maximum 500 words):

   Describe the proposed investment to be established, activities required to establish it, including producers’ involvement, and expected results.

7. **Market analysis and strategy** (maximum 500 words):

   Describe the current market environment for the proposed investment; opportunities identified; and marketing strategy that will be applied.
8. Cost of the investment:

<table>
<thead>
<tr>
<th>Total cost of the investment:</th>
<th>Value (USD):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support requested from FAO:</td>
<td>Value (USD):</td>
</tr>
<tr>
<td>Beneficiary contribution:</td>
<td>Value (USD):</td>
</tr>
<tr>
<td>Estimated duration of the activities:</td>
<td>Months:</td>
</tr>
</tbody>
</table>

Does the applicants’ cash contribution depend on a loan acquisition?
- YES
- NO

<table>
<thead>
<tr>
<th>Cost item 9 (what you will procure/expenditure etc)</th>
<th>Measurement Unit (item, kg, Litter, device etc)</th>
<th># Units (How many units)</th>
<th>Unit value (USD)</th>
<th>Total value (USD) (= # units* Unit value)</th>
<th>Amount requested from FAO (USD)</th>
<th>Brief description of item (purpose, main specifications, )</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Insert more rows as needed.*

---

8 All currency conversions related to the cost of the investment shall be made using the United Nations Operational Rates of Exchange applicable on the date of issuance of the Call for Application. The rates are available at [https://treasury.un.org/operationalrates/OperationalRates.php#I](https://treasury.un.org/operationalrates/OperationalRates.php#I)

9 Examples of eligible costs: construction costs, purchase of animals/agricultural materials, purchase of equipment and machineries, hiring professional experts, implementation of technologies and Nature based Solutions.
9. Work plan

List in the below table the activities required to realize the planned investment (consistently with the investment description in point 3 above), their timing and duration within a maximum of 12 months.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 2 3 4 5 6 7 8 9 10 11 12</td>
</tr>
<tr>
<td>Activity 1: describe the activity</td>
<td></td>
</tr>
<tr>
<td>Activity 2:</td>
<td></td>
</tr>
<tr>
<td>Activity 3:</td>
<td></td>
</tr>
</tbody>
</table>

- Insert more rows, columns as needed.
- In the description of activities, include qualitatively and quantitatively beneficiaries of the investment and specify how producers are involved in the investment plan.
- If there is a plan to re-invest the generated benefits into other organisations, specify the details of re-investment and the selected organizations.
- If there is a plan to exchange lessons learned and experience with other organizations following the investment, elaborate the activities.

10. Risks and mitigating measures (maximum 250 words):

List the main risks (financial, environmental, security, access restrictions, institutional, legal etc.) that might face the realization of the investment and the mitigation measures to be taken.

<table>
<thead>
<tr>
<th>Risk description</th>
<th>Likelihood (low/medium/high)</th>
<th>Impact on the investment (low/medium/high)</th>
<th>Mitigation measures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Insert more rows as needed
11. Performance targets

<table>
<thead>
<tr>
<th>INDICATOR(S)</th>
<th>MILESTONES</th>
</tr>
</thead>
</table>
|              | Period 1   | Period 2 | Period ...
| 1.1          |            |          |         |
| 1.2          |            |          |         |
| ...          |            |          |         |

13. Attachments required:

- Documents stating the legal personality of lead applicant organization and secondary applicant organization and any other partner organizations.
- Copy of identification document of the applicant.
- A bank account statement in the lead applicant organization’s name, as a supporting document to the contribution payment capacity of the applicant, demonstrating a sufficient excess of liquidity to cover the investment contribution.

Declaration and signature

I hereby certify that all information and attachments contained in this application are accurate and true.

Date_________________Signature_______________________________________

Signature and name of applicant
Annex B – Investment Support Agreement

Number: XXX/2021 – (Enter Project Symbol)

Viale delle Terme di Caracalla, 00153 Rome, Italy
Fax: +39 0657053152
Tel: +39 0657051
www.fao.org

FAO Budget Code: Your Ref.: 
GRMS Supplier Number: 

GRANT AGREEMENT

For the project: XXXXX (Project Title)
(XXXX) (Project Symbol)

Among:

1) The Food and Agriculture Organization of the United Nations (hereinafter referred to as “FAO”) represented by:

Name: XXX 
Title: XXX

AND

2) The Beneficiary of the Grant Agreement (hereinafter referred to as “the Beneficiary”):

<table>
<thead>
<tr>
<th>Name of the Beneficiary:</th>
<th>[XXX]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration number:</td>
<td>[XXXX]</td>
</tr>
<tr>
<td>Represented by:</td>
<td>[name and relation to the Beneficiary entity]</td>
</tr>
<tr>
<td>ID Number:</td>
<td></td>
</tr>
<tr>
<td>Beneficiary category:</td>
<td></td>
</tr>
<tr>
<td>□ Profit entity</td>
<td></td>
</tr>
<tr>
<td>Address:</td>
<td></td>
</tr>
<tr>
<td>E-mail:</td>
<td></td>
</tr>
<tr>
<td>Telephone (office):</td>
<td></td>
</tr>
</tbody>
</table>
I. PREAMBLE

Whereas

- The Beneficiary represents and certifies that it is legally registered with the competent legal authorities, in accordance with the (insert country) laws applicable to it, and that it has the required legal capacity to enter into this Agreement and implement the Project, and that it shall comply with any legislation applicable to it.

- The Beneficiary submitted an application to FAO under the Project for grant support related to implementation of the approved business plan:

| Application Registration Number: | [ENTER THE REGISTRATION NUMBER ON THE APPLICATION] |
| Date of Receipt: | [ENTER THE DATE WRITTEN ON THE APPLICATION] |
| Location of investment: | [Community, District, Island and GPS coordinates] |
| Other data as required: | Name of the lead Applicant organization |
| | Name of the person submitting the application |

- FAO has accepted the Beneficiary’s Application and agrees to provide the Beneficiary with financial Grant Support under the Project, subject to the terms and conditions set out in this Agreement. The financial Grant Support to be provided under this Agreement shall not exceed an amount of United States Dollars [insert amount in words] (USD [insert amount in numbers]);

- FAO is providing Grant Support through the Project, which is funded by the (enter donor details) (the “Resource Partners”);

- The Beneficiary recognizes that FAO shall have full financial and programmatic responsibility towards the Resource Partners, including for the administration, management and reporting on the use of Resource Partners’ funds, and undertakes to cooperate with FAO and the Resource Partners so as to enable FAO to meet these responsibilities. In particular, the Beneficiary accepts the obligations laid down in Annex V without any reservation.
II. GENERAL PROVISIONS

Article 1: Agreement

The Preamble and the following annexes to this Agreement form an integral part of this Agreement:

- Annex I: Grant Implementation Plan (Work Plan)
- Annex II: Progress Report Form
- Annex III: Final Report Form
- Annex IV: Disbursement Request Form

Article 2: Definitions

Applicant: the Beneficiary that submitted an Application for receiving Grant Support.

Application: the expression of interest submitted alongside with the grant implementation work plan by the Beneficiary in order to apply for the Grant Support.

Applicant’s contribution: The Grant support involve an Applicants cash contribution of a minimum 30% of total budget. Total budget can include additional Applicants’ in-kind contribution of a maximum 5% of total budget.

Disbursement Support Request Form: the form provided by FAO and used by the Beneficiary to request the disbursement of financial support upon achievement of the Grant Implementation Plan (Work Plan) activities through a Progress and Final Report in accordance with the conditions set out in this Agreement, which is attached to the present Agreement as Annex IV.

Grant: The investment that will be corresponded to the Beneficiary for the priorities that the beneficiary by established in the Grant Proposal and that will be executed in accordance with the conditions set out in the Grant Agreement.

Grant Support: the financial support to be provided by FAO to the Beneficiary in accordance with the conditions set out in this Agreement.

Progress Report: the report issued by the Beneficiary and verified by the ad-hoc Monitoring team composed of MPS technical personnel (and service providers depending on contexts) certifying the achievement of the milestones as set out in the Grant Implementation Plan (Work Plan) and attached to the present Agreement as Annex II.

Final Report: the report issued by the Beneficiary upon completion of the Project.

Grant Implementation Plan (Work Plan): the work plan developed and agreed upon jointly by FAO and the Beneficiary, specifying the activities to be achieved by the Beneficiary against a pre-agreed payment schedule, attached to the present Agreement as Annex I.

Parties: FAO and the Beneficiary when referred to collectively.

Party: FAO and the Beneficiary when referred to individually.
Article 3: Purpose of this Agreement

This Agreement sets out the terms and conditions under which FAO is willing to provide the financial Grant Support towards the costs incurred by the Beneficiary for executing the Grant in accordance with the conditions set out in the present Agreement, including the Grant Implementation Plan (Work Plan) (Annex I).

III. RESPONSIBILITIES OF THE PARTIES

Article 4: Disbursement of financial support

(1) The Grant Support by FAO to the Beneficiary shall not exceed the maximum commitment of FAO under this Agreement of the value of United States Dollars [insert amount in words] (USD [insert amount in numbers]), which corresponds to the amount indicated in Section 1.3 “Budget” of the Grant Implementation Plan (Work Plan), Annex I. This amount represents the maximum financial liability of FAO under this Agreement, and is subject to receipt of corresponding funds from the Resource Partners, and to the compliance by the Beneficiary with any requirements under the present Agreement.

(2) The Beneficiary shall execute the Grant in full collaboration with FAO and shall ensure that all activities financed by the Grant Support are undertaken or used in accordance with the budget and schedule set out in the Grant Implementation Plan (Work Plan) (Annex I).

(3) The Beneficiary shall immediately inform FAO if circumstances arise that have an actual or potential impact on the implementation of the Grant or any activities carried out under this Agreement.

(4) Irrespective of any Grant Support provided to the Beneficiary by FAO, the Beneficiary shall be responsible for all costs related to the implementation of the scheme of works and activities as listed in the Grant Implementation Plan (Work Plan), contained under Annex I to the present Agreement. Such costs include, but are not limited to:

(i) Payment of any costs incurred directly for the works and activities covered by this Agreement;
(ii) Payments towards third parties arising from the implementation of the works and activities covered by this Agreement;
(iii) Any costs of preparations for execution of the works and activities covered by this Agreement.
(iv) Any other costs linked to the grant that may not have been included in this Agreement.

(5) Subject to a verification by FAO of the status of completion of the activities and provision of Beneficiary contribution and determination by FAO that the conditions for the disbursement of financial support under this Agreement are met, the Beneficiary will be entitled to the disbursement of tranches of financial support as set out in Annex I to the present Agreement, included in Section 2.2 Grant Support Schedule”. The disbursement of financial support by FAO to the Beneficiary shall be conditional upon the realisation of the following: i) upon the signature of the Grant Agreement in accordance with the conditions set out in the present Agreement; and ii) timely submission of the Progress Report (Annex II); and timely submission of the Final Financial Report (Annex III). Upon the verification of the above conditions FAO will pay to the Beneficiary the total amount.
(6) The Grant Support will be disbursed by FAO cheque or bank transfer to the Beneficiary’s account:

☐ Bank Transfer

Detailed Banking instructions:

Bank Name: Bank country and city:

Bank branch address:

SWIFT code:

Account holder10:

Bank account holder’s name:

Beneficiary Address:

Account Number:

Account currency:

IBAN number: N/A

(7) The Beneficiary shall submit the Progress Reports and Final Report during the implementation of the project and at the end of this Agreement in the formats contained under Annex II and Annex III to this Agreement, according to the payment scheme outlined below.

(i) The payments will be made after certification by FAO of the request(s) for payment as follows:

Payment #1: xx.xxx ex-ante payment upon signature of the present agreement, as per Annex X;11

Payment #2: xx.xxx upon verification by FAO of intermediate milestone achievement and confirmation that 80 percent of Payment #1 has been satisfactorily consumed, as per Annex X;

Payment #3: XX% final payment upon project completion and verification by FAO, as per Annex X.

(8) In case of disbursement of financial support by FAO by means of a cheque, the Beneficiary shall assume full responsibility for the proper use of the cheque delivered by FAO and prevent any unauthorized use of it. The Beneficiary shall prevent any use of the amount disbursed for purposes other than in accordance with the purpose of this Agreement, including by any third party.

(9) FAO may refuse to provide the Grant support to the Beneficiary if the Beneficiary has not complied with the deadlines and Beneficiary contributions as set forth in Annex I, or if the Beneficiary otherwise fails to comply with its obligations under this Agreement, including any amendment agreed upon in accordance with Article 11 below.

(10) FAO shall do its best efforts to disburse the requested financial support to the Beneficiary within thirty (30) working days from the receipt of the Disbursement Request Form. FAO shall, in no circumstance, be considered responsible for any delays that could occur in the disbursement of the support.

10 Shall be the same as the Beneficiary name.
11 Ex-ante payment can be included on a needs-base in the Grant implementation plan and cannot exceed 30 percent of the total FAO contribution.
Article 5: Beneficiary and investment compliance with local laws and regulations

The Beneficiary shall ensure compliance with all local laws and regulations relevant to the execution of the investment and applicable to the Beneficiary and any activity undertaken under this Agreement, including those relating to employment and safety of workers and the use of natural resources. The Beneficiary shall obtain any permit, authorization or other documentation required under such laws and regulations.

Article 6: Data and information requests

(1) The Beneficiary shall grant onsite inspection and visits, in particular full and unfettered access to the authorized FAO personnel and to the Resource Partners to inspect documents, sites, facilities, equipment and property that are relevant to the Grant. Onsite inspection and visits may be conducted during standard working hours at any time during the implementation of the Grant, provided that FAO and/or the Resource Partners gives advance notice to the Beneficiary of two (2) working days. During the onsite inspection, the Beneficiary or its authorized representative shall identify themselves at the request of FAO personnel or of the Resource Partners. The Beneficiary shall keep any original documents pertaining to the activities carried out under this Agreement, and shall allow access to such documentation for inspection, for a period of five (5) years from the date of expiration, termination or completion of this Agreement. This provision shall survive the expiration, termination or completion of this Agreement for the specific purpose of any investigation carried out by FAO.

(2) The Beneficiary agrees to submit any additional information or data if so requested by FAO or the Resource Partners.

(3) The Beneficiary declares under full moral, material, and criminal responsibility, that all data contained in the reports and documents submitted to FAO and/or to the Resource Partners are accurate and authentic.

(4) FAO will protect any personal data obtained from the Beneficiary in accordance with standards applicable to FAO.

Article 7: Subcontracting

(1) The Beneficiary may not use the services of contractors for the performance of its obligations under the present Agreement unless permission is granted in advance by FAO in writing in each particular case. If FAO approves the contracting of services and activities to third parties, the Beneficiary shall ensure that the Beneficiary’s contractors do not subcontract unless FAO has given prior written permission in each particular case. The use by the Beneficiary of contractors, or of subcontractors shall not relieve the Beneficiary of any of its obligations under this Agreement and the Beneficiary shall retain full responsibility for any subcontracting arrangement. Any subcontracting arrangement shall not establish any relationship between FAO or the Resource Partners and a subcontractor, as the case may be.

(2) The Beneficiary shall ensure that any contractual arrangements with third parties include the obligation to maintain appropriate records for a period of five (5) years and FAO’s right to review, audit and have access to all documentation and sites related to the activities carried out in connection with this Agreement, as provided under Annex V, Articles 17 and 18 to this Agreement.

(3) The Beneficiary shall ensure all its contractors or subcontractors comply, mutatis mutandis, with Annex V to this Agreement. Without prejudice of the foregoing, the Beneficiary shall ensure, in particular, that all its subcontractors or subcontractors will comply with the requirements laid down in Articles 2
(Obligations), 3 (Protection of Employees), 4 (Conflict of Interest), 5 (Business Ethics), 17 (Accounts and Archiving), 18 (Audits and Spot-Checks), 19 (Sanctionable Actions), 20 (Sexual Exploitation), and 21 (Terrorism).

**Article 8: Execution of works and activities**

(1) The Beneficiary shall immediately inform FAO if circumstances arise that impact on the implementation of the Grant or any activities carried out under this Agreement.

(2) The Beneficiary shall not under any circumstances employ directly or indirectly any person below the minimum legal age according to local laws at any time during the execution of the works and activities related to this Agreement.

(3) The Beneficiary will be fully responsible for all activities related to the Grant and carried out in connection with this Agreement and for the acts and omissions of all employees, agents or other representatives, and authorized subcontractors providing services on their behalf.

(4) The Beneficiary is committed to insuring all employees against accidents and work-related injuries through the full duration of the completion of the Grant and this Agreement and for any work-related accidents/injuries, illness, loss or damage related to any labour activities associated to the Grant. FAO will not assume any liability or handle any claims for compensation for any work-related accidents/injuries, illness, loss or damage related to any labour activities associated with the Grant under this Agreement nor for any claims, demands, suits, judgments, arising therefrom, including for any injury to third parties, or any loss of, damage to, or destruction of property of third parties, arising out of or connected to labour activities associated with the Grant under this Agreement.

(5) FAO or the Resource Partners will not be responsible for dealing with any claim or liability arising in connection with the Grant or any activity carried out under this Agreement, including any claim which may be brought by third parties against the Resource Partners or FAO, its personnel or other persons performing services on its behalf, in connection with this Agreement.

(6) FAO or the Resource Partners shall not under any circumstances be responsible for acts or omissions of any other third party.
IV. FINAL PROVISIONS

Article 9: Communication

(1) Any communication under this Agreement will be in writing and delivered in person or sent by mail or e-mail to the following addresses:

For FAO:

Title:
Address:
Phone:
Email:

For Beneficiary:
☐ Mr  ☐ Ms
Title:
☐ Representing:
Grant Agreement Number: [Enter number of this Grant Agreement]
ID Number:
Address:
Email:
Tel (office):
Tel (mobile):

(2) The Parties will notify each other in writing of any change in communication details.

Article 10: Entry into force

(1) By signing this Agreement, the Parties confirm that they have read and understood the Agreement and agree to the rights and obligations arising from it as well as its legal effects.

(2) This Agreement shall enter into force on the date of signature by both Parties, or, if signed on different dates, the Agreement shall take effect upon the date of the last signature.

(3) The Beneficiary agrees not to initiate the Grant before this Agreement enters into force. FAO may refuse to provide the Grant support if the Beneficiary initiates the execution of the Grant before this Agreement enters into force.

(4) Unless terminated in accordance with Article 12, this Agreement shall remain in force until completion of the Grant Implementation Plan (Work Plan) by (Enter date).

Article 11: Amendments of the Agreement

(1) This Agreement may be amended by mutual written agreement between the Parties.
Article 12: Suspension and Termination of the Agreement

(1) This Agreement may be terminated at any time by mutual agreement of the Parties. In that event, the Parties will agree on measures required for the orderly conclusion of any ongoing activities.

(2) At any time and with immediate effect, and by providing written notice to the Beneficiary, FAO may suspend or terminate this Agreement if:

(i) The Beneficiary does not comply with the terms and conditions of this Agreement, including the representations given under this Agreement and its Annex V.
(ii) The Beneficiary, its employees, personnel and contractors do not comply with Article 2 (Obligations), 3 (Protection of Employees), 4 (Conflict of Interest), 5 (Business Ethics), 17 (Accounts and Archiving), 18 (Audits and Spot-Checks), 19 (Sanctionable Actions), 20 (Sexual Exploitation), and 21 (Terrorism) of Annex V to this Agreement.
(iii) The Beneficiary is adjudged bankrupt, or is liquidated, or becomes insolvent, or applies to be declared insolvent.
(iv) Upon termination of the funding agreement between FAO and the Resource Partners.

(3) In the event of suspension or termination pursuant to Article 12.2 of this Agreement, FAO will immediately notify the Beneficiary.

(4) In the event of suspension or termination of this Agreement, FAO shall refuse to provide further Grant Support, and may claim reimbursement from the Beneficiary of previously provided Grant Support.

(5) In the event that FAO provides the Beneficiary with a suspension or termination notice pursuant to Article 12.2 of this Agreement, the Beneficiary shall immediately take all necessary steps to suspend or terminate (as the case may be) its activities in an orderly manner so that continued expenses are kept to a minimum, and shall not make any forward commitments, financial or otherwise, in connection with this Agreement.

(6) The provisions of Articles 13 and 14 of this Agreement, together with the provisions of Articles 5, 6, 7 and 8 of the Agreement and Article 18 of Annex V, shall survive the expiration or termination of this Agreement.

Article 13: Disputes

Any disputes arising from this Agreement will be solved amicably between the Parties to this Agreement through negotiation. If the dispute cannot be settled by negotiation between the Parties, it shall, at the request of either Party, be submitted to one (1) conciliator. Should the Parties fail to reach agreement on the name of a sole conciliator, each Party shall appoint one (1) conciliator. The conciliation shall be carried out in accordance with the Conciliation Rules of the United Nations Commission on International Trade Law (UNCITRAL), as at present in force. Any dispute between the Parties that is unresolved after conciliation shall, at the request of either Party be settled by arbitration in accordance with the Arbitration Rules of UNCITRAL, as at present in force. The arbitral tribunal shall have no authority to award punitive damages. The conciliation or the arbitration proceedings shall be conducted in English. The Parties may request conciliation during the execution of the Agreement and anyway not later than twelve (12) months after the expiry or the termination of the Agreement. The parties may request arbitration not later than ninety (90) days after the termination of the conciliation proceedings. Any arbitration award rendered in accordance with the provisions of this Article shall be final and binding on the Parties.
Article 14: Privileges and Immunities

(1) Nothing in this Agreement or in any document or activity related thereto shall be construed as a waiver of the privileges and immunities of FAO, nor as conferring any privileges and immunities of FAO to the Beneficiary, its representatives, its employees, personnel or contractors nor as the acceptance, by FAO, of the jurisdiction of the courts of any country or of the applicability of any national law to FAO.

(2) This Agreement and any dispute arising therefrom shall be governed by general principles of law, to the exclusion of any single national system of law. General principles of law shall be deemed to include the UNIDROIT Principles of International Commercial Contracts of 2016.

Article 15: Copies

This Agreement is made in two (2) identical copies, in English for each agreeing Party.

For FAO,
Duly represented by: [insert name]
Title: [insert title]
Date: ... / ... / ...

For the Beneficiary:
Duly represented by:
☐ Mr.  ☐ Ms. ............................................................................................................................
Title: 
Representing: ............................... (if Beneficiary is an entity)
Date: ... / ... / ...
Annex I: Grant Implementation Plan (Work plan)

1. Grant details

Title of the Grant

Description of the Investment

1.2 Scheme of works and activities:

The Beneficiary will complete the works and activities in a timely manner according to the following scheme in order to implement the Investment:

<table>
<thead>
<tr>
<th>Activities</th>
<th>Months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 2 3 4 5 6 7 8</td>
</tr>
<tr>
<td>Activity 1:</td>
<td></td>
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<tr>
<td>Activity 2:</td>
<td></td>
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<tr>
<td>Activity 3:</td>
<td></td>
</tr>
<tr>
<td>Activity 4:</td>
<td></td>
</tr>
</tbody>
</table>
1.3 **Budget of the Grant:**

The Beneficiary will implement the Grant in line with the following approved budget. Beneficiary contribution is subject to verification by FAO in conjunction with the certification of output/activities. To develop the financial statement please expand the table below which must be added to the final technical and financial report, Annex III of the present Agreement.

<table>
<thead>
<tr>
<th>Cost item</th>
<th>Description of item (purpose and technical specifications)</th>
<th>Activity #</th>
<th>Unit</th>
<th># Units</th>
<th>Unit value (USD)</th>
<th>Total value (USD)</th>
<th>FAO Grant support (USD)</th>
<th>Beneficiary contribution (USD)</th>
<th>Source of Beneficiary contribution (specify type: (i) if cash, from own capital resources/credit; (ii) if in-kind, status and estimated value supported by documented evidence such as offers by contractors/suppliers)</th>
</tr>
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<tbody>
<tr>
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</tbody>
</table>

*Insert more rows as needed*

**Total:**
2. Grant support to be provided by FAO

2.1 Modality of support:

☒ Direct Beneficiary Grant

2.2 Grant support schedule:

Grant Support will be delivered ex-ante and ex-post conditional to the Beneficiary’s completion of activities and provision of own contribution as outlined in the following table. The disbursement of financial support will be processed upon completion of the Progress Report template based on an on-site assessment of the status of completion by FAO in coordination with MARD.

<table>
<thead>
<tr>
<th>Milestone description</th>
<th>Beneficiary contribution (value and type):</th>
<th>In-kind applicable):</th>
<th>Direct Beneficiary Grant (if applicable):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milestone 1:</td>
<td>related activity #12:</td>
<td>[specify item and financial value]</td>
<td>Tranche 1: USD [amount]</td>
</tr>
<tr>
<td>To be completed by:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milestone 2:</td>
<td>related activity #:</td>
<td>[specify item and financial value]</td>
<td>Tranche 2: USD [amount]</td>
</tr>
<tr>
<td>To be completed by:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milestone 3:</td>
<td>related activity #:</td>
<td>[specify item and financial value]</td>
<td>Tranche 3: USD [amount]</td>
</tr>
<tr>
<td>To be completed by:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12 E.g. Activity 1; or activity 1 and 2, and so on as listed under 1.3.
Annex II: Progress Report

☑ Direct Beneficiary Grant

Grant Agreement Number: XXX/2021 – (Enter Project Symbol)

Beneficiary:

Represented by (if Beneficiary is an entity):

Location of the Beneficiary farm/ business:

This is to certify that the activity number [X] and its related activities are achieved successfully by the Beneficiary as detailed in the Grant Implementation Plan (Work Plan) in Annex I of the related Grant Agreement.

Beneficiary Activities completed:

Output/activity Description:

The present Progress Report entitle the Beneficiary to receive the [reference to related disbursement according to the grant support schedule set out in the Grant Implementation Plan (Work Plan) in Annex I of the related Grant Agreement. The present certification report is made in two (2) copies and one is returned to the Beneficiary.

Beneficiary:

[Mr][Ms][Name] …………………………………………………………………………………………………………………………….

[Duly represented by: ……………………………. Title: ……………………………..]

Signature: ……………………………………………………..……. Date: ………………………………………

FAO

Duly represented by: ……………………………………………Title: ……………………………………………

Signature: …………………………………………………………..……  Date: ………………………………………

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13 Two copies, one to be submitted to FAO office and one to be released to the Beneficiary.
14 Insert the related output/activity number as per Grant Agreement undersigned by the Beneficiary.
15 Description of activities, preparation, works, equipment, assets and installations as relevant to the output/activity achieved.
Annex III: Final Report\(^\text{16}\)

☒ Direct Beneficiary Grant

Grant Agreement Number:

Beneficiary:

Represented by:

Location of the Beneficiary farm/ business:
This is to certify that the Activity number\(^\text{17}\) [X] and its related activities are achieved successfully by the Beneficiary as detailed in the Grant Implementation Plan (Work Plan) in Annex I of the related Grant Agreement.

Beneficiary Output/activity completed:

Activity Description\(^\text{18}\):

The present Final Report entitle the Beneficiary to receive the [reference to related disbursement] according to the Grant Support schedule and the budget table set out in the Grant Implementation Plan (Work Plan) in Annex I of the related Grant Agreement. The present technical and financial status report is made in two (2) copies and one is returned to the Beneficiary.

Beneficiary:

[Mr][Ms][Name] ........................................................................................................

[Duly represented by: ........................................... Title: ..............................................]

Signature: ................................................................. Date: ...........................................

FAO

Duly represented by: ........................................... Title: ..............................................

Signature: ................................................................. Date: ..............................................

\(^\text{16}\) Two copies, one to be submitted to FAO office and one to be released to the Beneficiary.

\(^\text{17}\) Insert the related output/activity number as per Grant Agreement undersigned by the Beneficiary.

\(^\text{18}\) Description of activities, preparation, works, equipment, assets and installations as relevant to the output/activity achieved.
Annex IV: Disbursement Request Form

Grant Agreement Number: XXX/2021- (Enter project symbol)

Beneficiary ………………………………………………………………………………………………………………………………………...

Represented by: ……………………………………………………………………………………………………………………………...

Name and title of contact person: …………………………………………………………………………………………………………..

ID number: ………………………………………………………………………………………………………………………………………

I undersigned ……………………………………………………………………… with reference to the stated Grant Agreement signed between me as Beneficiary and the Food and Agricultural Organization of the United Nations (FAO), have completed the activity number \( [X] \) as certified by the attached Final Report approved and undersigned. Upon my completion of the above-mentioned output/activity and beneficiary contribution, I hereby request the payment of the grant contribution related to the completion of the activity \( [X] \) as per the Grant Support Schedule set out in the Grant Implementation Plan (Work Plan) in Annex I to the related Grant Agreement.

Beneficiary: ………………………………………………Signature: ……………………………….. Date: ……………………

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\( ^{19} \) Insert the related output/activity number as per Grant Agreement undersigned by the Beneficiary.

1.0 LEGAL STATUS: Nothing in the Agreement, including its Annexes, establishes any legal relationship between FAO or the Resource Partner and the Beneficiary, its employees, personnel or contractors, nor renders FAO or the Resource Partner liable for any loss, damage, illness or death resulting to the Beneficiary, its employees, personnel or contractors, as a result of their work in the context of the implementation of this Agreement.

2.0 OBLIGATIONS: The Beneficiary shall comply with all laws and regulations applicable to it, and assume all liabilities deriving thereof. The Beneficiary shall be responsible for obtaining any permit, authorization or other documentation required under the applicable laws and regulations.

3.0 PROTECTION OF EMPLOYEES: The Beneficiary shall comply with all relevant social, labor, insurance, health, safety and other working conditions, and environmental laws, and shall provide appropriate salaries, emoluments, medical and life insurance to its personnel in connection with their activities under the present Agreement. The Beneficiary shall not, under any circumstances, employ, directly or indirectly, any person below the minimum legal age according to local laws at all time during the execution of the Works related to this Agreement.

4.0 CONFLICT OF INTEREST: The Beneficiary shall refrain from any action which may give rise to a conflict of interest in respect of the Works and Equipment financed with the Grant Support. Existing and/or potential conflict of interest situations shall be disclosed immediately to FAO.

5.0 BUSINESS ETHICS: The Beneficiary represents and warrants that all the Works performed under this Agreement, including those performed by its contractors, are consistent with FAO’s constitutional mandate, principles and policies, and with internationally recognized principles concerning human rights, the environment and anti-corruption, as reflected in the United Nations Global Compact Principles.

6.0 PROCUREMENT: This Agreement will not give the Beneficiary any preferred relationship with FAO with respect to procurement of its products or services, nor any right to participate in FAO solicitations for procurement of products or services similar to those sold or offered by the Beneficiary.

7.0 DATA PROTECTION AND CONFIDENTIALITY: The Beneficiary shall ensure an appropriate protection of personal data in accordance with its applicable laws and regulations. The Beneficiary shall not communicate to any other person or entity confidential information made known to it by FAO in the course of the implementation of this Agreement, nor shall it use this information to private or company advantage.

8.0 RESPONSIBILITY FOR EMPLOYEES, PERSONNEL AND CONTRACTORS: The Beneficiary shall ensure that its employees, personnel and contractors meet the highest standard of technical and professional competence necessary for the achievement of the project objectives, and that they always act conform to a high standard of moral and ethical conduct.
9.0 **FAO OFFICIALS NOT TO BENEFIT:** The Beneficiary warrants that no official of FAO has received or will be offered by the Beneficiary any direct or indirect benefit arising from this Agreement. The Beneficiary agrees that breach of this provision is a breach of an essential term of this Agreement.

10.0 **RESPONSIBILITIES OF THE BENEFICIARY:** The Beneficiary will be fully responsible for all activities related to this Agreement, including for its own acts and omissions, and those of its employees, personnel or contractors. FAO and the Resource Partner shall not assume any liability or handle any claims, demands, suits or judgments arising from the Works and Equipment financed with the Grant Support, including those resulting from, *inter alia*, the purchase, ownership, use, maintenance, defect, or operation of such Equipment. FAO shall not assume any liability for any claims, demands, suits or judgments, which may be brought by third parties against FAO, its personnel or other persons performing services on its behalf, in connection with any work-related death, accident, injury, illness, loss or damage to property sustained by them as a result of the execution of the Project.

11.0 **INTELLECTUAL PROPERTY:** Except as is otherwise expressly provided in writing in the Agreement, FAO shall be entitled to all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or documents and other materials which the Beneficiary has developed under the Agreement.

12.0 **USE OF FAO’s NAME, LOGO AND EMBLEM:** The Beneficiary agrees not to use the name, logo, and emblem of FAO or the Resource Partner unless expressly authorized by them respectively in advance in writing.

13.0 **VISIBILITY:** At FAO’s request, the Beneficiary shall provide visibility, as specified by FAO, to the Resource Partner that is contributing funds to the Project.

14.0 **FORCE MAJEURE:** The Beneficiary shall inform FAO of any unforeseen event beyond its control that makes the performance of its obligations, in whole or in part, under this Agreement impossible. The Parties shall consult on the appropriate action to be taken, which may include termination of the Agreement in accordance with Article 12 of the Agreement.

15.0 **MONITORING AND EVALUATION:** The Beneficiary shall accommodate monitoring and evaluation visits of FAO and the Resource Partner. FAO will give the Beneficiary reasonable prior notice of any of such visits.

16.0 **TAXES:** This Agreement is not subject to payment by FAO of any levies, taxes, registration duties or any other duties or charges whatsoever. The Beneficiary shall duly pay taxes, duties and other charges in accordance with prevailing laws and regulations applicable to the Beneficiary.

17.0 **ACCOUNTS AND ARCHIVING:** The Beneficiary shall keep accurate and regular books and records of the implementation of the Project. For a period of five (5) years from the completion or termination of this Agreement, and in any case until any ongoing audit or spot checks, litigation
or pursuit of claim has been disposed of, the Beneficiary shall keep and make available all relevant information (originals or copies) related to the Works implemented by itself, its employees, personnel or contractors, or connected to the Equipment financed with the Grant Support.

18.0 AUDITS AND SPOT CHECKS: FAO, the Resource Partner, and their appointed auditors, shall have the right to conduct audits and spot-checks so to ensure that the Grant Support is used solely for its intended purposes, and that all activities performed under this Agreement are free from fraud and other corrupt practices.

The Beneficiary shall provide its full and timely cooperation with any such audits and spot-checks. Such collaboration shall include, but shall not be limited to the Beneficiary’s obligation to:

a) make available its personnel, as well as any relevant documentation and records, for such purpose;

b) grant full and unrestricted access to all premises and sites of project implementation; and

c) require its agents, including, but not limited to, the Beneficiary’s attorneys, accountants or other advisers, and its contractors to reasonably cooperate with any audits and spot checks carried out under this Article.

The Beneficiary recognizes that the refusal to provide full information, and free access to Project premises and implementation sites, shall be considered a breach of an essential term of this Agreement, and may result in immediate termination of the agreement or any other remedial action deemed by FAO.

19.0 SANCTIONABLE ACTIONS:

19.1 The Beneficiary acknowledges that FAO has zero tolerance for fraudulent, corrupt, coercive, obstructive and/or collusive practices (“Sanctionable Actions”, as defined below).

19.2 The Beneficiary represents and warrants that it has not, and it shall not, engage in Sanctionable Actions, during its selection as a Beneficiary by FAO, and throughout the negotiation and execution of this Agreement.

19.3 The Beneficiary shall promptly bring any allegation of a Sanctionable Action, committed by its staff or contractors in relation to this Agreement, of which the Beneficiary has been informed or has otherwise become aware, to the attention of FAO.

a. Sanctionable Actions are defined as follows:

(i) “corrupt practice” means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

(ii) “fraudulent practice” means any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial and/or other benefit, and/or to avoid an obligation;
(iii) "collusive practice" means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;

(iv) "coercive practice" means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

(v) "unethical practice" means any act or omission contrary to the conflict of interest, gifts and hospitality or post-employment FAO policy (http://www.fao.org/unfao/procurement/codedeconduitethique/en/), as well as any provisions or other published requirements of doing business with FAO, including the UN Supplier Code of Conduct;

(vi) "obstructive practice" means acts or omissions intended to materially impede the exercise of FAO’s contractual rights of audit, investigation and access to information, including destruction, falsification, alteration or concealment of evidence material to a FAO investigation into allegations of Sanctionable Actions.

20.0 SEXUAL EXPLOITATION AND PROTECTION OF CHILDREN: The Beneficiary shall take all appropriate measures to prevent sexual exploitation or abuse of anyone by its employees, contractors, or by any other person performing any activities under this Agreement. For these purposes, sexual activity with any person less than eighteen (18) years of age shall constitute the sexual exploitation and abuse of such person. In addition, the Beneficiary shall refrain from, and shall take all reasonable and appropriate measures to prohibit its employees, personnel and contractors from exchanging any money, goods, services, or other things of value, for sexual favours or activities, or from engaging in any sexual activities that are exploitive or degrading to anyone. The Beneficiary shall further ensure that none of its employees, personnel and contractors exposes anyone, including children, to any form of discrimination, abuse or exploitation.

21.0 TERRORISM: The Beneficiary shall undertake all reasonable efforts to ensure that none of the Grant Support, or Works and Equipment financed with the Grant Support, are used to provide support to individuals or entities:

1. (i) associated with terrorism, as included in the list maintained by the Security Council Committee established pursuant to Resolutions 1267 (1999) and 1989 (2011); or

2. (ii) that are the subject of sanctions or other enforcement measures promulgated by the United Nations Security Council (https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list).