

CONFORMED COPY

LOAN NUMBER 7769-JM

Loan Agreement

(Rural Economic Development Initiative Project)

between

JAMAICA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated November 2, 2009

LOAN AGREEMENT

Agreement dated November 2, 2009, between JAMAICA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank 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 — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of fifteen million Dollars (\$15,000,000) (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to LIBOR for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (d) of the General Conditions.
- 2.05. The Payment Dates are February 15 and August 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

- 2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; and (iii) the setting of limits on the Variable Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article V 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 Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 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) The legislation or regulations of the Borrower and/or the rules or procedures of the Borrower or the Project Implementing Entity, including the EMF and the

Operational Manual, have been amended, suspended, abrogated, repealed or waived so as to, in the opinion of the Bank after consultation with the Borrower, affect materially and adversely the implementation of the Project.

- 4.02. The Additional Event of Acceleration consists of the following, namely any event specified in paragraphs (a) or (b) of Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Subsidiary Agreement has been executed on behalf of the Borrower and the Project Implementing Entity.
 - (b) The Operational Manual has been adopted by the Project Implementing Entity, as set forth in Section I.D of Schedule 2 to this Agreement, as approved by the Bank.
- 5.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Agreement has been duly authorized or ratified by the Borrower and the Project Implementing Entity and is legally binding upon the Borrower and the Project Implementing Entity in accordance with its terms.
- 5.03. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date ninety (90) days after the date of this Agreement, but in no case later than eighteen (18) months after the Bank's approval of the Loan which expire on March 3, 2011.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is the Minister of Finance and the Public Service of the Borrower.
- 6.02. The Borrower's Address is:
- Ministry of Finance and the Public Service
30 National Heroes Circle
Kingston 4
Jamaica
- Facsimile:
- 876-924-9291
- 6.03. The Bank's Address is:
- International Bank for Reconstruction and Development
1818 H Street, N.W.

Washington, D.C. 20433
United States of America

| | | |
|-------------------------------|------------------------------|----------------|
| Cable address: | Telex: | Facsimile: |
| INTBAFRAD Washington, D.C. | 248423(MCI) or 64145(MCI) | 1-202-477-6391 |

AGREED at the District of Columbia, United States of America, as of the day and year first above written.

JAMAICA

By /s/ Anthony Johnson

Authorized Representative

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By /s/ Yvonne Tsikata

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to improve market access for micro and small-scale rural agricultural producers and tourism product and service providers.

The Project consists of the following parts:

Part 1. Subprojects Implementing the types of Subprojects described below and providing the technical assistance and training required throughout the Subproject cycle described in the Operational Manual.

- (a) **Type A Subprojects: Rural Subprojects**
 - (i) **Type A Agricultural Subprojects**
Carrying out revenue-generating activities in the agricultural sector linking Rural Enterprises to specific markets (hospitality sector, supermarkets, agro-processors, and other buyers), including: (A) on-farm investments and innovations, small group marketing infrastructure and equipment; and (B) technical assistance and capacity building in production, marketing and business management.
 - (ii) **Type A Rural Tourism Subprojects**
Carrying out revenue-generating activities by Rural Enterprises which provide tourism products and services, including creating new enterprises or enhancing the competitiveness and viability of existing ones.
- (b) **Type B Subprojects: Critical Small-Scale Infrastructure, Management and Marketing Subprojects**
 - (i) **Type B Critical Small-Scale Infrastructure Subprojects**
Carrying out investments in critical small-scale infrastructure (costing the equivalent of US\$200,000 or less) to increase the efficiency and competitiveness of agricultural and rural tourism value chains.
 - (ii) **Type B Management Subprojects**
Carrying out investments in management improvements to enhance market access for agricultural and rural tourism product and service providers.
 - (iii) **Type B Marketing Services Subprojects**
Carrying out investments in marketing services to enhance market access for agricultural and rural tourism product and service providers.

Part 2. National Technical Assistance and Capacity Building

Strengthening the Borrower's relevant national organizations to enhance their capacity to continue assisting the Rural Enterprises and other Project partners and ensure the sustainability of Rural Enterprises through the provision of technical assistance and capacity building (including consulting fees, training and goods).

Part 3. Project Management

- (a) Managing the Project, through use of technical expertise (tourism and agricultural specialists, monitoring and evaluation), provision of staff training, carrying out of annual audits, provision of vehicles and office equipment and expenditure of other Operating Costs.
- (b) Ensuring that effective fiduciary arrangements are in place during Project implementation.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. **Subsidiary Agreement**

1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity under a subsidiary agreement between the Borrower and the Project Implementing Entity, under terms and conditions approved by the Bank (“Subsidiary Agreement”) including, *inter alia*: (a) the Loan amount; (b) the terms and conditions for the Project Implementing Entity’s receipt of the Loan on a grant basis; and (c) the staffing, functions and responsibilities of the PMT.
2. The Borrower shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree (such consent not to be unreasonably withheld), the Borrower shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

B. **Institutional Arrangements**

1. The Borrower shall establish and maintain throughout Project implementation an inter-ministerial steering committee (“Inter-Ministerial Project Steering Committee”) with composition, functions and responsibilities acceptable to the Bank and set forth in the Operational Manual, including, *inter alia*, responsibility to ensure that the Project is in line with national development priorities.
2. Prior to the selection of any Subproject, the Borrower shall establish and maintain throughout Project implementation, two subproject evaluation committees (one for agriculture and one for tourism) (“Rural Economic Evaluation Committees”), with composition, functions and responsibilities acceptable to the Bank and set forth in the Operational Manual, including, *inter alia*, responsibility to review and recommend viable subprojects to be forwarded for approval to the JSIF management and Board of Directors.
3. The Borrower, through MOT and MOA&F, shall and shall cause each of RADA and TPDCo. to enter into (and comply with the terms of) a Memorandum of Understanding with JSIF, which sets forth their respective roles in Project implementation, including, *inter alia*: (a) RADA’s commitment to provide field extension services for Type A Agricultural Subprojects; and (b) TPDCo.’s responsibility to conduct the initial assessment for proposed Type A Rural Tourism Subprojects to determine marketability and to determine the required aspects for product development.

C. **Anti-Corruption**

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

D. Operational Manual

1. (a) The Borrower shall cause JSIF to carry out the Project in accordance with an operational manual (“Operational Manual”) satisfactory to the Bank, said manual to include, inter alia:
 - (i) the composition, functions and responsibilities (including terms of reference and qualifications) for the PMT, the Inter-Ministerial Project Steering Committee, and the Rural Economic Evaluation Committees;
 - (ii) the Subproject cycle, including the eligibility and prioritization criteria for Subproject selection under Part 1 of the Project, and for Beneficiaries, including the fiduciary requirements for managing funds;
 - (iii) model forms for the Subproject Agreements, JSIF Subproject Arrangements and a combination thereof for cases where implementation of the respective Subproject is shared by JSIF and the relevant Beneficiary;
 - (iv) the Environmental Management Framework;
 - (v) the environmental guidelines and procedures to be followed in the environmental screening, approval and mitigation compliance of Subprojects under the Project, including: (A) a negative list of investments which will not be financed under the Project; (B) a provision that Subprojects that will result in significant conversion or degradation of natural habitats will be evaluated to ensure compliance with the Bank’s Operational Policy 4.04; (C) a provision that in the event that any of the Subprojects procure pesticides or result in increased use of pesticides, an appropriate pesticide management plan, as required by the Bank’s Operational Policy 4.09 will be developed, which shall include non-chemical measures for pest management and guidelines for proper selection, application, storage, handling, transport and disposal of pesticides; and (D) a prohibition to finance under the Project any Subproject that involves involuntary resettlement as defined in the Bank’s Operational Policy 4.12;
 - (vi) the Project financial management, disbursement and procurement procedures (standard bidding documents, standard bid evaluation forms and procedures for Community Participation (as defined in the Procurement Guidelines) procurement procedures under Subprojects); and
 - (vii) the Performance Indicators.
- (b) The Operational Manual may be amended from time to time with the prior approval of the Bank. In the case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

E. Sub-projects

1. The Borrower shall cause the Project Implementing Entity to carry out the Subprojects under Part 1 of the Project in accordance with the provisions of the Project Agreement.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate or cause to be monitored and evaluated the progress of the Project, and shall prepare or cause to be prepared Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the Performance Indicators. The first Project Report shall cover the period between the Effective Date and the first June or December following that date, the choice of which shall be specified by the Bank by notice to the Borrower. The first Project Report shall be furnished to the Bank not later than thirty days after the end of that period. Thereafter, each Project Report shall cover a period of six months (i.e., January through June, or July through December), and shall be furnished to the Bank not later than thirty days after the end of the period covered by such report.
2. For the purposes of Section 5.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Bank not later than four months after the Closing Date.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower shall prepare and furnish, or cause to be prepared and furnished, to the Bank not later than forty-five days after the end of each calendar quarter, interim un-audited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.
3. The Borrower shall have the Financial Statements of the Project and the Project Implementing Entity audited, or cause the Financial Statements to be audited, in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than four months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Loan 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 Loan 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 Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

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

| <u>Procurement Method</u> |
|---|
| (a) National Competitive Bidding |
| (b) Shopping |
| (c) Direct Contracting |
| (d) Community Participation (only for Subprojects, according to procedures set forth in the Operational Manual) |

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 consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

| <u>Procurement Method</u> |
|--|
| (a) Quality-Based Selection |
| (b) Fixed Budget Selection |
| (c) Least Cost Selection |
| (d) Selection Based on Consultant Qualifications |
| (e) Single Source Selection |
| (f) Procedure for Individual Consultants |

D. Review by the Bank of Procurement Decisions

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

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Bank 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 Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

| Category | Amount of the Loan Allocated (expressed in USD) | Percentage of Expenditures to be financed (inclusive of Taxes) |
|--|--|---|
| (1) Goods, works, Training/Workshops, consultants’ services and Operating Costs for Part 1 of the Project. | 12,182,500 | 100% |
| (2) Goods, Training/Workshops and consultants’ services for Part 2 of the Project. | 1,250,000 | 100% |
| (3) Goods, Training/Workshops, consultants’ services, and Operating Costs for Part 3 of the Project. | 1,530,000 | 100% |
| (4) Front-end Fee | 37,500 | Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions |
| (5) Premium for Interest Rate Caps and Interest Rate Collars | 0 | Amount payable pursuant to Section 2.07 (c) of this Agreement |
| TOTAL AMOUNT | 15,000,000 | |

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, except that withdrawals up to an aggregate amount not to exceed \$3,000,000 equivalent may be made for payments made prior to this date but on or after August 1, 2009 (but in no case more than one year prior to the date of this Agreement), for Eligible Expenditures under Categories (1), (2) and (3).
2. The Closing Date is July 31, 2016.

SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

| Principal Payment Date | Installment Share (Expressed as a Percentage) |
|---|--|
| On each February 15 and August 15 Beginning August 15, 2015 through February 15, 2039 | 2.04% |
| On August 15, 2039 | 2.08% |

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
 - (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
 - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of

withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

- (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
- 4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
- 5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

APPENDIX

Section I. Definitions

1. “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.
2. “Beneficiaries” means Type A Beneficiaries and/or Type B Beneficiaries.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
5. “Environmental Management Framework” or “EMF” means the policy framework for environmental management, approved by the Project Implementing Entity’s Board of Directors on July 21, 2009, which sets forth the environmental policies and procedures that shall apply to the carrying out of the Project.
6. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005 (as amended through February 12, 2008) with the modifications set forth in Section II of this Appendix.
7. “Inter-Ministerial Project Steering Committee” means the committee referred to in Section I.B.1 of Schedule 2 to this Agreement.
8. “JSIF Subproject Arrangement” means any of the arrangements referred to in Section I.C.1 (a) (ii) of the Schedule to the Project Agreement.
9. “MOA&F” means the Borrower’s Ministry of Agriculture and Fisheries.
10. “MOT” means the Borrower’s Ministry of Tourism.
11. “Operating Costs” means reasonable expenditures which would not have been incurred without the Project, for the maintenance and leasing of vehicles and equipment, for fuel, office supplies and other consumables, insurance, internet connection costs, salaries of PMT staff, utilities and travel, transportation and accommodations (except for Training/Workshops).
12. “Operational Manual” means the manual for the Project implementation referred to in Section I.D.1 of Schedule 2 to this Agreement.
13. “Performance Indicators” means the indicators for Project monitoring and evaluation set forth in the Operational Manual.

14. "PMT" means the Project management team referred to in Section I.A.1 (b) of the Schedule to the Project Agreement.
15. "Procurement Guidelines" means the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004 and revised in October 2006.
16. "Procurement Plan" means the Borrower's procurement plan for the Project, dated July 24, 2009 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
17. "Project Implementing Entity" or "JSIF" means the Jamaica Social Investment Fund, which was established pursuant to the Project Implementing Entity's Legislation.
18. "Project Communication Strategy" means the comprehensive communications and visibility strategy that will be developed to promote Project activities to potential Beneficiaries and other stakeholders and to disseminate project results, referred to in Section I.A.2 of the Schedule to the Project Agreement.
19. "Project Implementing Entity's Legislation" means the Memorandum and Articles of Association of JSIF, both dated February 26, 1996, by which JSIF was incorporated under the Borrower's Companies Act.
20. "RADA" means the Rural Agricultural Development Authority, a statutory body established under the Borrower's Rural Agricultural Development Authority Act of 1990.
21. "Rural Enterprise" means a group of people with common economic interests (i.e., farmers, fisherfolk, agro-processors, tour guides, craft makers, etc.), who have formed a legally recognized organization to carry out business activities.
22. "Rural Economic Evaluation Committees" means the committees referred to in Section I.B.2 of Schedule 2 to this Agreement.
23. "Subproject Agreement" means any of the agreements referred to in Section I.C.1 (a) (i) of the Schedule to the Project Agreement.
24. "Subprojects" means Type A and/or Type B Subprojects.
25. "Subsidiary Agreement" means the agreement referred to in Section I.A.1 of Schedule 2 to this Agreement pursuant to which the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity.
26. "TPDCo." means the Borrower's Tourism Product Development Company, which is registered as a private company under the Borrower's Companies Act of 2004.
27. "Training/Workshops" means expenditures (other than for consultants' services) solely as required for the Project, incurred for: (a) reasonable travel, room, board and *per diem* expenditures incurred by trainers and trainees in connection with their training; (b) course fees; (c) training/workshop facility and equipment rentals; (d) training material

- preparation, acquisition, reproduction and distribution expenses not otherwise covered under this paragraph; and (e) study tours and internships in the Borrower's territory or abroad.
28. "Type A Agricultural Subproject" means a set of investments under Part 1 (a) (i) of the Project which are set forth in a business plan recommended by the relevant Rural Economic Evaluation Committee and approved by JSIF's Board of Directors.
 29. "Type A Beneficiary" means a Rural Enterprise which: (a) meets the criteria set forth in the Operational Manual and has been selected in accordance with the procedures set forth in the Operational Manual to carry out a Type A Subproject; and (b) either: (i) has registered as a cooperative, benevolent or friendly society (in accordance with the Borrower's Co-operative Societies Act of 1950 or the Friendly Societies Act of 1966, as the case may be); or (ii) has associated with a legally registered community organization, provided that such organization is able to demonstrate how the Type A Subproject will benefit that community.
 30. "Type A Rural Tourism Subproject" means a set of investments under Part 1 (a) (ii) of the Project which are set forth in a business plan recommended by the relevant Rural Economic Evaluation Committee and approved by JSIF's Board of Directors.
 31. "Type A Subprojects" means Type A Agricultural Subprojects and/or Type A Rural Tourism Subprojects.
 32. "Type B Beneficiary" means a parish council, a legally registered community organization, an industry association, or any combination thereof which: (a) meets the criteria set forth in the Operational Manual and has been selected in accordance with the procedures set forth in the Operational Manual to carry out a Type B Subproject; and (b) either: (i) has registered as a cooperative, benevolent or friendly society (in accordance with the Borrower's Co-operative Societies Act of 1950 or the Friendly Societies Act of 1966, as the case may be); or (ii) has associated with a legally registered community organization, provided that such organization is able to demonstrate how the Type B Subproject will benefit that community.
 33. "Type B Critical Small-Scale Infrastructure Subprojects" means a set of investments under Part 1 (b) (i) of the Project which are set forth in an implementation plan recommended by the relevant Rural Economic Evaluation Committee and approved by JSIF's Board of Directors.
 34. "Type B Management Subprojects" means a set of investments under Part 1 (b) (ii) of the Project which are set forth in an implementation plan recommended by the relevant Rural Economic Evaluation Committee and approved by JSIF's Board of Directors.
 35. "Type B Marketing Services Subprojects" means a set of investments under Part 1 (b) (iii) of the Project which are set forth in an implementation plan recommended by the relevant Rural Economic Evaluation Committee and approved by JSIF's Board of Directors.

36. “Type B Subprojects” means Type B Critical Small-Scale Infrastructure Subprojects, Type B Management Subprojects, and/or Type B Marketing Services Subprojects.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Paragraph (a) of Section 2.07 is modified to read as follows:

“Section 2.07. Refinancing Preparation Advance; Capitalizing Front-end Fee and Interest

(a) If the Loan Agreement provides for the repayment out of the proceeds of the Loan of an advance made by the Bank or the Association (“Preparation Advance”), the Bank shall, on behalf of such Loan Party, withdraw from the Loan Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Loan Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Bank shall pay the amount so withdrawn to itself or the Association, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.”

2. Paragraph (l) of Section 7.02 is modified to read as follows:

“Section 7.02. Suspension by the Bank

... (l) *Ineligibility.* The Bank or the Association has declared the Borrower (other than the Member Country) or the Project Implementing Entity ineligible to receive proceeds of any financing made by the Bank or the Association or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Bank or the Association, as a result of a determination by the Bank or the Association that the Borrower or the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Bank or the Association.”

3. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

“‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”

- (b) The definition of the term “Conversion Date” is modified to read as follows:

“‘Conversion Date’ means, in respect of a Conversion, the Execution Date (as herein defined) or such other date as requested by the Borrower and accepted by

the Bank, on which the Conversion enters into effect, and as further specified in the Conversion Guidelines.”