
**CREDIT NUMBER 6961-SB
GRANT NUMBER D878-SB**

Financing Agreement

(Solomon Islands Agriculture and Rural Transformation Project)

between

SOLOMON ISLANDS

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 6961-SB
GRANT NUMBER D878-SB

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between SOLOMON ISLANDS (“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) 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 and a credit, which are deemed as Concessional Financing for purposes of the General Conditions (collectively, “Financing”) in the following amounts to assist in financing the project described in Schedule 1 to this Agreement (“Project”):
 - (a) an amount equivalent to six million five hundred thousand Special Drawing Rights (SDR 6,500,000) (“Grant”); and
 - (b) an amount equivalent to four million four hundred thousand Special Drawing Rights (SDR 4,400,000) (“Credit”).
- 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 The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 2.05. The Payment Dates are June 15 and December 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

- 2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient, through its Ministry of Agriculture and Livestock (“MAL”), shall carry out Parts 1, 2 and 3 of the Project, and the Recipient, through its Ministry of Finance and Treasury, shall carry out Part 4 of the Project, all 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 Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.02. 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. The Recipient’s Representative is its Minister at the time responsible for finance and treasury.

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

(a) the Recipient's address is:

Ministry of Finance and Treasury
P.O. Box 26
Honiara
Solomon Islands; and

(b) the Recipient's Electronic Address is:

Facsimile:	E-mail:
677-27855	hkuma@mof.gov.sb

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:	E-mail:
248423 (MCI)	1-202-477-6391	cdpngpacific@worldbank.org

AGREED as of the Signature Date.

SOLOMON ISLANDS

By



Authorized Representative

Name: Harry Kuma

Title: Minister of Finance and Treasury

Date: 05-Apr-2022

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Stephen Ndegwa

Title: Country Director, PNG & Pacific Islands

Date: 24-Mar-2022

SCHEDULE 1

Project Description

The objectives of the Project are to increase agricultural production and improve market access in selected value chains in the Project Provinces, and in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

The Project consists of the following parts:

Part 1: Agribusiness and Infrastructure Investments

1.1 Agri-business Producer Organizations

Supporting small-holder farmers at semi-commercial production level and improving their linkages to markets through:

- (a) financing the establishment and registration costs of selected Agri-business Producer Organisations (“ABPOs”) in the Project Provinces;
- (b) provision of technical assistance and Training to selected ABPOs to develop agriculture business plans (“Business Plans”); and
- (c) provision of Agri-business Producer Organization Grants (“ABPO Grants”) to selected eligible ABPOs (“Eligible ABPOs”) to carry out approved activities under said Business Plans (“Sub-projects”).

1.2 Infrastructure Investments

Carrying out of a program of targeted infrastructure investments in the Project Provinces to provide the foundation for economic and production activity and generate positive spill over benefits, consisting of: (a) site clearing, design and construction of a selected training centre and a selected research centre in Tenaru in Guadalcanal province; (b) rehabilitation of the National Research Headquarters; (c) site clearing, design and construction of a Pig Breed Improvement Facility at Tenaru in Guadalcanal province; (d) site clearing, design and construction of a market in Makira province; (e) site clearing, design and construction of a storage facility at Kira-Kira in Makira province; and (f) site clearing, demolition, design and construction of MAL’s provincial offices in Makira and Malaita provinces.

Part 2: Institutional Capacity Development

2.1 Community Managed Extension System

- (a) Recruitment of selected Young Professionals to provide various support activities to ABPOs, including with their Business Plans, marketing and communication campaigns, Sub-project monitoring, and provision of general agriculture extension services to the Project.
- (b) Provision of Training and stipends (“Stipends”) to selected interns under an internship program at MAL aimed at providing general agriculture extension services to the Project.
- (c) Provision of relevant Training, including Training of Trainers programs, to Community Resource Persons (“CRPs”), Young Professionals, selected paravets, selected ABPO members, and selected staff members of MAL involved in Project implementation.

2.2 Small stock Sector Renewal

Supporting MAL to enlarge its Pig Improvement Program by upgrading and increasing the number of existing pig multiplier farms, and to upgrade household-based and semi-commercial poultry production in the Project Provinces, including through:

- (a) (i) provision of financing (“Sub-grant”) to selected private sector entities (“Private Sector Entities”) to support the construction and operation of pig slaughter slabs and poultry slaughter slabs (“Sub-grant Activities”) in selected locations within the Project Provinces; and (ii) Training of selected meat inspectors;
- (b) cultivation of high-protein climate-resilient feed crops, and supporting small stock extension services, including but not limited to Training and demonstrations;
- (c) (i) purchase and supply of veterinary drugs to the MAL Central Veterinary Laboratory and to a selected veterinary laboratory in each of the Project Provinces, and purchase and supply of toolkits to selected paravets to support basic disease control and animal health services; (ii) provision of relevant Training to selected paravets and CRPs; and (iii) hiring of a veterinary consultant to support the Recipient’s membership application to the World Organization for Animal Health; and
- (d) (i) provision of technical assistance to support the Pig Breed Improvement Program; and (ii) provision of Training and equipment intended to enhance the operation of selected pig farms and selected pig multiplier farms.

2.3 Innovations and Development Marketplace

Supporting the Recipient to promote the development and adoption of agricultural innovations in the Project Provinces by: (a) establishing an Annual Innovation Competition (“Annual Innovation Competition”); and (b) conducting a Development Market Place (“Development Market Place”) between interested individuals, ABPOs and entrepreneurs in the area of agricultural innovations, as well as provision of an in-kind award for the winning innovators, all through the provision of technical assistance, Operating Costs and equipment.

Part 3: Project Management

Provision of technical and operational assistance to the Recipient on Project management and implementation, including strengthening the capacity of MAL and the Project Management Unit (“PMU”) for procurement, financial management, environmental and social risk management, monitoring and impact evaluation, reporting and communications activities under the Project; financing the provision of Training and Operating Costs.

Part 4: Contingent Emergency Response Component

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

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

Ministry of Agriculture and Livestock

1. The Recipient shall vest the responsibility for the overall management and implementation of Parts 1, 2 and 3 of the Project in MAL, including responsibility for carrying out day-to-day management and implementation of Parts 1, 2 and 3 of the Project, and coordinating with other governmental entities and relevant stakeholders on all aspects of Project implementation for Parts 1, 2 and 3 of the Project.
2. The Recipient shall provide MAL, at all times, with adequate funds and other resources, mandate/functions, and with qualified and experienced personnel in adequate numbers, as shall be necessary to accomplish the Project objectives as further detailed in the Project Implementation Manual.

Project Steering Committee

3. The Recipient shall through MAL, by no later than three (3) months from the Effective Date, establish and thereafter maintain, throughout the entire period of implementation of the Project, a Project Steering Committee (“Project Steering Committee”) with terms of reference, composition and resources satisfactory to the Association, for the purposes of providing strategic and policy direction and oversight for Project implementation in accordance with the provisions of this Agreement and the Project Implementation Manual. Without limitation to the foregoing, the Project Steering Committee shall be chaired by the Permanent Secretary of MAL and include at least one representative from each of the following ministries: (i) Ministry of Finance and Treasury; (ii) Ministry of National Planning and Development Coordination; (iii) Ministry of Infrastructure Development; (iv) Ministry of Health and Medical Services; (v) Ministry of Provincial Government and Institutional Strengthening; and (vi) Ministry of Education, as well as the provincial secretary of each of the Project Provinces.

Project Management Unit

4. The Recipient shall through MAL:
 - (a) no later than three (3) months from the Effective Date, establish and thereafter maintain, throughout the entire period of implementation of the Project, a PMU within MAL, with terms of reference, composition and

resources satisfactory to the Association, which shall be responsible for carrying out day-to-day management and implementation of the Project;

- (b) no later than six (6) months from the Effective Date, recruit, and thereafter maintain, within the PMU, throughout the entire period of implementation of the Project, at least the following specialists: (i) a Project manager, responsible for the coordination and day-to-day implementation of all Project activities; (ii) a senior financial management specialist; (iii) a procurement specialist; (iv) a social safeguards specialist; (v) an environmental safeguards specialist; (vi) a monitoring & evaluation specialist; and (vii) a communications specialist, each with terms of reference, qualifications and experience satisfactory to the Association. To this end, the PMU staff shall be responsible for, *inter alia*, carrying out fiduciary aspects of Project management and implementation, financial management, procurement, environmental and social management, and monitoring and evaluation, and communications in accordance with the provisions of this Agreement and the Project Implementation Manual;
- (c) ensure that, until the relevant specialists are recruited into the PMU, PMU functions will be carried out by personnel appointed by MAL with support from specialists of MAL, each with terms of reference, qualifications and experience satisfactory to the Association; and
- (d) no later than twelve (12) months from the Effective Date, enter into a memorandum of understanding with Solomon Islands National University, in order to coordinate and effectively implement the internship program under Part 2.1(b) of the Project. To this end, said memorandum of understanding shall set out, *inter alia*, the eligibility and selection criteria for interns, conditions for admission to the internship program, and procedures for payment of Stipends, all in a manner satisfactory to the Association (as further detailed in the Project Implementation Manual).

Provincial Project Teams

5. The Recipient shall through MAL and further to acceptable implementation arrangements, by no later than three (3) months from the Effective Date establish, and thereafter maintain, throughout the entire period of implementation of the Project, a Provincial Project Team (“Provincial Project Team”) in each of the Project Provinces for the purposes of, *inter alia*, overall coordination of the Project activities within the respective Project Province, all with terms of reference, composition and resources satisfactory to the Association.

B. Project Implementation Manual

1. The Recipient shall through MAL, by no later than six (6) months after the Effective Date (or such other date as agreed by the Association):
 - (a) prepare and furnish to the Association, for its review and no-objection, a Project Implementation Manual, which shall set forth, *inter alia*, the following detailed arrangements and procedures for the implementation of the Project: (i) institutional arrangements for the day to day execution of the Project; (ii) the preparation and successive updates of the Procurement Plan and its implementation arrangements; (iii) implementation arrangements for the Environmental and Social Commitment Plan (“ESCP”); (iv) detailed financial management regulations including planning and budgeting, disbursement, accounting system, internal controls, financial reporting, and auditing arrangements, and arrangements for interim support; (v) Project monitoring, reporting, evaluation and communication arrangements; (vi) eligibility and other criteria, procedures, and requirements for: (A) the selection, establishment and registration of ABPOs; (B) the selection of CRPs, Young Professionals, interns selected for the purposes of Part 2.1(b) of the Project, and Training providers under the relevant parts of the Project; (C) the provision of ABPO Grants; (D) the selection of Private Sector Entities and for carrying out of Sub-grants, including the template Sub-grant Agreement; and (E) the internship program under Part 2.1(b) of the Project, including for the financing of Stipends; (vii) procedures to carry out the Annual Innovation Competition under Part 2.3 of the Project; and (viii) any other administrative, financial, technical and organizational arrangements and procedures as shall be necessary for the implementation of the Project and the achievement of its development objectives;
 - (b) afford the Association a reasonable opportunity to review the proposed Project Implementation Manual; and
 - (c) adopt the Project Implementation Manual as accepted by the Association.
2. The Recipient shall thereafter ensure that the Project is carried out in accordance with the Project Implementation Manual, and except as the Association may otherwise agree in writing, the Recipient shall not amend or waive, or permit to be amended or waived, any provision of the Project Implementation Manual.

C. ABPO Grants

1. For the purposes of carrying out ABPO Grants under Part 1.1(c) of the Project, the Recipient shall through MAL: (a) adopt and thereafter maintain throughout the

period of implementation of the Project, the Grants Manual (“Grants Manual”) in form and substance satisfactory to the Association which shall set forth, *inter alia*, detailed arrangements and procedures for the provision of ABPO Grants, including: (i) the eligibility criteria, procedures, guidelines and templates for the selection, approval, administration and supervision of Sub-projects; and (ii) any other administrative, financial, technical and organizational arrangements and procedures as shall be necessary for the implementation of Part 1.1(c) of the Project; and (b) ensure that ABPO Grants are provided to Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association and set forth in the Grants Manual and the Project Implementation Manual.

2. The Recipient shall through MAL make each ABPO Grant under an ABPO Grant Agreement (“ABPO Grant Agreement”) with a Beneficiary on terms and conditions approved by the Association, which shall include the following:
 - (a) The ABPO Grant shall be denominated in the currency of the Recipient and shall be made on grant basis.
 - (b) The Recipient shall obtain rights adequate to protect interests of the Recipient and those of the Association, including the right to: (i) suspend or terminate the right of the Beneficiary to use the proceeds of the ABPO Grant, or obtain a refund of all or any part of the amount of the ABPO Grant then withdrawn, upon the Beneficiary’s failure to perform any of its obligations under the ABPO Grant Agreement; and (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 in accordance with the provisions of the Anti-Corruption Guidelines the Procurement Regulations and the Environmental and Social Standards; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works and services to be financed out of the ABPO Grant in accordance with the provisions of 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 provide all necessary information and documents to enable the relevant Provincial Project Team to prepare financial statements on a Beneficiary’s behalf 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; (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; and (H) ensure the completion of the Sub-project before the Closing Date.

(c) Without limiting the generality of paragraph 2(b) above, the Recipient shall follow the rules of conditionality as set forth in the Project Implementation Manual and the Grants Manual for the provision of ABPO Grants under Part 1.1(c) of the Project which shall include, *inter alia*, that: the Beneficiary shall be an Eligible ABPO that has: (i) prepared and thereafter maintained a Business Plan satisfactory to the Association; and (ii) demonstrated to the Association's satisfaction that it has sufficient funds to finance at least ten percent (10%) of the total business budget under and for the purposes of the Business Plan.

3. The Recipient shall exercise its rights under each ABPO Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing.

D. Sub-grants under Part 2.2(a)(i)

1. For purposes of implementing Part 2.2(a)(i) of the Project, the Recipient shall through MAL, upon selection of a Private Sector Entity pursuant to the criteria and procedures established in the Project Implementation Manual and the Procurement Regulations, enter into an agreement with the selected Private Sector Entity ("Sub-grant Agreement") under terms and conditions acceptable to the Association, including:

(a) the amount to be provided in the form of a grant to the selected Private Sector Entity; and

(b) the Recipient shall obtain rights adequate to protect interests of the Recipient and those of the Association, including the right to: (i) suspend or terminate the right of the Private Sector Entity to use the proceeds of the Sub-grant, or obtain a refund of all or any part of the amount of the Sub-grant then withdrawn, upon the Private Sector Entity's failure to perform any of its obligations under the Sub-grant Agreement; and (ii) require each Private Sector Entity to: (A) carry out its Sub-grant Activities 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 in accordance with the provisions of the Anti-Corruption Guidelines, the Procurement Regulations and the Environmental and Social Standards

and the Project Implementation Manual; (B) report to the PMU on the progress of the implementation of the Sub-grant Activities and to enable the Recipient and the Association, if the Association shall so request, to visit the sites and facilities where the Sub-grant Activities are implemented and administered; (C) maintain financial records and accounts for expenditures incurred and financed with the Sub-grant, and make available such documentation to the Recipient and the Association, if the Association shall so request; and (D) ensure the completion of the Sub-grant Activities before the Closing Date.

2. 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.

E. Annual Work Plans and Budgets

1. The Recipient shall prepare and furnish to the Association, by not later than six (6) months after the Effective Date and September 15 of each subsequent year during the implementation of the Project (or such later interval or date as the Association may agree), for the Association's review and no-objection, an Annual Work Plan and Budget, which shall include, *inter alia*: (a) a list of all activities (including Operating Costs, Stipends and Training) proposed to be implemented under the Project during the following fiscal year of the Recipient; (b) provide a budget for their financing; and (c) describe the measures and actions taken or planned to be taken in accordance with the provisions of Section I.F of this Schedule 2.
2. The Recipient shall ensure that the Project is implemented in accordance with the Annual Work Plans and Budgets accepted by the Association for the respective fiscal year; provided, however, that in case of any conflict between the Annual Work Plans and Budgets and the provisions of this Agreement, the provisions of this Agreement shall prevail.
3. The Recipient shall not make or allow to be made any change to the Annual Work Plans and Budgets unless the Association has provided its prior no-objection thereof in writing.

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, 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, subcontractors and supervising entities 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 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 Contingent Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

Section II. Project Monitoring, Reporting and Evaluation

1. The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

Mid-Term Review

2. The Recipient shall carry out, jointly with the Association, not later than three (3) years after the Effective Date, or such other period as may be agreed with the Association, a mid-term review of the Project (“Mid-Term Review”) to assess the status of Project implementation, as measured against the Project indicators acceptable to the Association, and compliance with the legal covenants included or referred to in this Agreement. Such review shall include an assessment of the following: (a) overall progress in implementation; (b) results of monitoring and evaluation activities; (c) progress on procurement and disbursement; (d) progress on implementation of safeguards measures; (e) implementation arrangements and Project staff turnover; and (f) the need to make any adjustments to the Project to improve performance. To this end, the Recipient shall:
 - (i) prepare and furnish to the Association, at least one (1) month before the date of the Mid-Term Review, a report, in scope and detail satisfactory to the Association and integrating the results of the monitoring and evaluation activities performed pursuant to Section II.2 of this Schedule 2 and the General Conditions, 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 objectives thereof; and

- (ii) review, jointly with the Association, the report referred to in the preceding paragraph and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of such report and the Association's views on the matter.

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 Credit Allocated (Expressed in SDR)	Amount of the Grant Allocated (Expressed in SDR)	Percentage of Expenditures to be Financed (Inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Stipends, Training and Operating Costs for the Project except Parts 1.1(c) and 2.2(a)(i)	4,300,000	2,700,000	100%
(2) ABPO Grants under Part 1.1(c) of the Project	0	3,800,000	100% of amount disbursed
(3) Sub-grants under Part 2.2(a)(i) of the Project	100,000	0	100% of amount disbursed
(4) Emergency Expenditures under Part 4 of the Project	0	0	100%
TOTAL AMOUNT	4,400,000	6,500,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date;
 - (b) for ABPO Grants under Category (2), unless and until the Grants Manual satisfactory to the Association has been prepared and adopted by the Recipient; or
 - (c) for Emergency Expenditures under Category (4), 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 (4); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (ii) the Recipient has adopted, in form and substance acceptable to the Association: (A) the CERC Manual; (B) the Emergency Action Plan; and (C) the environmental and social instruments in accordance with Section I.G.3(a) of Schedule 2 to this Agreement.
2. The Closing Date is December 31, 2026.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage) *
On each June 15 and December 15:	
commencing June 15, 2032 to and including December 15, 2041	1%
commencing June 15, 2042 to and including December 15, 2061	2%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

APPENDIX

Definitions

1. “ABPO Grant” means a grant provided, or proposed to be provided, to an Agri-business Producer Organization under Part 1.1(c) of the Project, and “ABPO Grants” in plural means all such grants.
2. “ABPO Grant Agreement” means a grant agreement executed, or to be executed, between the Recipient and a Beneficiary for the purposes of provision of an ABPO Grant under Part 1.1(c) of the Project.
3. “Agri-business Producer Organization” or “ABPO” means an Agri-business Producer Organization within a Project Province selected for the purposes of Part 1.1 of the Project which is, or is to be, duly registered according to the laws of the Recipient, and “Agri-business Producer Organizations” in plural means all such organizations.
4. “Annual Innovation Competition” means the annual competition supported under Part 2.3 of the Project.
5. “Annual Work Plans and Budgets” means each annual work plan and budget (including related cash forecasts) for the implementation of the Project approved by the Association, referred to in Section I.E of Schedule 2 to this Agreement, and “Annual Work Plans and Budgets” in plural means all such plans and budgets.
6. “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.
7. “Beneficiary” means an Eligible ABPO selected to receive an ABPO Grant under Part 1.1(c) of the Project.
8. “Business Plan” means a business plan prepared, or to be prepared, by an ABPO under Part 1.1(b) of the Project.
9. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
10. “Contingent Emergency Response Component Manual” or “CERC Manual” means the manual referred to in Section I.G of Schedule 2 to this Agreement, to be adopted by the Recipient for the Contingent Emergency Response Part in accordance with the provisions of said Section; as said manual may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to the manual.

11. “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.
12. “Community Resource Person” or “CRP” means a community resource person selected from members of the ABPO to serve as the provider of agriculture or livestock extension services within a particular ABPO for the purposes of the Project, and “Community Resource Persons” or “CRPs” in plural means all such community resource persons.
13. “Development Market Place” means the physical event supported under Part 2.3 of the Project.
14. “Eligible ABPO” means an ABPO which has: (i) prepared and thereafter maintained a Business Plan satisfactory to the Association; and (ii) demonstrated to the Association’s satisfaction that it has sufficient funds to finance at least 10% of the total business budget under and for the purposes of the Business Plan, and “Eligible ABPOs” in plural means all such organizations.
15. “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.
16. “Emergency Action Plan” means the plan referred to in Section I.G of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
17. “Emergency Expenditures” means any of the eligible expenditures set forth in the Contingent Emergency Response Component Manual in accordance with the provisions of Section I.G of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
18. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated February 4, 2022, 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.
19. “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 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.
20. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021 and January 1, 2022).
 21. “Grants Manual” means the Grants Manual to be adopted by the Recipient pursuant to paragraph 1 of Section I.C of Schedule 2 to this Agreement in form and substance satisfactory to the Association.
 22. “Mid-Term Review” shall have the meaning ascribed to it in Section II.2 of Schedule 2 to this Agreement.
 23. “Ministry of Agriculture and Livestock” or “MAL” means the Ministry of Agriculture and Livestock of the Recipient, or any successor thereto.
 24. “Ministry of Education” means the Ministry of Education of the Recipient, or any successor thereto.
 25. “Ministry of Finance and Treasury” means the Ministry of Finance and Treasury of the Recipient, or any successor thereto.
 26. “Ministry of Health and Medical Services” means the Ministry of Health and Medical Services of the Recipient, or any successor thereto.
 27. “Ministry of Infrastructure Development” means the Ministry of Infrastructure Development of the Recipient, or any successor thereto.
 28. “Ministry of National Planning and Development Coordination” means the Ministry of National Planning and Development Coordination of the Recipient, or any successor thereto.
 29. “Ministry of Provincial Government and Institutional Strengthening” means the Ministry of Provincial Government and Institutional Strengthening of the Recipient, or any successor thereto.

30. “National Research Headquarters” means the National Research Headquarters of MAL, situated in the Recipient’s territory.
31. “Operating Costs” means the reasonable incremental expenses incurred by the Recipient on account of the implementation, management and monitoring and evaluation of the Project, based on the Annual Work Plans and Budgets accepted by the Association, including rental of office space, bank charges, communications, advertising costs, utilities, stationery, vehicle operation, maintenance, insurance and transportation costs, but excluding salaries, fees, honoraria, bonuses, and any other salary supplements of any of the Recipient’s civil servants.
32. “Pig Breed Improvement Facility” means the Pig Breed Improvement Facility situated at Tenaru in Guadalcanal province in the Recipient’s territory, which shall support MAL’s Pig Breed Improvement Program.
33. “Pig Breed Improvement Program” means the MAL program aimed at producing pig breeding stock in the Pig Breed Improvement Facility.
34. “Private Sector Entity” means a private sector entity satisfactory to the Association selected for the purposes of Part 2.2(a)(i) of the Project in accordance with this Agreement and the Project Implementation Manual, and “Private Sector Entities” in plural means all such private sector entities.
35. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
36. “Project Implementation Manual” means a project implementation manual, in form and substance satisfactory to the Association, to be adopted by the Recipient pursuant to Section I.B of Schedule 2 to this Financing Agreement.
37. “Project Management Unit” or “PMU” means the project management unit within the Ministry of Agriculture and Livestock referred to in paragraph 4(a) of Section I.A of Schedule 2 to this Agreement.
38. “Project Provinces” means provinces of Guadalcanal (including the capital city of Honiara), Makira and Malaita in the Recipient’s Territory, and “Project Province” in singular means any one of such provinces.
39. “Project Steering Committee” means the committee referred to in paragraph 3 of Section I.A of Schedule 2 to this Agreement.
40. “Provincial Project Team” means a team established, or to be established, for the purposes of the Project in each of the Project Provinces as referred to in paragraph 5 of Section I.A of Schedule 2 to this Agreement.

41. "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.
42. "Stipend" means any money paid during the Training and after completion of Training to an eligible intern participating in the internship program referred to in Part 2.1(b) of the Project in accordance with the memorandum of understanding referred to in paragraph 4(d) of Section I.A. of Schedule 2 to this Agreement and the Project Implementation Manual.
43. "Sub-grant" means financing provided, through a Sub-grant Agreement, by the Recipient to a Private Sector Entity for the purposes of Sub-grant Activities under Part 2.2(a)(i) of the Project, and "Sub-grants" in plural means all such sub-grants.
44. "Sub-grant Activity" means an approved activity under Part 2.2(a)(i) of the Project, identified and selected in accordance with the Project Implementation Manual and this Agreement, to be carried out under a Sub-grant Agreement, and "Sub-grant Activities" in plural means all such sub-grant activities.
45. "Sub-grant Agreement" means an agreement entered into between the Recipient and a Private Sector Entity for the purposes of carrying out Sub-grant Activities, as referred to in paragraph 1 of Section I.D. of Schedule 2 to this Agreement.
46. "Sub-project" means a set of activities included in a Business Plan that is satisfactory to the Association, where such set of activities is selected to be financed by an ABPO Grant under Part 1.1(c) of the Project, all in accordance with the Grants Manual, the Project Implementation Manual, and this Agreement, and "Sub-projects" in plural means all such sub-projects.
47. "Training" means the reasonable costs of training and workshop activities under the Project, based on the Annual Work Plans and Budgets, and accepted by the Association, including preparation and reproduction of training materials, rental of facilities, reasonable transportation costs, per diem of trainers and trainees (if applicable), and any other expenses directly related to training preparation and implementation.
48. "Training of Trainers" means Training comprised of modules to develop new knowledge and enhance the skills of extension staff in MAL, including Young Professionals.
49. "Young Professional" means a consultant appointed by MAL, in accordance with Procurement Regulations and with experience and terms of reference acceptable to the Association, under Part 2.1(a) of the Project.