
GRANT NUMBER D688 - SL

Financing Agreement

**(Additional Financing for Smallholder Commercialization
and Agribusiness Development Project)**

between

REPUBLIC OF SIERRA LEONE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

GRANT NUMBER D688- SL

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF SIERRA LEONE (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for activities related to the Original Project. The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to twenty one million nine hundred thousand Special Drawing Rights (SDR 21,900,000)(“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 III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are February 15 and August 15 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

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

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Condition of Effectiveness consists of the following, namely, that the Recipient has updated the Project Implementation Manual, in form and substance satisfactory to the Association.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.03. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

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

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

(a) the Recipient's address is:

Ministry of Finance
Treasury Building
George Street
Freetown, Sierra Leone; and

(b) the Recipient's Electronic Address is:

E-mail: minister@mof.gov.sl

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

(a) the Association's address is:

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

(b) the Association's Electronic Address is:

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

AGREED as of the Signature Date.

REPUBLIC OF SIERRA LEONE

By



Authorized Representative

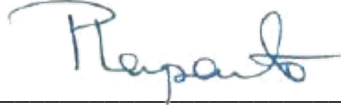
Name: Jacob Jusu Saffa

Title: Minister of Finance

Date: 18-Aug-2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Pierre Laporte

Title: Country Director, Ghana, Liberia, Sierra Leone

Date: 29 July 2020

SCHEDULE 1

Project Description

The objective of the Project is to promote smallholder commercialization by fostering productive business linkages between smallholder farmers and selected agribusiness firms and other commodity off-takers in the Recipient's territory.

The Project consists of the following parts:

Part A. Support for Agri-Business-Farmer Linkages and Small and Medium Scale Enterprises along Selected Agricultural Value Chains

Part A.1 Promoting Out-grower Model for Value-Chain Financing to selected Agri-Businesses linked to Out-Grower schemes

Establishing the Sierra Leone Agri-Business Development Fund ("SLADF") and providing Value Chain Finance and related technical advisory services to Value Chain Finance Beneficiaries in the Selected Value Chains to implement Eligible Activities.

Part A.2 Enhancing support for Farmers' Aggregation, in particular:

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

3. Provision of technical assistance and value chain development services to build the capacity of farmers, producer organizations, small and medium-scale enterprises and other value chain actors in the Selected Value Chains.

Part B: Market Access Improvement

Part B.1 Feeder Roads and Rural Bridges Rehabilitation and Maintenance

1. Rehabilitation and maintenance of selected feeder roads and associated road infrastructure in targeted Districts, including construction of prioritized bridges, culverts and associated structures and training to rural youth road maintenance brigades on road maintenance services.
2. Carrying out of studies and assessments to explore options for the financing of feeder roads maintenance.
3. Providing technical assistance and advisory services for the review of the feeder roads policy, training of the Sierra Leone Roads Authority staff and the preparation of District road maintenance plans.
4. Supporting the formation of local community groups and building their awareness and skills to participate in labor-based rehabilitation and maintenance of roads.
5. Providing advisory services and Training of selected contractors and the Recipient's staff in labor-based methods for sustainable maintenance of feeder roads.

Part B.2 Support for ICT technologies and market information systems to facilitate market coordination

Developing and implementing information and communication technologies to promote accessibility of agri-market information by farmers.

Part C: Capacity Building Support for State and Non-State Institutions and Producer Organizations

1. Carrying out of a program of activities to build the capacity of MAF; such activities to include: (a) supporting short term and higher-level training of staff; and (b) supporting extension services and the activities of critical divisions within MAF including crop, policy, evaluation, monitoring and statistics and agri-business promotion.
2. Carrying out of a program of activities to build the capacity of the Ministry of Works and Public Assets ("MWPA"), such activities to include: (a) developing a feeder roads policy and establishing District level feeder roads structures; (b) supporting the training of SLRA and MWPA engineers in relevant areas;

- (c) training of local contractors on feeder roads rehabilitation and maintenance; and (d) supporting the mobility and operations of engineers.
3. Carrying out of a program of activities to build the capacity of the Ministry of Trade and Industry (“MTI”), such activities to include: (a) establishing an agribusiness unit within MTI, supplying furniture and equipment, and providing support for the operations of said unit; (b) developing an agri-business strategy; (c) building the capacity of staff to implement the agri-business strategy; (d) building the capacity of entrepreneurs and selected actors along the agri-business value chain; (e) supporting market information related to value-chain development services; and (f) building the capacity of Sierra Leone Investment and Export Promotion Agency (“SLIEPA”) and Sierra Leone Produce Monitoring Board (“SLPMB”) to carry out commodity export promotion and quality control functions respectively.
 4. Carrying out of a program of activities to build the capacity of Ministry of Local Government (“MLG”) and Local Councils, such activities to include: (a) training relevant staff in project monitoring, social accountability and contract management; (b) supporting the monitoring of Project activities; and (c) supporting relevant mobility and operations of MLG and Local Councils.
 5. Carrying out of a program of activities to build the capacity of the Sierra Leone Agricultural Research Institute (“SLARI”), such activities to include: (a) supporting short term and higher-level training of staff; (b) rehabilitating clonal gardens; (c) carrying out of research and studies; and (d) supplying office and laboratory equipment.
 6. Carrying out of a program of activities to build the capacity of the Sierra Leone Chamber for Agribusiness Development (“SLeCAD”), such activities to include: (a) supporting the establishment and operations of an agri-business forum; (b) supporting the recruitment and training of staff; (c) supporting industrial and value chain development; (d) supplying of goods and equipment; and (e) office refurbishment and rehabilitation.
 7. Carrying out of a program of activities to build the capacity of the National Farmers Federation of Sierra Leone (“NaFFSL”), such activities to include: (a) supporting District level structures to carry out farmers mobilization and sensitization; (b) training staff in relevant skill areas; and (c) supporting operations and supplying office equipment.

Part D: Project Coordination, Monitoring and Evaluation

Part D.1 Project Implementation and Coordination

Strengthening the capacity for Project coordination and implementation, through the provision of technical advisory services, training, Operating Costs, and acquisition of goods.

Part D.2 Project Monitoring and Evaluation, Management Information System

1. Carrying out of monitoring and evaluation of the Project, including carrying out of baseline, mid-term and end term surveys and reviews.
2. Developing and installing a Project management information system.
3. Implementing a communications and outreach strategy for the Project.

Part D.3 Social and Environmental Risk Management

Provision of technical assistance to support the preparation, implementation and monitoring of the social and environmental aspects of the Project, including the carrying out of a gender analysis to update the gender strategy and improve the grievance redress mechanism and the building of capacities on social and environmental aspects, including gender-based violence.

Part E. Contingency Emergency Response Component

Providing 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 Forestry

1. The Recipient shall maintain the MAF to be responsible for overall policy guidance and implementation of the Project.

National Project Steering Committee

2. The Recipient shall maintain throughout Project implementation a National Project Steering Committee with composition and terms of reference satisfactory to the Association and with adequate resources to carry out its responsibilities under the Project.
3. Without limitation on the foregoing, the functions of the National Project Steering Committee shall be to: (a) provide overall coordination and strategic guidance over the Project; (b) endorse annual work plans and procurement plans prior to approval by the Association; (c) ensure there is policy and implementation coordination amongst all actors; and (d) review and follow up on implementation progress.

Project Coordination Unit

4. The Recipient shall: (a) maintain throughout Project implementation, the Project Coordination Unit ("PCU") with terms of reference, staffing and other resources satisfactory to the Association; and (b) assign to the PCU, a Project coordinator, a grants manager, a financial management specialist, a procurement specialist, a value chain development specialist, an environment safeguards specialist, a social development safeguards specialist, a monitoring and evaluation specialist and such other staff as may be agreed with the Association, all with qualifications, experience, and terms of reference satisfactory to the Association.
5. Without limitation on the foregoing, and unless otherwise agreed by the Association, the PCU shall be responsible for the day-to-day administration, financial management, procurement management, environmental and social safeguards management, and monitoring and evaluation of the Project.

Fund Manager and Advisory Committee

6. To ensure the proper implementation of Part A.1 of the Project:
 - (a) (i) the Recipient shall maintain throughout Project implementation, a Fund Manager with institutional structure, staffing and terms of reference satisfactory to the Association; and (ii) the Fund Manager shall be responsible for day-to-day management and administration of SLADF;
 - (b) (i) the Recipient shall maintain throughout Project implementation, an Advisory Committee with composition and terms of reference satisfactory to the Association and with adequate resources to carry out its responsibilities under the Project; and (ii) the Advisory Committee shall provide overall oversight over the management and administration of the SLADF; and
 - (c) the Recipient shall ensure that the Fund Manager and Advisory Committee shall manage and administer the SLADF in accordance with the SLADF Manual and this Agreement.

Sierra Leone Roads Authority and the National Feeder Roads Committee

7. To ensure the proper implementation of Part B.1 of the Project:
 - (a) (i) the Recipient shall maintain throughout Project implementation, the National Feeder Roads Committee with terms of reference satisfactory to the Association and with adequate resources to carry out its responsibilities under the Project; and (ii) without limitation on the foregoing, the functions of the National Feeder Roads Committee shall be to provide overall coordination and strategic oversight over the implementation of Part B.1; and
 - (b) (i) the Recipient shall maintain throughout Project implementation, the Sierra Leone Roads Authority with an institutional structure, terms of reference satisfactory to the Association and with adequate resources to carry out its responsibilities under the Project; and (ii) without limitation on the foregoing, the functions of the Sierra Leone Roads Authority shall be to provide day-to-day technical leadership over the implementation of Part B.1 of the Project.

B. Implementation Arrangements

Project Implementation Manual

1. The Recipient shall: (a) (i) adopt an updated Project Implementation Manual containing detailed guidelines and procedures for the implementation of the

Project, including: administration and coordination; monitoring and evaluation; financial, procurement and accounting procedures; social and environmental safeguards; corruption and fraud mitigation measures including measures to strengthen the accountability framework; roles and responsibilities of various agencies in the implementation of Project, conditions and arrangements on the implementation of the capacity building activities, and such other arrangements and procedures as shall be required for the effective implementation of the Project; and (ii) thereafter carry out the Project in accordance with such Project Implementation Manual as shall have been approved by the Association (Project Implementation Manual); and (b) except as the Association shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the Project Implementation Manual.

2. In case of conflict between the provisions of the Project Implementation Manual and this Agreement, the provisions of this Agreement shall prevail.

Annual Work Plans and Budgets

3. The Recipient shall, not later than November 30 of each year, prepare and furnish to the Association, an annual program of activities proposed for implementation under the Project during the following Fiscal Year, together with a proposed budget for the purpose.
4. The Recipient shall exchange views with the Association on each such proposed annual work plan, and shall thereafter adopt, and carry out such program of activities for such following Fiscal Year as shall have been agreed with the Association, as such plan may be subsequently revised during such following Fiscal Year with the prior written agreement of the Association (Agreed Annual Work Plan).

C. Value Chain Finance under Part A.1 of the Project

1. For the purpose of enhancing agri-business productivity and market access for out growers under Part A.1 of the Project, the Recipient shall provide financing (“Value Chain Finance”) to eligible beneficiaries (“Value Chain Finance Beneficiaries”) to implement eligible activities (“Eligible Activities”) in accordance with this Agreement and the criteria, conditions and guidelines set out in the Sierra Leone Agri-Business Development Fund Manual.
2. The Recipient shall provide Value Chain Finance pursuant to a Value Chain Finance Agreement between the Recipient and each Value Chain Finance Beneficiary, under terms and conditions approved by the Association (“Value Chain Finance Agreement”) which shall include rights adequate to protect its interests and those of the Association, including the right to: (a) suspend or terminate the right of the Value Chain Finance Beneficiary to use the proceeds of

the Value Chain Finance, or obtain a refund of all or any part of the amount of Value Chain Finance then withdrawn, upon the Value Chain Finance Beneficiary's failure to perform any of its obligations under the Value Chain Finance Agreement; and (b) require each Value Chain Finance Beneficiary to: (i) carry out the Eligible Activities with due diligence and efficiency and in accordance with sound technical, economic, financial, environmental, social and managerial standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (ii) carry out the Eligible Activities in accordance with the provisions of the Safeguards Instruments; (iii) promptly provide as needed, the resources required for the purpose of the Eligible Activities; (iv) procure the goods, works and services to be financed out of the Value Chain Finance in accordance with the provisions of this Agreement; (v) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Eligible Activities and the achievement of its objectives; (vi) (A) 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 Eligible Activities; and (B) 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; (vii) enable the Recipient and the Association to inspect the Eligible Activities, its operation and any relevant records and documents; and (viii) prepare and furnish to the Recipient and the Association all such further information as the Recipient or the Association may reasonably request.

3. The Recipient shall exercise its rights and carry out its obligations under each Value Chain Finance Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Value Chain Finance. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Value Chain Finance Agreement or any of its provisions.
4. To ensure the proper implementation of Part A.1 of the Project, the Recipient shall:
 - (a) (i) not later than the Effective Date, adopt and furnish to the Association the Sierra Leone Agri-Business Development Fund Manual containing detailed guidelines and procedures for the implementation of the Value Chain Finance including the selection and eligibility criteria for Value Chain Beneficiaries, the eligible activities for which the financing may be applied to and the funding conditions that have to be met in order for beneficiaries to qualify for the grants; and (ii) thereafter carry out the respective part of the Project in accordance with such manual as shall have

been approved by the Association (“Sierra Leone Agri-Business Development Fund Manual”); and

- (b) except as the Association shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the Sierra Leone Agri-Business Development Fund Manual.

D. Agri-Business Services Matching Grants under Part A.2.2 of the Project

1. For the purpose of enhancing the development of agri-business services under Part A.2.2 of the Project, the Recipient shall provide grants (“Agri-Business Services Matching Grants”) to eligible producer organizations and small and medium scale enterprises (“Agri-Business Services Matching Grants Beneficiaries”) to implement eligible activities (“Eligible Activities”) in accordance with this Agreement and the criteria, conditions and guidelines set out in the Agri-Business Services Matching Grants Operations Manual.
2. The Recipient shall provide the Agri-Business Services Matching Grants under an Agri-Business Services Matching Grant Agreement between the Recipient and each Beneficiary, under terms and conditions approved by the Association (“Agri-Business Services Matching Grant Agreement”) which shall include rights adequate to protect its interests and those of the Association, including the right to: (a) suspend or terminate the right of the Beneficiary to use the proceeds of the Agri-Business Services Matching Grant, or obtain a refund of all or any part of the amount of the Agri-Business Services Matching Grant then withdrawn, upon the Beneficiary’s failure to perform any of its obligations under the Agri-Business Services Matching Grant Agreement; and (b) require each Beneficiary to: (i) carry out the Eligible Activities with due diligence and efficiency and in accordance with sound technical, economic, financial, environmental, social and managerial standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines; (ii) carry out the Eligible Activities in accordance with the provisions of the Safeguards Instruments; (iii) provide, promptly as needed, the resources required for the purpose of the Eligible Activities; (iv) procure the goods, works and services to be financed out of the Agri-Business Services Matching Grant in accordance with the provisions of this Agreement; (v) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Eligible Activities and the achievement of its objectives; (vi) (A) 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 Eligible Activities; and (B) 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; (vii) enable the Recipient and the Association to inspect the Eligible Activities, its operation and any relevant records and documents; and (viii) prepare and furnish to the Recipient and the Association all such further information as the Recipient or the Association may reasonably request.

3. The Recipient shall exercise its rights and carry out its obligations under each Agri-Business Services Matching Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Agri-Business Services Matching Grant. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Agri-Business Services Matching Grant Agreement or any of its provisions.
4. To ensure the proper implementation of Part A.2.2 of the Project the Recipient shall:
 - (a) (i) not later than the Effective Date adopt the Agri-Business Services Matching Grant Operations Manual containing detailed guidelines and procedures for the implementation of the Agri-Business Services Matching Grants Manual including the selection and eligibility criteria for beneficiaries, the eligible activities for which the financing may be applied to and the funding conditions that have to be met in order for beneficiaries to qualify for the grants; and (ii) thereafter carry out the respective parts of the Project in accordance with such manual as shall have been approved by the Association (“Agri-Business Services Matching Grants Operations Manual”); and
 - (b) except as the Association shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the Agri-Business Services Matching Grants Operations Manual.

E. Capacity Building Grants under Part C of the Project

1. For the purpose of carrying out of the eligible capacity building activities (“Eligible Activities”) under Parts C.2, C.3 and C.4 of the Project, the Recipient shall: (a) cause MAF to enter into a memorandum of understanding, in form and substance satisfactory to the Association (“Memorandum of Understanding”), with each of MWPA, MTI and MLG, setting forth the roles and responsibilities of each ministry with respect to the implementation of said activities; and (b) not amend or waive, or permit to be amended or waived any provision of any of the Memorandum of Understanding, except with the prior written consent of the Association.
2. For the purpose of carrying out the eligible capacity building activities (“Eligible Activities”) under Parts C.5, C.6 and C.7 of the Project, the Recipient shall provide

capacity building grants (individually, “Capacity Building Grant” and collectively, “Capacity Building Grants”) to SLARI, SLeCAD and NAFFSL (“Participating Institutions”) in accordance with this agreement and the guidelines set out in the Project Implementation Manual.

3. The Recipient shall provide a Capacity Building Grant under a Capacity Building Grant Agreement between the Recipient and each of the Participating Institutions, under terms and conditions approved by the Association (“Capacity Building Grant Agreement”) which shall include rights adequate to protect its interests and those of the Association, including the right to: (a) suspend or terminate the right of the Participating Institution to use the proceeds of the Capacity Building Grant, or obtain a refund of all or any part of the amount of the Capacity Building Grant then withdrawn, upon the Participating Institution’s failure to perform any of its obligations under the Capacity Building Grant Agreement; and (b) require each Participating Institution to: (i) carry out the Eligible Activities with due diligence and efficiency and in accordance with sound technical, economic, financial and managerial standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines; (ii) carry out the Eligible Activities in accordance with the provisions of the Safeguards Instruments; (iii) provide, promptly as needed, the resources required for the purpose of the Eligible Activities; (iv) procure the goods, works and services to be financed out of the Capacity Building Grant in accordance with the provisions of this Agreement; (v) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Eligible Activities and the achievement of its objectives; (vi) (A) 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 Eligible Activities; and (B) 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 so audited to the Recipient and the Association; (vii) enable the Recipient and the Association to inspect the Eligible Activities, its operation and any relevant records and documents; and (viii) prepare and furnish to the Recipient and the Association all such further information as the Recipient or the Association may reasonably request.
4. The Recipient shall exercise its rights and carry out its obligations under each Capacity Building Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Capacity Building Grant. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Capacity Building Grant Agreement or any of its provisions.

F. Safeguards

1. The Recipient shall carry out the Project in accordance with the provisions of the Environmental and Social Management Framework (“ESMF”) and the Resettlement Policy Framework (“RPF”).
2. If any Supplemental Social and Environmental Safeguards Instrument is required under any of the Safeguards Instruments, the Recipient shall:
 - (a) prepare: (i) such Supplemental Social and Environmental Safeguards Instrument in accordance with the applicable Safeguards Instrument; (ii) furnish such Supplemental Social and Environmental Safeguards Instrument to the Association for review and approval; and (iii) thereafter adopt such Supplemental Social and Environmental Safeguards Instrument prior to implementation of the activities; and
 - (b) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Supplemental Social and Environmental Safeguards Instrument.
3. The Recipient shall ensure that all technical assistance under the Project, application of whose results would have environmental or social implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association, such terms of reference to ensure that the technical assistance takes into account, and calls for application of the Association’s environmental and social safeguards policies and the Recipient’s own laws relating to the environment and social aspects.
4. If any activity under the Project would involve Affected Persons, the Recipient shall: (a) ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before resettlement measures under a Supplemental Social and Environmental Safeguards Instrument prepared in accordance with the RPF, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been implemented; and (b) provide from its own resources, any financing required for any measures under sub-paragraph (a) above including any costs associated with land acquisition required for the Project.
5. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall for each of the Safeguards Instruments including the related Supplemental Social and Environmental Safeguards Instrument, regularly collect, compile and furnish to the Association reports in form and substance satisfactory to the Association, on the status of compliance with such Safeguards Instrument including the related Supplemental Social and Environmental Safeguards Instrument, as part of the Project Reports, giving details of:

- (a) measures taken in furtherance of the Safeguards Instruments including the Supplemental Social and Environmental Safeguards Instruments;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments including the Supplemental Social and Environmental Safeguards Instruments; and
 - (c) remedial measures taken or required to be taken to address such conditions.
6. The Recipient shall ensure that all the bidding documents and contracts for works or non-consulting services under the Project require that the contractor, sub-contractor or consultant adopt a code of conduct that shall be provided to and signed by all workers, as applicable to such works or non-consulting services commissioned or carried out pursuant to said contracts, which shall, inter alia, cover gender-based violence, and sexual exploitation and abuse, along with an action plan designed to effectively implement said code of conduct, including appropriate training on said code of conduct.
7. Except as the Association shall otherwise agree, the Recipient shall ensure, and cause to ensure, that none of the provisions of the Safeguard Instruments is abrogated, amended, repealed, suspended or waived. In case of any inconsistencies between the provisions of any of the Safeguard Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.

8. **Grievance Redress Mechanism**

The Recipient maintain, throughout Project implementation, and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.

G. Contingency Emergency Response Under Part E of the Project

1. To ensure the proper implementation of Part E of the Project (“Contingent Emergency Response”) (“CERC Part”), the Recipient shall:
- (a) prepare and furnish to the Association for its review and approval, an operations manual which shall set forth detailed implementation arrangements for the CERC Part, including: (i) specific activities which may be included in the CERC Part, Eligible Expenditures required therefore (“Emergency Expenditures”), and any procedures for such inclusion; (ii) financial management arrangements for the CERC Part;

- (iii) procurement methods and procedures for Emergency Expenditures to be financed under the CERC Part; (iv) documentation required for withdrawals of Emergency Expenditures; (v) environmental and social safeguard management frameworks for the CERC Part, consistent with the Association's policies on the matter; and (vi) any other arrangements necessary to ensure proper coordination and implementation of the CERC Part;
 - (b) afford the Association a reasonable opportunity to review said proposed operations manual;
 - (c) promptly adopt such operations manual for the CERC Part as shall have been approved by the Association ("CERC Operations Manual");
 - (d) ensure that the CERC Part is carried out in accordance with the CERC Operations Manual; provided, however, that in the event of any inconsistency between the provisions of the CERC Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive any provision of the CERC Operations Manual without prior approval by the Association.
2. The Recipient shall undertake no activities under the CERC Part (and no activities shall be included in the CERC Part) unless and until the following conditions have been met in respect of said activities:
- (a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the CERC Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (b) the Recipient has prepared and disclosed all safeguards instruments required for said activities, in accordance with the CERC Operations Manual, the Association has approved all such instruments, and the Recipient has implemented any actions which are required to be taken under said instruments.
3. Emergency Expenditures required for the CERC Part of the Project shall be procured in accordance with the procurement methods and procedures set forth in the CERC Operations Manual.

Section II. Project Monitoring, Reporting and Evaluation

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

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 Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, consultant services, non-consulting services, Training and Operating Costs under Part B.1 of the Project	20,500,000	Such a percentage to be agreed among the financiers in annual workplans
(2) Goods, consultant services, non-consulting services, Training and Operating Costs under Part D of the Project	1,400,000	31%
(3) Emergency Expenditures under Part E of the Project	0	100%
TOTAL AMOUNT	21,900,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A.1 above, no withdrawal shall be made for payments made:

- (a) prior to the date of this Agreement;
- (b) for payments made under Category (3), for Emergency Expenditures, under Part E of the Project, unless and until the Association is satisfied, and notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said activities:
 - (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the CERC Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;
 - (ii) the Recipient has prepared and disclosed all safeguards instruments required for said activities, and the Recipient has implemented any actions which are required to be taken under said instruments, all in accordance with the provisions of Section I.G of Schedule 2 to this Agreement; and
 - (iii) the Recipient has adopted an CERC Operations Manual in form, substance and manner acceptable to the Association and the provisions of the CERC Operations Manual remain or have been updated in accordance with the provisions of Section I.G of this Schedule 2 so as to be - appropriate for the inclusion and implementation of said activities under the CERC Part.

2. The Closing Date is June 30, 2023.

APPENDIX

Definitions

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

8. “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.
9. “Capacity Building Grant” means a grant financing made or proposed to be made by the Recipient out of the proceeds of the financing to a Participating Institution for the purpose of financing Eligible Activities and referred to in Section I.E.2 of Schedule 2 to this Agreement.
10. “Capacity Building Grant Agreement” means an agreement acceptable to the Association to be entered into between the Recipient and a Participating Institution for the provision of a Capacity Building Grant, and referred to in Section I.E.3 of Schedule 2 to this Agreement.
11. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
12. “CERC Operations Manual” means the operations manual referred to in Section I.G of Schedule 2 to this Agreement, to be adopted by the Recipient for the CERC Part of the Project in accordance with the provisions of said Section.
13. “CERC Part of the Project” and “CERC Part” each means Part E of the Project.
14. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
15. “District” means an administrative subdivision of the Recipient established pursuant to the Provinces Act, Chapter 60 of the Laws of the Recipient.
16. “Eligible Activities” means either: (a) the activities eligible for financing through Value Chain Finance in accordance with the provisions of the Sierra Leone Agri-Business Fund Manual; or (b) the activities eligible for financing through Agri-Business Services Matching Grants, in accordance with the provisions of the Agri-Business Services Matching Grants Operations Manual; or (c) the capacity building activities eligible for financing through the Capacity Building Grants, in accordance with the provisions of the Project Operations Manual.
17. “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.
18. “Emergency Expenditure” means any of the Eligible Expenditures set forth in the CERC Operations Manual in accordance with the provisions of Section I.G of Schedule 2 to this Agreement and required for the activities included in the CERC Part of the Project.

19. “Environmental Protection Agency” means the Recipient’s agency responsible for the effective protection of the environment and established and operating pursuant to the Environmental Protection Agency Act, 2008 of the Laws of the Recipient.
20. “Environmental and Social Impact Assessment” or “ESIA” means the document to be prepared and adopted by the Recipient setting out details of potential environmental and social risks, including risks of gender-based violence and sexual exploitation and abuse, and adverse impacts associated with a Subproject, or any Project activities, together with an environmental and social management plan defining measures to manage such risks and impacts, including measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse, and including any schedules to such assessment, and as such assessment may be amended by the Recipient from time to time, with the prior written approval of the Association.
21. “Environmental and Social Management Framework” or “ESMF” means the framework prepared and adopted by the Recipient, satisfactory to the Association, dated August 2015, and disclosed in-country, and the Association’s website on December 11, 2015, as redisclosed in-country, and the Association’s website on December 10, 2015, and updated in May 2019, and redisclosed by the Recipient on May 17, 2019, and by the Association on May 20, 2019, said framework setting out the principles, rules, guidelines and procedures to screen and assess the potential adverse environmental and social risks and impacts (including health and safety issues) of Project activities, including the risks of gender-based violence and sexual exploitation and abuse, adopt measures to avoid, reduce, mitigate or offset environmental and social adverse risks and impacts, including measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse, procedural, budget and institutional arrangements and actions needed to implement these measures, and information on the agency or agencies responsible for addressing the Projects’ risks and impacts; as well as for the preparation of environmental and social management plans, as such framework may be amended by the Recipient from time to time, with the prior written agreement of the Association.
22. “Fiscal Year” means each fiscal year of the Recipient commencing on January 1 and ending on December 31 of the same year.
23. “Fund Manager” means the firm acceptable to the Association to be hired by the Recipient to carry out day to day management of the SLADF and referred to in Section I.A.6 of Schedule 2 to this Agreement.
24. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018.

25. “Local Council” or “LC” means a local council established and operating pursuant to the Local Government Act (Act No.1 of 2004 of the Laws of the Recipient) and any successor thereto, and “Local Councils” or “LCs” means, collectively, all such Local Councils.
26. “Memorandum of Understanding” means a memorandum acceptable to the Association to be signed between the Recipient represented by MAF, and the ministries that are beneficiaries of capacity building support under the Project, and referred to in Section I.E.1 of Schedule 2 to this Agreement.
27. “Ministry of Agriculture and Forestry” or “MAF” means the Recipient’s ministry responsible for agriculture, or any successor thereto.
28. “Ministry of Local Government” or “MLG” means the Recipient’s ministry responsible for local government, or any successor thereto.
29. “Ministry of Trade and Industry” or “MTI” means the Recipient’s ministry responsible for trade, or any successor thereto.
30. “Ministry of Works and Public Assets” or “MWPA” means the Recipient’s ministry responsible for roads, works and public assets, or any successor thereto.
31. “National Federation of Farmers of Sierra Leone” or “NAFFSL” means the apex federation of registered national farmers organizations in Sierra Leone and established and operating pursuant to the Companies Act, Act No. 5 of 2009 of the Laws of the Recipient, or any successor thereto.
32. “National Feeder Roads Committee” means the Recipient’s committee responsible for coordinating feeder road matters and comprising representatives from MWPA, MAF, MTI, MLG, SLARI, SLRA, RMFA, and the representatives from the Local Councils, and referred to in Section I.A.7 of Schedule 2 to this Agreement.
33. “National Project Steering Committee” means the committee established for purposes of the Project, referred to in Section I.A.2 of Schedule 2 to this Agreement chaired by the minister, MAF, and comprising relevant officials from MAF, MTI, MWPA, MLG, SLARI, SLeCAD and NAFFSL, and such other staff as the Minister may determine.
34. “Operating Costs” means the expenses incurred on account of Project implementation, based on Annual Work Plans and Budgets approved by the Association pursuant to Section I.B.3 of Schedule 2 to this Agreement, including office equipment and supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, office rental, consumables, accommodation, salaries and local and

international travel costs of Project staff (excluding the salaries of the Recipient's civil service).

35. "Original Agreement" mean the financing agreement entered into between the Association and the Recipient on March 14, 2016 (Credit Number 5767-SL).
36. "Original Project" means the Project activities described in Schedule 1 to the Original Agreement.
37. "Participating Institution" means each of SLARI, SLeCAD and NAFFSL.
38. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017, and August 2018.
39. "Project Coordination Unit" or "PCU" means a unit within MAF designated to take on the day-to-day financial management, procurement, monitoring and evaluation responsibilities under the Project and referred to in Section I.A.4 of Schedule 2 to this Agreement.
40. "Project Implementation Manual" means the Manual acceptable to the Association and referred to in Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior agreement of the Association.
41. "Sierra Leone Road Maintenance Fund Administration" or "RMFA" means the Recipient's agency established and operating pursuant to the Road Maintenance Fund Administration Act (Act No.3 of 2010) of the Laws of the Recipient, or any successor thereto.
42. "Resettlement Policy Framework" and "RPF" means a framework dated November 2015, and disclosed in the Recipient's territory on December 11, 2015, and by the Association on December 10, 2015, said framework as updated in May 2019, and redisclosed by the Recipient on May 14, 2019, and on the Association's website on May 20, 2019, in form and substance satisfactory to the Association, prepared by the Recipient, outlining the policies and procedures to be implemented in the event that specific activities implemented under the Project have potentially negative impacts on the livelihoods, assets and land of the affected population, as the said framework may be amended and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document.
43. "Safeguards Instrument" means each of the ESMF or the RPF.
44. "Selected Value Chains" means the rice, cocoa, palm oil and poultry value chains.

45. “Sierra Leone Agri-Business Development Fund” or “SLADF” means the fund to be established under Part A.1 of the Project for the provision of Value Chain Finance.
46. “Sierra Leone Agricultural Research Institute” or “SLARI” means the Recipient’s institute responsible for agricultural research, established and operating pursuant to Sierra Leone Agricultural Research Institute Act, Act No. 25 of 2007 of the Laws of the Recipient, or any successor thereto.
47. “Sierra Leone Chamber for Agri-Business Development” or “SLeCAD” means a limited liability company whose objective is to promote private investment in agriculture in Sierra Leone and established and operating pursuant to the Companies Act, Act No. 5 of 2009 of the Laws of the Recipient, or any successor thereto.
48. “Sierra Leone Investment and Export Promotion Agency” or “SLIEPA” means the Recipient’s agency responsible for the promotion of investments in and exports of Sierra Leone products and established and operating pursuant to the Sierra Leone Investment and Export Promotion Agency Act, Act No. 3 of 2007 of the Laws of the Recipient, or any successor thereto.
49. “Sierra Leone Produce Monitoring Board” or “SLPMB” means the board established and operating pursuant to the Produce Monitoring Board Act 2013 of the Laws of the Recipient, or any successor thereto.
50. “Sierra Leone Roads Authority” or “SLRA” means the Recipient’s agency responsible for the control, development, maintenance and efficient and reliable management of the national road network and established and operating pursuant to the Sierra Leone Roads Authority Act, Act No. 2 of 1992 of the Laws of the Recipient, or any successor thereto.
51. “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.
52. “SMEs” means small and medium scale enterprises.
53. “Supplemental Social and Environmental Safeguards Instruments” means an ESIA, a RAP or other supplemental social and environmental safeguards instrument acceptable to the Association prepared pursuant to the ESMF or RPF.
54. “Training” means the costs of training under the Project, based on the annual work plans and budgets referred to in Section I.B.3 of Schedule 2 to this Agreement as approved by the Association, and attributable to seminars, workshops, and study tours, along with local and international travel and subsistence allowances for

training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.

55. “Value Chain Finance” means a grant or loan financing made or proposed to be made by the Recipient out of the SLADF to a Value Chain Finance Beneficiary for the purpose of financing Eligible Activities and referred to in Section I.C.1 of Schedule 2 to this Agreement.
56. “Value Chain Finance Agreement” means the agreement acceptable to the Association to be entered into between the Recipient and a Value Chain Finance Beneficiary for the provision of Value Chain Finance, and referred to in Section I.C.2 of Schedule 2 to this Agreement.
57. “Value Chain Finance Beneficiary” means a registered agri-business or a medium or large-scale commercial farmer who meets the eligibility criteria and conditions specified in the Sierra Leone Agri-Business Development Fund Manual for receiving Value Chain Finance and to which or for whose benefit a Value Chain Finance is made or proposed to be made.