

# Operations Manual (OP)

## Section II



## PREFACE

This Operations Manual Section II was prepared on the basis of previous versions, updates from the decisions of the FONTAGRO Board of Directors and the IDB procedural guidelines. We recommend that you frequently check the electronic links mentioned in this publication.

Technical Administrative Secretariat

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## LINKS TO WEBSITES

| <a href="#">FONTAGRO</a>                                                                                                                                                                                                                                                                                                                                                                |
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| <p>Link to institutional documents:</p> <p><a href="https://www.fontagro.org/es/documentos-institucionales/">https://www.fontagro.org/es/documentos-institucionales/</a></p> <p>Link to IDB Policies and FONTAGRO formats:</p> <p><a href="https://www.fontagro.org/es/documentos-institucionales/normativa/">https://www.fontagro.org/es/documentos-institucionales/normativa/</a></p> |

## ABBREVIATIONS AND ACRONYMS

|                 |                                                         |
|-----------------|---------------------------------------------------------|
| <b>AOP</b>      | Annual Operating Plan                                   |
| <b>ATFR</b>     | Annual Technical Follow-up Report                       |
| <b>BD</b>       | Board of Directors                                      |
| <b>EC</b>       | Executive Committee                                     |
| <b>FC</b>       | Financial Committee                                     |
| <b>FONTAGRO</b> | Regional Fund for Agricultural Technology               |
| <b>IDB</b>      | Inter-American Development Bank                         |
| <b>IICA</b>     | Inter-American Institute of Cooperation for Agriculture |
| <b>LAC</b>      | Latin America and the Caribbean                         |
| <b>MTP</b>      | Medium-Term Plan                                        |
| <b>PC</b>       | Project by Consensus                                    |
| <b>RDI</b>      | Research, Development and Innovation                    |
| <b>SF</b>       | Seed Fund                                               |
| <b>TAS</b>      | FONTAGRO Technical Administrative Secretariat           |
| <b>TC</b>       | Technical Cooperation                                   |

## PROLOGUE

The objective of this Operations Manual is to establish the procedures for the implementation of the activities carried out by FONTAGRO. The sub-sections are:

- i) Sub Section I Procedures related to programmatic activities
- ii) Sub Section II Procedures related to operations management (design, implementation, monitoring, and control of operations, taking into account the requirements established by the Board of Directors (BD) and the policies of the administrator, the IDB
- iii) Sub Section III: Procedures related to activities of knowledge management, communications, and dissemination of results
- iv) Sub Section IV. Procedures related to Intellectual Property Rights management

It is hoped that the manual will improve the efficiency of operations management, as well as present a standard and simplified guide to procedures to be used in the design stage of the project, and during its implementation, monitoring, and closure.

Approval and modification of the Operations Manual, including the policies and procedures for financing operations, corresponds to the FONTAGRO Board of Directors in accordance with the qualified voting process set out in the Establishing Agreement, Article IV, Section 4(b).

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## **INTRODUCTION**

## 1.1 ABOUT FONTAGRO

1. FONTAGRO (Regional Fund for Agricultural Technology) is an alliance of 15 countries established to support agricultural innovation in Latin America and the Caribbean, by allocating non-reimbursable funds.
2. **FONTAGRO's member countries are Argentina, Bolivia, Chile, Colombia, Costa Rica, Ecuador, Spain, Honduras, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Uruguay, and Venezuela<sup>1</sup>.**
3. FONTAGRO's sponsoring institutions are the Inter-American Development Bank ([IDB](#)) and the Inter-American Institute for Cooperation on Agriculture ([IICA](#)). It also has strategic alliances with other international agencies such as the Food and Agriculture Organization of the United Nations (FAO), CGIAR, the Ministry for Primary Industries and the Global Research Alliance on Agricultural Greenhouse Gases (GRA) of New Zealand.
4. FONTAGRO's resources, together with other contributions from organizations related to its mission, are used to cofinance, competitively and/or by consensus, original agricultural and agri-food research and innovation activities; which have a positive effect on reducing poverty, increasing productivity, competitiveness, and sustainable management of natural resources.
5. FONTAGRO expands the base of activities in the region with the support of regional public-private cooperation platforms between countries and organizations, strengthening the synergies in agricultural research and innovation.
6. The mission, vision, and strategic objectives of allocating FONTAGRO resources, its priority work areas, and investment opportunities at the regional level are set out in the five-year Medium-Term Plan<sup>2</sup>.

## 1.2 TARGET POPULATION

7. The **target population** of the projects financed by FONTAGRO is public research agencies, non-governmental organizations (NGOs), agricultural producers, members of value chains, and consumers in the region.

## 1.3 MEDIUM-TERM PLAN

8. The Medium-Term Plan (MTP) is a five-year plan and explicitly includes an analysis of FONTAGRO's investment priorities based on strategic and/or prospective studies, seeking to maximize the spillover effects of research and innovation processes and economies of scale and scope. Adjustments to the PMP are discussed and approved by the BD. The TAS provides the necessary information to the BD to analyze regional needs and opportunities based on unpublished or available diagnoses and studies. The [current MTP](#) establishes FONTAGRO's vision, mission, and values, and defines the strategies to be implemented during the period.
9. FONTAGRO defines the concept of innovation as follows: "Innovation is a participatory process by which individuals or organizations generate and/or use technological, organizational and institutional knowledge that translates into new goods and services that, once adopted by society, generate social, economic, environmental and/or cultural benefit."
10. FONTAGRO also uses, on a competitive and/or mutually agreed, non-reimbursable basis, its own resources and other contributions to finance regional projects and special agricultural research and innovation initiatives in priority areas established in the current Medium-Term Plan.

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<sup>1</sup> <https://www.fontagro.org/en/who-we-are/organization/member-countries/>.

<sup>2</sup> <https://www.fontagro.org/en/corporate-documents/medium-term-plan/>.

## **SUB SECTION I. PROCEDURES RELATED TO PROGRAMMATIC ACTIVITIES**

## 1.4 MULTI-AGENCY PLATFORMS

11. The **multi-agency platform** is the group of public and/or private, national, regional, and/or international institutions that meet to create regional innovation networks, understood as a mechanism of technical, administrative, and financial cooperation to contribute to FONTAGRO's mission and vision.
12. FONTAGRO cofinances projects based on the formation of regional multi-agency cooperation platforms between public institutions or public-private partnerships of at least two FONTAGRO member countries. Institutions from non-FONTAGRO countries can participate as partner agencies and contribute their own resources.
13. The platforms are made up of public agents and public-private partnerships that share vision, mission and objectives, mobilize resources to solve high-priority problems of the current MTP, from two or more member countries, and generate regional public goods.
14. The institutions participating in multi-agency platforms can be national, regional and international organizations. However, regional and international organizations will participate in a facilitating or complementary role<sup>3</sup>.
15. FONTAGRO encourages the participation of private organizations in project cofinancing to ensure better coordination and impact of outcomes.
16. All institutions participating in the platforms must, individually or as partners, cofinance the projects by providing counterpart funds in cash or kind. To formalize this support, the platforms must submit **official counterpart letters** to FONTAGRO<sup>4</sup>. The counterpart letter is a note officially issued by the institution participating in the platform, which provides evidence of its commitment to the platform and FONTAGRO. The letter must indicate: a) that the research or innovation theme of the platform is included in the work plan of the participating institution; b) that the maximum authority of the institution has no objection to the presentation of the platform; c) the total counterpart amount expressed in United States dollars indicating whether the contribution is in cash, kind or a combination of the two, and d) the breakdown of the total amount by type of expenditure category, according to the instructions in this Manual.
17. Spanish institutions may participate if the benefits of their research include institutions from Latin American and Caribbean countries.
18. Exceptionally, the TAS may execute its own projects and initiatives financed with resources from FONTAGRO or other donors, when it benefits member countries and is so determined by the BD.
19. The platforms are formed by an executing agency, co-executing agencies and optionally by partner agencies, namely:
  - i. **Executing agency:** The executing agency is considered to be the public or private institution belonging to one of the FONTAGRO member countries that participate in the platform and is responsible for the technical, administrative and financial execution to the IDB, administrator of FONTAGRO, and the FONTAGRO TAS. The executing agency must have a mandate and experience in the execution of agricultural research and innovation projects, as well as the legal and financial capacity to meet all the obligations contracted for the execution of the project<sup>5</sup>. Multilateral or regional organizations, private organizations and the TAS may also be executing agencies when the BD so determines.
  - ii. **Co-executing agency:** The co-executing agency is considered to be the public or private institution belonging to FONTAGRO member countries, which participates in the platform as co-responsible for both the technical and the financial execution. Other countries that are not FONTAGRO members may participate if they have legal status in any IDB member country. The co-executing agency must have the legal and financial capacity to act as such and must co-execute the project according to the corresponding schedule of activities. To this end, the executing agency and the co-executor will conclude an agreement (or co-execution agreement) indicating the relevant provisions, terms and conditions with the executing agency, with FONTAGRO and with the Bank.
  - iii. **Partner agency:** The partner agencies are other public or private national, regional and/or international institutions belonging to FONTAGRO member or non-member countries (but are IDB members); that have mandate and experience in the execution of agricultural research and innovation projects. organizations

<sup>3</sup> Minutes of the XVI Board of Directors Annual Meeting, October 24-26, 2012. Buenos Aires, Argentina.

<sup>4</sup> A model of the counterpart contribution letter is available at the following link:: <https://www.fontagro.org/es/documentos-institucionales/normativa/>.

<sup>5</sup> The institutions participating in the platform must carry out an institutional analysis of the internal administrative and financial capacities for managing the funds in accordance with the policies of the IDB.

may participate in the platforms by covering their own participation costs, and/or contributing to the platform, but without receiving contributions from FONTAGRO. However, they may receive payments with FONTAGRO funds and/or through projects financed by FONTAGRO, for the provision of services when, in the opinion of the platform, their work is necessary to meet the project's objectives.

## 1.5 COFINANCING MECHANISMS

20. **Purpose.** The main purpose of FONTAGRO is to cofinance, competitively and/or by consensus, projects that are constituted by regional multi-agency platforms for agricultural, agri-food and agro-industrial research and innovation, capable of achieving sustainable results and impacts on poverty reduction, improvement of productivity and competitiveness, and sustainable use of natural resources. To do this, FONTAGRO encourages cofinancing through the following instruments:
  - (i) Seed funds, projects by consensus and other initiatives.
  - (ii) Calls (ordinary or extraordinary).
21. **Maximum cofinancing amounts.** FONTAGRO may cofinance up to US\$500,000 (five hundred thousand US dollars) in the case of projects by call for proposals or by consensus, and up to US\$30,000 (thirty thousand US dollars) in the case of seed funds. In the case of other initiatives, the FONTAGRO BD and/or EC will decide the amount to be cofinance. The annual cofinancing available will be approved by the BD based on the annual operating plan and availability of funds, according to the medium-term financial plan approved by the BD.
22. **Minimum counterpart amounts.** FONTAGRO will require the institutions participating in the platforms to commit to cofinancing as a minimum the amount contributed by FONTAGRO (that is, for every dollar contributed by FONTAGRO, the counterpart must contribute one dollar). To do this, they must submit the corresponding official counterpart contribution letters, whose form is available on the FONTAGRO website<sup>6</sup>. The contribution may be in cash, kind or a combination of both.
23. **Cash counterpart.** In the case of an executing, executing, partner or other third party organization, with legal status, which wishes to participate in the cofinancing in cash of a platform or other strategic themes of the current FONTAGRO MTP, once the contribution has been accepted by the BD, the policies and mechanisms of the IDB, legal representative of FONTAGRO, will apply to ensure reception and management of the financing.

### 1.5.1 SEED FUNDS, PROJECTS BY CONSENSUS AND OTHER INITIATIVES

24. **Seed funds, projects by consensus and other initiatives.** Seed funds, projects by consensus and other initiatives are Technical Cooperation instruments in the thematic areas of the current MTP. They must be of broad benefit to the member countries<sup>7</sup> and submit to FONTAGRO proof of additional cofinancing in cash and/or kind, or a combination of both. Likewise, the themes to be financed and/or cofinanced, for seed funds and projects by consensus, must arise from agreements generated in the Board of Directors of FONTAGRO.
  - a) **Seed funds.** Seed funds are intended to cofinance exploration of new research and innovation themes, by organizing regional workshops, and preparing strategic documents and projects by consensus.
  - b) **Projects by consensus.** Projects by consensus are intended to address a priority activity included in the strategic lines of the current FONTAGRO MTP. They must be of broad interest to member countries and potential cofinanciers<sup>8</sup>.
  - c) **Other initiatives.** The objective of other initiatives will be to supplement implementation of the current MTP and increase visibility for FONTAGRO.
25. **Submission of seed funds, projects by consensus and other initiatives.** The submission of projects for financing seed funds, projects by consensus and other initiatives must be submitted by the members of BD, EC, and the sponsors by email to the Secretariat ([secretaria-ftg@fontagro.org](mailto:secretaria-ftg@fontagro.org)). The TAS will include all the projects in a FONTAGRO collaborative Intranet site for virtual review and discussion by the BD and the TAS.

<sup>6</sup> Link to the concept note form: <https://www.fontagro.org/es/documentos-institucionales/normativa/>.

<sup>7</sup> Minutes of the XVII Board of Directors Annual Meeting, October 17-19, 2013. San José, Costa Rica.

<sup>8</sup> The maximum registration date for agreed projects will be December 15<sup>th</sup> of each year.

26. **Deadlines.** Submission of projects by seed funds and projects by consensus will be open all year. However, there will only be two cofinancing approval periods by the BD, according to the following schedule (Table 1). For approvals in June (first round), projects must be received from October to March. In April they will be referred to the external evaluation panel. In May they are sent to the BD for reading and comment, along with the report of the evaluation panel. For approvals in October (second round), projects must be received from June to July, to be sent to the evaluation panel in August, and to the BD for reading and comments in September, along with the report of the evaluation panel. The initiatives will be sent through the FONTAGRO Intranet “collaborative site.”

Table 1. Schedule of reception, prioritization, evaluation, analysis and approval of projects by the BD

| October to March                            | April                         | May                               | June                                                                 | June to July                            | August                        | Third week of September               | October                                                                    |
|---------------------------------------------|-------------------------------|-----------------------------------|----------------------------------------------------------------------|-----------------------------------------|-------------------------------|---------------------------------------|----------------------------------------------------------------------------|
| The TAS receives projects from SFs and PCs. | Evaluation by external panel. | The TAS sends projects to the BD. | BD approves projects in Extraordinary Meetings.<br><br>(First round) | TAS receives projects from SFs and PCs. | Evaluation by external panel. | The TAS sends the projects to the BD. | BD approves projects in the Ordinary Annual Meeting.<br><br>(Second round) |

27. **Evaluation of seed funds and projects by consensus.** Seed funds and projects by consensus will be evaluated directly on the basis of the formal eligibility and technical evaluation criteria found in Table 3.
28. **Feasibility of cofinancing.** Approval of cofinancing will be feasible when:
- (i) The theme to be cofinanced is included in the current FONTAGRO MTP and in the work plans of the institutions that are part of the applicant platform.
  - (ii) The project is open and promotes the participation of other public and private institutions of the national agricultural innovation systems of FONTAGRO member and non-member countries (but are IDB members), and of the regional and international innovation system.
  - (iii) Concrete evidence of the interest of other potential cofinancing agencies is provided by submission of letters of commitment and official and/or private counterpart contributions.
  - (iv) Resources are available.
29. **Cofinancing authorization.** The BD will authorize projects for seed funds and projects by consensus to be cofinanced taking into account the recommendation report of the external evaluation panel and availability of funds. The authorization must be included in the minutes of the meetings.
30. **Preparation of the Technical Cooperation document.** Once the BD authorizes the cofinancing of a seed fund, project by consensus or other initiative, the executing agency that submits it must prepare the respective Technical Cooperation document (TC) in accordance with the pre-established formats available on the FONTAGRO website<sup>9</sup>. In the case of seed funds, an advanced draft of the project must be prepared, agreed by consensus and distributed prior to the holding of the workshop. On reception of the TC document, the TAS will proceed with the formal registration of the operation in the IDB, as appropriate. The TC document will be submitted by email to the TAS ([secretaria-ftg@fontagro.org](mailto:secretaria-ftg@fontagro.org)).

### 1.5.2 SUCCESSFUL CASES IN INNOVATION CONTEST

31. **Overview.** The Successful Cases Contest is an initiative implemented by FONTAGRO with a given frequency. The objective of the competition is to identify and document successful experiences and lessons learned in Latin America and the Caribbean which contribute to a better understanding of the innovation process in agriculture.
32. **Terms of Reference.** The TAS develops the Terms of Reference based on a specific theme and proposes it to the BD for approval. If the BD requests changes, the TAS will incorporate them and send them for approval. The Terms of Reference are approved at the time of the annual BD meeting; however, if necessary, virtual means of approval may be used.

<sup>9</sup> Link to the Technical Cooperation form for seed funds and projects by consensus: <https://www.fontagro.org/es/documentos-institucionales/normativa/>.

33. **Financing.** The TAS will make a financing request proposal to the BD, according to the availability of funds expected for the period of its implementation. The TAS will conduct negotiations to find sponsors for the competition.
34. **Award categories.** The following categories will be awarded:
  - i. Category I. Producer associations and other private sector organizations, including NGOs, working with producers in LAC.
  - ii. Category II. Science and Technology institutions and organizations in LAC.
  - iii. Category III. Public sector (at all levels) in LAC.
35. **Award amount.** The amount of the award will be determined by the BD according to the available budget approved by the BD. An award will be made for each eligible category. If there is a tie in a category, the winners will be asked to share the amount equally. The award includes: i) an amount for the researcher(s), producer(s), processor(s) that participated in the case; ii) an amount for building the institutional capacity of the winning organizations; and iii) a trip to Washington DC to participate in the awards event (which includes accommodation, round trip travel in economy class and a small stipend for one person).
36. **Other recognitions.** A recognition will be sent to the ten best cases selected through interviews to be published on the FONTAGRO website and social media.
37. **Policies and conditions.** The competition is subject to the provisions detailed in this current [FONTAGRO Operations Manual](#), IDB policies, and the current Terms of Reference.
38. **Schedule.** The competition implementation schedule is presented in the Terms of Reference which detail the most important dates.
39. **Registration.** Registration for the competition is in digital form through the FONTAGRO Intranet system. The instructions are available on the competition website.
40. **Development of a profile.** A profile is the summarized presentation of the proposal of a successful case. The profile must be prepared in Spanish following the Instructions of the Electronic Application Form for Successful Cases, available on the FONTAGRO website ([here](#)).
41. **Submission of profiles.** The first phase is submission of profiles by the proposers. Case profiles must be submitted electronically on the form on the FONTAGRO Intranet website and submitted during the maximum period established in the Terms of Reference. Proposers are recommended to consult the Instructions for profile preparation and may consult the TAS before sending the profile to the following email address: [fontagro@fontagro.org](mailto:fontagro@fontagro.org).
42. **Formal eligibility criteria.** Profiles can be submitted by:
  - i. Producers organizations and/or private companies that work jointly with small farmers operating in any borrower country of the IDB, Latin America, the Caribbean and/or Spain.
  - ii. Any research and/or development institution that operates in any borrower country of the IDB, of Latin America, the Caribbean and/or Spain and has developed experiences in those countries, whatever the source of funding.
  - iii. Public-private research, development and innovation (RDI) platforms, where government organizations (ministries), universities, agricultural research centers, producers, international centers, NGOs, among others participate.
43. **Technical criteria for profile evaluation.** Case profiles will be evaluated according to the following criteria:

Qualitative:

  - i. Regionality. The initiative must have been executed in at least one LAC country and/or Spain.
  - ii. Temporality. The initiative must have been executed in the last 15 years, and jointly implemented in a minimum period of three years.
  - iii. Identification of beneficiaries. The innovation must directly involve small farmers as beneficiaries.
  - iv. Value chain approach. The innovation must be related to any aspect of the agri-food chain: production, post-harvest, industrialization, commercialization, consumption.

- v. Identification of benefits. The innovation must clearly indicate the benefit(s) achieved in productive, economic, social, environmental, and other specific aspects related to the objective of the competition.
- vi. Scaling: The innovation must have the potential to be used in other regions of the world.

Quantitative:

- i. Concrete evidence of magnitude of impact. The case must provide validated quantitative evidence expressed in objectively verifiable indicators related to the theme of the competition (example: value creation, capacity building, strengthening nutrition and/or sustainability, among others).
  - ii. Replicability. There must be concrete evidence to justify the replicability of the experience in similar situations or environments, both regionally and extra-regionally.
  - iii. Lessons learned. Identification of lessons learned and opportunities for improvement.
44. **Phase I of profile evaluation.** The profiles will be evaluated initially by the TAS and the competition sponsors, using the formal eligibility criteria mentioned above. Profiles that meet the formal eligibility criteria will be evaluated by an external panel, based on the mentioned technical criteria. The panel will shortlist at least ten of the best profiles which reach or exceed 75 points out of a total of 100.
45. **Phase II of profile evaluation.** In the second phase, at least the ten profiles that receive the best scores will be invited by the TAS to prepare the case in publishable format. The TAS may facilitate preparation of final cases by offering the support of consultants for writing and editing of cases, if necessary. Finalist cases must be sent by email to the address [secretaria-ftg@fontagro.org](mailto:secretaria-ftg@fontagro.org).
46. **Phase III of profile evaluation.** At least ten cases will be evaluated externally by a panel of experts on the theme of the competition, and will be rated by order of merit, considering those that are equal to or exceed 75 points out of 100. The FONTAGRO BD will then review the rating of the ten cases and approve at least one outstanding case per eligible category. After the cases are approved by the BD, the TAS will inform the winners and publish the results on the FONTAGRO website.
47. **External evaluation panel.** The external evaluation panel will consist of specialists from the sector and/or representatives of the competition sponsors. The shortlisted cases will be cataloged and included in each of the established categories, according to their productive, economic, social, nutritional and environmental impacts.
48. **Approval of awards.** The FONTAGRO BD, at its annual meeting in October, will consider the recommendation of the external panel and approve the granting of awards and certificates of merit (if applicable).
49. **Dissemination of products.** At least the top ten cases will be included in a publication for international distribution in Spanish and English. The publication will be presented at a special meeting organized at headquarters to be defined, with the participation of representatives of international organizations and governments, and of the winning cases. In addition, materials will be prepared to disseminate the cases on the website and social media of FONTAGRO and of other allied institutions. Discussion forums will be held to publicize the cases and their lessons learned.

### 1.5.3 CALLS

50. **Overview.** The call refers to the invitation to submit projects, according to the specific terms of reference established in each annual period. The BD decides the type and conditions of each call, which the TAS announces on its website. The evaluation and selection process is competitive.
51. **Types of Calls.** There are two types of calls: ordinary and extraordinary. In ordinary calls financing comes only from FONTAGRO's own resources; while extraordinary calls accept contributions from other related agencies.
52. **Terms of Reference (TOR).** The TOR will be prepared by the TAS, either on a topic proposed by it or based on contributions from the members of the BD. If the BD requests subsequent adjustments to these, the TAS will incorporate them and send them for approval. The approval of the TOR takes place at the annual meeting of the BD; however, if necessary, virtual means of approval could be used.
53. **Evidence of coordination.** Projects must show clear evidence of technical, financial and institutional coordination of the organizations and countries of the platform, and a high possibility of appropriation of the results achieved by the beneficiaries.

54. **Description of the process.** The process begins with the submission of projects. Projects with the highest evaluation will be presented to the BD for funding approval. Projects are evaluated by an external panel of experts, with support from the sponsors, which prepares a cofinancing recommendation report for the BD which decides on the allocation of funds
55. **Schedule.** Table 2 describes the schedule used for the calls.

Table 2. Duration of project call stages

| Stages |                                                                                       | Months |
|--------|---------------------------------------------------------------------------------------|--------|
| 1      | From announcement of call to reception of projects                                    | 3      |
| 2      | Review of formal criteria for eligibility and technical evaluation of final projects. | 1      |
| 3      | Approval of projects by the BD                                                        | 1      |
| 4      | Submission of improvement recommendations to projects                                 | 1      |
| Total  |                                                                                       | 6      |

Note: Duration of each stage is approximate.

56. **Building capacity for writing competitive projects.** FONTAGRO has developed a self-managed virtual course and a manual for the formulation of competitive projects, which presents the most important aspects to be taken into account for project design. The manual is available on the FONTAGRO website<sup>10</sup>.
57. **General criteria for project evaluation.** Projects have a single evaluation phase based on **Table 3**. This table has three evaluation phases: **a) the first phase relates to formal eligibility criteria, b) the second phase is carried out by representatives of the FONTAGRO BD regarding the relevance of the initiative according to the country strategy, and c) the third phase is in accordance with the remaining criteria of Table 3.** In the first phase, the TAS, with the support of the sponsors and the external panel, reviews each project to ensure that it meets the formal eligibility criteria (legality, amount, term and counterpart). In the second stage, projects that meet the above formal eligibility criteria are reviewed by BD representatives to verify relevance. In the third stage, projects are evaluated according to the criteria outlined in the terms of reference of the call, the criteria in Table 3 and those of this Manual that are applicable.
58. **Score.** After evaluation of the technical criteria for profiles, those that equal and/or exceed a score of 75 (out of 100) will be invited to submit formal Technical Cooperation proposals.
59. **Public notification.** The shortlisted projects will be announced on the FONTAGRO website in accordance with the schedule established in this Manual.
60. **Formal criteria for eligibility evaluation.** During the first stage of project evaluation, formal eligibility criteria will be examined. The relative importance of each of these criteria may change annually as established by the terms of reference of each call.
61. **Formal eligibility criteria.** In the first phase of the evaluation process, the TAS examines the following formal eligibility criteria: **legality, term, amount and counterpart contribution.** Projects that do not meet any of these requirements will not proceed to the next evaluation phase. Projects that meet the requirements of the previous point will go on to be evaluated by the formal criteria of **eligibility, congruence, regionality, technical capacity of the platform and project coordination.** The evaluation is conducted by the evaluation panel, with the support of the TAS if consulted.
62. **Presentation of the Project document.** The Project must be prepared in accordance with the specifications and priorities defined in the instructions found on the FONTAGRO website<sup>11</sup>. The project must take into account the current MTP, be original in its approach, clear, concise and complete in all sections, and not exceed 15 pages (excluding the respective annexes).
63. **Submission of the Project document.** The Project must be sent through the FONTAGRO website, in accordance with the instructions prepared for this purpose. The project must include a mandatory Word document and an Excel document with the required tables. Both documents must be submitted simultaneously and through the same digital application system. Starting in 2024, FONTAGRO's digital application system has changed; therefore, it is recommended to review the related instructions.
64. **Evaluation.** Project evaluation will be carried out by an external panel of experts with extensive academic and professional experience in the LAC region. The panel members will be selected competitively each year, according to

<sup>10</sup> Link to the training manual: Preparation of competitive profiles for agricultural research projects: <https://www.fontagro.org/es/publicaciones/manual-de-capacitacion-formulacion-de-perfiles-competitivos-para-proyectos-de-investigacion-agropecuaria/>.

<sup>11</sup> <https://www.fontagro.org/en/corporate-documents/procedures/>.

the reference themes of the annual call. The panel will prepare a recommendation report of the best-qualified projects, which will be submitted to the BD at the annual meeting. The BD will make the final decision on the projects to be cofinanced.

65. **External evaluation panel.** This panel is constituted every year and is composed of three professionals, with one of them acting as coordinator. The panel coordinator facilitates the interaction of each member and, if necessary, may suggest obtaining the views and opinions of other specialists. The panel reviews, analyzes, evaluates and rates all projects in descending order of score, and issues an individual evaluation which is sent to the TAS. The panel coordinator consolidates the evaluation results, integrating environmental impact considerations, if applicable. This criterion is a determining factor and may lead to the BD not granting cofinancing if a project shows significant negative impacts, even with a high score in the other criteria.
66. **Compliance with legal and fiduciary requirements of the executing agency.** Those projects whose executing agency does not comply with any of the mandatory requirements to manage operations with the IDB will be disqualified and their financing will be canceled if they have been selected by the BD.
67. **Evaluation criteria.** The evaluation criteria and scores of Technical Cooperation projects are cited in Table 3. The panel of external evaluators will review, analyze, evaluate and rate the projects taking into consideration these criteria and a maximum score of 100 points.
68. **Environmental evaluation criteria.** In this respect, the panel must consider:
  - (i) That FONTAGRO does not finance projects whose negative environmental impacts cannot be mitigated, and favors, based on the criteria mentioned, projects that take an integrated and sustainable approach to environmental issues, and generate net positive environmental impacts.
  - (ii) FONTAGRO prefers to minimize the promotion of the use of organic and inorganic toxic substances, pesticides and persistent organic pollutants (POPs) that affect human health and safety, consistent with the provisions of international agreements on hazardous materials such as the Basel, Rotterdam, Stockholm Convention.
  - (iii) The expected effects and the proposed mitigating measures, if any, of the activities of the project. FONTAGRO will favor a precautionary approach with respect to the environmental risks arising from the research.
  - (iv) If the project has an integrated approach to ecosystem management and promotes sustainable development.
  - (v) If the project includes strategies to counteract or mitigate possible unwanted environmental effects, and if it provides adequate means for their verification.
69. **Conflicts of interest. Self-exclusion.** The evaluators will exclude themselves from evaluating any project where there may be a conflict of interest (for example: relation of the evaluators with the participating organizations or for other reasons). In this respect, they must inform the Secretariat as soon as possible.
70. **Conflicts of interest. Information request.** If an external evaluator requires clarification on a project, they must apply to the Secretariat which will channel them to the proposer organizations. Direct consultations by the evaluators to the proposer organizations are not permitted.
71. **Confidentiality.** The process of evaluating projects is anonymous and confidential. Apart from exchanges with the other evaluators and with the TAS, the information may not be shared with other people under any circumstance.

Table 3. Project Evaluation Criteria

| Criterion                                                             |                                          | Score | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------|------------------------------------------|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PHASE I</b>                                                        |                                          |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>FORMAL ELIGIBILITY CRITERIA</b>                                    | <b>i. Legality</b>                       | N/A   | <p>a) The project must obtain the participation and leadership of public organizations or public-private partnerships from at least two FONTAGRO member countries. The institutions participating in the platforms must be legally constituted and have legal status in order to sign an agreement with the IDB, legal representative of FONTAGRO.</p> <p>b) The agencies participating in the profiles must not have any pending justification of expenditure, outstanding reimbursement balances or technical-financial reports of projects already finalized with FONTAGRO.</p>                 |
|                                                                       | <b>ii. Amounts</b>                       | N/A   | a) The amount requested must not exceed the maximum limit of US\$30,000 in the case of seed funds, US\$500,000 in the case of projects by consensus, and the maximum announced annually in the terms of reference in each call.                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                       |                                          | N/A   | b) All institutions participating in the platform must make a counterpart contribution which can be in cash or kind, or a combination of both. The minimum counterpart amount must be equal to the amount requested from FONTAGRO. However, the minimum counterpart requirement to be contributed will be indicated in each call. Contribution commitments must be sent using the <b>official Letters of Commitment</b> format whose model is available on the FONTAGRO website, and is described in this Manual. The commitment letters must be delivered attached to the final project document. |
|                                                                       | <b>iii. Term</b>                         | N/A   | The term will be up to 12 months for seed funds, up to 48 months for projects by consensus, and must not exceed the maximum duration limit announced in the terms of reference in the annual call.                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                                                       | <b>iv. Regionality</b>                   | N/A   | The project must be <b>regional in nature</b> , that is, include member countries of the Southern Cone, Andean Region and Central America and the Caribbean; and the proposed activities will take place in at least two FONTAGRO member countries. If one of the countries mainly participates in providing technical assistance, at least two other member countries that benefit must participate. a) Geographic scope of application of the results (localities, regions, number of countries, ecological environments).                                                                       |
| <b>PHASE II. RELEVANCE OF THE TOPIC ACCORDING TO COUNTRY STRATEGY</b> |                                          |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>RELEVANCE CRITERIA</b>                                             | <b>RELEVANCE TO THE COUNTRY STRATEGY</b> | N/A   | The FONTAGRO BD, through its representatives and delegates, will verify the relevance of the initiative in relation to the country's strategy or interests.                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>PHASE III. EVALUATION OF THE REST OF THE CRITERIA</b>              |                                          |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>SCIENTIFIC TECHNICAL QUALITY OF THE PROJECT</b>                    | <b>i. Technical quality</b>              | N/A   | a) State of the topic raised based on internationally recognized and validated references, especially if it comes from one of the proponents.                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                                                       |                                          |       | b) Structure and quality of the logical framework, use of objective and verifiable quantitative indicators (quality, quantity and time)                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                       |                                          |       | i. Conceptual clarity in the identification and description of the problem or opportunity for change.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

|                                                 |                                                    |                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------|----------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                 |                                                    |                                                   | ii. Conceptual clarity and coherence of the objective(s) to resolve the problem or the proposed change.                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                                 |                                                    |                                                   | iii. Feasibility of implementing the proposed methodology and activities to achieve the objective(s), considering the proposed work strategy.                                                                                                                                                                                                                                                                                                                                                                       |
|                                                 |                                                    |                                                   | c) Mandatory identification of the baseline. (Note: projects without a baseline will be disqualified)                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                 |                                                    |                                                   | d) Identification of project benefits, using quantitative and qualitative indicators.                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                 |                                                    |                                                   | e) Feasibility of evaluation of quantitative results and products                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                                 |                                                    |                                                   | f) Inclusion of recognized references on activities to address the problem (bibliographic citations and other references).                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                 |                                                    |                                                   | g) Potential contribution of the project to the generation and replicability of innovations.                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                 | ii. Economic, social and environmental impact      | PHASE III. EVALUATION OF THE REST OF THE CRITERIA | a) Quantification of the target population, direct and indirect beneficiaries of the project.                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                 |                                                    |                                                   | b) Describe the potential impact of the project on productive, environmental and socio-economic aspects, with the use of bibliography to support the answer.                                                                                                                                                                                                                                                                                                                                                        |
|                                                 |                                                    |                                                   | c) Relevance of the results on the indicators of the FONTAGRO 2020-2025 MTP, with special reference to greater participation of women and young people, and greater contribution to the training of human resources, among others                                                                                                                                                                                                                                                                                   |
|                                                 | iii. Institutional capacity                        | Up to 35 points                                   | a) Diversity and technical complementarity of the participants. Consistent participation of private actors on the platform. Description of the governance mechanism among the platform participants: roles, responsibilities and dedication times to achieve the proposed objectives.                                                                                                                                                                                                                               |
|                                                 |                                                    |                                                   | b) Individual and platform capabilities to carry out project activities. Projects must present information on experiences in project implementation, and especially in the subject of the call. The project must indicate who are the professionals responsible for the execution of the activities in each country and institution, their experience in the subject, specific responsibilities, estimated time of dedication to the project, and how they complement each other among the members of the platform. |
| Management and budget mechanism                 | iv. Management and budget mechanism                | Up to 25 points                                   | a) Quantification of the target population, direct and indirect beneficiaries of the project.                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Knowledge Management and Communication Strategy | v. Knowledge Management and Communication Strategy | Up to 25 points                                   | b) Describe the potential impact of the project on productive, environmental and socio-economic aspects, with the use of bibliography to support the answer.                                                                                                                                                                                                                                                                                                                                                        |
| Environmental impact                            | vi. Environmental impact                           | Up to 7.5 points                                  | Description of the potential positive or negative environmental impact that the project may have once it is implemented                                                                                                                                                                                                                                                                                                                                                                                             |

## 1.6 ROLE AND PARTICIPATION OF THE BD, THE TAS AND TECHNICAL TEAMS IN DEVELOPMENT OF SEED FUND INITIATIVES, PROJECTS BY CONSENSUS AND CALLS

72. **Role of the Board of Directors.** The Board of Directors has the following roles:
- a) The BD will select the projects for seed funds, projects by consensus and calls for projects for cofinancing, as well as allocation of FONTAGRO resources, with exclusive and nondelegable responsibility. The scores assigned to the projects and the evaluators' reports are technical support tools for decision making during the selection process. The decisions of the BD are unappealable, and the BD is not obliged to justify them.
  - b) The BD may declare a call void or reject all projects received, without indicating cause. Decisions are by consensus or in accordance with the voting system established in the FONTAGRO Establishing Agreement.
73. **Role of the TAS.** The role of the TAS is to coordinate and facilitate the process of reception, analysis, selection and evaluation of seed funds, projects by consensus and projects by call, while providing information to the parties involved and the BD. In this respect, the TAS submits the evaluators' recommendations to the BD, which will decide which projects receive cofinancing. The TAS will only contact and publish on its website the proposals shortlisted as finalists.
74. **Role of the technical teams.** In the preparation of the projects for seed funds, projects by consensus or calls, the leader representing the executing agency and the initiative will be responsible for: i) preparing the content of the initiative according to the instructions available on the FONTAGRO website; ii) organize exchange meetings with the other participants to achieve consensus and agreements; iii) coordinate with the FONTAGRO TAS all aspects of management of contributions from other agencies or donors; and iv) maintain communication with the TAS in case of need for support.
75. **Request for withdrawal from a call.** If a shortlisted project requests not to continue in the competitive process of a call, it is the responsibility of the proposing organization to communicate the decision to the TAS and the other platform members. If, on the other hand, there is a case where a participating organization of the shortlisted project does not wish to continue in the process, the possibility will be considered that the platform proposes a new participant, of equal or greater technical capacity, to continue in the process.
76. **Submission of the Technical Cooperation Document to the TAS.** Projects for seed funds, projects by consensus and projects by call must submit the final version of the document in the format indicated in the respective form and instructions, available on the FONTAGRO website.
77. **Adjustment of the Technical Cooperation Document.** Once the projects to be cofinanced have been selected, the TAS may intervene with appropriate actions to adjust and improve the project structure, including sending recommendations from external evaluators or suggesting inclusion of actors that could make significant contributions of knowledge and experience on the theme. These interventions must take place within a reasonable period of time as notified by the TAS to each project manager, and must not exceed six months from the date of approval by the BD.
78. **Delegation.** The BD, and the Executive Committee, may delegate final approval of Technical Cooperation projects to the TAS. Projects must be approved by December 15 of the year of granting the finance.
79. **Deadlines.** All initiatives are subject to strict deadlines for submitting the final project documents and for their execution:
- i. From the moment the financing is assigned by minutes of the BD to any of the aforementioned initiatives (seed fund, consensual project and call projects) they will have a single period of 30 days from the official notification to the executing agency to respond to any request made by the TAS in order to finalize the preparation of documents to be registered in the management systems. After this period, the initiative may be canceled and the funds reallocated to others of interest to the BD. This notification must be sent to the research group and the legal representative of the institution that acts as the executing agency.
  - ii. In the case of seed funds and projects by consensus, there will be a period of up to 6 months from the moment of official notification of the allocation of funds to the executing agency, for their execution. After this period, unused funds may be reassigned by the BD to other initiatives of interest.
80. **Regarding the socialization of initiatives.** In the case of seed funds and projects by consensus, the executing agencies must, without exception, hold an open webinar to share these initiatives with all countries and other agencies.

## **SUB SECTION II. PROCEDURES RELATED TO OPERATIONS MANAGEMENT**

## 1.7 OVERVIEW

81. **Overview.** By means of meeting minutes, the FONTAGRO Board of Directors authorizes annual funding allocations for the development of operations and other initiatives. As of January 2021, the FONTAGRO Board of Directors authorized the IDB to recognize IICA as co-manager of funds for the operations and initiatives authorized through the meeting minutes.
82. **Financing Management.** Per the previous point, projects authorized by the BD for financing must apply, in accordance with the provisions of this Manual, in conjunction with the policies of the IDB and IICA, as applicable.
83. **Regarding the IICA.** The IICA may be the executing agency for FONTAGRO projects when requested by the project consortium and the IICA has no objection.

## 1.8 PLANNING

84. **Official registration of the project.** Once the FONTAGRO cofinancing for a project has been approved, the TAS will proceed with the official registration in the IDB system and carry out the pertinent internal procedures to prepare an agreement or contract, as the case may be. If at this stage, the executing agency reports its inability to comply with the mandatory requirements to manage funds with the IDB, the project may be canceled.
85. **Annual Operating Plan (AOP).** The TAS requests each platform to prepare an Annual Operating Plan (AOP) as support for: i) achievement of the expected results (specific objectives) in the set time; ii) division of work and responsibility for execution among the different actors involved; iii) the time and financial resources required for each expected outcome (FONTAGRO and counterpart contributions) and iv) the total Acquisition Plan of the project and individual by institution receiving funds..
86. **Submission of the AOP.** Submission of the AOP for the first year of execution is a prior condition for the first disbursement and is part of the agreement. The AOP must be updated annually, taking into account: i) the results of the follow-up meetings organized by the Secretariat; ii) the progress of the project results; and iii) the external determining factors that affect achievement of the expected results.
87. **Budget preparation.** The Technical Cooperation documents must contain a detailed and a consolidated budget which includes all the activities planned in the project. The format for submission of the budget is available on the FONTAGRO website<sup>12</sup>. The detailed budget must indicate the cost per product, a mandatory requirement to be sent to the IDB.
88. **Types of eligible expenditure.** Eligible expenditure for projects consists of two major items: a) eligible counterpart expenditure, and b) eligible expenditure charged to FONTAGRO financing.
89. **Eligible counterpart amount and expenditure.** The total counterpart amount is the local contribution by the institutions participating in the platform, as described in this Manual. Eligible counterpart expenditure can be allocated using the same classification of items as the expenditure charged to the FONTAGRO cofinancing. However, this contribution can be made in kind, cash or a combination of both.
90. **Eligible expenditure charged to FONTAGRO cofinancing.** Expenditure is considered to be eligible to be financed with FONTAGRO resources if it is necessary and relevant for achieving the objectives and results proposed in the project, if it complies with the policies and legal stipulations of the agreement and/or contract and if it is recorded and duly supported in the financial accounting system of the executing agency<sup>13</sup>.
91. **Maximum amounts for technical cooperation.** In accordance with the IDB Technical Cooperation policy and the decision of the BD, the maximum amounts that can be budgeted by category of eligible expenditure and charged to FONTAGRO financing are presented in the following Table 4.

<sup>12</sup> <https://www.fontagro.org/en/corporate-documents/procedures/>.

<sup>13</sup> See Financial Management Policy for projects financed by the IDB (OP-273-2), page 8 or the current one. Other key documents are: GN-2331-5 Modernization of policies and practices that restrict the use of resources in investment loans; CC-6004-2 Guidelines for the eligibility of expenditures in investment loans; OP-400 Technical Cooperation Policy; and Country Financing Parameters (<https://www.iadb.org/en/about-us/technical-cooperation-projects-grants>).

Table 4. Maximum percentage to be allocated per category of eligible expenditure.

| Expenditure category    | % Maximum |
|-------------------------|-----------|
| Consultants             | 60%       |
| Goods and services      | 30%       |
| Travel and per diem     | 30%       |
| Materials and supplies  | 40%       |
| Training                | 30%       |
| Knowledge management    | 30%       |
| Administrative expenses | 10%       |
| Contingencies           | 5%        |
| Audit                   | 5%        |

92. During the execution of the Project, new entities may also be incorporated, as long as the Executing Agency obtains written no-objection from FONTAGRO and confirms that the new entity has the legal and financial capacity to participate in the Project. The new entity may participate in the Project as: (i) Co-executing Organization, in which case the executing agency must sign a Co-execution Agreement with the new entity in accordance with the provisions, including the activities and responsibilities that the new entity will assume during the execution of the Project and, if applicable, the provisions to ensure the contribution that will be made to the Project; or (ii) Associated Organization, in which case the Executing Agency must communicate in writing to the new entity the main terms and conditions of the Agreement, and, if applicable, the indications to ensure the contribution it will make to the Project. The Executing Agency commits to carrying out the necessary steps within its reach so that the new entities comply with the provisions of the Agreement. The Executing Agency may execute funds on behalf of the co-executing agency as requested.
93. **Categories of eligible expenditure.** The following are accepted as eligible expenditure categories for charging to the FONTAGRO cofinancing and counterpart contribution:

**(i) Consultants and personnel**

- Contracting of consultants, students, or specialized technical and/or professional personnel for execution of project activities. The contracting must follow the IDB Policies for Selection and Contracting of Consultants (GN-2350-15)<sup>14</sup>.
- The costs of temporary contracting of undergraduate or postgraduate students provided they carry out research tasks directly related to the activities planned in the project. However, undergraduate and postgraduate studies will not be funded per se.
- In the case of counterpart contributions, the budget related to salaries and wages of personnel of the participating institutions will be recorded in this category.

**(ii) Goods and services**

- Procurement of goods and services related to the project procurement plan, which must follow the IDB Policy for Procurement of Goods and Works (GN-2349-15), and its respective updates<sup>15</sup>. The procurement plan for this item is governed by the following criteria: a) economy, efficiency and transparency in use of resources; b) high quality of goods and services acquired; and c) principle of competition and best practices.

**(iii) Materials and inputs**

- Purchase of materials, inputs, and supplies needed for execution of all project activities.

**(iv) Travel and per diem**

- Travel and per diem expenses related to technical and coordination meetings to monitor progress of the project.

<sup>14</sup> To access the documentation, visit: <https://www.iadb.org/document.cfm?id=EZSHARE-1132444900-23306>.

<sup>15</sup> To access the documentation, visit: <https://www.iadb.org/document.cfm?id=EZSHARE-1132444900-23305>

- b. The compulsory participation of the EO executing agency in the Technical Follow-up Workshops organized annually by the Secretariat must be programmed, charged to the project during its period of operation. This will include travel expenses (airfare, for example), per diem, medical insurance, accommodation and other expenses that may be incurred. In addition, a mission report must be sent to the TAS within 30 days of the end of the travel.
- c. Travel and per diem related to the objectives of the project for personnel of the executing institutions involved, project participants and special guests are recognized in this expense category.

**(v) Training**

- a. Expenditure related to the organization and/or participation in seminars and specific work sessions, internships and exchanges of professionals. Training will be recorded in accordance with the instructions in Section IV "Procedures related to activities of knowledge management, communications and dissemination of results" of this Manual.

**(vi) Knowledge management and communications**

- a. Expenditure related to the performance of activities of dissemination of technical aspects and results as well as development of knowledge products. Dissemination activities are organization of annual follow-up meetings, participation in congresses, holding of technical workshops and other training activities. Knowledge products are scientific publications, workshop reports, technical summaries, institutional documents and other materials for dissemination of results.
- b. Expenses related to communication issues must be analyzed in accordance with the project communication plan that must be presented to the Secretary together with the AOP 1 of the project. The communication plan must be built and implemented in conjunction with the communication area of the participating organizations and FONTAGRO.

**(vii) Administrative expenditure**

- a. A maximum percentage of up to 10% of the total cost of the project may be recognized for administration<sup>16</sup>. This item includes expenses of bank fees, office supplies, telephone calls, correspondence, and other expenses necessary for the administrative operation of the project.

**(viii) Contingencies**

- a. Additional expenditure that may arise during the life of the project not originally budgeted. In the course of project execution, this expenditure must be reallocated in due course into the categories of eligible expenditure in which they were incurred.
- b. This item does not include budgets for performance of consultant contracts.

**(ix) External audit<sup>17</sup>**

- a. After completing execution of the project, if applicable, an externally audited final financial report must be submitted. The related expenditure will be charged to the project. These services must be contracted prior to the date of the last disbursement, and must be provided by an external auditor acceptable to the IDB. In exceptional situations, based on the amount, the risk level, the nature and complexity of the operation, other types of financial reports may be required instead of the external audit, which must be mentioned in the agreement or later addendum to it.
- b. The external audit service or certification of expenditure, at the decision of the executing agency, may be contracted from the start of project execution, so that preliminary reports can be prepared which contribute to the appropriate financial management of the funds.

<sup>16</sup> Minutes of the XVII Board of Directors Annual Meeting, October 17-19, 2013. San José; Costa Rica..

<sup>17</sup> The recommendation is to review the Bank Policy in document OP-273-12, available at <https://www.fontagro.org/en/corporate-documents/procedures/>. Likewise, it will be mandatory for the Executing Agencies to comply with the Terms of Reference for contracting the audit, which will be provided timely by the TAS of FONTAGRO.

- c. The audit report will contemplate the official delivery of the products committed to the project, and accepted by the TAS of FONTAGRO.

94. **Expenditure not accepted as eligible.** FONTAGRO does not accept the following as categories of eligible expenditure:

- (i) Payment of expenses of permanent personnel of the platform institutions (salaries and other remunerations). These correspond to counterpart expenditure of the institutions participating in the agreement.
- (ii) Expenditure not associated with the project and the planned activities.
- (iii) Works.

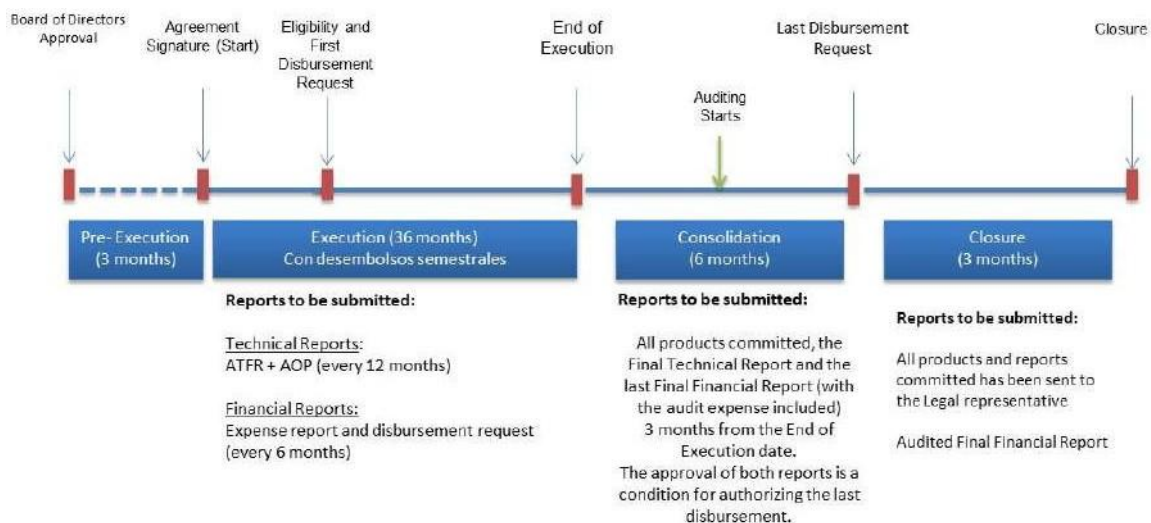
95. **Validity and update of IDB policies.** If the aforementioned policies for Procurement of Goods and Services and Contracting of Consultants are updated by the Bank, they must be applied by all executing and co-executing agencies once they have been communicated by the Secretariat.

96. **Institutional analysis of the executing agency, co-executors and partner agencies.** During the process of designing the governance structure of the project, the teams of the administrative-accounting and financial area must give an opinion on possible restrictions that may arise at the time of implementation. This includes the following examples: possibility of opening a single bank account to manage project funds, possibility of managing funds in United States dollars, taxes, fees or similar applied to international bank transfers, internal administrative and auditing systems, policies on procurement of goods and service and contracting consultants from participating organizations, or other legal provisions that may affect implementation of the project at regional level among the participants. A model analysis is available on the FONTAGRO website.

## 1.9 EXECUTION<sup>18</sup>

97. **Execution periods.** Technical cooperation (projects) have four key periods:

Figure 1. Periods of project execution: key dates and reports



- a) The **pre-execution period** corresponds to the time required to achieve the initial organization of the platform. This period runs from date of approval of the project by the BD until the signing of the agreement between the executing agency and the IDB, as administrator of FONTAGRO. Its estimated duration is three months, with the possibility of extension for a similar supplementary period. During this period, the necessary requirements for final eligibility (bylaws of the institution and authorization of the signatory of the agreement) must be completed. If this period expires, the platform has failed to meet the eligibility

<sup>18</sup> It is suggested to review the Financial Management Policy for projects financed by the IDB, OP-273-12, available on the Internet.

conditions, and cancellation will be considered. If the platform requires additional technical assistance, FONTAGRO may evaluate a possible collaboration in the initial organization.

- b) The **execution period** extends from the date of signing the agreement or contract between the executing agency and the IDB, as administrator of FONTAGRO, until completion of project execution. In general the period lasts up to 42 months. However, this period can be different to be determined on a case-by-case basis based on the nature of the project. In exceptional and duly justified situations in accordance with the administrator's policy and the nature of the project, the Secretariat may consider a request to extend the execution period in accordance with IDB policies<sup>19</sup>. During this period it is necessary to comply with the requirements for the request for the first disbursement, and the subsequent half-yearly disbursements. In the case of projects with exceptional results, FONTAGRO may finance second phases of projects, in order to ensure use of knowledge by users and consolidate the innovation process through any of the mechanisms explained in Section V above.
- c) The **consolidation period** extends from date of completion of project execution until date of the last disbursement; in general, duration is up to six months. During this period, the Final Technical Report and the Final Financial Report must be submitted. Approval of both reports by the Secretariat is a condition for authorizing the last disbursement.
- d) The **closure period** extends from the date of the last disbursement until project closure; in general duration is three months. During this stage justification of payments made with charge to the last disbursement received must be submitted.

98. **Signing of agreements and/or contracts.** Execution agreements and/or contracts will be signed between the IDB, as administrator and legal representative of FONTAGRO, and/or the IICA, representing FONTAGRO, and the executing agency that has the proper legal status. The agreements and contracts follow the stipulations of the IDB and IICA policies, as appropriate.

99. **Agreements.** The agreement is prepared by the Legal Department of the IDB and/or the IICA depending on who represents FONTAGRO in the financial management of the project. The agreement will stipulate, among other things, the obligations of the executing agency, such as preparation of the Annual Operating Plan, submission of technical and financial reports, disbursements, schedule, evaluation and audit process, and the rules for contracting and procurement. The Secretariat and project leader may review and adapt, if necessary, the original project and the Annual Operating Plan of the project. The agreement consists of three sections:

- (i) **Special provisions** (which establish the particular conditions of the operation),
- (ii) **General rules applicable to non-reimbursable technical cooperation** (rules applicable to all IDB non-reimbursable operations); and
- (iii) **Single annex** (which describes the objectives and other details of the project).

100. **Procurement Plan.** The Secretariat will request preparation of the Procurement Plan for Goods and Services and Contracting of Consultants to help platform members program the resources according to the needs of the project. The Procurement Plan must comply with the IDB Procurement and Consultant Policies and must be submitted by the executing agency to the IDB, during the period in the form stipulated in the agreement<sup>20</sup>. The Procurement Plan will also allow the Secretariat to systematically follow up the actions of the project and facilitate the final external audit of the project's financial statements. A model of the Procurement Plan is available on the FONTAGRO website<sup>21</sup>. The Plan must cover at least:

- (i) the initial description of the procurement of goods and services and contracting of consultants which will be required during project execution;
- (ii) estimated amount;

<sup>19</sup> <https://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=EZSHARE-1132444900-24887>

<sup>20</sup> Document GN-2349-15 ("Policies for procurement of works and goods financed by the Inter-American Development Bank"), Document GN-2350-15 ("Policies for selection and contracting of consultants financed by the Inter-American Development Bank").

<sup>21</sup> <https://www.fontagro.org/en/corporate-documents/procedures/>.

- (iii) selection or contracting method; and
  - (iv) the institution or institutions that will carry out the procurement.
101. It should be noted that, in accordance with IDB Procurement Policies, the Executing Agency will be responsible for awarding and administering contracts. Although in practice, the procurement rules and procedures to be followed in the execution of projects depend on each case, the Executing and Co-Executing Agencies must ensure that the contribution they receive is used in accordance with the Basic Procurement Principles: (i) Value for Money, (ii) Economy, (iii) Efficiency, (iv) Equality, (v) Transparency, (vi) Integrity.<sup>22</sup>
102. **Financial planning and budget.** The projects must submit an economic budget of the activities established in the Annual Operating Plan in two formats: detailed and consolidated (see Instructions on the website)<sup>23</sup>. The expenditure categories must match those specified in the section "Categories of eligible expenditure and maximum amounts." The consolidated budget will be used to prepare the agreement. This budget will be recorded in the IDB disbursement system (Convergence) on which disbursements and justifications of expenditure will be made during project execution.
103. **Disbursement methods.** Disbursement methods are defined in each agreement between the executing agency and the Bank based on its policies and respective modifications, if any<sup>24</sup>. In this context, the agreements between the executing agency and the co-executing agencies must be consistent with the method and flow of available resources arising from the relation between the executing agency and the Bank.
104. **Request for first and subsequent disbursements.** For the request of the first disbursement specific requirements are detailed in the agreement document itself. For example, 1) that the executing agency has submitted to the IDB: a) a special single bank account for management of the resources of the contribution; b) the name of one or more officers who can represent the agency in acts related to project execution<sup>25</sup>; c) an execution schedule; and 2) that the agency has signed the co-execution agreements, among others. Subsequent disbursements<sup>26</sup> must be made with compulsory half-yearly frequency justifying at least 80% of the outstanding balance of execution in the executing agency's account (balance of previous advances). Each disbursement request will require submission of specific documentation; for example, disbursement request form and a financial report justifying expenditure as detailed in the Financial Report instructions available on the FONTAGRO website. These documents must be signed by the financial authority of the institution that signs the agreement with the Bank.
105. **Financial report of justification of expenditure.** The financial report of justification of expenditure consists of four tables: Table A, Table B, Table C and Table D, which refer to expenditure incurred by each institution individually (by expenditure category) for use of the FONTAGRO and the counterpart contributions (Table A and Table C) respectively; and consolidated expenditure tables of all institutions and by expenditure category (Table B and Table D). The instructions for these tables are available on [the FONTAGRO website under "Procedures."](#)
106. **Justification of expenditure.** As a general rule, the IDB/FONTAGRO does not require justifications of expenditure sent to the Secretariat to be accompanied by certified copies of the supporting documentation<sup>27</sup> of such expenditure or payments made. But it is considered compulsory for the executing agency to have proofs of all expenditure (or certified copies) from each of the institutions participating in the project and justify expenditure in each period. This information will be subject to audit when the project ends. The executing agency is responsible for crosschecking these justifications with respect to the financial reports sent by each institution<sup>28</sup>.
107. **Last disbursement.** The final disbursement will be up to 10% of the total budget, provided there is justification of the need for these funds. This will become effective after approval by the Secretariat of the Final Technical Report and the Final Financial Report. This last disbursement must include the expenditure for the external audit service, which is mandatory.

<sup>22</sup> For further information, please refer to document GN-2349-15 ("Policies for procurement of works and goods financed by the Inter-American Development Bank"), Document GN-2350-15 ("Policies for selection and contracting of consultants financed by the Inter-American Development Bank").

<sup>23</sup> Details in Excel of the budgets and Tables A, B, C, and D for presentation of expenses can be found at the following link: <https://www.fontagro.org/en/corporate-documents/procedures/>.

<sup>24</sup> According to OP-273-1: "Guide to Disbursements for IDB projects." December 2009, Version 1.0.

<sup>25</sup> The authorized signatures must be approved by the legal representative that signs the agreement, and also be certified by a public notary.

<sup>26</sup> The recommendation is to review the Disbursement Guide for IDB Projects.

<sup>27</sup> Supporting documentation includes all proof of commercial activities linked to the project.

<sup>28</sup> All budget modifications requested by the Executing Agencies to the TAS of FONTAGRO will only be processed at the time of presenting expense justifications. For these, they must continue to fill out the template that they will find on the FONTAGRO website <https://www.fontagro.org/en/corporate-documents/procedures/>. This form must be accompanied by a note from the highest authority of the institution indicating said request and its justification.

108. **Direct disbursements.** In exceptional cases<sup>29</sup>, a co-executing agency may receive direct disbursements. For this, the agency must prepare a technical and financial justification as required for sending to the Secretariat.

## 1.10 MONITORING

109. **Financial monitoring.** On a half-yearly basis, the Secretariat will conduct financial monitoring of FONTAGRO operations and prepare a management report for distribution to the BD. This report will provide an update on the follow-up of disbursements by project, according to the Annual Operating Plan, the project budget, the maximum amounts and the Procurement Plan, among other variables.
110. **Technical monitoring.** On a half-yearly basis, the Secretariat will conduct a technical monitoring and follow-up of the progress of project execution. Each project will send in advance the ATFR report to the Annual Technical Follow-up Workshop. The report will detail the progress, lessons learned and other matters that have arisen in the period. The review of the ATFRs will be conducted with the support of specialist consultants according to the theme, and their recommendations will be sent to project leaders. The BD will receive a copy of the executive summaries of the ATFRs at the time of each Annual Technical Follow-up Workshop.
111. In addition, FONTAGRO's TAS will carry out mid-term reports on the execution of projects to evaluate compliance with the results matrices, as well as the financial execution status of the operations.
112. The review of the ATFRs will be carried out with the support of specialist consultants according to the subject matter and their recommendations will be forwarded to the project leaders. The BD will receive a copy of the ATFR executive summaries at each Annual Technical Follow-up Workshop.
113. **Presentation of results.** Annually, and during the Annual Technical Workshop, project leaders must present the results preview. To do so, they will use the knowledge products established in the Instructions for Knowledge Management and Communication, as well as others suggested by the TAS.
114. **Delivery of final products.** The project leaders must deliver the products committed to in the results matrix established in the agreement and/or contract, depending on the legal tool, three months prior to the end of the project.
115. **Request for change to budget.** The executing agency may request the Secretariat to allow changes to the budget provided that they do not exceed the maximum amounts allowed per category and are duly justified. The executing agency must submit an official memo with the request, and the details of the change of values by category using the format available on the FONTAGRO website<sup>30</sup>.
116. **Suspension.** The BD agreed to take measures<sup>31</sup>:
- (i) Suspend disbursements to project partners that do not meet the commitments assumed in the respective agreements and deny participation in future financing for a period to be determined by the BD.
  - (ii) Proceed to close the project in extreme cases in which, despite repeated requests, the reports are not received to the satisfaction of the Secretariat and the IDB, even when that component has not been externally audited.

## 1.11 FINAL PERIOD OF ACCOUNTABILITY, AUDIT AND CLOSURE<sup>32</sup>

117. **Period for submission of the Audited Final Financial Report.** Within three months of the date of the end of execution, the executing agency must submit to the TAS the Final Technical Report and the Audited Final Financial Report of the project<sup>33</sup>.
118. **Period of last disbursement.** The executing agency must send the last request for resources to the Secretariat 30 days before the date of last disbursement in order to comply with IDB internal controls. The request must include, when applicable, payment of the external audit service. Unless the agreement establishes a different period, within three

<sup>29</sup> Exceptional cases are defined as circumstances such as: legal restrictions associated with bank transfers between countries in which the project activities are carried out and the impossibility of the executing agency to be able to fulfill its financial functions due to non-compliance by a co-executor regarding the accountability.

<sup>30</sup> Link: <https://www.fontagro.org/en/corporate-documents/procedures/>.

<sup>31</sup> Minutes of the XVI Board of Directors Annual Meeting, October 24-26, 2012. Argentina.

<sup>32</sup> The recommendation is to read the document "Guide to Closing Technical Cooperation Operations" in the electronic links..

<sup>33</sup> See Instructions available on the FONTAGRO website.

months of the date of the last disbursement, the executing agency must submit the Audited Final Financial Report, the final accountability, return unused or unjustified resources, and perform all operations necessary for final closure.

119. **Application for the audit position.** For projects that require a compulsory external audit at the end of their execution, the audit must be conducted by independent external auditors acceptable to the IDB<sup>34</sup>. The cost of the audit service must be financed from the resources provided by FONTAGRO for the project. The selection and contracting of the external auditor will take into account the IDB guidelines<sup>35</sup>.

## 1.12 TECHNICAL AND FINANCIAL FOLLOW-UP REPORTS

120. **General stipulations.** FONTAGRO requests the platforms to prepare technical and financial reports whose formats are available on the FONTAGRO website. The technical reports for submission are the following<sup>36</sup>:

- a) The Annual Technical Follow-up Report (ATFR). This report is annual and consists of the following sections: a) technical specifications, b) details of the progress of implementation of the Annual Operating Plan, the logical framework matrix and the results matrix, and c) a PowerPoint presentation.
- b) The Final Technical Report, and
- c) The products indicated in Section IV of "Procedures related to knowledge management, communication and dissemination of results"
- d) Any other additional report requested by the TAS.

121. **Annual Technical Follow-up Workshop.** The TAS organizes annually a technical follow-up workshop, attendance is compulsory only for project leaders. The objectives are the following: a) monitor achievement of the expected outcomes and impacts of the projects on the planned deadlines; b) strengthen knowledge management and dissemination of results; and c) ensure the appropriate use of FONTAGRO resources and counterpart contributions.

122. **Annual Technical Follow-up Report (ATFR).** The ATFR presented at the Annual Technical Workshop and describes the main results of the activities carried out in accordance with the project schedule, and also includes information on budget execution. The outcomes obtained must relate to the Annual Operating Plan of the year in execution. The report must also identify any areas and components that may require corrective measures to optimize execution. These changes will be reflected in the Annual Operating Plan for the next period; the plan will be delivered and discussed during the technical follow-up workshops. The technical aspects of the report will be incorporated into the FONTAGRO website to disseminate the work of the platforms and as a measure of transparency and accountability of the projects, taking into account the necessary provisions stipulated in the Intellectual Property section of this Manual. The report format is digital and is available on the FONTAGRO Intranet platform along with instructions for use.

123. **Annual Operating Plan (AOP).** The project must provide each year in the month of June, the respective AOP, detailing the activities to be carried out and its budget, according to the Instructions available on the FONTAGRO website.

124. **Final Technical Report.** The Final Technical Report consists of sections numbered consecutively under the structure presented in the corresponding form available on the FONTAGRO website. This report is expected to contain the key information and the most relevant aspects of the project in terms of results and impacts. Submission of this report and its approval by the Secretariat is a precondition for the last disbursement. The instructions for its preparation are available on the FONTAGRO Intranet platform. The report must be delivered to the TAS in the final quality of design, editing and translation.

125. **Peer Review.** The TAS may request, when considered necessary, implementation of the peer review of the technical progress and final reports in order to consolidate the knowledge generated by the projects. The peer review will be conducted by high level specialists in different thematic areas. The comments generated in this review must be incorporated into the project reports.

126. **Financial reports.** The financial reports to be submitted are:

- a) The Half-yearly Expenditure Execution Report. This report consists of Tables A, B, C and D, and the disbursement form if, in addition to justifying expenditure, a new advance of funds is requested.

<sup>34</sup> Independent external auditors are private audit firms or individual public accountants that maintain the level of quality required by the profession and comply with International Auditing Standards, INTOSAI standards or auditing standards acceptable to the Bank.

<sup>35</sup> See OF-200 Annex I Financial Management Tools "Instructions for financial reports and external audit of operations financed by the IDB".

<sup>36</sup> Instructions for the reports are available on the FONTAGRO website, cited at the beginning of this Manual.

- b) The Audited Final Financial Report. This report is submitted at the closure of the operation and consists of Tables A, B, C and D, and a reasonable assurance report on expenditure issued by an audit firm authorized to work with the Bank in the executing agency's country.
127. **Closure deadlines.** Within three months of the date of the end of execution, the executing agency must submit to the Secretariat a **Final Technical Report**, an **Audited Final Financial Report**, together with justification of expenditure for the remaining 10% of the balance pending disbursement.

### 1.13 EVALUATION OF RESULTS

128. **Role of the TAS.** The results of the projects financed by FONTAGRO are evaluated by the TAS with the collaboration of experts, as appropriate, every year following submission of the ATFR and at the end of their execution period, based on the Final Technical Report submitted and the degree of compliance with the objectives in relation to the initial project submitted.
129. **Field visits.** The TAS may make field visits to the projects when necessary, as well as organize additional face-to-face and/or virtual meetings to evaluate the results achieved by the projects.
130. **External evaluation of results and impact.** The TAS may implement an external evaluation of results and impacts during the execution period or up to five years after finalization of each project.
131. **FONTAGRO Excellence Award.** Each year, the projects that complete and present final reports will compete for the "FONTAGRO Excellence Award". To do this, the final technical report and a form that will contain four evaluation criteria will be taken into account: a) compliance with the results of the logical framework matrix and the indicators established therein by the project, b) compliance with the indicators of the 2020-2025 MTP, c) compliance with the products will be linked to the project's product matrix, and d) compliance with the financial management terms. Of the total evaluation, 70% corresponds to the technical evaluation of the panel, 20% to the BD, considering regional strategic importance of the project, and an additional 20% comes from the TAS according to how the project executed administrative and financial aspects. The external evaluation panel will review the results achieved and issue a recommendation to the BD for its consideration. The prize winner will be announced during the Project Technical Monitoring Workshop. The BD may award a special prize to the winner.

**SUB SECTION III. PROCEDURES RELATED TO ACTIVITIES OF  
KNOWLEDGE MANAGEMENT, COMMUNICATIONS AND  
DISSEMINATION OF RESULTS**

132. **General aspects.** The executing agency and the co-executing agencies must document all the information and knowledge generated by the innovation platform in the framework of the project. For this, the project leader must follow the instructions contained in the Instructions for Knowledge Management, Communication and Dissemination of Project Results, available on the FONTAGRO website.
133. **Knowledge products.** All projects financed by FONTAGRO must develop the knowledge products detailed in this paragraph. Each product must comply with the intellectual property and visibility rules established in this Section and details stipulated in the [Instruction for Knowledge Management, Communication and Dissemination of Results](#), available on the FONTAGRO website. The mandatory knowledge products are those detailed in matrix 2 of each of the projects:
- i. Publications. Each product involved in the project results matrix must be delivered to the FONTAGRO TAS in final quality of design, editing and translation. The TAS (and/or external consultants, if applicable) will read them and send them to the project leader in case adjustments are required. Publications must follow the FONTAGRO visibility instructions. These publications will be presented on the FONTAGRO website.
  - ii. Workshop reports. These are special publications prepared after each technical or training workshop, field day, or similar, organized in the framework of the project.
  - iii. Technical note. These include a wide range of sectoral notes, best practices, documentation of lessons learned, practical examples, methodological notes, surveys, baseline, workshop reports (number of participants), state of the topic, case studies, diagnostics, workshops, manuals, methodologies, presentations, and prototype models.
  - iv. Monographs are summaries of a single topic addressed to target audiences or for specific purposes, such as presentations of results, the document must not exceed 100 pages.
  - v. Catalogs and brochures. These are aimed at providing information to the public on programs, results, objectives or identity, and on data or topics of relevance to the region.
  - vi. Books. Technical or project results dissemination documents.
  - vii. Newsletters. Short informative documents for the dissemination of results, aimed at the general public, with explanatory language.
  - viii. Databases. Datasets include data obtained during the life of the project, these are raw data files that are accompanied by an explanatory document of the information found in the data set.
  - ix. Scientific articles. Scientific information published in technical or scientific journals. The published document and the information corresponding to the publication must be submitted.
134. **Technical endorsement of the official delivery of final products.** In order to ensure the technical quality of the final products to be delivered to the Secretariat, these must have an institutional technical endorsement sent with an official notice issued by the signatory of the agreement, or its designee, on behalf of the executing agency of the project. For institutions that cannot access this internal mechanism, the review process will be agreed upon with FONTAGRO's TAS. The fees of the latter will be in charged to the project.
135. **Matrix of Products and Results.** The products and results defined in the respective matrices and cited in the project agreements, must be submitted to the TAS of FONTAGRO according to the delivery schedule established. The final version must be published under official notification of delivery by the respective authorities.
136. **Dissemination Products.** These are products for project communication, which is why the following products must be presented in a mandatory manner:
- i. Contents page on the FONTAGRO website. FONTAGRO projects will have a contents page and a microsite on the FONTAGRO website.
  - ii. Blog entries. These are communication tools for dissemination of progress, milestones, and important events in the life of projects. Each of them has the structure of a news item or brief publication, may contain images, infographics and have an attractive design.

- iii. Webstory. These are communication pieces essential for disseminating the achievements and results of projects, as well as the technological solutions implemented. The template is digital, accessed through a URL<sup>37</sup> and has the format of a story with visual components, such as a web page, but with a story line. They are published every year with the ATFRs and updated in following years with new results and graphs, tables, photos, videos, and diagrams. The template is developed on the project Intranet platform in FONTAGRO.
  - iv. Videos. These are audiovisual documentary records that must be prepared by project.
  - v. FONTAGRO Tech. These are two-sided fliers in PDF format. They must give a quick idea of the achievements and impact of the project and be communication pieces that attract the reader's attention. Their objective is to disseminate the technological solutions implemented synthetically. They are prepared once only and delivered and updated every year with the results presented in the ATFRs. The template is digital and available on the FONTAGRO Intranet platform.
  - vi. Posters. These are presentations of the project structure presented during the technical follow-up workshop each year. Content design is predetermined in a digital template on the FONTAGRO Intranet.
  - vii. Project results database. The project must update the database with the results of the indicators established in the logical framework and the project results matrix. This update will be made on delivery of each ATFR and at the end of project execution, against delivery of the Final Technical Report. The instructions for recording indicators are available on the FONTAGRO website.
  - viii. Events agenda. The project must deliver together with the AOP the events schedule for the year.
  - ix. PowerPoint presentations. PowerPoint presentations have a predetermined design, available on the FONTAGRO website, along with the instructions.
  - x. Photographic record. The executing agency and the co-executing agencies must keep a photographic record of all dissemination and training activities carried out in the framework of the project, which may be required by the Secretariat. For training activities, the executing agency must keep a register of attendees, including as minimum the number of participants, gender, location, province and country of the activity held, in all the countries participating in the project.
  - xi. ATFR. Annual Technical Follow-up Reports must be submitted in the format provided by the TAS.
137. **FONTAGRO visibility plan.** The executing agency will adopt all necessary measures to give visibility to FONTAGRO and all the institutions participating in its project. **The measures required include:**
- i. Use of compulsory caption. Any publication resulting from the project, whatever its form and support and source of cofinancing, must include a) the logos of FONTAGRO and the sponsors or cofinanciers; b) the following caption: "This document has been prepared with FONTAGRO financial support. The opinions expressed in this publication are exclusively those of the authors and do not necessarily reflect the views of FONTAGRO, its Board of Directors, or the countries it represents."
  - ii. The executing agency and the co-executing agencies agree to mention FONTAGRO and all the cofinancing institutions of the project during execution of the activities, in the documents and other dissemination materials, by holding events, and in all contacts with the press and communication media.
  - iii. FONTAGRO logo. The FONTAGRO logo will be displayed in internal and external presentations with all public involved in conferences, seminars, training, as well as any other distribution and dissemination activity related to the project. To obtain the latest approved version of the FONTAGRO logo or other visibility tools and orientation guides, the executing agency must contact the TAS and then distribute the information to the co-executors.
138. **Project communications plan.** The executing agency will send a copy of the project communications plan to the TAS, along with the project's AOP 1. The communication plan must be developed together with the communication area of the executing agency and co-executors of the project.

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<sup>37</sup> Address of a page or web component.

## **SUB SECTION IV. PROCEDURES RELATED TO INTELLECTUAL PROPERTY RIGHTS MANAGEMENT**

139. The purpose of FONTAGRO is to finance or cofinance regional research and innovation projects, in order to increase the competitiveness of the agricultural and rural sectors, reduce poverty and promote sustainable management of the natural resources of Latin America and the Caribbean. As a product of the projects, the generation of new knowledge, information and technologies is expected to reach producers and scientists in Latin America and the Caribbean, which will be disseminated through knowledge and dissemination products<sup>38</sup>.
140. Currently, the legal mechanisms for the implementation of operations financed or cofinanced by FONTAGRO are: (i) the execution of Technical Cooperation Agreements and (ii) Contracts for the Provision of Consulting Services. In both cases, the Inter-American Development Bank (IDB) has standardized regulations on intellectual property issues, which are mentioned below.

#### **Technical Cooperation:**

141. The Parties shall agree that all information resulting from the Project financed with FONTAGRO resources shall be freely disseminated and used. In the event that in order to fulfill FONTAGRO's mission it is advisable to protect the products financed with FONTAGRO's resources, the Bank may in special cases allow such protection.
142. In the event that the products of the Project financed totally or partially with FONTAGRO resources are protected by copyright, the Bank, as administrator of FONTAGRO, will be the holder of said rights, who, in turn, will place them in the public domain. Under no circumstances shall the integrity of the work be compromised, and the name of the authors shall be acknowledged. Unless otherwise provided by the Bank, as a minimum, FONTAGRO member countries (or their designated public institutions), the Executing Agency, the Co-executing Organizations, and the cofinanciers of the Project, shall have the right to use (including publication and distribution by any means) such products for non-commercial purposes, for an unlimited period and free of charge, but shall not have the right to grant sub-licenses. Given the free and non-commercial nature of this authorization, by the mere use of the products, the User(s) agree that: (i) the Bank assumes no risk and gives no warranty (including any warranty of non-infringement of copyright), nor accepts any liability for the content of the products, or for any damages or claims that may arise as a result of their use; (ii) agrees to assume all liability for any claim that may arise under this authorization of use; and (iii) in the event that any such claim is directed against the Bank, the User(s) shall indemnify the Bank for any expenses or costs that the Bank may incur to defend itself or to negotiate a termination of such claim.
143. In the event that the products of the Project financed totally or partially with FONTAGRO resources are or may be subject to protection by patents or other industrial property rights, including plant varieties, the Executing Agency, with the prior written authorization of the Bank, may directly obtain legal protection of such rights in its own name, in accordance with the legislation of the country where the operations have and may enforce such rights, but shall grant, upon request, a free, irrevocable license for an indefinite term, for the exercise of such rights to the fullest extent possible, but without the right to sublicense, to the member countries of FONTAGRO (or such public institutions as they may designate), to the Bank and to the Inter-American Institute for Cooperation on Agriculture. The Executing Agency undertakes (and shall ensure that the Co-Executing Organizations undertake) to defend and indemnify the Licensees in the event of lawsuits or any claim related to the infringement of third-party rights that may result from the grant or use of the license granted to the Licensees.
144. In the instances provided for in the preceding paragraph, the Executing Agency may request the Bank that publications related to products of the Project financed totally or partially with FONTAGRO resources be delayed for a specified period of time, so that the respective applications for patents or other industrial property rights, including plant varieties, may be filed before the Bank carries out the corresponding publication. Unless otherwise authorized in writing by the Bank, this period shall not exceed six (6) months from the date on which the Bank receives such application.
145. Without any prejudice to the foregoing, in the event of the future commercialization of any product (or rights over such product) financed totally or partially with FONTAGRO resources, the Executing Agency undertakes (and shall ensure that the Co-executing Organizations undertake) to sign written agreements that guarantee the fair and equitable distribution of such revenues between it and the Project participants, taking into account the degree of participation and the intellectual and financial contribution of each party, as well as other sources.

<sup>38</sup> For more information about knowledge and dissemination products, please consult the 2020 Communication and Knowledge Management Manual.: [https://www.fontagro.org/wp-content/uploads/2020/02/Manual-CyGC-FONTAGRO\\_2020-02-20.pdf](https://www.fontagro.org/wp-content/uploads/2020/02/Manual-CyGC-FONTAGRO_2020-02-20.pdf).

146. The Executing Agency commits (and will ensure that the Co-executing Organizations commit) to mentioning FONTAGRO's financial contribution in any type of dissemination of the Project's products financed with FONTAGRO resources.
147. All publications resulting from the Project, regardless of their format and medium, must include the logo of FONTAGRO and the following statement: "This document has been produced with the financial support of FONTAGRO. The opinions expressed herein are exclusively those of the authors and do not necessarily reflect the point of view of FONTAGRO, its Board of Directors, the Bank, its Sponsoring Institutions or the countries it represents."

**Consulting Contracts:**

148. The parties agree that all reports, studies, plans, drawings, source code, technical data, specifications, deliverables, and any other materials prepared by or used by the Consulting Firm exclusively for the Bank under the Contract are the sole and exclusive property of the Bank, and as such, the Bank shall remain the sole owner of all rights (including copyrights), title and interest in all such works.
149. If the copyright of a Work cannot be assigned under applicable law, the Consulting Firm hereby grants to the Bank an exclusive, worldwide, royalty-free, perpetual, and irrevocable license, with the right to sub-license, for unlimited use in in any medium or format now known or later developed.
150. The Bank may copy, reproduce, distribute, disseminate, publish and/or display the Works in any media or format now existing or later developed, in any publication, website, blog, catalog, event, exhibition, archive and in any material of the Bank. In addition, the Bank may sub-license the Works to third parties.
151. The Bank may also (i) edit, modify, and translate the Works, in whole or in part; (ii) create derivative works based on the Works, in whole or in part; (iii) generate new works; and (iv) improve existing works of the Bank; in which case such new works, or the improvement of existing works, shall be the exclusive property of the Bank.
152. The Consulting Firm (i) may not make use of the Works without the prior written authorization of the Bank and (ii) shall retain ownership and/or control of all other works and/or information owned or licensed to it prior to the execution of this Agreement.
153. The Consulting Firm represents and warrants that (i) it has full right, power and authority to perform its obligations herein; (ii) the Works are the original product of its work and creation or at least that it has sufficient rights to assign the rights set forth herein; (iii) there is no claim, complaint, claim, action or demand by any third party for copyright infringement of the Works; and (iv) you will release and indemnify the Bank, its personnel and/or consultants, as applicable, from/against any claim, complaint, claim, action, loss, demand, liability, damage, contingency, cost and/or expense including, without limitation, attorneys' fees, which may be brought against the Bank, its personnel and/or consultants, for the use and exploitation of the rights assigned and transferred and licensed to the Bank and which may have been assigned, transferred and licensed in violation of the rights of third parties, or which may arise from the inaccuracy, as well as from the actual or apparent breach of any representation or warranty made by it under this Agreement or in the Works.

