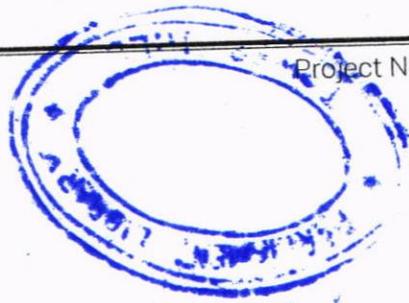


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Project No.: SLE-1013



TECHNICAL ASSISTANCE GRANT AGREEMENT

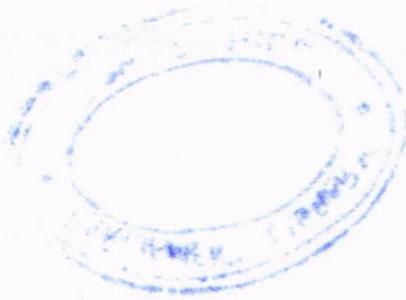
BETWEEN

REPUBLIC OF SIERRA LEONE

AND

ISLAMIC DEVELOPMENT BANK

CONCERNING
REGIONAL RICE VALUE CHAIN DEVELOPMENT PROGRAM



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TECHNICAL ASSISTANCE GRANT AGREEMENT

This Agreement is made on ___/___/1440H corresponding to ___/___/2019G,

Between

Republic of Sierra Leone (hereinafter referred to as the "Recipient");

And

Islamic Development Bank, an international financial institution established pursuant to its Articles of Agreement signed/ratified by its member countries, having its headquarters in Jeddah, Kingdom of Saudi Arabia (hereinafter referred to as the "Bank").

The Recipient and the Bank are hereinafter referred to individually as "Party" and collectively as "Parties".

Whereas,

- A. The Recipient has requested the Bank to provide assistance for Regional Rice Value Chain Development Program described in the Appendix-II to this Agreement (hereinafter referred to as the "Project");
- B. The Bank has on 09/04/1440H (16/12/2018G) approved and agreed on the basis, inter alia, of the foregoing to provide technical assistance upon the terms and conditions hereinafter set forth.

Now, therefore, the Parties hereto hereby agree as follows:

Article-1 DEFINITIONS

Capitalized terms used in this Agreement shall have the meaning ascribed to them in Appendix-I.

Article-2 THE GRANT AMOUNT

The Bank shall make available to the Recipient a technical assistance grant in an amount not exceeding US\$300,000.00 (United States Dollars Three Hundred Thousand) which is approximately equivalent to ID 214,285.00 (Islamic Dinars Two Hundred and Fourteen Thousand, Two Hundred and Eighty-Five (hereinafter referred to as the "Grant Amount").

Article-3 WITHDRAWAL AND USE OF THE PROCEEDS OF THE GRANT AMOUNT

- 3.1 **Withdrawal:** The Grant Amount shall be withdrawn in conformity with the Disbursement Procedures and in accordance with Appendix-III.
- 3.2 The proceeds of the Grant Amount shall be used solely to cover the cost of the items specified in Appendix-III.
- 3.3 **Procurement Procedure:** The procurement procedure for the Project shall be as follows and in accordance with the Procurement Guidelines:
 - 3.3.1 National Shortlist will be used to select from qualified and capable local/national firms that have adequate capacity to undertake Capacity Development activities.

- 3.4 **Use of the Grant Amount:** The Grant Amount shall be used solely for the purposes of the Project financed by the Bank. Indeed, the Recipient undertakes to ensure that the proceeds of the Grant Amount shall not be used to finance any expenditure with respect to which the Bank determines that Sanctionable Practices were engaged in by representatives of the Recipient or other recipient of the proceeds of the Grant Amount, without the Recipient having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur.
- 3.5 **Date of Requesting First Disbursement:** If within 6 (Six) months from the signing of this Agreement, the Recipient, through the Executing Agency, has not submitted a request for the First Disbursement, the Grant Amount shall automatically be cancelled and this Agreement shall be terminated accordingly.
- 3.6 The Closing Date for the full utilization of the Grant Amount shall be 15/12/2020G.

Article-4 CANCELLATION AND SUSPENSION OF THE GRANT AMOUNT

- 4.1 **Suspension by the Bank:** The Bank may, by notice to the Recipient, suspend the Grant Amount or any part thereof in any of the following cases:
- (a) The Recipient shall have breached any undertaking or covenant made under this Agreement or failed to perform any other obligation under the Agreement;
 - (b) An extraordinary situation shall have arisen which;
 - (i) shall make it improbable that the Project can be carried out by the Recipient; or
 - (ii) prevents the attainment of the purposes for which the Agreement was entered into.
 - (c) The Republic of Sierra Leone membership of the Bank shall have been suspended or ceased;
 - (d) A representation made by the Recipient pursuant to the Agreement or any statement furnished in connection therewith and intended to be relied upon by the Bank in making available the Grant Amount, shall have been incorrect in any material respect;
 - (e) If at any time, with respect to the negotiation, execution or implementation of the Project, including with respect to the procurement or execution of any contract to be financed in full or in part from the proceeds of the financing, the Bank determines that any person or entity has engaged in Sanctionable Practices without the Recipient having taken time and appropriate action satisfactory to the Bank to remedy the situation or to address such practices when they occur.

The right of the Recipient to make withdrawals shall continue to be suspended in whole or in part, as the case may be, until the event or events which gave rise to such suspension shall have ceased to exist or until the Bank shall have notified the Recipient that its right to make withdrawals has been restored, provided, however, that in the case of any such notice or restoration, the right to make withdrawals shall be restored only to the extent and subject to the conditions specified in such notice and no such notice

shall affect or impair any right, power or remedy of the bank in respect of any other or subsequent event described in this Section.

- 4.2 **Cancellation by the Bank:** The Bank may, by notice to the Recipient, cancel the Grant Amount or any part thereof if:
- (a) the right of the Recipient to make withdrawals shall have been suspended with respect to any part of the Grant Amount for a continuous period of thirty days; or
 - (b) at any time the Bank determines, after consultation with the Recipient, that any part of the Grant Amount will not be required to finance the Project cost; or
 - (c) part of the Grant Amount remains not withdrawn after the Closing Date.
- 4.3 **Termination:** The Agreement shall automatically be terminated if within 180 days from the effective date of the Agreement, the Recipient has not submitted the First Disbursement Request.
- 4.4 Notwithstanding any cancellation or suspension, all the provisions of the Agreement shall continue in full force and effect.

Article-5 REPRESENTATIONS AND WARRANTIES

The Recipient represents and warrants that:

- (i) it has power to enter into this Agreement and to perform its obligations hereunder and all action required to authorize the execution of this Agreement and the performance by the Recipient of its obligations hereunder has been duly taken;
- (ii) the obligations expressed to be assumed by the Recipient in this Agreement are legal and valid obligations binding on the Recipient in accordance with the terms;
- (iii) the execution of this Agreement and the Recipient's performance of its obligations hereunder do not constitute and will not result in any breach of any agreement, treaty or law.

Article-6 EXECUTION OF THE PROJECT

- 6.1 **Executing Agency:** shall be the Ministry of Agriculture, Forestry and Food Security, Republic of Sierra Leone and shall be responsible for the overall Project implementation, coordination, monitoring and evaluation.
- 6.2 The Executing Agency shall monitor and report on all aspects of the Project including but not limited to the procurement of goods and services, operating bank accounts, submitting disbursement applications to the Bank, record-keeping and utilization of the Grant Amount.
- 6.3 **Implementation Arrangements:** The Project shall be managed and implemented by the Ministry of Agriculture, Forestry and Food Security, Republic of Sierra Leone.
- 6.4 **Implementation Schedule:** The Project shall be implemented over a period of 2 years from the date of First Disbursement.

Article-7 OBLIGATIONS OF THE RECIPIENT

- 7.1 The Recipient shall cooperate with the Bank to ensure that the Project is carried out promptly and efficiently in conformity with appropriate financial and administrative practices, and, for that purpose, shall make available to the Bank all existing information relating to the Project.
- 7.2 The Recipient shall contribute an amount of USD 1.82 Million for financing the activities of the Project in accordance with Appendix-III. The Recipient shall also make provisions in its budget for the funds needed to meet the local currency cost of the Project and shall also finance any cost overruns that may occur during the execution thereof. For the avoidance of doubts, the Grant Amount shall not cover the payment of any taxes, duties, fees, charges or any other similar impositions.
- 7.3 The Recipient, through the Executing Agency, shall maintain or cause to be maintained accounts and records adequate to show the use of the Grant Amount and the progress of the Project including the cost thereof and inform the Bank in accordance with Article-6.4.
- 7.4 The Recipient, through the Executing Agency, shall furnish the Bank with quarterly reports detailing progress made, problems encountered, action taken, and other details as the Bank may from time to time request.
- 7.5 The Recipient, through the Executing Agency, undertakes to ensure free access to the accredited representatives of the Bank to all premises and facilities connected with the execution of the Project.
- 7.6 The Recipient, through the Executing Agency, shall submit to the Bank within 90 (Ninety) days of the completion of the Project, a report evaluating the results of the Technical Assistance provided by the Bank in accordance with this Agreement and the extent to which the objective of the Project has been accomplished.
- 7.7 The Recipient, through the Executing Agency, shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Project, the maintenance of the service thereof or the performance of its obligations under this Agreement.
- 7.8 The Recipient shall ensure or cause to be ensured, that all Contractors and Consultants providing goods or carrying out works and/or services under the Project carry out their activities under the Project with due diligence and efficiency and in accordance with sound, technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including with the provisions of any anti-corruption guidelines applicable to the Recipient.
- 7.9 Any taxes or duties, which may be levied on the consultant engaged shall be imputed to the local cost of the Project and shall be financed by the Recipient. The Recipient undertakes to inform the consultant engaged prior to the submission of his/her financial proposal of all taxes and duties, which may be levied by the Recipient.

Article-8 REPORTS AND RECOMMENDATIONS

- 8.1 The Recipient, through the Executing Agency, and the Bank shall, from time to time, at the request of either Party, exchange views on the technical assistance, and consult on

any reports prepared by any consultant engaged and the implementation of any recommendations made in those reports.

- 8.2 The Bank may use any reports prepared by any consultant engaged and any other reports prepared under the Project for any purpose which the Bank may consider appropriate but those reports may not be made public except by agreement of the Bank and the Recipient.
- 8.3 The provision of assistance by the Bank under this Agreement does not commit the Bank to extend financial or further technical assistance to the Recipient with respect to the implementation of any recommendations of a consultant.

Article-9 EFFECTIVENESS

This Agreement shall become effective upon signature by both the Parties and on the date first above written.

Article-10 CO-ORDINATION AND NOTICES

- 10.1 Co-ordination: The Recipient hereby appoints the Ministry of Finance, Republic of Sierra Leone to act as the authorized representative of the Recipient (the Recipient's Representative) on all matters under this Agreement and for all intents and purposes without limitation; accordingly:
- (i) to deal with the Bank and to be directly responsible for fulfilling the obligations incumbent on the Recipient by virtue of this Agreement.
 - (ii) all communications of any kind given by the Bank to the Recipient's Representative shall be deemed to have been duly given to the Recipient;
 - (iii) all communications received by the Bank from the Recipient's Representative shall be deemed to have been duly given or made by, and received from, the Recipient; and
 - (iv) the Recipient's Representative shall, at all times, conduct proper and efficient coordination and cooperation, and ensure that the Recipient and the Executing Agency carry out their duties hereunder.
- 10.2 Notices: Any notice, request or other communication to be given or made under this Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand, airmail, established courier service, or facsimile to the Party to which it is given at such Party's address specified below or at such other address as such Party shall have designated by notice to the Party giving such notice, request or communication.

For the Bank:

8111 King Khalid St. Al Nuzlah Al Yamanía Dist., Unit No.1
Jeddah-22332-2444,
Kingdom of Saudi Arabia
Tel: +966 12 6361400
Fax: +966 12 6366871
Email: archives@isdb.org

For the Recipient:
Ministry of Finance
George Street, Freetown
Sierra Leone.

Ministry of Agriculture, Forestry and Food Security
Fourth Floor, Youyi Building,
Brookfields, Freetown,
Sierra Leone

- 10.3 Each of the Parties may change its representative hereunder by giving written notice to the other.

Article-11 MISCELLANEOUS

- 11.1 The recital and the annexes are an integral part of this Agreement.
- 11.2 **Authority:** The person signing this Agreement on behalf of each Party hereby represents and warrants to the other Party that he or she has the requisite legal power and authority to execute this Agreement on behalf of the Party and bind the Party to the obligations herein.
- 11.3 **Counterparts:** This Agreement, including any amendments, may be executed in counterparts which, when taken together, will constitute a single agreement. Copies of this Agreement will be equally binding as originals and faxed or scanned and emailed counterpart signatures will be sufficient to evidence execution, though the Parties may require original signed documents to be delivered.
- 11.4 **Entire Agreement:** This Agreement is the entire agreement and supersedes any prior oral or written agreement or communications between the Parties regarding its subject matter.
- 11.5 **Delay:** No failure or delay on the part of Bank, in exercising any right hereunder, shall operate as a waiver of, or impair, any such right unless given in writing. No single or partial exercise of any such right shall preclude any other or further exercise thereof or the exercise of any other right or deemed a waiver of any other right hereunder.
- 11.6 **Amendment:** This Agreement may only be amended by a mutual written agreement of the Parties.
- 11.7 **Agreement Date:** The date of this Agreement shall, for all purposes of this Agreement, be that appearing in the Preamble.

[END OF ARTICLES]

Appendix-I DEFINITIONS

Closing Date:	the date specified in the Agreement or such later date agreed by the Parties as of which the Bank may cancel the part of the Grant Amount which has not been withdrawn.
Consultant:	includes an individual consultant as well as any consulting firm selected in accordance with the provisions of the Agreement to carry out the Project.
Contractor/Supplier:	the contractor/supplier who shall be entrusted with the construction/procurement in accordance with the provisions of the Agreement.
Disbursement Procedure:	the Disbursement Procedure of the Bank.
Disbursement:	withdrawal of the Grant Amount.
Executing Agency:	the entity identified in Article 6.1 charge with the responsibility of executing the Project.
First Disbursement:	the first payment following the effectiveness of Agreement in accordance with relevant Bank's policies and guidelines.
Grant Amount:	as defined in Article-2.
Islamic Dinar:	as specified in the Articles of Agreement of the Bank, the value of which shall be equivalent to one Special Drawing Right of the International Monetary Fund.
Procurement Guidelines:	the Bank's "Guidelines for Procurement of Goods and Services".
Project:	the project described in Recital-A above.
Sanctionable Practices:	<p>any of Corrupt Practice, Coercive Practice, Collusive Practice, Fraudulent Practice or Obstructive Practice:</p> <p>(a) Corrupt Practice: means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another Party;</p> <p>(b) Coercive Practice: means any act or omission impairing or harming, or threatening to impair or harm, directly or indirectly, any Party or the property of the party to influence improperly the actions of a Party.</p> <p>(c) Collusive Practice: means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another Party.</p> <p>(d) Fraudulent Practice: means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a Party to obtain a financial or other benefit or to avoid an obligation.</p>

	<p>(e) Obstructive Practice: means,</p> <p>(i) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making of false statements to investigators, in order to materially impede the Bank investigation into allegations of a Corrupt, Fraudulent, Coercive or Collusive practice, and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or</p> <p>acts intended to materially impede the exercise of the Bank's access to contractually required information in connection with the Bank's investigation into allegations of a Corrupt, Fraudulent, Coercive or Collusive practice.</p>
Taxes:	means any tax, charge, fees, interest, duty, or any other similar fees related to the Project.
USD or US\$ or US Dollars:	the lawful currency of the United States of America.

The project's focus is on value chain development seeking to alleviate constraints impeding the development of the rice cultivation by impacting actors across the entire value chain including smallholder farmers, off-takers and processors, service providers, agro-dealers, aggregators, financial institutions, and rural communities in production and processing areas. The project will ensure that 45% of its total beneficiaries are women and youth smallholder farmers' who will have access to (i) new technologies, modernized irrigation systems and improved seeds to increase productivity, (ii) financial and technical resources as well as extension and advisory services provided by the project, and (iii) equitable decent employment opportunities. As such, the project will have the following components: (i) Raising productivity of the rice production systems; (ii) development of innovative postharvest technologies and marketing mechanisms, (iii) enabling institutional arrangements to optimize the value chain performances including private sector and access to finance.

The Program's Regional Framework: The project is designed within a regional program with the following objectives:

1. Developing regional network of seed developers constituted by the national agricultural research centers in each of these countries with the support of regional research center such as AfricaRice. AfricaRice is one of the 16 international agricultural research and development centers. It holds a wide range of varieties that the national programs need for their breeding to develop appropriate ones that are high-yielding and match the needs of their production ecologies.
2. Development of farmer-market linkages ICT based solutions that will accelerate outcomes of agricultural value chains that target smallholder farmers. The tools that combine remote sensing and geo-spatial mapping at scale allows for real time connectivity of the partners in the value chain. The ICT systems will allow for developing robust monitoring and evaluation system that is backed by a user-friendly database. Youth groups are engaged in the data collection in ways that enhances their skills and creates jobs for them.
3. Establishment of regional knowledge platform for learning, exchange of information and knowledge as well as policy coordination among the program's participating countries. This will be achieved through the establishment of regional steering committee that will assume the role of regional coordination among the five national projects.

Component A – Raising Rice Production and Productivity: This component will cover the cost of critical production factors that directly affecting the increase in rice production and productivity; this will include (i) construction and supply installation of small scale irrigation systems (Intake structure, pump sets, HDPE pipes; farms irrigation channels, etc.); (ii) Land preparation (clearance & leveling) and; (iii) Supply of certified quality agricultural inputs including improved seeds varieties, quality fertilizers, and agrochemicals; (iv) provide access to microfinance finance for farmers to enable them purchasing inputs; (v) support to extension services including farmers training, field demonstration and plant health. Efforts to increase productivity will take into consideration social and environmental safeguards.

The component will focus on the land development of the value chain including small scale irrigation systems and land preparation and clearance. It will bring on board technologies that will raise the current low rice yields under smallholder production systems. Improved irrigation systems will aim at having at least two rice crops a year, with a third crop of vegetables or legumes in between them. Additionally, this component will cover yield-enhancing technologies (improved seeds, fertilizers, and agro-chemicals) and extension services. Also, soil fertility mapping will be conducted at the onset of the project to guide fertilizers application.

Components B- Strengthening the Links to Markets: This component will cover the cost associated with the (i) construction/rehabilitation of 3 market facilities and the supply of two river crossing boats; (ii) construction/rehabilitation of storage and processing facilities development including 3 storage buildings and its drying floors, rehabilitation of one of the existing milling facility, supply of 1 parboiling machine and 9 milling equipment; (iii) construction/rehabilitation of 35 km of rural roads ; (iv) Access to finance for 70 SMEs (Women & Youth). The component is focusing on strengthening the farmers and offtakers links to markets through providing access to post-harvest value chain facilities including storage, processing and rural markets facilities.

Component C - Fostering Enabling Policy and Institutional Environment: The component will provide support to (i) seeds research , multiplication and certification entities including SLARI, SMP and SLeSCA under the Ministry of Agriculture; (ii) capacity development including formation and strengthening of farmers groups, training of women and youth groups and conducting agriculture study tours; (iii) Introduction of advanced digital solutions (hard and software) to provide real time information for farmers on weather, agriculture extension and market; (iv) IT based Monitoring and Evaluation (M&E) Systems including the georeferenced database system. This subcomponent will also provide support to the agriculture census to help in creating accurate and sound agriculture database to facilitate proper planning, studies and informed decisions making.

Component D - Project Implementation and Coordination Support: The project will provide resources for management and coordination at both national and regional level. The support will cover the cost of the (i) PIU salaries, vehicles, offices, furniture, equipment and operation; (ii) consultancy services for the design & supervision of civil works, audit, market study, soil fertility study and consultancy for ICT based M&E system; (iii) workshops and regional activities including startup workshop, annual M&E workshops, technical backstopping and the operations of the National and Regional Steering Committee (NSC & RSC).

Appendix-III WITHDRAWAL OF THE GRANT AMOUNT

The Grant Amount shall be withdrawn as follows:

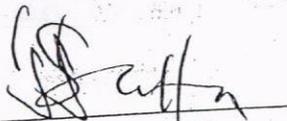
US\$ Million

#	Components	IsDB					BADEA	%	GoSL	%	Total
		Instalment Sale*	ISFD loan	Grant**	IsDB Total	%					
A	Raising Rice Production and Productivity	11.99	0.55	-	12.54	60%	6.60	30%	1.66	10%	20.80
B	Strengthening the Links to Markets	0.97	1.20	-	2.17	55%	1.75	45%	-	0%	3.92
C	Enabling Policy and Institutional Environment	2.80	-	0.30	3.10	100%	-	0%	-	0%	3.10
D	Project Implementation and Coordination Support	2.59	0.25	-	2.84	80%	0.73	20%	-	0%	3.57
	Base cost	18.35	2.00	0.30	20.65	66%	9.08	29%	1.66	5%	31.39
	Physical Contingency	1.00	-	-	1.00		0.46		0.08		1.54
	Price Contingency	0.65	-	-	0.65		0.46		0.08		1.19
	Total	20.00	2.00	0.30	22.30	66%	10.00	29%	1.82	5%	34.12

Execution Page

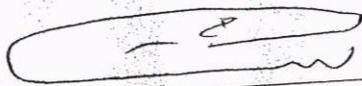
In Witness whereof, the duly authorized representatives of the Parties have signed this Agreement concerning REGIONAL RICE VALUE CHAIN DEVELOPMENT PROGRAM for an amount not exceeding US\$ 300,000.00 (United States Dollars Three Hundred Thousand) which is approximately equivalent to ID 214,285.00 (Islamic Dinars Two Hundred and Fourteen Thousand, Two Hundred and Eighty Five on the date first above written.

FOR AND ON BEHALF OF
REPUBLIC OF SIERRA LEONE



H.E. Jacob Jusu Saffa
Minister of Finance

FOR AND ON BEHALF OF
ISLAMIC DEVELOPMENT BANK



Dr. Bandar M. H. Hajjar
President



CERTIFICATION OF PROJECT APPROVAL

The Lives and Livelihoods Fund (LLF) hereby certify that the Impact Committee of the LLF has approved the LLF participation in financing of the **Regional Rice Value Chain Program- Sierra Leone (Project)** in **Sierra Leone**, in the form of a grant amount not exceeding **US\$ 7.00 million (US Dollars Seven million)** only, (i.e. 35% of the total financing amount approved for the said Project), as indicated below:

Islamic Solidarity Fund for Development:	US\$ 1.90 m/-
Bill and Melinda Gates Foundation:	US\$ 0.74 m/-
King Salman Centre:	US\$ 2.31 m/-
Abu Dhabi Fund for Development:	US\$ 1.15 m/-
Qatar Fund for Development:	US\$ 0.90 m/-

The commitments of the Donors to contribute funds to the LLF in respect of the Project are subject to the terms and conditions of their respective Donor Contribution Agreements and the Charter of the LLF. Furthermore, the terms and conditions for utilization of the above LLF contributions (as Grant) in the said Project shall be in accordance with the provisions of the financing agreement(s) signed with the Islamic Development Bank.


ALI ABDULLAH AL-DABBAGH
Chairman of the LLF Impact Committee