
GRANT NUMBER IDA-E274-SS

Financing Agreement

(South Sudan Resilient Agricultural Livelihoods Project Additional Financing)

between

REPUBLIC OF SOUTH SUDAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF SOUTH SUDAN (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

WHEREAS: (A) under the Original Financing Agreement, the Association agreed to provide the Recipient to provide financing in an amount equivalent to forty-four million two hundred thousand Special Drawing Rights (SDR 44,200,000) to assist in financing the Project;

(B) the Recipient, having set this Project as a priority, has requested the Association to provide an additional financing in support of activities related to the Project, and the Association has agreed, on the basis, inter alia, of the foregoing to extend to the Recipient the Additional Financing, in an amount not to exceed twenty two million and nine hundred thousand Special Drawing Rights (SDR 22,900,000) , upon the terms and conditions set forth in this Agreement;

(C) the Association in its capacity as the administrator of the Food Systems 2030 Multi-Donor Trust Fund (TFOC3235-SS) intend to enter into a grant agreement with the Recipient for the purpose of providing a grant in an amount not to exceed five hundred thousand United States Dollars (\$500,000) (“Grant”) to the Recipient to assist in financing the Project, dated the same date as this Agreement (“FS2030 Grant Agreement”); and

(D) funding from the Food Systems 2030 Multi-Donor Trust Fund was received by the Bank for purposes of providing co-financing to the Loan on terms and conditions set forth in the FS2030 Grant Agreement.

NOW THEREFORE, 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) apply to and form 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 a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to twenty-two million and nine hundred thousand Special Drawing Rights (SDR 22,900,000) (“Financing”), to assist in financing of the project described in Schedule 1 to this Agreement (“Project”).

- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are April 15 and October 15 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient, through Ministry of Agriculture and Food Security, shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
 - (a) The Trust Fund 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
 - (b) the Recipient has updated and adopted the ESMF, including the LMP, as well as the Social Assessment and the SEP, and disclosed as appropriate, all under terms satisfactory to the Association.
- 4.02. The Effectiveness Deadline is the date sixty (60) days after the Signature Date.
- 4.03. For purposes of Section 10.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. Except as provided in Section 2.02 of this Agreement, the Recipient's Representative is its minister in charge of finance and planning.
- 5.02. For purposes of Section 11.01 of the General Conditions:
 - (a) the Recipient's address is:

Ministry of Finance and Planning

P.O. Box 80, Juba
Republic of South Sudan; and

5.03. For purposes of Section 11.01 of the General Conditions:

(a) the Association's address is:

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

(b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF SOUTH SUDAN

By



Authorized Representative

Name: Bak Barnaba Chol

Title: Minister of Finance and Planning

Date: 05-Feb-2024

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Ousmane Dione

Title: Country Director

Date: 02-Feb-2024

SCHEDULE 1

Project Description

The objective of the Project is to strengthen capacity of farmers and their organizations and improve agricultural production.

The Project consists of the following parts:

Part 1: Capacity Building in Good Agricultural Practices

Carry out a program of activities to mobilize and build the capacity of targeted farmers and extension services to improve the adoption of climate-smart agriculture for improving agricultural production and enhancing adaptive capacity to climate risks, including the following:

1. **Formation and Strengthening of Farmer Organizations and Herders**
 - (a) Provide support for: (i) the formation of new, and strengthening of existing, farmers organizations (“FOs”) at the *Payam* and *Boma* levels to enable farmers to harness the multi-fold benefits of group activity, including increased access to inputs, knowledge and skills, modern technologies, extension services, farm labor and value addition for climate and weather variability adaption; (ii) well-established FOs at the village-level and FOs that become viable under the Project, to be registered as cooperatives, including provision of technical assistance and Training; and (iii) flood affected farmers to harness the multi-fold benefits of group activity, including increased access to inputs, knowledge and skills, modern technologies, extension services, farm labor and value addition for climate and weather variability adaption.
 - (b) Provide support for inclusion and proactive participation of (i) women and youth in FOs, including carrying out an assessment of the gender division of labour and gendered benefits on a farm, including provision of technical assistance and skills enhancement Training and (ii) flood affected women and youth in FOs.
 - (c) Provide support for promotion of effective functioning of the FOs, including construction and equipping of *Boma*-level infrastructure (such as farmer organization centers) to ensure meaningful participation of all farmer households through its community engagement framework.
 - (d) Provide support on building knowledge to adapt to climate change through good agricultural practices, agroforestry and good natural resource management skills to targeted beneficiaries, including technical assistance

and capacity building to: (i) selected households to promote environmental protection and alternative environmentally friendly cooking methods; and (ii) farmers, farmers organizations, host communities, returnees, and refugees on newly introduced rice production methods and technologies.

- (e) Provide support to community animal health workers (CAHWs) to improve herder's skills on fodder production and preservation and increase their capacity in the delivery of animal health services; including through: (i) carrying out training of trainers on local fodder production, as well as harvesting, processing and preservation technologies such as silage and hay making, (ii) carrying out capacity building and training to provide the required services at community level when and where flooded locations are cut-off from other service providers.
- (f) Provide support to improve surveillance of animal disease and addressing One Health challenges including: (i) carrying out capacity building and Training to herders on outbreak surveillance and animal health, monitoring and reporting, as well as disease outbreak investigation in partnership with participating states, counties and CAHWs; (ii) carrying out training to CAHWs on safe methodology of carcass disposal; (iii) carrying out capacity building to herders in order to adopt proper disposal methods to prevent contamination and the spread of diseases from dead animals; (iv) carrying out animal treatment campaigns in flood-affected addressing livestock diseases and pests that proliferate in flood conditions to prevent the spread of diseases from animals to human; (v) carrying out livestock vaccination campaign against priority livestock diseases.
- (g) Provide support to improve post-harvest fish handling, processing and proper preservation techniques including through (i) carrying out training and capacity building for selected fishing communities, including women and the youth, on post-harvest fish processing, handling and preservation techniques, and (ii) carrying out training and technical assistance to fishing groups to promote fish powder production.

2. Improving Farming Knowledge and Skills

- (a) Provision of technical assistance and Training to increase the knowledge and skills of farmers, extension staff, and agriculture officials in well-tested and proven agricultural practices, including climate smart agriculture, technologies and tools to enhance farm productivity, as well as strengthen farmers' resilience and adaptive capacity to climate change and variability, and reduce emissions from agricultural production.
- (b) Provision of financing for small purchases of equipment (such as computers, desks, printers, projectors, tables, chairs) required for effective

advisory services, and for cost of travel and subsistence allowances of extension and community animal health workers agents on their field visits.

- (c) Providing the above-mentioned technical assistance and equipment detailed under Part 1.2(a) and Part 1.2(b) in targeted flood-affected areas.

Part 2. Investment Support for Improved Agricultural Production

Carry out a program of activities to move the farmer beyond subsistence to climate-smart agricultural value chains resulting in increasing production for household level food security and producing surplus for market including the following:

1. Increasing Access to Food for Household Facing Acute Food Insecurity

- (a) Provision of support to targeted households to improve the food security of households in a short time and enable them to re-engage in crop production through, *inter alia*, provision of financing for their purchase of inputs and assets including: (i) seeds and samplings for kitchen gardens and growing indigenous vegetables, seasonal fruits to meet the immediate food needs of the family; (ii) small assets such as poultry and small ruminants which have short gestation periods.
- (b) Provision of the above mentioned support under Part 2.1(a) to flood affected households to improve the food security of households in a short time and enable them to re-engage in crop production through, *inter alia*, provision of financing for their purchase of inputs and assets including: (i) seeds and samplings for kitchen gardens and growing indigenous vegetables, seasonal fruits to meet the immediate food needs of the family; and (ii) small assets such as poultry and small ruminants which have short gestation periods.
- (c) Provision of support to promote the adaptation of rainfed rice cultivation in flood areas including (i) the introduction, testing and cultivation of rice varieties in flood-affected farmland; (ii) enhancing the capacities in rice production, including improved agronomic practices in soil and water management in flood prone areas; and (iii) acquiring post-harvesting equipment including *inter alia* rice threshers and hullers to support small-scale rice producer groups.
- (d) Promotion of the distribution and use of fuel-efficient technologies to reduce the amount of wood extracted from the surrounding environment, through acquiring and distributing fuel-efficient stoves to targeted households including refugee households and flood affected and host communities.

2. Increasing Availability of Quality Seeds

- (a) Increase local production, trade and use of good quality, climate-smart seeds and planting materials by farmers by, *inter alia*, promoting community-based, climate-smart seed propagation and bulking, and the formation of farmer-managed seed banks and seed cooperatives to increase local trade in good quality, climate-smart seeds, supporting farmer-led contract climate-smart seed production with private seed companies and the establishment of seed aggregation centers to link with seed out growers and enterprises engaged in seed development, multiplication and distribution/sales.
- (b) Provision of the above-mentioned support under Part 2.2(a) to flood affected farmers to increase local production, trade and use of good quality, climate-smart seeds and planting materials.
- (c) Provision of support to access foundation seed of approved varieties in collaboration with MAFS and institutions such as Consultative Group on International Agriculture Research Centers, Alliance for Green Revolution for Africa, and neighboring national agricultural research systems; and assess capacities and needs for producing different classes of seeds; support collection, profiling, conservation, and multiplication of local landraces; register community seed producers and seed out growers.
- (d) Development of customized Training, skills enhancement programs and infield seed extension support to be provided to community seed producers, plant breeders and seed out-growers, and carrying out exchange visits to develop technology generators, as well as provision of financing for seed production tools, post-harvesting and processing equipment and for capacity building Training to the MAFS staff to fully operationalize MAFS' seed testing laboratory.

3. Enhancing Access to Technology and Mechanization

- (a) Provision of support to raise awareness of modern farm technologies, mechanization, and the use of renewable energy including (i) carrying out an assessment of the technological and mechanization needs of farmers in Project areas, with special attention to women and youth, for improving production, post-harvest handling, value addition and storage, and developing in consultation with the FOs, a menu of appropriate, location-specific equipment needs together with related cost-recovery plan; and (ii) carrying out demonstrations of selected farm technologies and tools in the Project areas to create a demand for their uptake by farmers.
- (b) Provision of financing to target farmer groups and farmers for investments

to increase on-farm productivity and value addition, including provision of grants and assets to FOs and Cooperatives to carry out Sub-projects for on-farm productivity, agroecosystem resilience and value addition where these investments lead to increased production and marketed surplus for the selected value chains; and supporting local artisans and youth in the production and maintenance of farming tools and equipment.

4. Providing Animal Health Services in the Flood Affected Areas

Supporting livestock, livelihood and animal health through (i) providing animal health services in flooded communities; (ii) carrying out safe disposal of animal carcasses; (iii) supporting the production of animal feed; (iv) providing support to women milk collectors displaced by flooding; (v) acquiring equipment to CAHWs including the provision of veterinary and treatment kits; (vi) acquiring diagnostic kits and reagents to the Central Veterinary Laboratory to improve disease control; (vii) acquiring equipment to two selected mini laboratories; and (viii) acquiring solar vaccine fridges to support the cold chain network in targeted areas to ensure an effective and efficient delivery of animal vaccines.

5. Improving Livestock Feeding

- (a) supporting the conservation of indigenous fodder plans and acquiring of suitable forage species where needed to mitigate the loss of livestock grazing land due to the flooding; and
- (b) acquiring fodder choppers to agro-pastoralists to manage feeds for their animals and carrying out the construction of feed banks for storage.

6. Enhancing Sustainable Fishing, Fish Handling and Processing

- (a) acquiring equipment and value-added fish products for fish handling, process and preservation to support selected fishing communities including *inter alia*, fiberglass canoes, solar fish driers and drying racks and plastic crates, solar generators and ice making machines, cool boxes, meat mincers/grinders, solar refrigerators, solar driers; motorboat to selected women groups to enhance their ability to collect and transport fish; and
- (b) carrying out the construction of fish shades to improve the sanitary conditions of fish processing, handling and reduce post-harvest losses.

Part 3. Project Management, and Technical Assistance

- 1. Provision of support for Project implementation and management, including financing of goods, non-consulting services, consulting services, Operating Costs

and Training.

2. Provision of technical assistance and Training: (a) to enhance the capacity of Ministry of Livestock and Fisheries (MLF) to monitor and supervise livestock and fish related activities; (b) strengthen MLF capacity in environmental and social safeguards; (c) build capacity of MLF on the annual budget and work program for livestock and fisheries related; (d) enhance the collaboration of the MLF and MAFS in project coordination and supervision.
3. Provision of capacity building and technical assistance to the Ministry of Agriculture and Food Security to operationalize the Food Security Crisis Response Preparedness Plan (FSCPP).
4. Provision of support to the Food Security Council (FSC)'s secretariat to implement the FSCPP.
5. Establish a multi-stakeholder and multidisciplinary platform to produce and disseminate a quarterly food security and nutrition bulletin and reports.
6. Enhancing climate information through: (i) acquiring and installing of climate monitoring stations and automatic weather stations (AWS) in the severely flood affected areas; and (ii) acquiring and installing ten river gauges along the major rivers contributing to the seasonal flooding to enable tracking of the water levels.
7. Enhancing communication infrastructure to ensure efficient flow of critical messages and alerts during disaster risk management through acquiring up to 800 units of solar powered radios to selected community-based disaster risk reduction committees.

Part 4. Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall maintain at all times during the implementation of the Project, the Project Coordination Unit (“PCU”) within MAFS, with the composition, functions, staffing and resources satisfactory to the Association, and responsible for day-to day oversight and management of the Project and for coordination of implementation of Project activities.
2. The Recipient shall maintain at all times during the implementation of the Project, the Project Steering Committee (“PSC”), with the composition, functions, staffing and resources satisfactory to the Association, and responsible for providing high-level oversight and guidance on implementation of the Project.

B. Project Implementation Manual (“PIM”)

1. The Recipient shall:
 - (a) by not later than three (3) months after the Effective Date or such later date as agreed by the Association, update and adopt, in accordance with terms of reference acceptable to the Association, the PIM which contains detailed Project arrangements and procedures for, *inter alia*: (i) institutional coordination and day-to-day execution of the Project; (ii) monitoring, evaluation, reporting and communication; (iii) criteria, procedures (including participatory approaches) and responsibilities for selection of Project locations, Project beneficiaries, vouchers to be provided under Part 2.1(a) of the Project and Sub-projects and investments under Part 2.3 of the Project; and (iv) such other administrative, technical and organizational arrangements and procedures as shall be required for purposes of implementation of the Project (“Project Implementation Manual” or “PIM”);
 - (b) the Recipient shall: (a) carry out the Project in accordance with the PIM that has been approved by the Association and adopted by the Recipient; and (b) not amend, abrogate or waive said PIM or any part thereof without the prior written approval of the Association.
2. In the event of any inconsistency between this Agreement and the PIM, the provisions of this Agreement shall prevail.

C. Third-Party Monitoring

Within thirty (30) days from the Effective Date, or such later date as agreed by the Association, the Recipient shall recruit and maintain throughout Project implementation, the Third-Party Monitoring Agent, in accordance with terms of reference satisfactory to the Association, to monitor and review performance of the Project.

D. Grievance Mechanism

The Recipient shall maintain at all times during the implementation of the Project, a Grievance Mechanism, under terms and structure satisfactory to the Association.

E. UN Agency - Output Agreement

1. The Recipient shall enter into, and thereafter maintain throughout the period of Project implementation, an output agreement with the UN Agency, under terms and conditions approved by the Association (the “ Output Agreement”), whereby the Recipient shall: (a) hire the services of UN Agency to carry out Parts 1.1.(a) (iii), Parts 1.1(e),(f),(g), Part 1.2(c), Parts 2.1.(b),(c),(d), Part 2.2.(b), Part 2.4, Part 2.5, Part 2.6, of the Project in accordance with this Agreement, the PIM and the requirements of the ESS and ESCP.
2. The Recipient shall ensure that the Output Agreement requires that UN Agency to:
 - (a) maintain in a separate account in their respective records (“Financing Control Account”) a complete, true and faithful record of all the advances received from, and transaction done with, the proceeds of the Financing and of all the expenditures paid from such advance;
 - (b) retain all records (contracts, orders, invoices, bills, receipts, wiring instructions and other documents) evidencing the expenditures under the Project until at least the later of: (i) one (1) year after the Association has received the interim unaudited financial reports covering the period during which the last withdrawal from the Financing Control Account was made; and (ii) two (2) years after the Closing Date;
 - (c) prepare, on a quarterly basis, interim unaudited financial reports, as per the format to be agreed with the Association to adequately reflect the operations, resources and expenditures related to the Project, the first said interim unaudited financial reports shall be furnished to the Association no later than thirty (30) days after the end of the first quarter after the date of the respective output agreement;

- (d) at the request of the Recipient, carry out an audit of Project activities with terms of reference acceptable to the and Recipient and/or the Association; and
 - (e) give access to Project-related information and records, as needed, for the Third-Party Monitoring Agent to carry out the scope of its verification/audit as detailed in the Section I.C of this Agreement.
3. The Recipient shall exercise its rights under the Output Agreement, in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the agreements or any provision contain therein (whether in whole or in part).
 4. In the event of any conflict between the provisions of the Output Agreement, on the one side, and those of this Agreement on the other, the provisions of this Agreement shall prevail.

F. Environmental and Social Standards

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall ensure that:

- (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- 5. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
- 6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

G. Contingent Emergency Response

- 1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project (“Contingent Emergency Response Part”), the Recipient shall ensure that:
 - (a) a manual (“CERC Manual”) is prepared and adopted, no later than six (6) months after the Effective Date, in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may

be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;

- (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
 - (c) the Contingent Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
 - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Association.
3. The Recipient shall ensure that:
- (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
 - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

H. PCU Work Plans and Budget

1. For purposes of implementation of the Project, the Recipient shall:

- (a) prepare a draft PCU work plan and budget (“PCU Work Plan and Budget”) for each July 1 through June 30 period (“Fiscal Year”), setting forth, *inter alia*: (i) a detailed description of the planned activities under the Project (excluding Part 3.1 of the Project) for the following Fiscal Year; (ii) the sources and proposed use of funds therefor; (iii) procurement arrangements therefor; and (iv) responsibility for the execution of said Project activities, budgets, start and completion dates, outputs and monitoring indicators to track progress of each activity;
 - (b) not later than May 15 of each Fiscal Year, furnish the draft PCU Work Plan and Budget to the Association for its review, and promptly thereafter finalize the PCU Work Plan and Budget, taking into account the Association’s comments thereon; and
 - (c) by June 30 of each Fiscal Year, adopt and implement the final PCU Work Plan and Budget after obtaining the Association’s approval thereon.
2. For purposes of implementation of Part 3.1 of the Project, the Recipient through the PCU shall:
- (a) prepare a draft fiscal year work plans covering July to June periods and budget (“PCU Work Plan and Budget”), setting forth, *inter alia*: (i) a detailed description of the planned activities of the PCU for each year period; (ii) the sources and proposed use of funds therefor; (iii) procurement arrangements therefor; and (iv) responsibility for the execution of said activities, budgets, start and completion dates, outputs and monitoring indicators to track progress of each activity;
 - (b) at least thirty (30) days before the start of each fiscal year period, furnish the draft PCU Work Plan and Budget for the period concerned to the Association for review and
 - (c) promptly revise the PCU Work Plan and Budget taking into account the Association’s comments thereon and implement such PCU Work Plan and Budget as shall have been approved by the Association.

I. Food Security Crisis Response Preparedness Plan (FSCPP)

The Recipient shall ensure that, not later than three (3) months after the Effective Date, the Food Security Crisis Response Preparedness Plan (FSCPP) is prepared and adopted in form and substance acceptable to the Association.

Section II. Project Monitoring, Reporting and Evaluation

- 1. The Recipient shall furnish to the Association each Project Report (*i.e.*, a progress Project Report providing for a summary of activities covering a period of six (6)

calendar months, and a detailed annual Project Report), not later than forty-five (45) days after the end of the period covered by such report.

2. The Recipient shall ensure that each Third-Party Monitoring Report from the Third-Party Monitoring Agent, prepared in accordance with terms of reference acceptable to the Association is furnished to the Association within sixty (60) days of the end of the period covered by said report.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (Expressed in SDR)	Percentage of Expenditures to be Financed (Inclusive of Taxes)
(1) Goods, works, consulting services, and non-consulting services for Parts 1.1.(a)(iii), Parts 1.1.(e),(f),(g), Part 1.2(c), <u>Parts 2.1.(b),(c),(d), Part 2.2.(b), Part 2.4, Part 2.5, Part 2.6, Part 3.6, and Part 3.7</u> of the Project	22,600,000	100%
(2) Goods, Consulting Services, Operating Costs, and Training under Part 3.1 and Part 3.2 of the Project	300,000	0% until Category (2) of the Original Financing Agreement is fully disbursed, and thereafter 100%
(3) Emergency Expenditures under Part 4 of the Project	0	100%
TOTAL AMOUNT	22,900,000	

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 Signature Date;
 - (b) for payments under Category (1), unless and until the Recipient has entered into the Output Agreement with the UN implementing partner, in form and substance satisfactory to the Association; or
 - (c) for Emergency Expenditures under Category (3), unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (3); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.
2. The Closing Date is August 23, 2026.

Section IV. Amendment to the Original Financing Agreement

1. Section 2.01 of Article II of the Original Financing Agreement is amended to read as follows:

“2.01. The Association agrees to extend to the Recipient a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to forty-four million two hundred thousand Special Drawing Rights (SDR 44,200,000) (“Financing”), to assist in financing the Project except for Parts 1.1.(a)(iii), Part 1.1(e) (f),(g), Part 1.2(c), Part 2.1.(b), (c), (d), Part 2.2.(b), Part 2.4, Part 2.5, Part 2.6 of the project described in Schedule 1 to this Agreement (“Project”).”
2. The description of the Project in Schedule 1 of the Original Financing Agreement is amended to read as the description of the Project in Schedule 1 to this Agreement.
3. The withdrawal table under Section III.A in Schedule 2 to the Original Financing Agreement is deleted in its entirety and replaced with the following:

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, consulting services, and non-consulting services for the Project except Parts 1.1.(a) (iii), Part 1.1 (e), (f), (g), Part 1.2(c), <u>Part 2.1(b), (c), (d), Part 2.2.(b), Part 2.4, Part 2.5, Part 2.6</u>	41,100,000	100%
(2) Goods, Consulting Services, Operating Costs, and Training under Part 3.6, and Part 3.7 of the Project	3,100,000	100%
(3) Emergency Expenditures under Part 4 of the Project	0	100%
TOTAL AMOUNT	44,200,000	

APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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 and as of July 1, 2016.
2. “*Boma*” means the third tier of local government in the Recipient’s administrative system in rural areas as set forth under Article 165(5) of the Transitional Constitution of the Republic of South Sudan of July 2011.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “CERC Manual” means the manual referred to in Section I.G of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Operational Manual.
5. “CAHWs” means community animal health workers.
6. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 4 of the Project to respond to an Eligible Crisis or Emergency.
7. “County” means the first tier of local government in the Recipient’s administrative system in rural areas as set forth under Article 165(5) of the Transitional Constitution of the Republic of South Sudan of July 2011.
8. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
9. “Emergency Action Plan” means the plan referred to in Section I.G, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
10. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.G of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
11. “Disease Outbreak” means an outbreak of viral pathogens with a primary zoonotic reservoir or an outbreak due to deliberate or accidental release of pathogens previously eliminated from the human population, which in accordance with criteria acceptable to the Association poses a significant threat of spreading within

a country or across countries, with potential to cause a large-scale regional epidemic or a global pandemic.

12. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated *November 8, 2023*, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
13. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
14. “ESMF” means the Project’s environmental and social management framework to be prepared in accordance with the ESCP.
15. “Food Insecurity Crisis” means an event or events driven by natural disasters, economic shocks, and/or public health threats, which pose a significant threat of becoming a large-scale food security crisis within a country or across countries, in accordance with criteria acceptable to the Association.
16. “Food Security Council” means the Recipient’s food security council, established and operating pursuant to Presidential Order No.15/2012, or its legal successor.
17. “FS2030 Grant Agreement” means the agreement of the same date of this Agreement between the Recipient and the International Bank for Reconstruction and Development and the Association, acting as the administrator of the Food Systems 2030 Multi-Donor Trust Fund providing the Grant to the Recipient to assist in financing the Project, as such agreement may be amended from time-to-

time. “FS2030 Grant Agreement” includes all appendices, schedules and agreements supplemental to the FS2030 Grant Agreement.

18. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (Last revised on July 15, 2023).
19. “Grant” means the Grant No. (TCOC3235) in an amount of five hundred thousand United States dollars (USD 500,000) to be provided by the International Bank for Reconstruction and Development and the Association, acting as the administrator of the Food Systems 2030 Multi-Donor Trust Fund to assist the Recipient in financing the Project.
20. “Grievance Mechanism” or “GM” means the grievance mechanism to be established by the Recipient in accordance with the provisions of Section I.D of Schedule 2 to this Agreement for the purpose of receiving and addressing any complaints related to the Project implementation by the Recipient and its local partners.
21. “LMP” means the Project’s labor management plan to be prepared in accordance with the ESCP.
22. “MAFS” means the Recipient’s Ministry of Agriculture and Food Security, and any successor thereto.
23. “Operating Costs” means the incremental expenditures incurred by the Recipient in the implementation of the Project and reflected in the PCU Work Plan and Budget, including expenditures for the maintenance of goods and equipment such as vehicles and computers; fuel; office supplies; consumables; communication costs; workshop venues and materials; and authorized travel costs of officials of the government, including *per diems*, travel costs, and accommodation for staff when travelling on duty during the implementation of this project, but excluding salaries of the Recipient’s civil service.
24. “Original Financing Agreement” means the financing agreement signed on August 1, 2021, between the Recipient and the Association for Grant Number D824-SS, in an amount equivalent to forty-four million two hundred thousand Special Drawing Rights (SDR 44,200,000) for the financing of the Project except for Parts 1.1.(a)(iii), Part 1.1(e), (f), (g), Part 1.2(c), Part 2. 1.(b), (c), (d), Part 2.2.(b), Part 2.4, Part 2.5, Part 2.6.
25. “Food Security Crisis Response Preparedness Plan” or “FSCPP” means the plan referred to in Section I.I of Schedule 2 to this Agreement, setting out the operational procedures to respond to and contain a Food Insecurity Crisis.

26. “*Payam*” means the second tier of local government in South Sudan’s administrative system in the rural areas as set forth under Article 165(5) of the Transitional Constitution of the Republic of South Sudan of July 2011.
27. “SPCU” or “Single Project Coordination Unit” means the unit within the administrative authority of MAFS, with functions, responsibilities and sufficient resources acceptable to the Association, as referred to in Section I.A.1 of Schedule 2 to this Agreement and as further detailed in the Project Implementation Manual, or any successor thereof acceptable to the Association.
28. “SPCU Work Plan and Budget” means each six-month work plans referred to in Section I.H.2(a), prepared and adopted in form and substance satisfactory to the Association.
29. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
30. “PSC” or “Project Steering Committee” means the committee responsible for providing high-level oversight and guidance on implementation of the Project as referred to in Section I.A.2 of Schedule 2 to this Agreement and as further detailed in the Project Implementation Manual, or any successor thereof acceptable to the Association.
31. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
32. “SA” means the Project’s social assessment to be prepared in accordance with the ESCP.
33. “SEP” means the Project’s stakeholder engagement plan to be prepared in accordance with the ESCP.
34. “South Sudan” means the Republic of South Sudan.
35. “States” means the following States in South Sudan: Central Equatoria, Eastern Equatoria, Western Equatoria, Northern Bahr el Ghazal, Western Bahr el Ghazal, Jonglei, Lakes, Unity, Upper Nile, and Warrap.
36. “Third-Party Monitoring” means monitoring of the Project activities on behalf of the Recipient to be carried out by a Third-Party Monitoring Agent with the purpose of carrying out satisfactory monitoring and evaluation of the activities of the Project in the areas where the Recipient has limited or no access due to the current conflict situation in the territory of South Sudan and referred to in Section I.C of Schedule 2 to this Agreement.

37. “Third-Party Monitoring Agent” means a firm or organization, with internationally recognized expertise in monitoring and evaluation of development projects (including for financial management, procurement, and environmental and social safeguards aspects of such development projects) to be engaged by the Recipient for carrying out of Third-Party Monitoring in accordance with terms of reference reviewed and confirmed by the Association and referred to in Section I.C of Schedule 2 to this Agreement.
38. “Third Party Monitoring Report” means each six-monthly report prepared by a Third Party Monitoring Agent, prepared in accordance with the terms of the Association, which will cover *inter alia*: (i) Project performance through collection and analysis of appropriate gender disaggregated data and other evidence; (ii) identification of any technical or procedural gaps, issues, and bottlenecks to Project implementation; (iii) recommendations to improve Project implementation as necessary; (iv) documentation of key experiences and learning in Project implementation; and (v) such other summary of findings regarding adherence, at all implementation levels, to the procedures set out in relevant Project documents, and verification of all Project activities.
39. “Training” means the cost of training of persons involved in Project-supported activities under the Project and reflected in the PCU Work Plans and Budget, such term to include seminars, workshops, and study tours, and costs associated with such activity include travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.
40. “UN Agency” means the Food and Agriculture Organization of the United Nations, any other UN Agency subject to prior approval of the Association, with which the Recipient shall enter into an Output Agreement in terms and conditions set under Section I.E of Schedule 2 to this Agreement, for the implementation of Parts 1, 2, 3.6 and 3.7 of the Project.
41. “Output Agreement” means the agreements to be concluded between the Recipient and the UN implementing partner governing the terms and conditions under which the UN Agency shall render services to the Recipient, including payment methods, and reporting and transparency arrangements.