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GRANT NO. G-C-GAF-1-SL

FINANCING AGREEMENT

Smallholder Commercialisation Programme under the
Global Agriculture and Food Security Program (SCP-GAFSP)

between the

REPUBLIC OF SIERRA LEONE

and the

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Signed in Rome, Italy and Freetown, Sierra Leone

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FINANCING AGREEMENT

Grant Number: G-C-GAF-1-SL

Programme Title: Smallholder Commercialisation Programme under the Global Agriculture Food Security Program (the "SCP-GAFSP" or "the Programme")

The International Fund for Agricultural Development (the "Fund" or "IFAD")

and

Republic of Sierra Leone (the "Recipient")

(each a "Party" and both of them collectively the "Parties")

hereby agree as follows:

Preamble

1. The Steering Committee of the Global Agriculture and Food Security Program (GAFSP) Trust Fund, approved in 2010 a USD 50 million proposal presented by Recipient in support of components 1 (Smallholder agriculture commercialisation: production intensification, diversification, value addition and marketing), 2 (Small scale irrigation development) and 6 (SCP Planning, Coordination, Monitoring and Evaluation) of the Recipient's Smallholder Commercialisation Programme (SCP).
2. The International Bank for Reconstruction Development (IBRD) –in its capacity as trustee of the GAFSP Trust Fund- and IFAD entered into a Transfer Agreement on November 2010. According to the provisions of the Transfer Agreement, the IBRD shall transfer to IFAD the allocated funds approved by the GAFSP Steering Committee for the implementation of the Programme.
3. The implementation of the activities under this Financing Agreement is subject to the transfer of funds by the IBRD.

Section A

1. The following documents collectively form this Agreement: this document, the Programme Description and Implementation Arrangements (Schedule 1) and the Allocation Table (Schedule 2).
2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, as may be amended from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein.
3. The Fund shall provide a Grant to the Recipient (the "Financing"), which the Recipient shall use to implement the Programme in accordance with the terms and conditions of this Agreement.

Section B

1. The amount of the Grant is USD 50 million.



2. There shall be three Programme Accounts for the benefit of the SCP-GAFSP Management Unit in commercial banks acceptable to the Fund: (a) a Programme Account in USD for payments of eligible expenditures incurred under all categories of expenditures under the Financing; (b) a Programme Account in Leones for daily Programme operations; and (c) a Programme Counterpart Account in Leones to receive the Recipient's contribution for expenditures not subject to tax exemption.

3. The Recipient shall provide counterpart financing for the Programme in the amount of approximately USD 4.5 million.

Section C

1. The Lead Programme Agency shall be the Ministry of Agriculture, Forestry and Food Security (MAFFS).

2. The following are designated as additional Programme Parties: the Food and Agriculture Organization (FAO), the SCP Coordination Team, the SCP-GAFSP Management Unit, the National Coordination Unit of the Rehabilitation and Community-based Poverty Reduction Project (RCPRP) and the Rural Finance and Community Improvement Project (RFCIP) and service providers.

3. The Programme Completion Date shall be the fifth anniversary of the date of entry into force of this Agreement.

Section D

The Grant will be administered and the Programme supervised by IFAD.

Section E

1. The following is designated as additional ground for suspension of this Agreement:

The transfers from the IBRD under the IFAD-IBRD Transfer Agreement are suspended, cancelled or do not reach IFAD on a reasonable period of time after the submission of the Funds Transfer Request from IFAD to the IBRD.

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

(a) The transfer of funds specified in the first Funds Transfer Request has been received by the Fund.

(b) The Programme Accounts shall have been duly opened.

(c) The recruitment of the SCP Coordinator and the SCP-GAFSP Manager, M&E Officer and Financial Controller shall be completed.

(d) A Project Implementation Manual (PIM) shall be drafted and shared with the Fund.

3. This Agreement is subject to ratification by the Recipient.

