

GRANT NUMBER H614-GM

Financing Agreement

(Growth & Competitiveness Project)

between

REPUBLIC OF THE GAMBIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated October 14, 2010

GRANT NUMBER H614-GM

FINANCING AGREEMENT

AGREEMENT dated October 14, 2010, entered into between REPUBLIC OF THE GAMBIA (“Recipient”) and 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 in an amount equivalent to eight million Special Drawing Rights (SDR 8,000,000) (“Financing”) to assist in financing 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 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 Payment Dates are March 1 and September 1 in each year.
- 2.05. The Payment Currency is the Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through MEPID 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 and the Administrative, Financial and Accounting Manual, both in form and substance satisfactory to the Association.
 - (b) The Recipient has established the PCU in accordance with the provisions of Section I.A.2(b) of Schedule 2 to this Agreement, and has recruited in accordance with Section III of Schedule 2 of this Agreement, the following qualified and experienced staff within the PCU: a project coordinator; a finance manager; procurement manager; an accountant, and a horticulture manager, all under terms of reference and terms and conditions acceptable to the Association.
 - (c) In furtherance of the provisions of Section II.B of Schedule 2 of this Agreement, the Recipient has set up, within the PCU, a computerized financial and accounting system satisfactory to the Association.
 - (d) The PCU has entered into an agreement both in form and substance satisfactory to the Association, with the National Environment Agency (NEA) on the safeguards monitoring framework for the Project.
 - (e) The Recipient has: (i) adopted a Sub-grant Procedures Manual in form and substance satisfactory to the Association, (ii) recruited the Sub-grant Management Firm in accordance with Section III of Schedule 2 of this Agreement, and (iii) established the Sub-grant Review Committee.
- 4.02. The Effectiveness Deadline is the date ninety days (90) 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:

Minister of Finance
Ministry of Finance
The Quadrangle
Banjul
Republic of The Gambia

Facsimile:

220-4227-954

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, D.C.

248423 (MCI)

1-202-477-6391

AGREED at Washington D.C., United States of America, as of the day and year first above written.

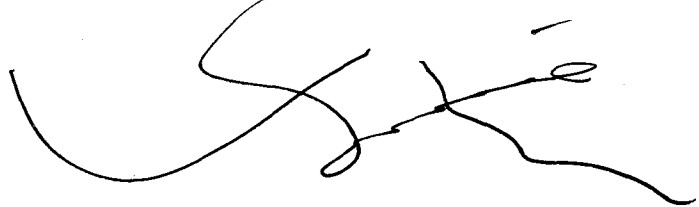
REPUBLIC OF THE GAMBIA



By

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION



By

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to improve the investment climate and strengthen the competitiveness of key sectors of the economy of the Recipient.

The Project consists of the following parts:

Part A: Improving the Business Environment

1. Business Environment Reform Program

- (a) Reform of the business registration system through the establishment of a single window registry: (i) the provision of technical assistance, capacity building and financing of Operating Costs to the GRA and key agencies of the Recipient to modernize, including through computerization, the registry and to review and modernize its legal and institutional framework; and (ii) the carrying out of a communications and outreach campaign.
- (b) Reform of the Recipient's tax administration through the provision of technical assistance and capacity building to the GRA and key municipalities of the Recipient.
- (c) Creation of an integrated collateral registration system linked to the business registry and the national credit reference bureau of the Recipient, through: (i) the provision of technical assistance, training, and goods to the GRA and key municipalities of the Recipient to modernize, including through computerization, the collateral registration process and to review and modernize its legal and institutional framework; and (ii) the carrying out of a communications and outreach campaign.

2. Support for Investment Promotion and Facilitation

Strengthening of GIEPA's capacity to promote and facilitate private investments and function as a focal agency for investment climate reform through the financing of consultants' services, studies and goods and a training program for the design and implementation of the GIEPA's work program, which will include: (i) setting up of a system for investor outreach and tracking and investment promotion, and target market analysis activities; (ii) tracking, follow-up and reporting on investor concerns; (iii) the carrying out of private-public dialogue; and (iv) monitoring of key economic competitiveness indicators and lead initiatives to improve performance in these indicators.

Part B: Strengthening Economic Clusters

1. **Competitiveness program**

- (a) The provision of Sub-grants to eligible private sector beneficiaries to contribute to the financing of specific development projects designed to: (i) assist smallholder farmers to increase and develop exportable mango production, and link smallholder farmers with SMEs to develop and market processed mangos for local and export markets; (ii) assist smallholder farmers to improve the quality of groundnut production; (iii) assist MSMEs to build their technical business skills and capacity; and (iv) strengthen the capacity of commercial banks and micro-finance institutions to respond to MSME-specific credit needs.
- (b) The financing of the management contract for the Sub-grant Management Firm.
- (c) Development of exportable mango production, through the provision of goods, training and services for: (i) a national central nursery to propagate new mango varieties and function as a demonstration center; (ii) NARI to develop new mango varieties and to assist smallholder farmers in the adaptation of new varieties; (iii) a new national horticulture innovation center to be responsible for product quality assurance and the promotion of integrated pest management; and (iv) capacity building of local service providers.

2. **Support for tourism development**

- (a) Strengthening the capacity of the Recipient's Tourism Marketing Committee (TMC) and the Recipient's Ministry of Tourism and Culture (MTC) to implement multi-year strategic tourism marketing and promotion programs in partnership with other stakeholders including the Gambia Civil Aviation Authority and GIEPA.
- (b) The provision of technical assistance and capacity building for the development of a new industry-led and managed Gambia Tourism and Hospitality Institute in accordance with a business plan satisfactory to the Association.

Part C: Project Implementation Support

Provision of goods, Training, Operating Costs and technical advisory services to the PCU, NEA and MEPID for Project coordination, management, monitoring, carrying out of audits and periodic evaluations.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The MEPID, through the PCU, shall be in charge of overall implementation of the Project. To this end, the Recipient shall, throughout Project implementation, maintain the MEPID and the PCU with adequate financial and human resources for the Project.
2. The Recipient shall establish the PCU, and thereafter maintain the PCU and the Steering Committee throughout Project implementation, with composition, functions and resources satisfactory to the Association, including the following:

(a) Steering Committee

- (i) The Steering Committee shall be chaired by the Recipient's Minister of Economic Planning and Industrial Development, and be comprised, inter alia, of representatives of key Ministries of the Recipient, including the Ministries responsible for finance, agriculture, tourism and culture, trade and employment, and justice, as well as the private sector and shall meet at least once every quarter.
- (ii) Without limitation upon the provisions of subparagraph 2(a)(i) of this Section, the Steering Committee shall be responsible for:
 - (A) reviewing and approving the proposed Annual Work Plans for the Project, as well as the updated Procurement Plan and related budgets prepared by the PCU;
 - (B) overseeing overall performance of the Project and providing policy guidance; and
 - (C) identifying necessary Project adjustments based on monitoring and evaluation results.

(b) Project Coordination Unit

- (i) The PCU shall be staffed with qualified and experienced personnel in adequate numbers, including, inter alia, a project coordinator, a finance manager, procurement manager, a horticulture manager and an accountant, all with qualifications, experience, and terms of reference satisfactory to the Association.

- (ii) Without limitation upon the provisions of subparagraph 2(b)(i) of this Section, the PCU shall be responsible for day-to-day Project coordination and implementation, including:
 - (A) preparing proposed Annual Work Plans for inclusion in the Project, and updating the Procurement Plan and related budgets and consolidated Project reports for the Steering Committee's review;
 - (B) carrying out Project financial management and procurement activities; and
 - (C) monitoring and evaluating the Project and preparing Project progress reports and monitoring and evaluation reports for the meetings of the Steering Committee.
- 3. In order to assist the Recipient in carrying out Part B.1(a) of the Project, the Recipient shall employ a Sub-grant Management Firm in accordance with the provisions of Section III of this Schedule.

B. Anti-Corruption

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

C. Sub-grants

- 1. For purposes of Part B.1(a) of the Project, the Recipient shall recruit a Sub-grant Management Firm and establish the Sub-grant Review Committee, which shall include representatives of the NEA, Ministry of Agriculture, Ministry of Tourism, Ministry of Finance, MEPID, the PCU and representatives of the private sector, in a manner and with functions and resources satisfactory to the Association.
- 2. The Recipient shall make Sub-grants to eligible Beneficiaries under Part B.1(a) of the Project in accordance with eligibility criteria and procedures acceptable to the Association, which shall include the following:
 - (a) a pre-screening by the Sub-grant Management Firm of the eligibility of the Beneficiary submitting Sub-grant proposals, having regard to eligibility criteria and procedures acceptable to the Association, which shall be specified in the Sub-grant Procedures Manual and shall include the following:
 - (i) each applicant must have been legally established under a structure created and legally operating and in good standing for a minimum of three years, and with a status allowing commercial activities;

- (ii) each applicant other than an MSME applicant must show its capacity to finance 50 percent of the proposed Sub-project;
 - (iii) each MSME applicant must show its capacity to finance 20 percent of the proposed Sub-project;
 - (iv) each applicant horticulture private operator under Part B.1(a)(i) of the Project must have: (A) an established track record in the horticulture industry; (B) demonstrated evidence of international marketing and distribution linkages; (C) experience in developing and managing out-grower schemes and/or in processing; and (D) the technical and financial capacity to make the Required Horticulture Investments and/or the Required Horticulture Processing Investments;
 - (v) each applicant service provider under Part B.1(a)(ii) of the Project in the groundnut sector must have: (A) an established track record in the groundnut sector; and (B) demonstrated satisfactory performance and capability to provide technical support services to the groundnut farmers;
 - (vi) each applicant MSME under Part B.1(a)(iii) of the Project must be non public and not be more than 25 percent owned by a public entity; and
 - (vii) each applicant commercial bank or micro-finance institution under Part B.1(a)(iv) of the Project must be non public and have:
 - (A) a satisfactory performance track record in The Gambia; and
 - (B) a proven commitment towards lending to MSMEs.
- (b) a review by the Sub-grant Review Committee of the Sub-grant proposal, on the basis of a detailed evaluation by the Sub-grant Management Firm, pursuant to eligibility criteria and procedures acceptable to the Association as further specified in the PIM which shall include the following:
- (i) the amount of the proposed Sub-grant to an eligible MSME under Part B.1(a)(iii) shall be no more than \$20,000 equivalent per applicant, and no more than \$35,000 equivalent to groups of MSMEs who submit a joint application;
 - (ii) Matching Grants can only finance consultant's services, Training, studies and marketing initiatives;
 - (iii) no Matching Grant can finance the preparation of business plans for activities that could trigger the Association's safeguard policies; and

- (iv) the proposed Sub-project complies with the requirements of the Social and Environmental Safeguard Frameworks, as confirmed by the NEA.
- 3. The Recipient shall make each Sub-grant under a Sub-grant Agreement with the respective Beneficiary on terms and conditions approved by the Association, which shall include the following:
 - (a) The Sub-grant shall be on a grant basis.
 - (b) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:
 - (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-grant, or to obtain a refund of all or any part of the amount of the Sub-grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Sub-grant Agreement;
 - (ii) require each Beneficiary to: (A) carry out its 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 ensuring that the proceeds of the Financing will be used in accordance with the provisions of the Safeguards Instruments and the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (B) provide, promptly as needed, the resources required for the purpose, including the financing of: (1) 50 percent of the costs of the proposed Sub-project submitted under Part B.1(a)(i),(ii) or (iv) of the Project, for any Subproject, and (2) 20 percent of the costs of the proposed Sub-project submitted under Part B.1(a)(iii); (C) procure the goods, works and services to be financed out of the Sub-grant in accordance with the provisions of Section III of Schedule 2 to this Agreement; (D) 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; (E) (1) 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 (2) 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; (F)

enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents; and (G) 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;

(iii) require each horticulture private operator Beneficiary under Part B.1(a)(i) of the Project to: (A) design, prepare and implement the Required Horticulture Investments or the Required Horticulture Processing Investments, as applicable, 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 ensuring that such Required Horticulture Investments or the Required Horticulture Processing Investments, as applicable, will fully comply with the provisions of the Safeguards Instruments; (B) provide, promptly as needed, the resources required for the purpose, including the financing of 100% percent of the costs of the part of the Sub-project that constitutes either the Required Horticulture Investments or the Required Horticulture Processing Investments, as applicable ; (C) enable the Recipient and the Association to inspect the Sub-project, including Required Horticulture Investments or the Required Horticulture Processing Investments, as applicable, their operation and any relevant records and documents; and (D) 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

(iv) disburse the Matching Grant to any horticulture private operator Beneficiary under Part B.1(a)(i) of the Project only in an amount equivalent to the amounts invested by such Beneficiary in the Required Horticulture Investments or the Required Horticulture Processing Investments, as applicable.

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.

D. Manuals

1. The Recipient shall prepare under terms of reference acceptable to the Association, and furnish to the Association: (a) an operational manual for the Project, setting forth the detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) disbursement and financial management; (iii) procurement; (iv) environmental

and social safeguards management; (v) monitoring, evaluation, reporting and communication; and (vi) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project; (b) an administrative, accounting and financial manual setting out the administrative and financial management arrangements for the Project; and (c) a procedures manual setting out the administrative arrangements, selection criteria and procedures for the implementation of the Matching Grants under Part B.1(a) of the Project, which shall include a standard form of Sub-grant Agreement.

2. The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on all such manuals, and thereafter shall adopt and carry out the Project in accordance with such manuals as shall have been found satisfactory to the Association.
3. The Recipient shall not amend, abrogate, repeal, suspend, waive, or otherwise fail to enforce, or permit to be amended, abrogated, repealed, suspended or waived, the Project Implementation Manual (PIM), the Administrative, Accounting and Financial Manual, or the Sub-grant Procedures Manual or any provision thereof without the prior written approval of the Association. In case of inconsistency between this Agreement, on the one hand, and the Project Implementation Manual and/or the Administrative, Accounting and Financial Manual, and/or the Sub-grant Procedures Manual on the other hand, the terms of this Agreement shall prevail.

E. Annual Work Plans

1. The Recipient shall prepare, under terms of reference satisfactory to the Association, and furnish to the Association not later than December 31 in each calendar year, for the Association's consideration, a proposed work plan of activities to be included in the Project for the following calendar year, such plan to include an implementation schedule and budget and financing plan thereof, as well as the corresponding procurement plan for such period. If any activities proposed for inclusion in the Project would, pursuant to the Social and Environmental Safeguard Frameworks, require one or more Supplemental Social and Environmental Safeguard Instruments, the Recipient shall prepare and furnish, together with such proposed work plan, a draft of each such Supplemental Social and Environmental Safeguard Instrument.
2. The Recipient shall afford the Association a reasonable opportunity to review and exchange views with the Recipient on such proposed plan and any such instruments, and thereafter, shall implement such work plan and such instruments as shall have been approved by the Association, with due diligence.

F. Midterm Review

1. Twenty-four (24) months after the Effective Date, or such later date as may be agreed upon by the Recipient and the Association, the Recipient shall, in conjunction with the Association, carry out a progress review of the Project

("Mid-Term Review"), covering the progress achieved in the implementation of the Project.

2. The Recipient shall prepare, under terms of reference satisfactory to the Association, and furnish to the Association three (3) months prior to the beginning of the Mid-Term Review, or on such other date agreed upon with the Association in writing, a report integrating the results of the monitoring and evaluation activities performed pursuant to this Agreement, on the progress achieved in the carrying out of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective of the Project during the period following such date.
3. Following such Mid-Term Review, the Recipient shall act promptly and diligently in order to take, or cause to be taken, any corrective action deemed necessary by the Association to remedy any shortcoming noted in the carrying out of the Project in furtherance of the objective of the Project.

G. Safeguards

1. The Recipient shall, through the NEA, cause the Project to be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Social and Environmental Safeguard Frameworks; and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
2. Wherever required in terms of said frameworks, the Recipient shall, for the purposes of any activity, and prior to implementation thereof, proceed to have an Environmental Management Plan, the Pest Management Plan and/or Resettlement Instrument, as the case may be:
 - (a) prepared in form and substance satisfactory to the Association;
 - (b) except as otherwise agreed with the Association, submitted to the Association for review and approval; and
 - (c) thereafter, adopted and locally disclosed.
3. The Recipient, through the NEA, shall take all measures necessary on its part to regularly collect, compile, and submit to the Association, on a quarterly basis, reports on the status of compliance with said frameworks and plans, giving details of:
 - (a) measures taken in furtherance of such frameworks and plans;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such frameworks and plans; and

- (c) remedial measures taken or required to be taken to address such conditions.

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 the indicators satisfactory to the Association set forth in the Project Implementation Manual. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than 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 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 not later than 45 days after the end of each calendar quarter, 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.

Section III. Procurement

A. General

- 1. **Goods.** All goods 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

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods.** 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:

Procurement Method
(a) National Competitive Bidding
(b) Shopping
(c) Limited International Bidding
(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.

Procurement Method
(a) Single Source Selection
(b) Selection Based on Consultant's Qualifications
(c) Quality Based Selection
(d) Individual Consultant

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

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

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, Operating Costs, Training and services under Part A.1 of the Project	1,300,000	100%
(2) Goods, Training and services under Part A.2 of the Project	660,000	100%
(3) Goods, Training and services financed by Matching Grants under Part B.1(a) of the Project	1,370,000	100%
(4) Sub-grant Management Contract under Part B.1(b) of the Project	270,000	100%
(5) Goods, Operating Costs, Training and services under Part B.1(c) of the Project	1,650,000	100%
(6) Goods, Training and services under Part B.2 of the Project	2,000,000	100%
(7) Goods, Training, Operating Costs and services under Part C of the Project	530,000	100%
(8) Refund of Preparation Advance	220,000	Amount payable pursuant to Section 2.07 of the General Conditions
TOTAL AMOUNT	8,000,000	

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;
 - (b) under Category (2) unless the Recipient has: (i) adopted the implementing regulations for the GIEPA Act pertaining to the operation and management of GIEPA, in form and substance satisfactory to the Association, and (ii) approved Annual Work Plans and budgets for the implementation of activities under Part A.2 of the Project for the following two years of Project implementation, in form and substance satisfactory to the Association;
 - (c) under Category (5) unless: (i) the Recipient has signed at least one Sub-grant Agreement under Part B.1(a)(i) of the Project, and (ii) at least one horticulture private operator Beneficiary has fully financed, established and is operating a Nucleus Farm in accordance with the relevant Sub-grant Agreement; and
 - (d) under Category (6) unless the Recipient has adopted a business plan for the established Gambia Tourism and Hospitality Institute in form and substance satisfactory to the Association.
2. The Closing Date is December 15, 2015.

Section V. Other Undertakings

1. The Recipient shall:
 - (a) ensure that by not later than two (2) months after the Effective Date, the PCU has entered into an agreement with GIEPA for the implementation of Part A.2 of the Project, and with the Ministry of Tourism and Culture (MTC) and the Tourism Marketing Committee (TMC) for the implementation of Part B.2(a) of the Project, both in form and substance satisfactory to the Association;
 - (b) ensure that by not later than three (3) months after the Effective Date, the key Ministries and agencies responsible for the implementation of the single window registry including the GRA, the Ministry of Justice and the key local authorities, shall have signed a memorandum of understanding in form and substance satisfactory to the Association;
 - (c) not later than three (3) months after the Effective Date recruit in accordance with the provisions of Section III of this Schedule, and an internal auditor within the PCU; and

- (d) not later than four (4) months after the Effective Date recruit in accordance with the provisions of Section III of this Schedule, the external auditors which shall conduct the audits of the Financial Statements under Section II.B of this Schedule.

APPENDIX

Section I. Definitions

1. “Administrative, Accounting and Financial Manual” means the manual to be adopted by the Recipient pursuant to Section I.D.1(b) of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written approval of the Association, and such term includes any schedules to the Administrative, Accounting and Financial Manual.
2. “Annual Work Plans” means the annual work plans for the Project approved by the Association in accordance with the provisions of Section I.E of Schedule 2 to this Agreement and “Annual Work Plan” means any of the Annual Work Plans.
3. “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 with the modifications set forth in Section II of this Appendix.
4. “Beneficiary” means a recipient of a Sub-grant for a Sub-project.
5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
6. “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.
7. “Environmental Assessment” or “EA” means any environmental assessment required pursuant to the ESMF for an Annual Work Plan or a Sub-project, in form and substance satisfactory to the Association, describing the potential adverse environmental impact of the activities assessed thereby and measures for offsetting, reducing, or mitigating such impact.
8. “Environmental and Social Management Framework” or “ESMF” means the framework, dated September 15, 2009 and disclosed at the Association’s *Infoshop* on December 15, 2009, in form and substance satisfactory to the Association, setting out modalities to be followed in assessing the potential adverse environmental and social impact associated with activities to be implemented under the Project, and the measures to be taken to offset, reduce, or mitigate such adverse impact.
9. “Environmental Management Plan” or “EMP” means an environmental management plan required in connection with an Annual Work Plan or Sub-project, acceptable to the Association, giving details of measures appropriate or required to maximize the benefits of the Project, eliminate, offset or mitigate any adverse social or environmental impacts, or reduce such impacts to acceptable levels, together with budget and costs estimates, sources of funding, adequate

institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, such environmental management plan.

10. “Gambia Tourism and Hospitality Institute” means the new institute supported by financing from the Government of Spain set up by the Recipient.
11. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
12. “GIEPA” means the Gambia Investment and Export Promotion Agency, the Recipient’s agency responsible for investments and export promotion created pursuant to the GIEPA Act.
13. “GIEPA Act” means the Gambia Investment and Export Promotion Agency Act of the Recipient dated April, 2010.
14. “GRA” means the Gambia Revenue Authority, the Recipient’s agency responsible for tax collection.
15. “MEPID” means the Recipient’s Ministry of Economic Planning and Industrial Development.
16. “MSME” means micro, small and medium enterprises established and operating in the country of the Recipient.
17. “MTC” means the Recipient’s Ministry in charge of tourism and culture.
18. “NARI” means the Recipient’s National Agriculture Research Institute.
19. “NEA” means the Recipient’s National Environment Agency.
20. “Nucleus Farm” means the green-field or non-green-field nucleus farm to be set up or leased and operated by a horticulture private operator Beneficiary.
21. “Operating Costs” means incremental recurrent expenditures incurred on account of Project implementation, including: local contractual support staff salaries, travel expenditures and other travel-related allowances; equipment rental and maintenance; vehicle operation (including fuel), maintenance and repair; office rental and maintenance, materials and supplies; and utilities, media information campaigns and communications’ expenses, but excluding the salaries of officials and public servants of the Recipient’s civil service.
22. “PCU” means the coordination unit for the Project to be established within MEPID in accordance with Section I.A.2(b) of Schedule 2 to this Agreement

23. "Pest Management Plan" or "PMP" means the pest management plan adopted by the Recipient and disclosed in the territory of the Recipient on September 15, 2009 and at the Association's *Infoshop* on December 15, 2009.
24. "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 May 18, 2010 and on behalf of the Recipient on June 2, 2010.
25. "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.
26. "Procurement Plan" means the Recipient's procurement plan for the Project, dated August 20, 2010 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
27. "Project Implementation Manual" or "PIM" means the manual to be adopted by the Recipient pursuant to Section I.D.1(a) of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written approval of the Association, and such term includes any schedules to the Project Implementation Manual.
28. "Required Horticulture Investments" means: (i) the construction or leasing and operation by a horticulture private operator Beneficiary of a Nucleus Farm (either through green field or non-green field investments); and (ii) the provision of financial support for the establishment and management of the out-growers including training and capacity building and the support for all post-harvest activities including product marketing and distribution.
29. "Required Horticulture Processing Investments" means the construction or leasing and operation by a horticulture private operator Beneficiary of: (i) a fresh processing facility (green field or non-green field); and/or (ii) a drying facility; and/or (iii) a pulping and freezing facility.
30. "Resettlement Instrument" or "RI" means a resettlement instrument prepared in accordance with the provisions of the Resettlement Policy Framework, and acceptable to the Association setting out the arrangements, including related compensation measures, to be applied in the event of the physical or economic displacement of persons affected by activities to be implemented under the Project (including Sub-projects), as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to said instrument.
31. "Resettlement Policy Framework" or "RPF" means the Resettlement Policy Framework of the Recipient dated September 15, 2009, and disclosed at the Association's *Infoshop* on December 15 2009, outlining the policies and

procedures to be implemented in the event that specific activities implemented under the Project (including Sub-projects) have potentially negative impacts on the livelihoods, assets and land of the affected population, as the said framework may be amended and/or supplemented with time to time with the prior written consent of the Association, and such term includes any schedules to such document.

32. "Safeguards Instruments" means any Social and Environmental Safeguard Frameworks and any Supplemental Social and Environmental Safeguard Instruments.
33. "Social and Environmental Safeguard Frameworks" means, collectively, the Environmental Assessment, the Environmental and Social Management Framework, Resettlement Policy Framework and the Pest Management Plan.
34. "Steering Committee" means the steering committee for the Project established pursuant and maintained pursuant to Section I.A.2(a) of Schedule 2 to this Agreement.
35. "Sub-grant" means a grant to be made out of the proceeds of the Financing for the purpose of financing eligible expenditures required for a Sub-project in accordance with the provisions of Section I.C of Schedule 2 to this Agreement.
36. "Sub-grant Agreement" means an agreement concluded between Sub-grant Management Firm and a Beneficiary for the purpose of extending a Sub-grant to such Beneficiary.
37. "Sub-grant Management Contract" means the management contract entered into between the Recipient and the Sub-grant Management Firm pursuant to Section I.A.3 of Schedule 2 to this Agreement.
38. "Sub-grant Management Firm" means the technical institution to be recruited by the Recipient for the management of Part B.1(a) of the Project.
39. "Sub-grant Procedures Manual" means the manual to be adopted by the Recipient pursuant to Section I.D.1(c) of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written approval of the Association, and such term includes any schedules to the Sub-grant Procedures Manual.
40. "Sub-grant Review Committee" means the committee established pursuant to Section I.C.1 of Schedule 2 of this Agreement to review applications for Sub-grants.
41. "Sub-project" means a specific development project under Part B.1(a) of the Project.

42. “Supplemental Social and Environmental Safeguard Instruments” means any EMP, RI, or other supplemental social and environmental safeguard instruments as required under the terms of any of the Social and Environmental Safeguard Frameworks.
43. “TMC” means the Recipient’s Tourism Marketing Committee.
44. “Training” means the training of persons under the Project, including seminars, workshops, knowledge sharing activities and study tours, and covers the following costs associated with such activity: 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.

Section II. Modifications to the Anti-Corruption Guidelines

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“... (b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”
2. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has

engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”