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CREDIT NUMBER 5767-SL

Financing Agreement

(Smallholder Commercialization and Agri-Business Development Project)

between

REPUBLIC OF SIERRA LEONE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated March 14, 2016



CREDIT NUMBER 5767-SL

FINANCING AGREEMENT

AGREEMENT dated March 14, 2016, entered into between REPUBLIC OF SIERRA LEONE ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to twenty eight million, nine hundred thousand Special Drawing Rights (SDR 28,900,000) (variously, "Credit" and "Financing") to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are March 15 and September 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall: (a) carry out the Project (except for Part A.2.1) through the Ministry of Agriculture, Forestry and Food Security (MAFFS) in accordance with the provisions of Article IV of the General Conditions; and (b) cause the Project Implementing Entity to carry out Part A.2.1 of the Project, in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
- (a) the Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement;
 - (b) A representation made by the Project Implementing Entity in or pursuant to the Project Agreement, or any representation or statement furnished by the Project Implementing Entity and intended to be relied upon by the Association in making the Financing was incorrect in any material respect.
 - (c) the Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the Project Implementing Entity of its obligations under the Project Agreement; and
 - (d) IBRD or IDA has suspended in whole or in part the right of the Project Implementing Entity to make withdrawals under any agreement with IBRD or with IDA because of a failure by the Project Implementing Entity to perform any of its obligations under such agreement or any other agreement with IBRD or IDA.
- 4.02. The Co-financing Deadline for the effectiveness of the Co-financing Agreement is July 30, 2016.
- 4.03. The Additional Events of Acceleration consist of the following:
- (a) The events specified in paragraphs (a) and (b) of Section 4.01 of this Agreement occur.

- (b) The events specified in paragraphs (c) and (d) of Section 4.01 of this Agreement occur and are continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V— EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
 - (a) The Agricultural Loan Scheme Agreement has been executed on behalf of the Recipient and the Project Implementing Entity in accordance with the provisions of Section I.E of Schedule 2 to this Agreement.
 - (b) The Recipient has adopted the Project Implementation Manual, the Sierra Leone Agri-Business Fund Manual, the Agricultural Loan Scheme Operations Manual, and the Agri-Business Services Matching Grants Operations Manual in accordance with the provisions of Sections I.B, I.D, I.E and I.F of Schedule 2 to this Agreement.
 - (c) The Recipient has recruited the Fund Manager and has established the National Project Steering Committee and the Advisory Committee in accordance with the provisions of Sections I.A of Schedule 2 to this Agreement.
 - (d) The Project Implementing Entity has designated a Project Officer in accordance with the provisions of Section I.A of Schedule 2 to this Agreement.
- 5.02. The Additional Legal Matter consists of the following, namely that the Agricultural Loan Scheme Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.
- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.04. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE VI— REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is its minister responsible for finance.

6.02. The Recipient's Address is:

Ministry of Finance and Economic Development
Treasury Building
George Street
Freetown, Sierra Leone

Facsimile: 232 22 229 060

6.03. The Association's Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

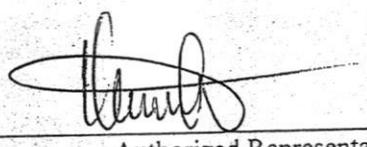
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1-202-477-6391

AGREED at _____, _____ as of the day and year first above written.

REPUBLIC OF SIERRA LEONE

By



Authorized Representative

Name: Ken Faly Numb

Title: Minister

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: P. BRAR

Title: COUNTRY MANAGER

SCHEDULE 1

Project Description

The objective of the Project is to promote smallholder commercialization by fostering productive business linkages between smallholder farmers and selected agribusiness firms and other commodity off-takers in the Recipient's territory.

The Project consists of the following parts:

Part A. Support for Agri-Business-Farmer Linkages and Small and Medium Scale Enterprises along Selected Agricultural Value Chains

Part A.1 Promoting Out-grower Model for Value-Chain Financing to selected Agri-Businesses linked to Out-Grower schemes

1. Establishing the Sierra Leone Agri-Business Development Fund (SLADF) and providing Value Chain Finance and related technical advisory services to Value Chain Finance Beneficiaries in the Selected Value Chains to implement Eligible Activities.

Part A.2 Support for Farmers' Aggregation

1. Providing financial resources to the Project Implementing Entity for the provision of concessional Agricultural Loans and technical advisory services to Agricultural Loans Beneficiaries in the Selected Value Chains to implement Eligible Activities.
2. Providing Agri-Business Services Matching Grants to Agri-Business Services Matching Grants Beneficiaries for the development of agri-business services in the Selected Value Chains.
3. Providing technical assistance and value chain development services to build the capacity of farmers, producer organizations and other value chain actors in the Selected Value Chains.
4. Supporting the capacity building and certification of selected agro-input dealers and linking them to agro-inputs market.

Part B: Market Access Improvement

Part B.1 Feeder Roads Rehabilitation and Maintenance

1. Rehabilitation and maintenance of selected feeder roads and associated road infrastructure in targeted Districts.

2. Carrying out of studies and assessments to explore options for the financing of feeder roads maintenance.
3. Providing technical assistance and advisory services for the review of the feeder roads policy, training of the Sierra Leone Roads Authority staff and the preparation of District road maintenance plans.
4. Supporting the formation of local community groups and building their awareness and skills to participate in labor based rehabilitation and maintenance of roads.
5. Providing advisory services and Training of selected contractors and the Recipient's staff in labor based methods for sustainable maintenance of feeder roads.

Part B.2 Support for Aggregation Structures and ICT technologies to facilitate market coordination

1. Constructing and rehabilitating produce aggregation structures.
2. Developing and implementing information and communication technologies to promote accessibility of agri-market information by farmers.

Part C: Capacity Building Support for State and Non-State Institutions and Producer Organizations

1. Carrying out of a program of activities to build the capacity of MAFFS, such activities to include: (a) supporting short term and higher level training of staff; (b) supporting extension services and the activities of critical divisions within MAFFS including crop, policy, evaluation, monitoring and statistics and agri-business promotion; and (c) supporting the set-up of a Unified Project Implementation Unit.
2. Carrying out of a program of activities to build the capacity of the Ministry of Works, Housing and Infrastructure (MWHI), such activities to include: (a) developing a feeder roads policy and establishing District level feeder roads structures; (b) supporting the training of SLRA and MWHI engineers in relevant areas; (c) training of local contractors on feeder roads rehabilitation and maintenance; and (d) supporting the mobility and operations of engineers.
3. Carrying out of a program of activities to build the capacity of the Ministry of Trade and Industry (MTI), such activities to include: (a) establishing an agribusiness unit within MTI, supplying furniture and equipment, and providing support for the operations of said unit; (b) developing an agri-business strategy; (c) building the capacity of staff to implement the agri-business strategy; (d) building the capacity of entrepreneurs and selected actors along the agri-business value chain; (e) supporting market information related to value-chain

development services; and (f) building the capacity of Sierra Leone Investment and Export Promotion Agency ("SLIEPA") and Sierra Leone Produce Marketing Company ("SLPMC") to carry out commodity export promotion and quality control functions, respectively.

4. Carrying out of a program of activities to build the capacity of Ministry of Local Government and Rural Development (MLGRD) and Local Councils, such activities to include: (a) training relevant staff in project monitoring, social accountability and contract management; (b) supporting the monitoring of Project activities; and (c) supporting relevant mobility and operations of MLGRD and Local Councils.
5. Carrying out of a program of activities to build the capacity of the Sierra Leone Agricultural Research Institute (SLARI), such activities to include: (a) supporting short term and higher level training of staff; (b) rehabilitating clonal gardens; (c) carrying out of research and studies; and (d) supplying office and laboratory equipment.
6. Carrying out of a program of activities to build the capacity of the Sierra Leone Chamber for Agribusiness Development (SLeCAD), such activities to include: (a) supporting the establishment and operations of an agri-business forum; (b) supporting the recruitment and training of staff; (c) supporting industrial and value chain development; (d) supplying of goods and equipment; and (e) office refurbishment and rehabilitation.
7. Carrying out of a program of activities to build the capacity of the National Farmers Federation of Sierra Leone (NaFFSL), such activities to include; (a) supporting District level structures to carry out farmers mobilization and sensitization; (b) training staff in relevant skill areas; (c) office refurbishment and rehabilitation; and (d) supporting operations and supplying office equipment

Part D: Project Coordination, Monitoring and Evaluation

Part D.1 Project Implementation and Coordination

1. Financing of Operating Costs associated with Project coordination and implementation.

Part D.2 Project Monitoring and Evaluation, Management, Information System

1. Carrying out of monitoring and evaluation of the Project including carrying out of baseline, mid-term and end term surveys and reviews.
2. Developing and installing a Project management information system.
3. Implementing a communications and outreach strategy for the Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

Ministry of Agriculture, Forestry and Food Security

1. The Recipient shall designate the Ministry of Agriculture, Forestry and Food Security (MAFFS) to be responsible for overall policy guidance and implementation of the Project.

National Project Steering Committee

2. The Recipient shall establish, not later than the Effective Date, and thereafter maintain throughout Project implementation, a National Project Steering Committee with composition and terms of reference satisfactory to the Association and with adequate resources to carry out its responsibilities under the Project.
3. Without limitation on the foregoing, the functions of the National Project Steering Committee shall be to: (a) provide overall coordination and strategic guidance over the Project; (b) endorse annual work plans and procurement plans prior to approval by the Association; (c) ensure there is policy and implementation coordination amongst all actors; and (d) review and follow up on implementation progress.

Project Coordination Unit

4. The Recipient shall: (a) maintain throughout Project implementation, the Project Coordination Unit (PCU) with terms of reference, staffing and other resources satisfactory to the Association; and (b) assign to the PCU, a Project coordinator, a grants manager, a financial management specialist, a procurement specialist, a value chain development specialist, gender specialist, a monitoring and evaluation specialist and such other staff as may be agreed with the Association, all with qualifications, experience, and terms of reference satisfactory to the Association.
5. Without limitation on the foregoing: (a) the PCU shall be responsible for the day-to-day administration, financial management and monitoring and evaluation of the Project; and (b) the Recipient shall cause the Environmental Protection Agency to provide safeguards implementation support, monitoring and reporting for the Project.

Fund Manager and Advisory Committee

6. To ensure the proper implementation of Part A.1 of the Project:

- (a) (i) the Recipient shall not later than the Effective Date, appoint and thereafter maintain throughout Project implementation, a Fund Manager with institutional structure, staffing and terms of reference satisfactory to the Association; and (ii) the Fund Manager shall be responsible for day-to-day management and administration of SLADF;
- (b) (i) the Recipient shall establish, not later than the Effective Date, and thereafter maintain throughout Project implementation, an Advisory Committee with composition and terms of reference satisfactory to the Association and with adequate resources to carry out its responsibilities under the Project; and (ii) the Advisory Committee shall provide overall oversight over the management and administration of the SLADF; and
- (c) the Recipient shall ensure that the Fund Manager and Advisory Committee shall manage and administer the SLADF in accordance with the SLADF Manual and this Agreement.

Project Implementing Entity and Project Officer

- 7. Without limitations upon the generality of Section 3.01 of this Agreement, the Project Implementing Entity shall be responsible for the implementation of Part A.2 of the Project.
- 8. The Recipient shall, not later than the Effective Date, cause the Project Implementing Entity to designate a Project Officer, with qualifications and experience and terms of reference satisfactory to the Association. The Project Officer shall be responsible for coordinating the implementation of Part A.2 of the Project.

Sierra Leone Roads Authority and the National Feeder Roads Committee

- 9. To ensure the proper implementation of Part B.1 of the Project:
 - (a) (i) the Recipient shall maintain throughout Project implementation, the National Feeder Roads Committee with terms of reference satisfactory to the Association and with adequate resources to carry out its responsibilities under the Project; and (ii) without limitation on the foregoing, the functions of the National Feeder Roads Committee shall be to provide overall coordination and strategic oversight over the implementation of Part B.1; and
 - (b) (i) the Recipient shall maintain throughout Project implementation, the Sierra Leone Roads Authority with an institutional structure, terms of reference satisfactory to the Association and with adequate resources to carry out its responsibilities under the Project; and (ii) without limitation

on the foregoing, the functions of the Sierra Leone Roads Authority shall be to provide day-to-day technical leadership over the implementation of Part B.1 of the Project.

B. Implementation Arrangements

Project Implementation Manual

1. The Recipient shall: (a) (i) not later than the Effective Date adopt a Project Implementation Manual containing detailed guidelines and procedures for the implementation of the Project, including: administration and coordination; monitoring and evaluation; financial, procurement and accounting procedures; social and environmental safeguards; corruption and fraud mitigation measures including measures to strengthen the accountability framework; roles and responsibilities of various agencies in the implementation of Project, conditions and arrangements on the implementation of the capacity building activities, and such other arrangements and procedures as shall be required for the effective implementation of the Project; and (ii) thereafter carry out the Project in accordance with such Project Implementation Manual as shall have been approved by the Association (Project Implementation Manual); and (b) except as the Association shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the Project Implementation Manual.
2. In case of conflict between the provisions of the Project Implementation Manual and this Agreement, the provisions of this Agreement shall prevail.

Annual Work Plans and Budgets

3. The Recipient shall, not later than November 30 of each year, prepare and furnish to the Association, an annual program of activities proposed for implementation under the Project during the following Fiscal Year, together with a proposed budget for the purpose.
4. The Recipient shall exchange views with the Association on each such proposed annual work plan, and shall thereafter adopt, and carry out such program of activities for such following Fiscal Year as shall have been agreed with the Association, as such plan may be subsequently revised during such following Fiscal Year with the prior written agreement of the Association (Agreed Annual Work Plan).

C. Value Chain Finance under Part A.1 of the Project

1. For the purpose of enhancing agri-business productivity and market access for out growers under Parts A.1 of the Project, the Recipient shall provide financing ("Value Chain Finance") to eligible beneficiaries ("Value Chain Finance

Beneficiaries") to implement eligible activities ("Eligible Activities") in accordance with this Agreement and the criteria, conditions and guidelines set out in the Sierra Leone Agri-Business Development Fund Manual.

2. The Recipient shall provide Value Chain Finance pursuant to a Value Chain Finance Agreement between the Recipient and each of the Value Chain Finance Beneficiary, under terms and conditions approved by the Association ("Value Chain Finance Agreement") which shall include rights adequate to protect its interests and those of the Association, including the right to: (a) suspend or terminate the right of the Value Chain Finance Beneficiary to use the proceeds of the Value Chain Finance, or obtain a refund of all or any part of the amount of Value Chain Finance then withdrawn, upon the Value Chain Finance Beneficiary's failure to perform any of its obligations under the Value Chain Finance Agreement; and (b) require each Value Chain Finance Beneficiary to: (i) carry out the Eligible Activities with due diligence and efficiency and in accordance with sound technical, economic, financial, environmental, social and managerial standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (ii) carry out the Eligible Activities in accordance with the provisions of the Safeguards Instruments; (iii) promptly provide as needed, the resources required for the purpose of the Eligible Activities; (iv) procure the goods, works and services to be financed out of the Value Chain Finance in accordance with the provisions of this Agreement; (v) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Eligible Activities and the achievement of its objectives; (vi) (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Eligible Activities; and (B) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (vii) enable the Recipient and the Association to inspect the Eligible Activities, its operation and any relevant records and documents; and (viii) prepare and furnish to the Recipient and the Association all such further information as the Recipient or the Association may reasonably request.
3. The Recipient shall exercise its rights and carry out its obligations under each Value Chain Finance Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Value Chain Finance. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Value Chain Finance Agreement or any of its provisions.

4. To ensure the proper implementation of Part A.1 of the Project, the Recipient shall:
 - (a) (i) not later than the Effective Date, adopt and furnish to the Association the Sierra Leone Agri-Business Development Fund Manual containing detailed guidelines and procedures for the implementation of the Value Chain Finance including the selection and eligibility criteria for Value Chain Beneficiaries, the eligible activities for which the financing may be applied to and the funding conditions that have to be met in order for beneficiaries to qualify for the grants; and (ii) thereafter carry out the respective part of the Project in accordance with such manual as shall have been approved by the Association ("Sierra Leone Agri-Business Development Fund Manual"); and
 - (b) except as the Association shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the Sierra Leone Agri-Business Development Fund Manual.

D. Agricultural Loan Scheme under Part A.2.1 of the Project

1. For the purpose of increasing access to concessional credit, improved seeds and inputs by small-holder farmers under Parts A.2.1 of the Project (Respective Part of the Project), the Recipient shall cause the Project Implementing Entity to provide concessional agricultural loans ("Agricultural Loans") to eligible farmers and producer organizations ("Agricultural Loans Beneficiaries") to implement eligible activities ("Eligible Activities") in accordance with this Agreement and the criteria, conditions and guidelines set out in the Agricultural Loans Scheme Operations Manual.
2. The Recipient shall make the proceeds of the Financing allocated from time to time for the implementation of the Respective Part of the Project available to the Project Implementing Entity under an agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association ("Agricultural Loan Scheme Agreement") which shall include the obligation of the Project Implementing Entity to:
 - (a) implement the Respective Part of the Project with due diligence and efficiency and in conformity with appropriate administrative, technical, financial, environmental, social and economic standards and practices, including the provisions of the Anti-Corruption Guidelines and the Safeguards Instruments, and in accordance with the provisions of this Agreement;
 - (b) (i) procure all goods and services required under the Respective Part of the Project and to be financed out of the proceeds of the Financing in accordance with the provisions of Section III of this Schedule; and

- (ii) ensure that all such goods and services are used exclusively for the purposes of the Project;
- (c) open and maintain an account for depositing the funds of the Agricultural Loan Scheme in the name of the Recipient and pay to the Recipient a fixed rate of interest on the amount on deposit in such account from time to time, which interest shall be credited to said account;
- (d) advance Agricultural Loans to Agricultural Loans Beneficiaries in accordance with the Project Implementing Entity's eligibility requirements and the requirements of the Agricultural Loans Scheme Operations Manual and this Agreement;
- (e) manage the Agricultural Loans Scheme in accordance with the provisions of the Anti-Corruption Guidelines and ensure that the loan arrangements with Agricultural Loans Beneficiaries require the latter to comply with these Guidelines, as well as the requirements of the Safeguards Instruments;
- (f) include in their standard loan agreements with Agricultural Loans Beneficiaries, terms and conditions on minimum loan amounts, loan duration, flexible repayment terms, concessionary interest rates ten per centum (10%) per annum on principal amounts outstanding from time to time, and simple documented procedures for application and disbursement;
- (g) exercise prudent banking standards and practices and adhere to the Recipient's relevant national laws and regulations on prudent management of lending businesses;
- (h) monitor and evaluate the performance of the loan advances and detect risks to loan repayments in time to ensure timely measures are taken to safeguard against default;
- (i) maintain transparent, accurate and complete records in respect of all transactions and submit such reports to the Recipient on a regular basis;
- (j) diligently pursue the recovery of any debt immediately following default;
- (k) work with the Recipient's staff in the implementation of the Scheme; and
- (l) exercise transparency in its transactions including providing quarterly reporting on progress especially in providing timely information on loans disbursed and number and segregation of the beneficiaries.

3. In the event that prior to the Closing Date there are any amounts remaining on deposit in the account mentioned in sub-paragraph 1(c) above of this Section I.D, then at least sixty (60) days before the Closing Date, the Association and the Recipient shall agree on the eligible activities to be financed with such remaining undisbursed funds prior to the Closing Date, including continued financing of the Agricultural Loan Scheme, or such other purpose as the Association and the Recipient shall agree in writing. The Project Implementing Entity shall only disburse the undisbursed balance after the Closing Date with the prior written approval of the Recipient.
4. The Recipient shall exercise its rights under the Agricultural Loan Scheme Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Agricultural Loan Scheme Agreement or any of its provisions.
5. To ensure the proper implementation of the Respective Part of the Project:
 - (a) the Recipient shall: (i) not later than the Effective Date adopt an Agricultural Loan Scheme Operations Manual containing detailed guidelines and procedures for the implementation of the Agricultural Loan Scheme including the selection and eligibility criteria for the beneficiaries, the eligible activities for which the financing may be applied to and the funding conditions that have to be met in order for beneficiaries to qualify for the loans; and (ii) thereafter adopt and carry out the Respective Part of the Project in accordance with such manual as shall have been approved by the Association ("Agricultural Loan Scheme Operations Manual"); and
 - (b) except as the Association shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the Agricultural Loan Scheme Operations Manual.

E. Agri-Business Services Matching Grants under Part A.3 of the Project

1. For the purpose of enhancing the development of agri-business services under Part A.3 of the Project, the Recipient shall provide grants ("Agri-Business Services Matching Grants") to eligible producer organizations and small and medium scale enterprises ("Agri-Business Services Matching Grants Beneficiaries") to implement eligible activities ("Eligible Activities") in accordance with this Agreement and the criteria, conditions and guidelines set out in the Agri-Business Services Matching Grants Operations Manual.
2. The Recipient shall provide the Agri-Business Services Matching Grants under an Agri-Business Services Matching Grant Agreement between the Recipient and each of the Agri-Business Services Matching Grants Beneficiary, under terms and

conditions approved by the Association ("Agri-Business Services Matching Grant Agreement") which shall include rights adequate to protect its interests and those of the Association, including the right to: (a) suspend or terminate the right of the Agri-Business Services Matching Grants Beneficiary to use the proceeds of the Agri-Business Services Matching Grant, or obtain a refund of all or any part of the amount of Agri-Business Services Matching Grant then withdrawn, upon the Agri-Business Services Matching Grants Beneficiary's failure to perform any of its obligations under the Agri-Business Services Matching Grant Agreement; and (b) require each Agri-Business Services Matching Grants Beneficiary to: (i) carry out the Eligible Activities with due diligence and efficiency and in accordance with sound technical, economic, financial, environmental, social and managerial standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (ii) carry out the Eligible Activities in accordance with the provisions of the Safeguards Instruments; (iii) provide, promptly as needed, the resources required for the purpose of the Eligible Activities; (iv) procure the goods, works and services to be financed out of the Agri-Business Services Matching Grant in accordance with the provisions of this Agreement; (v) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Eligible Activities and the achievement of its objectives; (vi) (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Eligible Activities; and (B) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (vii) enable the Recipient and the Association to inspect the Eligible Activities, its operation and any relevant records and documents; and (viii) prepare and furnish to the Recipient and the Association all such further information as the Recipient or the Association may reasonably request.

3. The Recipient shall exercise its rights and carry out its obligations under each Agri-Business Services Matching Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Agri-Business Services Matching Grant. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Agri-Business Services Matching Grant Agreement or any of its provisions.
4. To ensure the proper implementation of Part A.3 of the Project the Recipient shall:
 - (a) (i) not later than the Effective Date adopt the Agri-Business Services Matching Grant Operations containing detailed guidelines and procedures

for the implementation of the Agri-Business Services Matching Grants Manual including the selection and eligibility criteria for beneficiaries, the eligible activities for which the financing may be applied to and the funding conditions that have to be met in order for beneficiaries to qualify for the loans; and (ii) thereafter carry out the respective part of the Project in accordance with such manual as shall have been approved by the Association ("Agri-Business Services Matching Grants Operations Manual"); and

- (b) except as the Association shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the Agri-Business Services Matching Grants Operations Manual.

F. Capacity Building Grants under Part C of the Project

1. For the purpose of carrying out of the eligible capacity building activities ("Eligible Activities") under Parts C.2, C.3 and C.4 of the Project, the Recipient shall: (a) cause MAFFS to enter into a memorandum of understanding, in form and substance satisfactory to the Association ("Memorandum of Understanding"), with each of MWHI, MTI and MLGRD, setting forth the roles and responsibilities of each ministry with respect to the implementation of said activities; and (b) not amend or waive, or permit to be amended or waived any provision of any of the Memorandum of Understanding, except with the prior written consent of the Association.
2. For the purpose of carrying out the eligible capacity building activities ("Eligible Activities") under Parts C.5, C.6 and C.7 of the Project, the Recipient shall provide capacity building grants (individually, "Capacity Building Grant" and collectively, "Capacity Building Grants") to SLARI, SLeCAD and NAFFSL ("Participating Institutions") in accordance with this agreement and the guidelines set out in the Project Implementation Manual.
3. The Recipient shall provide a Capacity Building Grant under a Capacity Building Grant Agreement between the Recipient and each of the Participating Institution, under terms and conditions approved by the Association ("Capacity Building Grant Agreement") which shall include rights adequate to protect its interests and those of the Association, including the right to: (a) suspend or terminate the right of the Participating Institution to use the proceeds of the Capacity Building Grant, or obtain a refund of all or any part of the amount of the Capacity Building Grant then withdrawn, upon the Participating Institution's failure to perform any of its obligations under the Capacity Building Grant Agreement; and (b) require each Participating Institution to: (i) carry out the Eligible Activities with due diligence and efficiency and in accordance with sound technical, economic, financial and managerial standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to

recipients of loan proceeds other than the Recipient; (ii) carry out the Eligible Activities in accordance with the provisions of the Safeguards Instruments; (iii) provide, promptly as needed, the resources required for the purpose of the Eligible Activities; (iv) procure the goods, works and services to be financed out of the Capacity Building Grant in accordance with the provisions of this Agreement; (v) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Eligible Activities and the achievement of its objectives; (vi) (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Eligible Activities; and (B) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements so audited to the Recipient and the Association; (vii) enable the Recipient and the Association to inspect the Eligible Activities, its operation and any relevant records and documents; and (viii) prepare and furnish to the Recipient and the Association all such further information as the Recipient or the Association may reasonably request.

4. The Recipient shall exercise its rights and carry out its obligations under each Capacity Building Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Capacity Building Grant. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Capacity Building Grant Agreement or any of its provisions.

G. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

H. Safeguards

1. The Recipient shall ensure and cause the Project Implementing Entity to carry out the Project in accordance with the provisions of the Environmental and Social Management Framework ("ESMF") and the Resettlement Policy Framework ("RPF").
2. If any Supplemental Social and Environmental Safeguards Instrument is required under any of the Safeguards Instruments, the Recipient shall ensure and cause the Project Implementing Entity or as appropriate to:

- (a) prepare: (i) such Supplemental Social and Environmental Safeguards Instrument in accordance with the applicable Safeguards Instrument; (ii) furnish such Supplemental Social and Environmental Safeguards Instrument to the Association for review and approval; and (iii) thereafter adopt such Supplemental Social and Environmental Safeguards Instrument prior to implementation of the activities ; and
 - (b) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Supplemental Social and Environmental Safeguards Instrument.
- 3. The Recipient shall ensure that all technical assistance under the Project, application of whose results would have environmental or social implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association, such terms of reference to ensure that the technical assistance takes into account, and calls for application of the Association's environmental and social safeguards policies and the Recipient's own laws relating to the environment and social aspects.
- 4. If any activity under the Project would involve Affected Persons, the Recipient shall: (a) ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before resettlement measures under a Supplemental Social and Environmental Safeguards Instrument prepared in accordance with the RPF, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been implemented; and (b) provide from its own resources, any financing required for any measures under sub-paragraph (a) above including any costs associated with land acquisition required for the Project.
- 5. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall for each of the Safeguards Instruments including the related Supplemental Social and Environmental Safeguards Instrument, regularly collect, compile and furnish to the Association reports in form and substance satisfactory to the Association, on the status of compliance with such Safeguards Instrument including the related Supplemental Social and Environmental Safeguards Instrument, as part of the Project Reports, giving details of:
 - (a) measures taken in furtherance of the Safeguards Instruments including the Supplemental Social and Environmental Safeguards Instruments;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments including the Supplemental Social and Environmental Safeguards Instruments; and

- (c) remedial measures taken or required to be taken to address such conditions.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association and set out in the Project Implementation Manual. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall ensure and cause the Project Implementing Entity to prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall ensure and cause the Project Implementing Entity to have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with

the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method	
(a) National Competitive Bidding	<i>(Subject to the additional provisions set out in paragraph 3 below)</i>
(b) Shopping	
(c) Procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association and set out in the Project Implementation Manual	
(d) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association and set out in the Project Implementation Manual	
(e) Direct Contracting	

3. **Additional National Competitive Bidding ("NCB") Procedures.** The procedures to be followed for NCB shall be those set forth in the Recipient's Public Procurement Act ("Act") provided, however, that said procedures shall be subject to the provisions of Section I and paragraphs 3.3 and 3.4, respectively, of the

Procurement Guidelines, and subject to the following additional procedures (i.e. exceptions to the Act):

- (a) bidding documents acceptable to the Association shall be used;
- (b) eligibility to participate in a procurement process and to be awarded an Association-financed contract shall be as defined under Section I of the Procurement Guidelines. Accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Association for reasons other than those provided in Section I of the Procurement Guidelines. Foreign bidders shall be allowed to participate in NCB procedures, and foreign bidders shall not be obligated to partner with local bidders in order to participate in a procurement process;
- (c) bidding shall not be restricted to pre-registered firms, and foreign bidders shall not be required to be registered with local authorities as a prerequisite for submitting bids;
- (d) no margins of preference of any sort (e.g., on the basis of bidder nationality, origin of goods, services or labor, and/or preferential programs) shall be applied in the bid evaluation;
- (e) joint venture or consortium partners shall be jointly and severally liable for their obligations. Bidders shall be given at least thirty (30) days from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later, to prepare and submit bids. Bids shall be submitted in a single envelope;
- (f) an extension of bid validity, if justified by exceptional circumstances, may be requested in writing from all bidders before the original bid validity expiration date, provided that such extension shall cover only the minimum period required to complete the evaluation and award a contract, but not to exceed thirty (30) days. No further extensions shall be requested without the prior written concurrence of the Association;
- (g) all bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited without the Association's prior written concurrence;
- (h) qualification criteria shall be applied on a pass or fail basis;
- (i) bidders shall be given at least twenty-eight (28) days from the receipt of notification of award to submit performance securities;
- (j) in accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Association's policy to

sanction firms or individuals found to have engaged in fraud and corruption as set forth in the Procurement Guidelines; and

- (k) in accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Association's policy with respect to inspection and audit of accounts, records and other documents relating to the submission of bids and contract performance.

C. Particular Methods of Procurement of Consultants' Services

- 1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
- 2. **Other Methods of Procurement of Consultants' Services.** The following table specifies the methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultant services. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method	
(a)	Quality-based Selection
(b)	Least Cost Selection
(c)	Fixed Budget Selection
(d)	Selection based on Consultants' Qualifications
(e)	Single-source Selection of consulting firms
(f)	Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants
(g)	Single-source procedures for the Selection of Individual Consultants

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in (SDR))	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Value Chain Finance under the Sierra Leone Agri-Business Development Fund, consultant services, non-consulting services and Operating Costs under Part A.1 of the Project	8,600,000	100%
(2) Agricultural Loans Scheme under Part A.2.1 of the Project	2,200,000	100% of amount disbursed
(3) Agri-Business Services Matching Grants under Part A.3 of the Project	1,400,000	100% of amount disbursed
(4) Goods, works, consultant services, non-consulting services, Training and Operating Costs under Parts A.4 and A.5 of the Project	1,400,000	100%

Category	Amount of the Financing Allocated (expressed in (SDR))	Percentage of Expenditures to be Financed (inclusive of Taxes)
(5) Goods, works, consultant services, non-consulting services, Training and Operating Costs under Part B (except Parts B.1) of the Project	700,000	100%
(6) Goods, works, consultant services, non-consulting services, Training and Operating Costs under Parts B.1 of the Project	7,200,000	40%
(7) Goods, consultant services, non-consulting services, Training and Operating Costs under Parts C.1, C.2, C.3 and C.4 of the Project	3,000,000	100%
(8) Capacity Building Grants under Parts C.5,C.6 and C.7 of the Project	1,400,000	100% of amount disbursed
(9) Goods, consultant services, non-consulting services, Training and Operating Costs under Part D of the Project	2,200,000	100 %
(10) Refund of Preparation Advance	800,000	Amount payable pursuant to Section 2.07 of the General Conditions
TOTAL AMOUNT	28,900,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is November 30, 2021.

Section V. Other Undertakings

Unified Project Implementation Unit

1. The Recipient shall:
 - (a) within two (2) years of the Effective Date: (i) establish and thereafter maintain throughout Project implementation, a Unified Project Implementation Unit (UPIU) within MAFFS with terms of reference, staffing and other resources satisfactory to the Association; and (ii) assign to the IPIU, a Project coordinator, a grants manager, a financial management specialist, a procurement specialist, a value chain development specialist, gender specialist, a monitoring and evaluation specialist and such other staff as may be agreed with the Association, all with qualifications, experience, and terms of reference satisfactory to the Association.
 - (b) promptly following its establishment, transfer to the IPIU the functions of the PCU in a manner satisfactory to the Association.

SCHEDULE 3
Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each March 15, and September 15, commencing March 15, 2022 to and including September 15, 2053	1.5625%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.

APPENDIX

Section I. Definitions

1. "Advisory Committee" means the Recipient's committee comprising representatives from MoF, MAFFS, MTI, MWHI, a member of the Board of SLeCAD and a member of the Board of NAFFSL to be established for purposes of providing oversight over the implementation of Part A.1 of the Project and referred to in Section I.A.6 of Schedule 2 to this Agreement.
2. "Affected Person" means a person who as a result of: (a) the involuntary taking of land under the Project is affected in any of the following ways: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood.
3. "Agri-Business Services Matching Grant" means a grant financing made or proposed to be made by the Recipient out of the proceeds of the financing to an Agri-Business Services Matching Grant Beneficiary for the purpose of financing Eligible Activities and referred to in Section I.E.1 of Schedule 2 to this Agreement.
4. "Agri-Business Services Matching Grant Agreement" means an agreement acceptable to the Association to be entered into between the Recipient and an Agri-Business Services Matching Grant Beneficiary for the provision of an Agri-Business Services Matching Grant, and referred to in Section I.E.2 of Schedule 2 to this Agreement.
5. "Agri-Business Services Matching Grant Beneficiary" means a registered producer organization or a small and medium scale enterprise which meets the eligibility criteria and conditions specified in the Agri-Business Services Matching Grants Operations Manual and to which or for whose benefit an Agri-Business Services Matching Grant is made or proposed to be made.
6. "Agri-Business Services Matching Grants Operations Manual" means the Recipient's manual acceptable to the Association providing detailed guidelines and procedures for the implementation of the Agri-Business Matching Grants and referred to in Section I.E.4 of Schedule 2 to this Agreement.
7. "Agricultural Loans" means the concessional loans proposed to be provided by the Project Implementing Entity to Agricultural Loans Beneficiaries under Part A.2 of the Project for the implementation of Eligible Activities and referred to in Section I.D.1 of Schedule 2 to this Agreement.

8. "Agricultural Loans Beneficiary" means a farmer who, or a registered producer organization which meets the eligibility criteria and conditions specified in the Agricultural Loans Scheme Operations Manual for receiving Agricultural Loans and to which or for whose benefit an Agricultural Loan is made or proposed to be made.
9. "Agricultural Loans Scheme" means the arrangement for the provision of Agricultural Loans.
10. "Agricultural Loans Scheme Agreement" means the agreement acceptable to the Association to be entered into between the Recipient and the Project Implementing Entity for the provision by the former of the proceeds of the Financing allocated from time to time for the implementation of the Respective Part of the Project, and referred to in Section I.D.2 of Schedule 2 to this Agreement.
11. "Agricultural Loans Scheme Operations Manual" means the Recipient's manual acceptable to the Association providing detailed guidelines and procedures for the implementation of the Agricultural Loans Scheme and referred to in Section I.D.5 of Schedule 2 to this Agreement.
12. "Annual Work Plan and Budget" means the program of activities agreed each Fiscal Year between the Recipient and the Association for implementation under the Project in accordance with Section I.B.3 of Schedule 2 to this Agreement during the following Fiscal Year, as the same may be revised from time to time in accordance with said Section.
13. "Anti-Corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011.
14. "Capacity Building Grant" means a grant financing made or proposed to be made by the Recipient out of the proceeds of the financing to a Participating Institution for the purpose of financing Eligible Activities and referred to in Section I.F.1 of Schedule 2 to this Agreement.
15. "Capacity Building Grant Agreement" means an agreement acceptable to the Association to be entered into between the Recipient and a Participating Institution for the provision of a Capacity Building Grant, and referred to in Section I.F.2 of Schedule 2 to this Agreement.
16. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
17. "Co-financier" means the United Kingdom of Great Britain and Northern Ireland, acting through the Department for International Development.

18. "Co-financing" means, for purposes of paragraph 11 of the Appendix to the General Conditions, an amount of £10,000,000 to be provided by the Co-financier to assist in financing Part B.1 of the Project.
19. "Co-financing Agreement" means the agreement to be entered into between the Recipient and the Co-financier providing for the Co-financing.
20. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (Revised July 2014).
21. "District" means an administrative subdivision of the Recipient established pursuant to the Provinces Act, Chapter 60 of the Laws of the Recipient.
22. "Eligible Activities" means either: (a) the activities eligible for financing through Value Chain Finance in accordance with the provisions of the Sierra Leone Agri-Business Fund Manual; or (b) the activities eligible for financing through Agricultural Loans, in accordance with the provisions of the Agricultural Loan Scheme Operations Manual; or (c) the activities eligible for financing through Agri-Business Services Matching Grants, in accordance with the provisions of the Agri-Business Services Matching Grants Operations Manual; or (d) the capacity building activities eligible for financing through the Capacity Building Grants, in accordance with the provisions of the Project Operations Manual.
23. "Environmental Protection Agency" means the Recipient's agency responsible for the effective protection of the environment and established and operating pursuant to the Environmental Protection Agency Act, 2008 of the Laws of the Recipient.
24. "Environmental and Social Assessment" or "ESIA" means an assessment carried out by the Recipient pursuant to the ESMF on the potential environmental and social impacts of a Sub-Project, evaluating alternatives, and proposing appropriate mitigation, management, and monitoring measures and defining specific measures to be implemented.
25. "Environmental and Social Management Framework" or "ESMF" means the framework dated August 2015, in form and substance satisfactory to the Association, prepared by the Recipient, setting out modalities to be followed in assessing the potential adverse environmental and social impact associated with activities to be implemented under the Project, and the measures to be taken to offset, reduce, or mitigate such adverse impact.
26. "Fiscal Year" means each fiscal year of the Recipient commencing on January 1 and ending on December 31 of the same year.

27. "Fund Manager" means the firm acceptable to the Association to be hired by the Recipient to carry out day to day management of the SLADF and referred to in Section I.A.6 of Schedule 2 to this Agreement.
28. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010.
29. "Local Council" or "LC" means a local council established and operating pursuant to the Local Government Act (Act No.1 of 2004 of the Laws of the Recipient) and any successor thereto, and "Local Councils" or "LCs" means, collectively, all such Local Councils.
30. "Memorandum and Articles of Association" means the memorandum of association of a company and the articles of association of a company as originally framed or as altered by the company from time to time, and which comprise the constitutive documents for incorporation and or registration of a company.
31. "Memorandum of Understanding" means a memorandum acceptable to the Association to be signed between the Recipient represented by MAFFS, and the ministries that are beneficiaries of capacity building support under the Project, and referred to in Section I.F.1 of Schedule 2 to this Agreement.
32. "Ministry of Agriculture, Forestry and Food Security" or "MAFFS" means the Recipient's ministry responsible for matters relating to agriculture.
33. "Ministry of Local Government and Rural Development" or "MLGRD" means the Recipient's ministry responsible for matters relating to local development.
34. "Ministry of Trade and Industry" or "MTI" means the Recipient's ministry responsible for matter relating to trade.
35. "Ministry of Works, Housing and Infrastructure" or "MWHI" means the Recipient's ministry responsible for matter relating to roads.
36. "National Farmers Federation of Sierra Leone" or "NAFFSL" means the apex federation of registered national farmers organizations in Sierra Leone and established and operating pursuant to the Companies Act, Act No. 5 of 2009 of the Laws of the Recipient.
37. "National Feeder Roads Committee" means the Recipient's committee responsible for coordinating feeder road matters and comprising representatives from MWHI, MAFFs, MTI, MLGRD, SLARI, SLRA, RMFA, and the representatives from the Local Councils, and referred to in Section I.A.9 of Schedule 2 to this Agreement.
38. "National Project Steering Committee" means the committee established for purposes of the Project, referred to in Section I.A.2 of Schedule 2 to this

Agreement chaired by the minister, MAFFs, and comprising relevant officials from MAFFS, MTI, MWHI, MLGRD, SLARI, SLeCAD and NAFFSL, and such other staff as the Minister may determine.

39. "Operating Costs" means the expenses incurred on account of Project Implementation, based on Annual Work Plans and Budgets approved by the World Bank pursuant to Section I.B.3 of Schedule 2 to this Agreement, including office equipment and supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, office rental, consumables, accommodation, salaries and local and international travel costs of Project staff (excluding the salaries of the Recipient's civil service).
40. "Participating Institution" means each of SLARI, SLeCAD and NAFFSL.
41. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (Revised July 2014).
42. "Procurement Plan" means the Recipient's procurement plan for the Project, dated January 21, 2016, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
43. "Project Coordination Unit" or "PCU" means a unit within MAFFS designated to take on the day-to-day financial management, procurement, monitoring and evaluation responsibilities under the Project and referred to in Section I.A.4 of Schedule 2 to this Agreement.
44. "Project Implementation Manual" means the Manual acceptable to the Association and referred to in Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior agreement of the Association.
45. "Project Implementing Entity" means the Apex Bank Limited.
46. "Project Implementing Entity's Legislation" means the Companies Act, Act No. 5 of 2009 of the Laws of the Recipient, pursuant to which the Project Implementing Entity is incorporated and includes the Memorandum and Articles of Association of the Project Implementing Entity.
47. "Project Officer" means the officer acceptable to the Association to be hired by the Project Implementing Entity to carry out day to day implementation of the Respective Part of the Project and referred to in Section I.A.8 of Schedule 2 to this Agreement.

48. "Sierra Leone Road Maintenance Fund Administration" or "RMFA" means the Recipient's agency responsible for the administration of the Road Maintenance Fund, both established and operating under the Road Maintenance Fund Administration Act, Act No.3 of 2010 of the Laws of the Recipient.
49. "Resettlement Action Plan" and "RAP" mean the plan approved by the Association for the Project, prepared by a Project Implementing Entity on the basis of the RPF as the said document may be amended and/or supplemented from time to time with the prior written concurrence of the Association and subject to the initial consultation and disclosure requirements carried out on the RAP.
50. "Resettlement Policy Framework" and "RPF" mean a framework in form and substance acceptable to the Association dated November 2015, prepared by the Recipient and outlining the policies and procedures to be implemented in the event that specific activities implemented under the Project have potentially negative impacts on the livelihoods, assets and land of the affected population, as the said framework may be amended and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document.
51. "Safeguards Instrument" means each of the ESMF or the RPF.
52. "Selected Value Chains" means the rice, cocoa, palm oil and poultry value chains.
53. "Sierra Leone Agri-Business Development Fund" or "SLADF" means the fund to be established under Part A.1 of the Project for the provision of Value Chain Finance.
54. "Sierra Leone Agricultural Research Institute" or "SLARI" means the Recipient's institute responsible for agricultural research, established and operating pursuant to Sierra Leone Agricultural Research Institute Act, Act No. 25 of 2007 of the Laws of the Recipient.
55. "Sierra Leone Chamber for Agri-Business Development" or "SLeCAD" means a limited liability company whose objective is to promote private investment in agriculture in Sierra Leone and established and operating pursuant to the Companies Act, Act No. 5 of 2009 of the Laws of the Recipient.
56. "Sierra Leone Investment and Export Promotion Agency" or "SLIEPA" means the Recipient's agency responsible for the promotion of investments in and exports of Sierra Leone products and established and operating pursuant to the Sierra Leone Investment and Export Promotion Agency Act, Act No. 3 of 2007 of the Laws of the Recipient.

57. "Sierra Leone Produce Marketing Company" or "SLPMC" means the Recipient's company established for purposes of marketing produce and established and operating pursuant to the Companies Act, Act No. 5 of 2009 of the Laws of the Recipient.
58. "Sierra Leone Roads Authority" or "SLRA" means the Recipient's agency responsible for the control, development, maintenance and efficient and reliable management of the national road network and established and operating pursuant to the Sierra Leone Roads Authority Act, Act No. 2 of 1992 of the Laws of the Recipient.
59. "Supplemental Social and Environmental Safeguards Instruments" means an ESIA, a RAP or other supplemental social and environmental safeguards instrument acceptable to the Association prepared pursuant to the ESMF or RPF.
60. "Training" means the costs of training under the Project, based on the annual work plans and budgets referred to in Section I.B.3 of Schedule 2 to this Agreement as approved by the Association, and attributable to seminars, workshops, and study tours, along with local and international travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.
61. "Unified Project Implementation Unit" or "UPIU" means a unit to be established within MAFFS to take over the day-to-day financial management, procurement, monitoring and evaluation responsibilities under the Project and referred to in Section V of Schedule 2 to this Agreement.
62. "Value Chain Finance" means a grant or loan financing made or proposed to be made by the Recipient out of the SLADF to a Value Chain Finance Beneficiary for the purpose of financing Eligible Activities and referred to in Section I.C.1 of Schedule 2 to this Agreement.
63. "Value Chain Finance Agreement" means the agreement acceptable to the Association to be entered into between the Recipient and a Value Chain Finance Beneficiary for the provision of Value Chain Finance, and referred to in Section I.C.2 of Schedule 2 to this Agreement.
64. "Value Chain Finance Beneficiary" means a registered agri-business or a medium or large scale commercial farmer who meets the eligibility criteria and conditions specified in the Sierra Leone Agri-Business Development Fund Manual for receiving Value Chain Finance and to which or for whose benefit a Value Chain Finance is made or proposed to be made.

