

CONFORMED COPY

CREDIT NUMBER 4612-CM

Financing Agreement

(Agricultural Competitiveness Project)

between

REPUBLIC OF CAMEROON

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated September 16, 2009

CREDIT NUMBER 4612-CM

FINANCING AGREEMENT

AGREEMENT dated September 16, 2009, entered into between Republic of Cameroon (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to forty million three hundred thousand Special Drawing Rights (SDR 40,300,000) (variously, “Credit” and “Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are March 15 and September 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 Euro.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by the PCU in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely, that the Project Implementation *Arrêté* has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the PCU to perform any of its obligations under the Project.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Recipient has legally established the PCU and the Steering Committee pursuant to the Project Implementation *Arrêté*, in a manner and with functions and resources satisfactory to the Association, and with the following qualified staff of the PCU, recruited under terms of reference and conditions acceptable to the Association: a national coordinator, seconded by: (i) a public works specialist; (ii) a specialist for animal value chains; (iii) a specialist for vegetal value chains; (iv) an administrative and financial management specialist; (v) a procurement specialist; (vi) a monitoring and evaluation specialist; and (vii) an accountant.
 - (b) The Recipient has: (i) established a fully functioning financial management for the Project, in form and substance satisfactory to the Association, with an integrated financial management software to be used by the Project; and (ii) trained the fiduciary staff of the PCU in the use of the integrated financial management software; and

- (c) The Recipient has adopted a Project Implementation Manual, and an Administrative and Financial Procedures Manual, all in form and substance satisfactory to the Association.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is its Minister at the time in charge of economy and planning.
- 6.02. The Recipient's Address is:

Ministry of Economy, Planning and Regional Development
Yaoundé
Republic of Cameroon

Facsimile:

(237) 22 22 15 09

- 6.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423 (MCI)

1-202-477-6391

AGREED at Yaoundé, Republic of Cameroon, as of the day and year first above written.

REPUBLIC OF CAMEROON

By: */s/ Louis Paul Motaze*
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: */s/ Mary Barton-Dock*
Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to increase the competitiveness of Eligible Producer Organizations working on Target Value Chains.

The Project consists of the following parts:

Part A: Rehabilitating Key Rural Infrastructure

1. *Rural Roads.* Rehabilitation of Selected Rural Roads with the main purpose of connecting high-potential production areas to markets.
2. *Irrigated Perimeters.* Rehabilitation of existing irrigated schemes with the purpose of supporting national rice production in Target Irrigation Areas.

Part B: Economic Partnerships

Support for the establishment of Economic Partnerships, through:

1. Provision of support for the development of linkages and coordination between stakeholders to identify and resolve specific bottlenecks to the development of competitive value chains.
2. Assistance for the preparation of EP Subprojects and financing of EP Subproject Grants.

Part C: Institutional Support and Capacity Development

1. Provision of support to: (i) Apex Organizations to improve their functions of advocacy, organization, negotiation, management, strategy formulation, policy dialogue, and operations; and (ii) multistakeholders value-chains association to improve their functions of communication and exchange of information.
2. Provision of support to core functions of sectoral public services insofar as they are instrumental to support smallholders' productivity and access to the markets.

3. Establishment of sectoral legal and regulatory frameworks conducive to the sustainable development of agricultural value chains.

Part D: Project Coordination, Monitoring and Evaluation

1. Provision of support for Project implementation, including procurement, financial management and overall monitoring and evaluation by the PCU and the RCUs.
2. Establishment of a monitoring and evaluation system, a baseline study and an impact evaluation study.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall implement the Project through MINADER and MINEPIA which shall be responsible for the overall oversight of the Project.
2. The Recipient shall establish and thereafter maintain throughout Project implementation, the following bodies, with composition, functions and resources satisfactory to the Association:

Steering Committee

- (a) The Steering Committee shall be co-chaired by the secretary-generals of MINADER and of MINEPIA, with PLANOPAC as vice-chair, and the Project Coordinator as Secretary, and be comprised, *inter alia*, of:
 - (i) representatives of MINADER, MINEPIA and PLANOPAC, MINTP, MINEFI, MINEPAT, CAA and the ministries of the Recipient in charge of: environment, trade, scientific research; women; and
 - (ii) national Apex Organizations, and shall meet at least twice a year.
- (b) Without limitation upon the provisions of sub-paragraph (a) of this Section, the Steering Committee shall be responsible for:
 - (i) approving the Project's Annual Work Plan and Budget prepared by the PCU;
 - (ii) overseeing overall performance of the Project and providing policy guidance; and
 - (iii) identifying necessary Project adjustments based on monitoring and evaluation results.
- (c) The Steering Committee shall be supported by a technical monitoring team comprised, *inter alia*, of the directors of the main public entities

involved and two representatives of Apex Organizations, which shall monitor Project activities through quarterly meetings with the PCU.

Project Coordination Unit:

- (a) The PCU shall be comprised of:
 - (ii) at the national level, the staff recruited pursuant to Section 5.01(a) of this Agreement; and
 - (iii) at the regional level, six RCUs for the Participating Regions with the staff recruited pursuant to Section V.2 of Schedule 2 to this Agreement.
- (b) Without limitation upon the provisions of sub-paragraph (a) of this Section, the PCU shall be responsible for day-to-day Project coordination and supervision, including:
 - (i) preparation of Annual Work Plans and Budgets and consolidated Project reports;
 - (ii) development of a communication and outreach strategy;
 - (iv) establishment and maintaining the Project Management Information System (MIS);
 - (v) prequalifying Technical Service Providers;
 - (vi) conducting overall Project financial management in collaboration with the CAA;
 - (vii) undertaking monitoring and evaluation of the Project;
 - (viii) ensuring smooth delegation of activities to other entities;
 - (ix) through its RCUs, screening EP Sub-projects submitted by prospective producer organizations and acting as secretariat of the Regional Selection Committees.

Regional Selection Committees:

- (a) Regional Selection Committees shall be comprised of regional representatives of MINADER, MINEPIA, PLANOPAC and CNOPCAM.
- (b) Without limitation upon the provisions of sub-paragraph (a) of this Section, each Regional Selection Committee shall be responsible for the selection of EP Sub-projects presented by Producer Organizations in its Region under Part B of the Project.

Field Focal Points

- (a) The Field Focal Points located at the departmental level shall be comprised of selected staff of MINADER and MINEPIA.
- (b) Without limitation upon the provisions of subparagraph (a) of this Section, each Field Focal Point shall be responsible for: (i) monitoring of Project implementation in their respective department; (ii) ensuring the transmission of EP Sub-project proposals that are submitted to them via their local delegation; and (iii) facilitating communication between producers and RCUs.

B. Implementation Arrangements

1. For the implementation of Part A.1 of the Project, Selected Rural Roads will be identified by the PCU and approved by the SC in order to strengthen the links between Target Areas and markets, from amongst Eligible Rural Roads which shall satisfy the following criteria and those set out in the PIM:

- a. support Target Value Chains under Part B of the Project;
- b. be realized in a Target Area;
- c. respond to local priorities as identified by the PCU after local consultations;
- d. connect to an operational road network; and

- e. encompass Recipient's commitment regarding long-term funding arrangements for maintenance.
- 2. Investments under Part A.1 of the Project shall be implemented by MINTP, with the support of the Fiduciary Unit. Part A.2 of the Project shall be implemented by the relevant Implementing Irrigation Development Authorities.

C. Anti-Corruption

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

D. Sub-projects

- 1. The Recipient shall make Sub-grants to Beneficiaries under Part B.2 of the Project in accordance with eligibility criteria and procedures acceptable to the Association, which shall include the following:
 - (a) a pre-screening by the relevant RCU of the eligibility of the Producer Organizations submitting EP Sub-project proposals in response to periodic calls for proposals, pursuant to eligibility criteria and procedures acceptable to the Association, which shall be specified in the PIM and shall include the following:
 - (i) Applicant Producer Organization must have been legally established for a minimum of three years and satisfy technical and institutional audits carried out by Technical Service Providers.
 - (ii) No single member of the applicant Producer Organization may own more than 40 percent of the resources of such Producer Organization.
 - (iii) At least 75 percent of the members of such Producer Organization must be residents of the area in which the Sub-project will be implemented.
 - (b) a review by the relevant RSC of the Sub-project proposal, after completion of a technical and financial quality and feasibility evaluation by a Review Panel, pursuant to eligibility criteria and procedures

acceptable to the Association as further specified in the PIM which shall exclude the following ineligible proposals:

- (i) proposals for EP Sub-projects concerning investments that are either social or non economic or that fall into a category that could be funded by other projects being carried out in the same Target Area;
 - (ii) proposals for EP Sub-projects that are likely to have significant adverse environmental impacts that are diverse, unprecedented, or sensitive; a potential impact is considered “sensitive” if it may be irreversible or raise issues related to loss, conversion or degradation of natural habitats, adverse impact on physical cultural resources, impact on indigenous peoples; or the involuntary resettlement of populations, all as contemplated by the Association’s environmental and social safeguard policies; and
 - (iii) proposals for EP Sub-projects for which the request for financing from the Project exceeds any one of the following thresholds: (A) FCFA 30 million per EP Sub-project; (B) FCFA 1 million per Producer Organization member; or (C) seventy percent of the total cost of the EP Sub-project.
2. The Recipient shall make each Sub-grant under a Sub-grant Agreement with the respective Beneficiary on terms and conditions approved by the Association, which shall include the following:
- (a) The Sub-grant shall be on a grant basis.
 - (b) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:
 - (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-grant, or to obtain a refund of all or any part of the amount of the Sub-grant then withdrawn, upon the Beneficiary’s failure to perform any of its obligations under the Sub-grant Agreement; 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 applicable to recipients of loan proceeds other than the Recipient and the Safeguards Documents; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works and services to be financed out of the Sub-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 prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (2) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (F) enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents; and (G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing; and

(iii) provide for phased disbursements under the Sub-Grant Agreement to be made on the basis of progress reports, as further detailed in the PIM.

3. The Recipient shall exercise its rights under each Sub-grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Sub-grant Agreement or any of its provisions.

E. Manual

1. Except as the Association shall otherwise agree, the Recipient shall carry out the Project in accordance with the Project Implementation Manual and the Administrative and Financial Procedures Manual; and shall not amend, abrogate,

repeal, suspend, waive, or otherwise fail to enforce, or permit to be amended, abrogated, repealed, suspended or waived, the aforementioned, or any provision thereof. In case of inconsistency between the PIM or the Administrative and Financial Procedures Manual, on the other hand, and this Agreement, the terms of this Agreement shall prevail.

2. For purposes of Part B of the Project, the Recipient shall apply the proceeds of the Credit allocated to the provision of EP Sub-project Grants, in accordance with the guidelines, procedures and criteria, and terms and conditions, set forth in the Project Implementation Manual, and the additional terms and conditions set forth in sub-sections I.D and F of Schedule 2 to this Agreement.

F. Safeguards

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

- (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such frameworks and plans; and
- (c) remedial measures taken or required to be taken to address such conditions.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

- 1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than one month after the end of the period covered by such report.
- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
 - (i) Increase in the value of sales from Producer Organizations supported by the Project.
 - (ii) Reduction in the quantity of post-harvest losses from the Producer Organizations supported with access to the new transport infrastructures.
- 2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six months after the Closing Date.

B. Financial Management, Financial Reports and Audits

- 1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
- 2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Report, not later than

45 days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made under the Project Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
<i>(a) National Competitive Bidding⁽¹⁾</i>
<i>(b) Shopping</i>
<i>(c) Direct Contracting</i>
<i>(d) Force account</i>
<i>(e) Procurement from United Nations Agencies</i>
<i>(f) Community Participation</i>

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

¹ Subject to the following additional procedures:

- in accordance with paragraph 1.14 (e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that: (i) the bidders, suppliers, contractors and subcontractors shall permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Association; and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.14(a)(v) of the Procurement Guidelines;
- bids shall be advertised in national newspapers with wide circulation;
- bidders shall be given at least one month to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later;
- eligible bidders, including foreign bidders, shall be allowed to participate;
- no domestic preference shall be given to domestic contractors and to domestically manufactured goods;
- bids are awarded to the lowest evaluated bidder proven this bidder is qualified; and
- fees charged for the bidding documents shall be reasonable and reflect only the cost of their printing and delivery to prospective bidders, and shall not be so high as to discourage qualified bidders.

Procurement Method
(a) <i>Quality-Based Selection</i>
(b) <i>Selection under a Fixed Budget</i>
(c) <i>Least-Cost Selection</i>
(d) <i>Selection Based on Consultants' Qualifications</i>
(e) <i>Individual Consultants</i>
(f) <i>Single Source Selection</i>

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed
(1) Goods, works, Operating Costs, Training and services for Part A.1 of the Project	8,600,000	100% (exclusive of Taxes)
(2) Goods, works, Operating Costs, Training	5,800,000	100% (exclusive of Taxes)

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed
and services for Part A.2 of the Project		Taxes)
(3) Goods, works, Operating Costs, Training and services for Part B.1 of the Project	1,400,000	100% (exclusive of Taxes)
(4) Sub-grants under Part B.2 of the Project	13,800,000	100% of amounts disbursed (inclusive of Taxes)
(5) Goods, Operating Costs, Training and services for Part C of the Project	3,400,000	100% (exclusive of Taxes)
(6) Goods, Operating Costs, Training and services for Part D of the Project	5,000,000	100% (exclusive of Taxes)
(7) Refund of Project Preparation Advance	700,000	Amount payable pursuant to Section 2.07 of the General Conditions
(8) Unallocated	1,600,000	
TOTAL AMOUNT	40,300,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement;

- (b) under Categories (3) and (4) for Part B of the Project for a particular Participating Region, unless the Recipient has legally established the RCU and the RSC for such Participating Region, in a manner and with functions satisfactory to the Association, and with the following qualified staff for such RCU, recruited under terms of reference and conditions acceptable to the Association: (i) a coordinator; and (ii) a qualified accountant trained in the computerized accounting system of the Project; and
 - (c) under Category (4) for an EP Sub-project Grant, unless an EP Sub-project Grant Agreement has been signed.
2. The Closing Date is November 30, 2015.

Section V. Other Undertakings

1. Not later than four months after the Effective Date, the Recipient shall recruit the external auditors for the Project pursuant to terms of reference and with qualifications acceptable to the Association.
2. Not later than two months after the Effective Date, the Recipient shall legally establish the RCUs and RSCs, in a manner and with functions and resources satisfactory to the Association, and with the following qualified staff within each of the RCUs, recruited under terms of reference and conditions acceptable to the Association: a coordinator, a value chain specialist, a farm management specialist and an accountant.
3. Not later than two months after the Effective Date, the Recipient shall have legally established the Field Focal Points, in a manner and with functions and resources satisfactory to the Association.
4. Not later than three months after the Effective Date, the Recipient shall have nominated all of the members for the special Tender Board.
5. The Recipient shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project and shall for the purposes of the Project:
 - (a) open and maintain, until the completion of the Project, an account in FCFA at a commercial bank acceptable to the Association (the Project Account), on terms and conditions satisfactory to the Association;

- (b) deposit into the Project Account: (i) an initial amount of FCFA 200,000,000 by December 30, 2009; (ii) FCFA 1,300,000,000 by April 30, 2010; and (iii) thereafter, on a quarterly basis, the amount identified in the Annual Work Plans and Budgets, in an aggregate amount of FCFA 6,200,000,000 for the duration of the Project; and
 - (c) ensure that funds deposited into the Project Account in accordance with the provisions of paragraph (b) of this Section shall be used exclusively to finance expenditures under the Project other than those financed from the proceeds of the Financing.
- 6. The Recipient shall ensure that the proceeds of the Financing will not be used to finance activities implemented in the Permanent Forests or Critical Natural Habitats.
- 7. The Recipient shall ensure that the staff of the PCU and the members of the Tender Board shall undergo procurement training throughout Project implementation.
- 8. The Recipient shall ensure that the staff of the PCU and each of the RCUs, and each member of the RSC and other stakeholders undergo safeguards Training throughout Project implementation.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each March 15 and September 15:	
commencing September 15, 2019 to and including March 15, 2029	1
commencing September 15, 2029 to and including March 15, 2049	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 3.03 (b) of the General Conditions.

APPENDIX

Definitions

1. “Administrative and Financial Procedures Manual” means the manual to be adopted by the Recipient pursuant to Section 5.01 (c) of this Agreement, outlining the administrative, procurement, financial management and accounting arrangements for the implementation of the Project, as the same may be amended from time to time with the prior written consent of the Association, and such term includes any schedules to such manual.
2. “Annual Work Plans and Budgets” means the annual work plans and budgets for the Project.
3. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
4. “Apex Organization” means an association of POs.
5. “Beneficiary” means one or more Eligible Producer Organizations which is the beneficiary of a Sub-grant and party to a Sub-grant Agreement.
6. “CAA” means the *Caisse Autonome d’Amortissement*.
7. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
8. “CNOPCAM” means *Confédération Nationale des OPs du Cameroun*.
9. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
10. “Economic Partnerships” or “EPs” means partnerships that combine commercial agreements, technical assistance and investment funding and are intended to create solid and mutually advantageous relationships between producer organizations and other value chain actors, including, without limitation, production and marketing agreements, between producer organizations, input traders, agro-industry, financing agreements, between producer organizations, finance institutions, and agro-industries, or technical assistance agreements, between producers and public or private providers of advisory services.

11. “Eligible Producer Organization” means a Producer Organization that satisfies the criteria set forth in Section I.D.1 of Schedule 2 of this Agreement and the PIM.
12. “Eligible Rural Roads” means the roads which satisfy the eligibility criteria set forth or referred to in Section I.B.1 of Schedule 2 of this Agreement and the PIM.
13. “Environmental Management Framework and Social Management Framework” or “ESMF” means the Environmental and Social Management Framework of the Recipient dated March 16, 2009, and disclosed in the territory of the Recipient on April 9, 2009 and at the Association’s *Infoshop* on April 10, 2009, giving details of a program of actions, measures and policies designed to maximize the benefits of the Project, eliminate, offset or mitigate any adverse environmental impacts, or reduce such impacts to acceptable levels, along with the procedural and institutional measures needed to implement such actions, measures and policies, as the said framework may be amended and/or supplemented from time to time with the prior written consent of the Association.
14. “Environmental Management Plan” or “EMP” means a sub-project-specific environmental management plan, acceptable to the Association, giving details of measures appropriate or required to maximize the benefits of the Project, eliminate, offset or mitigate any adverse environmental impacts, or reduce such impacts to acceptable levels, together with budget and costs estimates, sources of funding, adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, such environmental management plan.
15. “EP Subprojects” means, collectively, investment sub-projects concerning the production, collection, marketing, processing, and/or other services along a Targeted Value Chain in a Target Area to be carried out by Eligible Producer Organizations financed or proposed to be financed through a Sub-grant under Part B.2 of the Project.
16. “Fiduciary Unit” means the Cellule BAD/*Banque mondiale* established pursuant to the *Arrêté* No. 025 /CAB/PM dated February 13, 2008, in charge of the procurement and financial management activities under Part A.1 of the Project.
17. “Field Focal Points” means the local field offices of MINADER and MINEPIA working with the PCU in the Participating Regions.

18. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
19. “Implementing Irrigation Development Authorities” means, collectively, SEMRY - *Société d’Expansion et de Modernization de la Riziculture de Yagoua* for the Far North Region and UNVDA – Upper Nou Valley Development Authority for the North West, the public companies managing the relevant irrigation schemes.
20. “Indigenous People Framework” or “IPF” means the document dated March 31, 2009 adopted by the Recipient and disclosed in the territory of the Recipient on April 9, 2009 and at the Association’s *Infoshop* on April 10, 2009, giving details of a program of actions, measures and policies designed to be implemented for indigenous minorities in order to protect them and to ensure that members of said minorities be granted equal legal, financial and organizational opportunities under the Project.
21. “Indigenous Peoples Plan” means the Recipient’s plan, to be agreed with the Association and defining specific measures for indigenous minorities in order to protect them and to ensure that members of said minorities be granted equal legal, financial and organizational opportunities under the Project, to be implemented under a specific activity, in accordance with the provisions of the Indigenous People Framework, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to said plan.
22. “MINADER” means the Ministry of Rural Development of the Recipient.
23. “MINEPAT” means the Ministry of Cooperation of the Recipient.
24. “MINEPIA” means the Ministry of Animal Productions of the Recipient.
25. “MINTP” means the Ministry of Public Works of the Recipient.
26. “MINEFI” means the Ministry of Finance of the Recipient.
27. “Operating Costs” means the incremental operating costs incurred under the Project on account of local contractual support staff salaries, employment benefits, travel expenditures and other travel-related allowances; equipment rental and maintenance; vehicle operation, maintenance and repair; office rental

and maintenance, materials and supplies; and utilities, media information campaigns and communications' expenses, but excluding the salaries of officials and public servants of the Recipient's civil service.

28. "Participating Region" means the following Regions: (i) Center; (ii) North-West; (iii) Far North; (iv) Littoral; (v) East; (vi) West; and (vii) South.
29. "PCU" means the Project Coordination Unit of the Project required to be established pursuant to Section 5.01(a) of this Agreement.
30. "Permanent Forests" means forest concessions, protected areas and fragile ecology zones as defined in the Recipient's law No. 94/01 dated January 20, 1994.
31. "Pest Management Plan" or "PMP" means the Recipient's document entitled "*Plan de Gestion des Pesticides*" prepared by the Recipient's MINADER and adopted by the Recipient and disclosed in the territory of the Recipient on April 9, 2009 and at the Association's *Infoshop* on April 10, 2009.
32. "PLANOPAC" means *Plate-forme nationale des organisations professionnelles agro-sylvo-pastorales du Cameroun*, the main Apex organization in the territory of the Recipient.
33. "Procurement Guidelines" means the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004 and revised in October, 2006.
34. "Procurement Plan" means the Recipient's procurement plan for the Project, dated May 5, 2009 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
35. "Producer Organization" or "PO" means a producer organization organized and governed by the Recipient's Law No. 92/006 of August 14, 1992 and its Decree of application No. 92/455/PM dated November 23, 1992.
36. "Project Implementation *Arrêté*" means the legislation to be adopted by the Recipient pursuant to Section 5.01(a) of this Agreement, establishing and governing the PCU and the Steering Committee.

37. “Project Implementation Manual” means the manual to be adopted by the Recipient in accordance with Section 5.01(c) of this Agreement, outlining: (i) the organizational and technical procedures that govern the Project; (ii) for Part A.1 of the Project, mechanisms and criteria for identifying and selecting the Eligible Rural Roads; (iii) for Part A.2, conditions and criteria to be met for the signature of agreements with the Implementing Irrigation Development Authorities; (iv) for Part B: a) fiduciary and technical procedures for EP Sub-projects, including eligibility criteria, financing, complaint-handling and implementation for EP Sub-projects; b) remedies for non-compliance and abuse of funds in EP Sub-projects; c) training mechanisms of POs and other stakeholders prior to EP Sub-project implementation; and d) model form templates for Sub-grant Agreements incorporating good governance and transparency clauses as well as complaint-handling mechanisms; (v) the composition and operating mechanisms of the RSC; and (vi) an annex setting forth the Simplified PO Manual; as the same may be amended from time to time with the prior written consent of the Association, and such term includes any schedules to such manual.
38. “Project Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on December 9, 2008 and on behalf of the Recipient on December 15, 2008.
39. “RCU” or “Regional Coordination Unit” means each of the regional offices of the PCU.
40. “Region” means a decentralized local government entity established and operating under the laws of the Recipient (Presidential Decree No. 2008/376 dated November 12, 2008), relating to regional organization and any amendment thereto.
41. “Regional Selection Committee” or “RSC” means each of the regional selection committees to be established by the Recipient for the Participating Regions pursuant to Section V.2 of Schedule 2 to this Agreement.
42. “Resettlement Action Plan” means the Recipient’s plan, to be agreed with the Association and setting out the arrangements, including related compensation measures, to be applied in the event of the physical or economic displacement of persons affected by activities to be implemented under a specific activity, in accordance with the provisions of the Resettlement Policy Framework (as hereinafter defined), as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to said plan.

43. “Resettlement Policy Framework” or “ RPF” means the Resettlement Policy Framework of the Recipient dated April 1, 2009, and disclosed in the country of the Recipient on April 9, 2009 and at the Association’s *Infoshop* on April 10, 2009, 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.
44. “Review Panel” means a panel of three independent specialists selected by the PCU to review EP Subproject proposals.
45. “Safeguards Documents” means the Environmental Management Framework and Social Management Framework, the Pest Management Plan, the Indigenous People Framework, the Resettlement Policy Framework, and any plan prepared pursuant to any of the frameworks referred to herein.
46. “Selected Rural Roads” means Eligible Rural Roads selected for purposes of Part A of the Project, pursuant to the selection process set forth or referred to in Section I.B.1 of Schedule 2 of this Agreement and the PIM.
47. “Simplified PO Manual” means the specific operational manual for the POs, as annexed to the Project Operational Manual.
48. “Steering Committee” or “SC” means the steering committee established pursuant to Section 5.01(a) of this Agreement.
49. “Sub-grant” means a grant made, or to be made, to an Eligible Producer Organization out of the proceeds of the Credit to finance a EP Sub-project under Part B.2 of the Project.
50. “Sub-grant Agreement” means the agreement, satisfactory to the Association, to be entered into between an Eligible Producer Organization and the relevant RCU for the purpose of extending a Sub-grant.
51. “Target Areas” means the departments within the Participating Regions identified in the PIM.
52. “Target Irrigation Areas” means approximately 11,000 hectares in the area of Maga and Yagoua (Far North Region), and approximately 1,000 hectares on the

sites of the Upper Nou Valley Development Authority in the North-West Region of the Recipient.

53. “Target Value Chains” means the following six value chains identified as strategic by the Recipient: (i) rice; (ii) maize; (iii) plantain; (iv) palm oil; (v) pig farming; and (vi) poultry.
54. “Technical Service Provider” means a consultant recruited by the relevant RCU or PO, as applicable, under terms of reference and conditions acceptable to the Association, to assist the POs in the preparation of EP Sub-projects proposals and the implementation of approved EP Sub-projects.
55. “Tender Board” means the special commission to be in charge of the procurement activities of the Project other than under Part A.1 of the Project, to be established pursuant to Section V.4 of Schedule 2 of this Agreement.
56. “Training” means the training of persons involved in Project-supported activities, based on annual budgets satisfactory to the Association, such term including seminars, workshops, and study tours, and costs associated with such activity include travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.

Section II. Modifications to the General Conditions

The modifications to the General Conditions for Credits and Grants of the Association, dated July 1, 2005 (as amended through October 15, 2006) are as follows:

1. Section 2.07 is modified to read as follows:

“Section 2.07. Refinancing Preparation Advance

If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Association or the Bank (“Preparation Advance”), the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Financing Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Association shall pay

the amount so withdrawn to itself or the Bank, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.”

2. Paragraph (i) of Section 6.02 is modified to read as follows:

“Section 6.02. *Suspension by the Association*

... (1) *Ineligibility.* The Association or the Bank has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by the Association or the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Association or the Bank, as a result of a determination by the Association or the Bank that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Association or the Bank.”

3. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

“‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”