

29 July _____, 2020

Hon. Jacob Jusu Saffa
Minister of Finance
Treasury Building
George Street
Freetown
Sierra Leone

Honourable Minister Saffa:

**Re: Republic of Sierra Leone: Credit No. 5767-SL
Smallholder Commercialization and Agribusiness Development Project
Amendment to the Financing Agreement**

We refer to the Financing Agreement dated March 14, 2016 between the Republic of Sierra Leone (“Recipient”) and the International Development Association (“Association”), as amended (“Agreement”) for the above-mentioned Project. We also refer to the Financing Agreement dated 18-Aug-2020, 2020, for the Additional Financing for the Project.

The Association proposes to amend the Financing Agreement as follows:

1. Part A.2.1 of Schedule 1 to the Financing Agreement is deleted and replaced by the following:

“Part A.2 Enhancing support for Farmers’ Aggregation, in particular:”

- “1. (a) promoting an e-extension system for deployment of digital solutions, in the delivery of agricultural extension services to mitigate the impact of COVID-19 containment measures, including restrictions on movement and social distancing on effective delivery of advisory services to Beneficiaries, and operationalizing the system to scale-up the use of ICT platforms to complement the delivery of agricultural extension services, all through the provision of technical advisory services, and acquisition of goods;
- (b) increasing smallholder farmers’ productivity, including the acquisition of improved (stress tolerant) seeds and fertilizers to targeted smallholder farmers, enhancing land preparation, harvesting services, advisory services on crop, water and soil management, all through the provision of technical advisory services, provision of training, and acquisition of goods; and
- (c) building the capacity of Beneficiaries, including the provision of training and certification of selected agro-input dealers and linking them to agro-inputs markets.”

- “2. Provision of Agri-Business Services Matching Grants to Agri-Business Services Matching Grant Beneficiaries, for the development of agri-business services in the Selected Value Chains.”
- “3. Provision of technical assistance and value chain development services to build the capacity of farmers, producer organizations, small and medium-scale enterprises and other value chain actors in the Selected Value Chains.”
2. Part D.1 of Schedule 1 to the Agreement is deleted and replaced with the following:
- “Part D.1 Project Implementation and Coordination”*
- “Strengthening the capacity for Project coordination and implementation, through the provision of technical advisory services, training, Operating Costs, and acquisition of goods.”
3. Part A.2.4 of Schedule 1 to the Financing Agreement is to be deleted in its entirety.
4. Section I.I is inserted to the Agreement as follows:
- “I. **“Grievance Redress Mechanism”**
- “The Recipient maintain, throughout Project implementation, and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.”
5. The table set forth in Section IV.A.2 of Schedule 2 to the Agreement is amended as set forth in the Annex 1 to this letter.
6. The Closing Date set forth in Section IV.B.3 is established as June 30, 2023.
7. The definitions set forth in Section I of the Appendix to the Agreement are restated and amended as set forth in Annex 2 of this Agreement.
8. Where the context allows reference to the following terms in the Agreement is modified as follows:
- (a) Reference to “Sierra Leone Produce Marketing Company (“SLPMC”)” shall be replaced with “Sierra Leone Produce Monitoring Board (“SLPMB”); and
- (b) Reference to “Ministry of Local Government and Rural Development” (“MLGRD”) shall be replaced with “Ministry of Local Government (“MLG”)”

All other provisions of the Financing Agreement shall remain in full force and effect, except as specifically amended by this Amendment Letter.

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Please confirm your agreement to the foregoing on behalf of the Recipient by countersigning and dating the corresponding form of confirmation set forth below, and returning one fully signed original of this letter to us. Upon receipt by the Bank of the countersigned copy of this Amendment Letter, the Amendment Letter shall become effective as of the date of this letter.

Sincerely yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: 

Pierre Laporte

Country Director for Ghana, Liberia and Sierra Leone
Africa West and Central Region

AGREED:
REPUBLIC OF SIERRA LEONE

By 

Authorized Representative
Jacob Jusu Saffa

Name _____

Title Minister of Finance

Date 18-Aug-2020

Annex 1

| Category | Amount of the Financing Allocated (expressed in SDR) | Percentage of Expenditures to be Financed (inclusive of Taxes) |
|--|---|---|
| (1) Value Chain Finance under the Sierra Leone Agri-Business Development Fund, consultant services, non-consulting services and Operating Costs under Part A.1 of the Project | 7,740,000 | 100% |
| (2) Goods, consultant services, non-consulting services, Training and Operating Costs under Parts A.2.1 of the Project for piloting new agricultural lending products and the E-Voucher scheme | 1,890,000 | 100% |
| (3) Agri-Business Services Matching Grants under Part A.2.2 of the Project | 1,869,700 | 100% of amount disbursed |
| (4) Goods, works, consultant services, non-consulting services, Training and Operating Costs under Parts A.2.3 of the Project | 1,400,000 | 100% |
| (5) Goods, works, consultant services, non-consulting services, Training and Operating Costs under Part B.2 of the Project | 420,000 | 100% |
| (6) Goods, works, consultant services, non-consulting services, Training and Operating Costs under Parts B.1 of the Project | 7,200,000 | such a percentage to be agreed among the financiers in annual workplans |
| (7) Goods, consultant services, non-consulting services, Training and Operating Costs under Parts C.1, C.2, C.3 and C.4 of the Project | 2,321,800 | 100% |
| (8) Capacity Building Grants under Parts C.5, C.6 and C.7 of the Project | 1,209,967 | 100% of amount disbursed |

| Category | Amount of the Financing Allocated (expressed in SDR) | Percentage of Expenditures to be Financed (inclusive of Taxes) |
|---|---|---|
| (9) Goods, consultant services, non-consulting services, Training and Operating Costs under Part D of the Project | 3,251,839.76 | 69% |
| (10) Refund of Preparation Advance | 526,693.24 | Amount payable pursuant to Section 2.07 of the General Conditions |
| (11) Emergency Expenditures under Part E of the Project | 1,070,000 | 100% |
| TOTAL AMOUNT | 28,900,000 | |

Annex 2

Section I of the Appendix to the Agreement is rested and amended as follows:

APPENDIX

Section I. Definitions

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

10. “Agricultural Loans Scheme Agreement” means the agreement acceptable to the Association to be entered into between the Recipient and the Project Implementing Entity for the provision by the former of the proceeds of the Financing allocated from time to time for the implementation of the Respective Part of the Project, and referred to in Section I.D.2 of Schedule 2 to this Agreement.
11. “Agricultural Loans Scheme Operations Manual” means the Recipient’s manual acceptable to the Association providing detailed guidelines and procedures for the implementation of the Agricultural Loans Scheme and referred to in Section I.D.5 of Schedule 2 to this Agreement.
12. “Annual Work Plan and Budget” means the program of activities agreed each Fiscal Year between the Recipient and the Association for implementation under the Project in accordance with Section I.B.3 of Schedule 2 to this Agreement during the following Fiscal Year, as the same may be revised from time to time in accordance with said Section.
13. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011.
14. “Capacity Building Grant” means a grant financing made or proposed to be made by the Recipient out of the proceeds of the financing to a Participating Institution for the purpose of financing Eligible Activities and referred to in Section I.F.1 of Schedule 2 to this Agreement.
15. “Capacity Building Grant Agreement” means an agreement acceptable to the Association to be entered into between the Recipient and a Participating Institution for the provision of a Capacity Building Grant, and referred to in Section I.F.2 of Schedule 2 to this Agreement.
16. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
17. “Co-financier” means the United Kingdom of Great Britain and Northern Ireland, acting through the Department for International Development.
18. “Co-financing” means, for purposes of paragraph 11 of the Appendix to the General Conditions, an amount of £10,000,000 to be provided by the Co-financier to assist in financing Part B.1 of the Project.
19. “Co-financing Agreement” means the agreement to be entered into between the Recipient and the Co-financier providing for the Co-financing.
20. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (Revised July 2014).
21. “Contingency Emergency Response Operations Manual” and the acronym “CER Manual” means the manual referred to in Section I.I of Schedule 2 to this Agreement, to be adopted by the Recipient for the Emergency Response Part of the Project and forms part of the Project Implementation Manual in accordance with the provisions of said Section.
22. “CERC Part of the Project” and “CERC Part” each means Part E of the Project.
23. “COVID-19” means “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).

24. “District” means an administrative subdivision of the Recipient established pursuant to the Provinces Act, Chapter 60 of the Laws of the Recipient.
25. “Eligible Activities” means either: (a) the activities eligible for financing through Value Chain Finance in accordance with the provisions of the Sierra Leone Agri-Business Fund Manual; or (b) the activities eligible for financing through the Matching Grants, in accordance with the provisions of the Pilot Matching Grant Manual; or (c) the activities eligible for financing through Agri-Business Services Matching Grants, in accordance with the provisions of the Agri-Business Services Matching Grants Operations Manual; or (d) the capacity building activities eligible for financing through the Capacity Building Grants, in accordance with the provisions of the Project Operations Manual.
26. “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.
27. “Emergency Expenditure” means any of the Eligible Expenditures set forth in the Emergency Response Manual in accordance with the provisions of Section I.I of Schedule 2 to this Agreement and required for the activities included in the Emergency Response Part.
28. “Emergency Response Part” means a specific activity or activities to be carried out in the event of an Eligible Crisis or Emergency under Part E of the Project.
29. “Environmental Protection Agency” means the Recipient’s agency responsible for the effective protection of the environment and established and operating pursuant to the Environmental Protection Agency Act, 2008 of the Laws of the Recipient.
30. “Environmental and Social Impact Assessment” or “ESIA” means the document to be prepared and adopted by the Recipient setting out details of potential environmental and social risks, including risks of gender-based violence and sexual exploitation and abuse, and adverse impacts associated with a Subproject, or any Project activities, together with an environmental and social management plan defining measures to manage such risks and impacts, including measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse, and including any schedules to such assessment, and as such assessment may be amended by the Recipient from time to time, with the prior written approval of the Association.
31. “Environmental and Social Management Framework” or “ESMF” means the framework prepared and adopted by the Recipient, satisfactory to the Association, dated August 2015, and disclosed in-country, and the Association’s website on December 11, 2015, as redisclosed in-country, and the Association’s website on December 10, 2015, and updated in May 2019, and redisclosed by the Recipient on May 17, 2019, and by the Association on May 20, 2019, said framework setting out the principles, rules, guidelines and procedures to screen and assess the potential adverse environmental and social risks and impacts (including health and safety issues) of Project activities, including the risks of gender-based violence and sexual exploitation and abuse, adopt measures to avoid, reduce, mitigate or offset environmental and social adverse risks and impacts, including measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse, procedural, budget and institutional arrangements and actions needed to implement these measures, and information on the agency or agencies responsible for addressing the Projects’ risks and impacts; as well as for the preparation of environmental and social management plans, as such framework may be amended by the Recipient from time to time, with the prior written agreement of the Association.

32. “Fiscal Year” means each fiscal year of the Recipient commencing on January 1 and ending on December 31 of the same year.
33. “Fund Manager” means the firm acceptable to the Association to be hired by the Recipient to carry out day to day management of the SLADF and referred to in Section I.A.6 of Schedule 2 to this Agreement.
34. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
35. “Local Council” or “LC” means a local council established and operating pursuant to the Local Government Act (Act No.1 of 2004 of the Laws of the Recipient) and any successor thereto, and “Local Councils” or “LCs” means, collectively, all such Local Councils.
36. “Memorandum and Articles of Association” means the memorandum of association of a company and the articles of association of a company as originally framed or as altered by the company from time to time, and which comprise the constitutive documents for incorporation and or registration of a company.
37. “Memorandum of Understanding” means a memorandum acceptable to the Association to be signed between the Recipient represented by MAFFS, and the ministries that are beneficiaries of capacity building support under the Project, and referred to in Section I.F.1 of Schedule 2 to this Agreement.
38. “Ministry of Agriculture and Forestry” or “MAF” means the Recipient’s ministry responsible for agriculture, or any successor thereto.
39. “Ministry of Local Government” or “MLG” means the Recipient’s ministry responsible for local governments, or any successor thereto.
40. “Ministry of Trade and Industry” or “MTI” means the Recipient’s ministry responsible for trade, or any successor thereto.
41. “Ministry of Works and Public Assets” or “MWPA” means the Recipient’s ministry responsible for roads, works and public assets, or any successor thereto.
42. “National Federation of Farmers of Sierra Leone” or “NAFFSL” means the apex federation of registered national farmers organizations in Sierra Leone and established and operating pursuant to the Companies Act, Act No. 5 of 2009 of the Laws of the Recipient, or any successor thereto.
43. “National Feeder Roads Committee” means the Recipient’s committee responsible for coordinating feeder road matters and comprising representatives from MWPA, MAF, MTI, MLG, SLARI, SLRA, RMFA, and the representatives from the Local Councils, and referred to in Section I.A.7 of Schedule 2 to this Agreement.
44. “National Project Steering Committee” means the committee established for purposes of the Project, referred to in Section I.A.2 of Schedule 2 to this Agreement chaired by the minister, MAF, and comprising relevant officials from MAF, MTI, MWPA, MLG, SLARI, SLeCAD and NAFFSL, and such other staff as the Minister may determine.

45. “Operating Costs” means the expenses incurred on account of Project implementation, based on Annual Work Plans and Budgets approved by the Association pursuant to Section I.B.3 of Schedule 2 to this Agreement, including office equipment and supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, office rental, consumables, accommodation, salaries and local and international travel costs of Project staff (excluding the salaries of the Recipient’s civil service).
46. “Participating Institution” means each of SLARI, SLeCAD and NAFFSL.
47. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (Revised July 2014).
48. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated January 21, 2016, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
49. “Project Coordination Unit” or “PCU” means a unit within MAFFS designated to take on the day-to-day financial management, procurement, monitoring and evaluation responsibilities under the Project and referred to in Section I.A.4 of Schedule 2 to this Agreement.
50. “Project Implementation Manual” means the Manual acceptable to the Association and referred to in Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior agreement of the Association.
51. “Project Implementing Entity” means the Apex Bank Limited.
52. “Project Implementing Entity’s Legislation” means the Companies Act, Act No. 5 of 2009, of the Laws of the Recipient, pursuant to which the Project Implementing Entity is incorporated and includes the Memorandum and Articles of Association of the Project Implementing Entity.
53. “Project Officer” means the officer acceptable to the Association to be hired by the Project Implementing Entity to carry out day to day implementation of the Respective Part of the Project and referred to in Section I.A.8 of Schedule 2 to this Agreement.
54. “Resettlement Action Plan” and “RAP” means the plan approved by the Association for the Project, prepared by a Project Implementing Entity on the basis of the RPF as the said document may be amended and/or supplemented from time to time with the prior written concurrence of the Association and subject to the initial consultation and disclosure requirements carried out on the RAP.
55. “Resettlement Policy Framework” and “RPF” means a framework dated November 2015, and disclosed in the Recipient’s territory on December 11, 2015, and by the Association on December 10, 2015, said framework as updated in May 2019, and redisclosed by the Recipient on May 14, 2019, and on the Association’s website on May 20, 2019, in form and substance satisfactory to the Association, prepared by the Recipient, outlining the policies and procedures to be implemented in the event that specific activities implemented under the Project have potentially negative impacts on the livelihoods, assets and land of the affected population, as the said framework may be amended and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document.

56. “Safeguards Instrument” means each of the ESMF or the RPF.
57. “Selected Value Chains” means the rice, cocoa, palm oil and poultry value chains.
58. “Sierra Leone Agri-Business Development Fund” or “SLADF” means the fund to be established under Part A.1 of the Project for the provision of Value Chain Finance.
59. “Sierra Leone Agricultural Research Institute” or “SLARI” means the Recipient’s institute responsible for agricultural research, established and operating pursuant to Sierra Leone Agricultural Research Institute Act, Act No. 25 of 2007, of the Laws of the Recipient, or any successor thereto.
60. “Sierra Leone Chamber for Agri-Business Development” or “SLeCAD” means a limited liability company whose objective is to promote private investment in agriculture in Sierra Leone and established and operating pursuant to the Companies Act, Act No. 5 of 2009, of the Laws of the Recipient, or any successor thereto.
61. “Sierra Leone Investment and Export Promotion Agency” or “SLIEPA” means the Recipient’s agency responsible for the promotion of investments in and exports of Sierra Leone products and established and operating pursuant to the Sierra Leone Investment and Export Promotion Agency Act, Act No. 3 of 2007, of the Laws of the Recipient, or any successor thereto.
62. “Sierra Leone Produce Monitoring Board” or “SLPMB” means the board established and operating pursuant to the Produce Monitoring Board Act 2013, of the Laws of the Recipient, or any successor thereto.
63. “Sierra Leone Road Maintenance Fund Administration” or “RMFA” means the Recipient’s agency established and operating pursuant to the Road Maintenance Fund Administration Act (Act No.3 of 2010) of the Laws of the Recipient, or any successor thereto.
64. “Sierra Leone Roads Authority” or “SLRA” means the Recipient’s agency responsible for the control, development, maintenance and efficient and reliable management of the national road network and established and operating pursuant to the Sierra Leone Roads Authority Act, Act No. 2 of 1992, of the Laws of the Recipient, or any successor thereto.
65. “SMEs” means small and medium scale enterprises.
66. “Supplemental Social and Environmental Safeguards Instruments” means an ESIA, a RAP or other supplemental social and environmental safeguards instrument acceptable to the Association prepared pursuant to the ESMF or RPF.
67. “Training” means the costs of training under the Project, based on the annual work plans and budgets referred to in Section I.B.3 of Schedule 2 to this Agreement as approved by the Association, and attributable to seminars, workshops, and study tours, along with local and international travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.
68. “Value Chain Finance” means a grant or loan financing made or proposed to be made by the Recipient out of the SLADF to a Value Chain Finance Beneficiary for the purpose of financing Eligible Activities and referred to in Section I.C.1 of Schedule 2 to this Agreement.

69. “Value Chain Finance Agreement” means the agreement acceptable to the Association to be entered into between the Recipient and a Value Chain Finance Beneficiary for the provision of Value Chain Finance, and referred to in Section I.C.2 of Schedule 2 to this Agreement.
70. “Value Chain Finance Beneficiary” means a registered agri-business or a medium or large scale commercial farmer who meets the eligibility criteria and conditions specified in the Sierra Leone Agri-Business Development Fund Manual for receiving Value Chain Finance and to which or for whose benefit a Value Chain Finance is made or proposed to be made.