



M3 - AgriFin
2012

The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street N.W.
Washington, D.C. 20433
U.S.A.

(202) 473-1000
Cable Address: INTBAFRAD
Cable Address: INDEVAS

April 30, 2012

Ms. Friederike Moellers
General Manager
AccèsBanque
Immeuble Bir Hackeim
Lot IBG 21 Ter, Antsahavola
Antananarivo 101
Madagascar

**Re: AgriFin Grant Agreement TF011803
Agriculture Finance Support Facility (AgriFin) Grant to AccèsBanque**

Dear Ms. Moellers:

In response to the request for financial assistance made on behalf of AccèsBanque ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development and the International Development Association ("World Bank"), acting both as administrator of grant funds provided by the Bill & Melinda Gates Foundation (the "Donor"), under the Agriculture Finance Support Facility Trust Fund ("AgriFin") TF071239, proposes to extend to the Recipient a grant in an amount not to exceed one million and eighty one thousand United States Dollars (US\$1,081,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to co-finance the project described in the Annex ("Project"), in accordance with the AgriFin Steering Committee approval, dated May 3, 2011.

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donor. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.


The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project, in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature provided, however, that the offer of

this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION**



Haleh Z. Bridi
Country Director for Madagascar
Africa Region

**CONFIRMED AND AGREED:
ACCESBANQUE**

By: F. Moellers

Name: FREDERIKE MOELLERS

Title: DIRECTEUR GENERAL PAR INTERIM

Date: 30-04-2012

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012
- (2) Disbursement Letter dated the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
- (3) Guidelines for "Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011
- (4) Guidelines: "Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011
- (5) 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

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

- a) “AgriFin” means the Agriculture Finance Support Facility, a World Bank initiative, supported by the Bill & Melinda Gates Foundation.
- b) “Anti-corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.
- c) “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011.
- d) “Performance Report” means quarterly reports, prepared by the Recipient, detailing its overall performance on agriculture finance.
- e) “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011.
- f) “Procurement Plan” means the Recipient’s procurement plan dated February 23, 2012 referred to in Section 2.07(a)(iii) of this Agreement.
- g) “Project Implementation Plan” means the plan dated January 11, 2012 adopted by the Recipient and containing detailed arrangements regarding the implementation of the Project as such plan may be amended from time to time with the prior written approval of the World Bank.
- h) “Standard Conditions” means the “Standard Conditions for Grants Made by the World Bank Out of Various Funds”, dated February 15, 2012.

Article II
Project Execution

2.01 **Project Objectives and Description.** The objective of the Project is to strengthen the Recipient’s institutional capacity and service delivery infrastructure to increase the provision of financial services to smallholder farmers and other actors along key agricultural value chains in Madagascar.

The Project consists of the following activities:

- (a) Providing support to the expansion of access to financial services in rural areas through the establishment of new rural branches and new service outlets.
- (b) Supporting the marketing of agricultural lending products and the development of a branchless banking system through the: (i) marketing of new products and services; (ii) setting-up of a branchless banking system; and (iii) carrying out of staff training.
- (c) Providing support to enhance the Recipient's knowledge and capacity in agriculture finance through providing long and short term technical assistance.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; (c) this Article II; and (d) the Project Implementation Plan.

2.03. **Institutional and Other Arrangements.** Without limitations upon the provisions of Section 2.02 above, the Recipient shall: (i) carry out the Project in accordance with the Project Implementation Plan (PIP); and (ii) not assign, amend, abrogate or waive the PIP or any of its provisions without the World Bank's prior agreement. Notwithstanding the foregoing, if any of the provisions of the PIP is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail and govern.

2.04. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor's support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, take all measures required on its part to enable the representatives of the Donor to visit any part of the Recipient's territory for purposes related to the Project.

2.05 **Project Monitoring, Reporting and Evaluation.**

(a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports on the progress of the overall Project with a clear distinction of the activities financed under this Grant and those financed by the Recipient on the basis of indicators acceptable to the World Bank. The Project Reports shall also include the reports and documents produced by the technical assistance providers financed by the Project. The Recipient shall prepare and submit such Project Reports (in English) in accordance with the provisions of Section 2.06 of the Standard Conditions. Each Project Report shall cover the period of one calendar semester (January 1 to June 30 and July 1 to December 31), and shall be furnished to the World Bank not later than forty-five (45) days after the period covered by such report.

(b) The Recipient shall prepare the Project Completion Report (in English) in accordance with the provisions of Section 2.06 of the Standard Conditions. The Project Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.



(c) The Recipient shall facilitate the preparation of a baseline and final assessment of the overall Project. These studies will be carried out by consultants contracted by the World Bank, under the Bank-Executed portion of the Agriculture Finance Support Facility (“AgriFin”) TF071239, based on terms of reference agreed with the Recipient.

(d) The Recipient shall provide quarterly Performance Reports on the Recipient’s performance, both overall and specifically related to agriculture finance, in form and substance acceptable to the World Bank, starting with the first quarter after the date of grant effectiveness, and up to the end of two years after the Closing Date. Each Performance Report shall cover the period of one calendar quarter, and shall be furnished to the World Bank not later than fifteen (15) days after the period covered by such report.

2.06 Financial Management.

(a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(a) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished, in English, to the World Bank, no later than forty-five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The Recipient’s audit reports will provide notes to clearly indicate the receipt and use of the Grant funds. The audited Financial Statements for each such period shall be furnished to the World Bank, no later than six (6) months after the end of such period.

2.07 Procurement

(a) General. All goods and works required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

- (i) Section I of the Procurement Guidelines, in the case of goods and works;
- (ii) Sections I and IV of the Consultant Guidelines, in the case of consultants’ services; and
- (iii) the provisions of this Section, as the same shall be elaborated in the Procurement Plan.

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.



(c) Particular Methods of Procurement of Goods and Works

(i) Except as otherwise provided in sub-paragraph (ii) below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods and works for those contracts which the World Bank agrees meet the requirements set forth in the Procurement Guidelines for their use: (A) National Competitive Bidding; (B) Shopping; and (C) Direct Contracting.

(d) Particular Methods of Procurement of Consultants' Services

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Selection based on Consultants' Qualifications; (B) Single-source Selection; and (C) Selection of Individual Consultants. For purposes of paragraph 2.7 of the Consultant Guidelines, the short list of consultants for services estimated to cost less than \$200,000 may be comprised entirely of national consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's prior review. All other contracts shall be subject to Post Review by the World Bank.

**Article III
Withdrawal of Grant Proceeds**

3.01 **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Article; and (c) such additional instructions as the World Bank may 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 World Bank, and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category Number	Category	Amount of Grant Allocated (Expressed in USD)	Percentage of Expenditures to be Financed (inclusive of taxes)
1	Goods for Part (a), (b)(i) and (iii) of the Project	687,000	100%
2	Training, Workshops & Meeting for Part (a), (b)(i) and (iii) of the Projects	33,200	100%
3	Works for Part (a), (b)(i) and (iii) of the Project	212,000	100%
4	Operating Costs for Part (a), (b)(i) and (iii) of the Project	148,800	100%
	Total	1,081,000	

For purposes of this Agreement:

(a) "Operating Costs" means the reasonable cost of the following expenditures incurred by the Recipient to implement the Project: (i) salary of Recipient's dedicated staff working on agribusiness, but excluding fees of consultants; (ii) per diem and travel expenses of staff required to perform their responsibilities under the Project; (iii) fuel, and vehicle maintenance and insurance services; (iv) communication technology (including, without limitation, internet and telephone service); (v) rent for office space and building security and office maintenance services; (vi) translation and interpretation services, photocopies and publications; (vii) utilities and office supplies; and (viii) reasonable bank charges related to the operation of designated account.

(b) "Training" means the reasonable cost of training under the Project, based on the PIP, including costs associated with seminars, workshops, conference and study tours, travel and subsistence costs 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.

3.02 **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient, except that withdrawals up to an aggregate amount not to exceed US\$ 216,200 equivalent may be made for payments made prior to this date but on or after May 3, 2011, for Eligible Expenditures under Category 1 and 4.

3.03 **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2013.

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**Article IV
Other Undertakings**

4.01 **Other Undertakings.** Except as the Recipient and the World Bank shall otherwise agree, the Recipient shall make available the Recipient's contribution in the amount of not less than the equivalent of US\$1,082,050 to finance expenditures under the Project other than those financed from the proceeds of the Grant, in accordance with the schedule and details set forth in the Project Implementation Plan, and shall ensure that such contributions by the Recipient are accordingly reflected in the Project Reports and interim unaudited financial reports to be submitted by the Recipient to the World Bank under this Agreement.

**Article V
Recipient's Representative; Addresses**

5.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its General Manager.

5.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ms. Friederike Moellers
General Manager
AccèsBanque Madagascar
Immeuble Bir Hackeim,
Lot IBG 21 Ter, Antsahavola
Antananarivo 101
Madagascar

Facsimile:

(261) 20 22 322 34

5.03. **World Bank Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:

Telex:

Facsimile:

INTBAFRAD
INDEVAS
Washington, D.C.

248423 (MCI) or
64145 (MCI)

1-202-477-6391