

CONFORMED

**CREDIT NUMBER 4884-BJ
GRANT NUMBER H655-BJ**

Financing Agreement

(Agricultural Productivity and Diversification Project)

between

REPUBLIC OF BENIN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 7, 2011

CREDIT NUMBER 4884-BJ
GRANT NUMBER H655-BJ

FINANCING AGREEMENT

AGREEMENT dated June 7, 2011, entered into between the REPUBLIC OF BENIN (“Recipient”) and the 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 grant and a credit (collectively, “Financing”) in the following amounts to assist in financing the project described in Schedule 1 to this Agreement (“Project”):
 - (a) an amount equivalent to sixteen million one hundred thousand Special Drawing Rights (SDR 16,100,000) (“Grant”); and
 - (b) an amount equivalent to three million nine hundred thousand Special Drawing Rights (SDR 3,900,000) (“Credit”).
- 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 April 15 and October 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 Euro.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the MOA in accordance with the provisions of Article IV of the General Conditions.
- 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 — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
 - (a) the Recipient has adopted the Project Implementation Manual;
 - (b) the Recipient has established the Steering Committee;
 - (c) the Recipient has recruited, for the PMU, (i) a chief Project coordinator; (ii) a specialist for procurement; (iii) a rural finance specialist; and (iv) a value chain development specialist, each in accordance with the provisions of Section III of Schedule 2 to this Agreement;
 - (d) the GFRP Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled; and
 - (e) the Recipient shall have (i) opened the Project Account, and (ii) deposited the Initial Deposit therein.
- 4.02. The Effectiveness Deadline is the date falling one hundred twenty (120) days after the date of this Agreement.

- 4.03. 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 years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

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

- 5.02. The Recipient's Address is:

Ministère de l'Economie et des Finances
B.P. 302
Cotonou
Republic of Benin

Cable address:	Telex:	Facsimile:
MINFINANCES Cotonou	5009 MINFIN or 5289 CAA	+229-21-30-18-51 +229-21-31-53-56

- 5.03. 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,	248423 (MCI)	1-202-477-6391 D.C.

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

REPUBLIC OF BENIN

By //s// Adidjatou A. Mathys
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By//s// Olivier Fremont
Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to restore and improve productivity and value addition for selected value chains in the Recipient's territory.

The Project consists of the following parts:

Part A. Adoption of Improved Technologies and Restoration of Productivity

1. Supporting a program of activities aimed at assisting targeted households affected by the floods of 2010; such program includes: (i) the purchase and distribution of improved maize and rice seeds as well as fertilizers to targeted crop farmers; (ii) the provision of fingerlings to targeted fish farmers; and (iii) the purchase and distribution of poultry kits (e.g., kit comprised of rooster(s) and hen(s)) as well as the provision of selected vaccinations for poultry and small ruminants to targeted livestock producers.
2. (A) Supporting a program of activities aimed at developing improved technologies and management practices for the development of: (i) Food Security Value Chains; and (ii) Export-Oriented Value Chains; such program includes technical assistance and capacity building support to selected producers and agro-processors: (1) to develop multiplication systems for rice and maize seed, catfish and tilapia fingerlings, and cashew plantlets and pineapple suckers; and (2) to strengthen the distribution systems for quality input delivery (including fertilizers, feed and fingerlings); and

(B) provision of Sub-Grants to promote access to improved technologies and management practices for the development of: (i) Food Security Value Chains; and (ii) Export-Oriented Value Chains.

Part B. Development/Rehabilitation of Irrigation and Market Infrastructures

1. (A) (i) Provision of Sub-Grants in Targeted Areas for the financing of: (1) rehabilitation of small scale irrigation perimeters, (2) the construction of small scale irrigation perimeters, and (3) irrigation equipment; and (ii) provision of technical assistance to support the provision of the foregoing Sub-Grants; and

(B) supporting a program of activities for the construction and/or rehabilitation of marketing infrastructure in the Targeted Areas, including the construction and/or rehabilitation storehouses, cold rooms, stocking facilities and drying areas.

Part C. Value Chain Coordination and Agricultural Financing

1. Supporting a program of activities aimed at creating and/or strengthening partnerships among public and private participants so as to improve coordination

among the key links of the targeted value chains; such program includes: (i) the provision of technical assistance and small equipment to support selected value chain coordination bodies or commodity inter-professions (i.e., associations regrouping key commodity stakeholders in the agricultural sector such as producers, processors, input importers and distributors, and exporters); (ii) technical assistance to support the improvement of the legal and regulatory environment for targeted value chain coordination; and (iii) in connection with the cotton value chain, technical assistance to support the implementation of the cotton sector's governance reform plan as well as the regulatory and oversight roles in the agricultural sector.

2. Supporting a program of activities aimed at improving market facilitation and strengthening public services for improved market efficiency in connection with the targeted value chains; such program includes the promotion of products derived from the targeted value chains and market prospection at regional and international level.
3. Supporting a program of activities aimed at improving access to financial services (including for farmers and service providers); such programs includes: (i) the provision of technical assistance for the development of innovative financial instruments; (ii) the provision of technical assistance for the management and operation of the Recipient's national agricultural development fund to ensure a long-term financing strategy in the agricultural sector; and (iii) the provision of technical assistance to assess the economic and financial implications of agricultural production, processing, logistics and marketing activities, and to assist with the preparation, implementation and monitoring of business plans.

D. Sector Program Coordination and Project Management

1. Strengthening the MoA's capacity in coordinating the agriculture sector, including its ability to implement a strategic revitalization plan, through technical assistance aimed at supporting: (i) the implementation of sector coordination tools, (ii) fiduciary capacities (procurement, financial management), and (iii) the improvement of the quality and targeting of public expenditures in the agriculture sector.
2. Supporting the Project Management Unit's capacity in the areas of Project management, coordination, administration, monitoring and evaluation, through, *inter alia*, (i) technical assistance for the preparation of the financial and technical audits and well as the environmental impact assessment (and other safeguard related assessments); (ii) provision of technical advisory services (including training), and (iii) the acquisition of equipment and materials.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall, throughout the implementation of the Project, maintain the following implementation and coordination arrangements:

- (1) The MOA shall be responsible for the overall supervision and oversight of the Project.
- (2) Steering Committee
 - (a) The Recipient shall establish and thereafter maintain a national steering committee (the “Steering Committee”) with functions and resources satisfactory to the Association.
 - (b) Without limitation to the provisions of paragraph (a) above, the Steering Committee shall be responsible for, *inter alia*, overall strategic guidance for the Project, the supervision of governance issues, the approval of annual work programs and budgets, review of the monitoring reports, and to ensure conflict resolution as needed.
 - (c) Without limitation to the provisions of paragraph (a) above, the Steering Committee shall be chaired by the MOA’s General Secretary and include representatives from the private sector, producer organizations and ministries in charge of finance, agriculture, commerce, industry and development.
- (3) Project Management Unit
 - (a) The Recipient shall maintain the Project Management Unit, throughout the implementation of the Project, with functions and resources satisfactory to the Association.
 - (b) Without limitation to the provisions of paragraph (a) above, the PMU shall be responsible for the overall implementation of the Project, including (i) planning, programming, and budgeting the financed activities; (ii) preparation and management of the contractual partnership with the public and private delivery agencies, and with producers organizations; (iii) supervision, control of the field activities; (iv) administration of the technical functions (procurement, financial management, monitoring and evaluation); and (v) preparation of financial and project reports.

(c) Without limitation to the provisions of paragraph (a) above, the PMU shall be headed by a Project coordinator, who shall be assisted by a team comprised of, *inter alia*, (i) an administrative unit staffed with three (3) administrative assistants and one support staff; (ii) a financial management unit staffed with one financial management specialist and assisted by one chief accountant and one accountant; (iii) a procurement unit staffed with a procurement specialist and one assistant; (iv) a monitoring and evaluation unit staffed with a monitoring and evaluation specialist and two (2) monitoring and evaluation assistants; and (v) technical specialists, including a rural finance specialist, an infrastructure and equipment specialist and a value chain development specialist; all of whom shall have qualifications and experience acceptable to the Association.

(4) Regional Steering Committees

(a) The Recipient shall establish no later than three (3) months after the Effective Date, and thereafter maintain, a regional steering committee (“Regional Steering Committee”) in each of the Relevant Regions, with functions and resources satisfactory to the Association.

(b) Without limitation to the provisions of paragraph (a) above, the Regional Steering Committee shall be responsible for, *inter alia*, the supervision of Project activities in its region.

(c) Without limitation to the provisions of paragraph (a) above, the Regional Steering Committee shall be chaired by the President of the Recipient’s Interdepartmental Chambers of Agriculture covering the region and include representatives from the local authorities, private sector and professional organizations.

B. Sub-Projects

1. Under Part A.2(B) and Part B.1(A) of the Project, the Recipient shall make Sub-Grants to Sub-Grant Beneficiaries for the purpose of financing Sub-Projects in accordance with eligibility criteria, Sub-Grant amounts and contributions (as applicable in the case of Matching Grants), and procedures acceptable to the Association and further described in the Project Implementation Manual.

2. The Recipient shall make each Sub-Grant under a Sub-Grant Agreement with the respective Sub-Grant Beneficiary in the form of the model agreement attached to the Project Implementation Manual and on terms and conditions described in more details in the Project Implementation Manual, which shall include, *inter alia*, the following:

(i) the Sub-Grant shall be made on a non-reimbursable grant basis;

- (ii) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:
 - (A) suspend or terminate the right of the Sub-Grant Beneficiary to use the proceeds of the Sub-Grant, or obtain a refund of all or any part of the amount of the Sub-Grant then withdrawn, upon the Sub-Grant Beneficiary's failure to perform any of its obligations under the Sub-Grant Agreement;
 - (B) require each Sub-Grant Beneficiary to:
 - (1) carry out the Sub-Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient, and in accordance with the Environmental and Social Management Plan prepared for its Sub-project, the Resettlement Action Plan prepared for its Sub-project, and the Pest Management Plan, if applicable to this type of Sub-project;
 - (2) provide, promptly as needed, the resources required for the purpose of the Sub-Project;
 - (3) procure the goods, works and services to be financed out of the Sub-Grant in accordance with the provisions of this Agreement;
 - (4) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Sub-Project and the achievement of its objectives;
 - (5) to the extent required under the PIM, (x) 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 Sub-Project; and (y) 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;

- (6) enable the Recipient and the Association to inspect the Sub-Project, its operation and any relevant records and documents;
 - (7) prepare and furnish to the Recipient and the Association all such information, as the Recipient or the Association shall reasonably request relating to the foregoing; and
 - (8) promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of the Sub-Project, or the performance by the Sub-Project Beneficiary of its obligations under the Sub-Project Agreement.
3. Except as otherwise agreed in writing with the Association, the Recipient shall, in the case of Matching Grants, ensure that: (A) the contribution of the Matching Grant to the cost of the proposed Sub-project shall not exceed the maximum amount indicated in the Project Implementation Manual for the relevant type of Sub-projects; and (B) the balance of the cost of the proposed Sub-project shall be provided by the Sub-Grant Beneficiary in the form of the Sub-Grant Beneficiary's contribution, whether in cash or in kind.
4. The Recipient shall exercise its rights under each Sub-Grant 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 any Sub-Grant Agreement or any of its provisions.

C. Anti-Corruption

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

D. Safeguards

1. The Recipient shall ensure that, throughout the implementation of the Project, the Project (including each Sub-project), shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Safeguard Documents.
2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the Association, in accordance with Section II of this Schedule 2 to this Agreement, reports on the status of compliance with the Safeguard Documents, giving details of:
 - (a) measures taken in furtherance of the Safeguard Documents;

- (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and
- (c) remedial measures taken or required to be taken to address such conditions.

E. Project Implementation Manual

1. The Recipient shall implement the Project in accordance with the Project Implementation Manual; provided, however, that, in the event of any conflict between the provisions of the PIM and those of this Agreement, this Agreement shall prevail.
2. Except as the Association shall otherwise agree, the Recipient shall not amend or waive any provision thereof if, in the opinion of the Association, such amendment or waiver may materially and adversely affect the implementation of the Project.

F. Counterpart funds

1. In accordance with Section 4.03 of the General Conditions and without limitation to the Recipient's obligations under said Section 4.03 of the General Conditions, the Recipient shall: (i) maintain throughout the implementation of the Project, the Project Account, and (ii) deposit therein from time to time its counterpart contribution to the cost of the Project in an aggregate amount equal to up to eight million seven hundred thousand Dollars (\$8,700,000) ("Counterpart Funds"), or such other amount as may be agreed with the Association.
2. On or prior to the Effective Date, the Recipient shall deposit an initial amount of (or equivalent to) three hundred million CFA Francs (FCFA 300,000,000) (or such other amount as agreed with the Association) in to the Project Account as part of the required Counterpart Funds ("Initial Deposit").
3. On the end of the first quarter after the Effective Date, and at the end of every quarter thereafter until the Closing Date, the Recipient shall deposit in the Project Account as part of the Counterpart Funds an amount equivalent to not less than \$375,000, or such other amount as agreed by the Association.
4. The Recipient shall ensure that Counterpart Funds deposited into the Project Account are used exclusively to finance activities relevant to the Project other than those financed from the proceeds of the Financing.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. 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 indicators acceptable to the Association and set forth in the PIM. 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.
2. For purposes of Section 4.08 (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 Association not later than six (6) months after the Closing Date.

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 prepare and furnish to the Association as part of the Project Report, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall 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 months after the end of such period.
4. The Recipient shall appoint, no later than four (4) months after the Effective Date, an external auditor in accordance with the provisions of Section III of this Schedule 2 to this Agreement.

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 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 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.
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) Limited International Bidding;
(c) Shopping; and
(d) Direct Contracting

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 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) Least Cost Selection;
(b) Selection based on Consultants' Qualifications;
(c) Selection of Individual Consultants; and
(d) Single-source Selection.

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 Credit and of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, consultants' services, Operating Costs and Training under Parts A.1, A.2(A)(i) and B.1(A)(ii)	0	800,000	100%
(2) Sub-Grants for goods, works, consultants' services and Training under Parts A.2(B)(i), B.1(A)(i)(1)	0	2,450,000	100%
(3) Sub-Grants for goods, works, consultants' services and Training under Parts A.2(B)(ii), B.1(A)(i)(2) and B.1(A)(i)(3)	1,750,000	0	100%
(4) Goods, works, consultants' services, Operating Costs and Training under Parts A.2(A)(ii), B.1(A)(i)(2), B.1(B), C and D	1,750,000	11,600,000	13% from Credit 87% from Grant
(5) Refund of Preparation Advance	400,000	1,250,000	Amount payable pursuant to Section 2.07 of the General Conditions
TOTAL AMOUNT	3,900,000	16,100,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement; or
 - (b) under Categories (1), and (2), for payments made prior to the GFRP Closing Date, unless the Association has received evidence satisfactory to it that the grant proceeds available under the GFRP Grant Agreement have been fully disbursed to the Recipient.
2. The Closing Date is December 15, 2016.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 15 and October 15:	
commencing April 15,2021 to and including October 15, 2030	1%
commencing April 15,2031 to and including October 15, 2050	2%

* 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. “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.
2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “Competitive Grant” means a grant to be made on a competitive basis to a Sub-Grant Beneficiary out of the proceeds of the Financing for a Sub-Project under Parts A.2(B) or B.1(A)(i) of the Project, as further detailed in the PIM.
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 and May 2010.
5. “Counterpart Funds” has the meaning given to such term in Section I.F.1 of Schedule 2 to the Agreement.
6. “Displaced Persons” means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (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 such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.
7. “Environmental and Social Management Framework” or “ESMF” means the Recipient’s document entitled “*Etude d’Impact Environnemental et Social du Projet d’Appui à la Diversification Agricole*”, dated December 2010, detailing: (a) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels, and (b) the actions needed to implement these measures, including monitoring and institution strengthening.
8. “Environmental and Social Management Plan” or “EMP” means the Recipient’s document prepared and disclosed in accordance with the Environmental and Social Management Framework with respect to the Project (or a Sub-project), that details: (i) the measures to be taken during the implementation and operation of the Project (or a Sub-project) to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels, and (ii) the actions needed to implement these measures.

9. “Export-Oriented Value Chains” means the value chains associated with the agricultural production and distribution of cashew, pineapple and cotton (and any other value chain agreed from time to time by the Association).
10. “Food Security Value Chains” means the value chains associated with the agricultural production and distribution of rice, aquaculture (fish), maize and livestock (and any other value chain agreed from time to time by the Association).
11. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
12. “GFRP Closing Date” means July 31, 2014, or such other date provided under Section IV.B.2 of the GFRP Grant Agreement (as same made be amended from time to time in accordance with the terms thereof).
13. “GFRP Agreement” means the agreement of the same date as this Agreement between the Recipient and the Association, acting in its capacity as administrator of the Food Price Crisis Response Trust Fund, providing for a grant in an amount of up to fifteen million Dollars (\$15,000,000,) to assist in the financing of the Project.
14. “Initial Deposit” has the meaning given to such term in Section I.F.2 of Schedule 2 to this Agreement.
15. “Matching Grant” means a grant to be made to a Sub-Grant Beneficiary out of the proceeds of the Financing for a Sub-Project under Parts A.2(B) or B.1(A)(i) of the Project, for which the Sub-Grant Beneficiary must provide a matching contribution (in cash or in kind), as further detailed in the PIM.
16. “Ministry of Agriculture, Livestock, and Fishery” or “MoA” means the Recipient’s ministry in charge of, among others, agriculture.
17. “Operating Costs” means the reasonable incremental operating expenses, based on annual budgets approved by the Association, incurred by the MOA or the PMU, on account of operation and maintenance costs incurred in connection with the implementation of the Project, including costs related to office, vehicles and office equipment; water and electricity utilities, telephone, office supplies, bank charges, additional staff costs, travel and supervision costs, *per diem*, but excluding the salaries and indemnities of officials and public servants of the Recipient’s civil service.
18. “Pest Management Plan” or “PMP” means the Recipient’s document entitled “*Projet d’Appui à la Diversification Agricole – Plan de Gestion des Pestes et des Pesticides* » disclosed in December 2010, describing the actions and policies required or appropriate to promote and support the safe, effective and environmentally-sound pest management under the Project, as such Pest

Management Plan may be amended from time to time, and such term includes all schedules and agreements supplemental to the Pest Management Plan.

19. “Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on August 29, 2010 and on behalf of the Recipient on November 12, 2010.
20. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006 and May 2010.
21. “Procurement Plan” means the Recipient’s procurement plan for the Project 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.
22. “Project Account” means the Recipient’s account opened with its State Treasury (*trésor public*) under terms and conditions acceptable to the Association, including appropriate protection against set off, seizure and attachment, referred to in Section I.F.2 of Schedule 2 to the Agreement.
23. “Project Implementation Manual” means a manual, in form and substance acceptable to the Association, to be adopted by the Recipient for the Project containing detailed guidelines and procedures for the implementation of the Project, including in the areas of monitoring and evaluation, procurement, coordination, social and environmental safeguards, financial, administrative and accounting procedures as well as provisions defining eligibility criteria and approval, disbursement, procurement, administration and monitoring arrangements for Sub-Projects together with a model Sub-Project Agreement format, and such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.
24. “Project Management Unit” or “PMU” means the Project management unit established pursuant to ministerial order No 040/MAEP/D-CAB/SGM/DPP/DRH/SA (*arrêté portant création, attributions, organisation et fonctionnement du programme cadre d’appui a la diversification agricole (ProCAD)*) dated February 9, 2011.
25. “Regional Steering Committees” has the meaning given to such term in Section I.A(4)(a) of Schedule 2 to the Agreement.
26. “Relevant Region” means the Recipient’s region of Atlantique-Littoral, Borgou-Alobori, Atacora-Donga, Mono-Couffo, Oueme-Plateau and Zou-Collines.
27. “Resettlement Action Plan” or “RAP” means the Recipient’s document prepared and disclosed in accordance with the Resettlement Policy Framework with

respect to the Project (or a Sub-project), which, *inter alia*, (i) contains a census survey of Displaced Persons and valuation of assets, (ii) describes compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation, and (iii) contains a timetable and budget for the implementation of such measures.

28. “Resettlement Policy Framework” or ‘RPF” means the Recipient’s document entitled “*Projet d’Appui à la Diversification Agricole – Plan Cadre de Recasement des Populations (P.C.R.P)*” dated December 2010, containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons, as amended from time to time with the prior written consent of the Association.
29. “Safeguard Documents” means collectively or individually the Environmental and Social Management Framework, the Resettlement Policy Framework, and the Pest Management Plan, the Environmental and Social Management Plans and the Resettlement Action Plans prepared in connection with the Project (or Sub-project), if any.
30. “Steering Committee” has the meaning given to such term in Section I.A(2)(a) of Schedule 2 to the Agreement.
31. “Sub-Grant” means a Matching Grant or a Competitive Grant.
32. “Sub-Grant Beneficiary” means a community, farmer/fishermen/producer organization and/or individual which or who is a beneficiary of a Sub-Grant for a Sub-Project.
33. “Sub-Project” means a specific small scale project to be carried out by a Sub-Grant Beneficiary under Parts A.2(B) or B.1(A)(i) of the Project.
34. “Sub-Project Agreement” means the agreement to be entered into between the Recipient and a Sub-Grant Beneficiary providing a Sub-Grant for a Sub-Project.
35. “Targeted Areas” means the Recipient’s counties of Malanville, Tanguieta, Glazoue, Dangbo, Bonou and Adjohoun as well as any other areas, counties, sectors or regions that the World Bank may agree from time to time.
36. “Training” means the reasonable costs of training under the Project, based on the annual work plans and budgets approved by the Association, and attributable to seminars, workshops, and study tours, along with 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.

