Financing Agreement

(Commercial Agriculture and Value Chain Management Project)

between

REPUBLIC OF THE GAMBIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 9, 2014
FINANCING AGREEMENT

AGREEMENT dated __________, 2014, entered into between REPUBLIC OF THE GAMBIA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

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

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant and a credit (collectively, "Financing") in the following amounts to assist in financing the project described in Schedule 1 to this Agreement ("Project"):  

(a) an amount equivalent to five million seven hundred thousand Special Drawing Rights (SDR 5,700,000) ("Grant"); and  

(b) an amount equivalent to four million seven hundred thousand Special Drawing Rights (SDR 4,700,000) ("Credit").

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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%).

2.05. The Payment Dates are June 1 and December 1 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Agriculture in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Recipient has prepared and adopted a Project Implementation Manual, in form and substance satisfactory to the Association.

(b) The Recipient has appointed to the CPCU, a Project coordinator, financial management specialist, and procurement specialist, all with qualifications, experience and terms of reference acceptable to the Association.

4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

4.03. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its Minister responsible for finance.

5.02. The Recipient’s Address is:

Ministry of Finance and Economic Affairs
The Quadrangle
Banjul, The Gambia

Telephone: +220 4227221/4227529  Facsimile: +2204227954  Email: info@mof.gov.gm
5.03. The Association’s Address is:

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

Cable: Telex: Facsimile:
INDEVAS 248423 (MCI) 1-202-477-6391
Washington, D.C.

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

REPUBLIC OF THE GAMBIA

By

[Signature]
Authorized Representative

Name: Kebba Touray
Title: Minister

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]
Authorized Representative

Name: Vera Songwe
Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to improve productivity and access to market of targeted agricultural commodities for smallholders in the Project Area.

The Project consists of the following parts:

PART A: Support to Developing Irrigation and Other Key Productive Infrastructure

1. Irrigation Development and Farm Production Improvement Support

Carrying out a program of activities to:

(a) improve basic irrigation infrastructural facilities and management systems to strengthen resilience to climatic shocks for enhanced production of rice, including: (i) rehabilitation of about 2,500 hectares of existing tidal irrigation schemes around the Central River Regions (north and south) for intensive rice cultivation and about 100 hectares of vegetable irrigation schemes in the West Coast and North Bank Regions; and (ii) preparation of management and maintenance programs for irrigation facilities and equipment, consisting of: (A) physical rehabilitation of existing tidal irrigation works, including main and secondary canals and drainage structures; and (B) institutional support for a more efficient and sustainable operation and maintenance of infrastructure and land and water resources for irrigated agriculture; and

(b) support improvements in farm production in order to enhance producers' access to improved technologies (including climate-smart technologies) and increase productivity and competitiveness by: (i) strengthening the capacity of National Agricultural Research Institute (NARI) and Department of Agriculture (DoA) to deliver adequate technological support to Beneficiaries; (ii) promoting the implementation of applied research; and (iii) fostering partnership and coordination with similar projects in the country, and promoting the use of system of rice intensification (SRI),

all such activities to be carried out through the provision of technical advisory services, Training, the acquisition of goods and the carrying out of works.
2. Promoting Private Sector Investment in Agribusiness and Supporting Access to Key Productive Equipment

Carrying out, through the provision of Matching Grants, a program of activities to:

(a) improve postharvest management infrastructure along the value chains of pertinent commodities supported by the Project and to improve the quality and enhance the competitiveness of such commodities by: (i) providing critical infrastructure; and (ii) facilitating private investment through demand-driven, public-private partnerships with eligible Beneficiaries; and

(b) promote the mechanization of agricultural works, including postharvest processing facilities, and facilitate the establishment of agribusinesses and sustainable supply model service centers to provide essential services and inputs to smallholder rice farmers, and build the capacity of private sector stakeholders, particularly producer groups.

PART B: Support to Value Chain Management

1. Institutional Strengthening and Value Chain Coordination

Carrying out, through the provision of Service Grants, a program of activities to:

(a) strengthen the technical and management capacity of Beneficiaries to enable them adopt and apply effective organizational approaches to improve governance, cohesion and efficiency of the pertinent commodity value chains supported by the Project; (b) improve coordination and dialogue among actors in the value chain of targeted commodities through the establishment of professional institutions and through supporting public-private partnerships; and (c) build the capacity of staff of the CPCU, participating agencies, service providers, professional organizations and producer-based organizations, all such activities to be carried out through the provision of technical advisory services and Training.

2. Linking Producers to Market

Enhancing farmers’ access to markets through: (a) supporting the establishment of partnerships between farmers’ organizations and private agribusiness enterprises to foster the integration of a greater number of smallholder producers into performing and remunerative value-chains; (b) supporting the preparation and implementation of productive partnership business and investment plans; and (c) facilitating: (i) the establishment and development of smallholder farmer organizations; (ii) the establishment and development of partnership relations between farmer organization and agribusiness enterprises; (iii) the development
of a network of local service providers; (iv) the carrying out of impact assessments; and (v) interaction between regional governments, business associations and other pertinent institutions to facilitate market-led agricultural growth, all through the provision of technical advisory services, Training, the acquisition of goods and the carrying out of works.

3. *Improving the Agricultural Investment Climate and Service Delivery*

Provision of technical assistance to the MoA, GIEPA and the PPP unit of the MoFEA to support the carrying out of participatory policy dialogues involving public-private stakeholders, as well as related programs aimed at reviewing and improving the agribusiness regulatory environment, institutional conditions and service delivery systems.

**PART C: Project Administration and Institution Building**

1. *Support Project Management, Monitoring and Evaluation*

Strengthening the capacity of the CPCU for effective Project implementation, including Project management, monitoring and evaluation, safeguards management, fiduciary management, and communication and outreach programs, all through the provision of technical advisory services, Training, Operating Costs and the acquisition of goods.

2. *Support to the Ministry of Agriculture*

Provision of technical assistance to the MoA to develop strategies and policy frameworks designed to adequately coordinate the implementation of the GNAIP.
SCHEDULE 2

Project Execution

Section I. Implementation and Other Arrangements

A. Institutional Arrangements

1. Project Steering Committee

(a) The Recipient shall, no later than three (3) months after the Effective Date, establish and maintain, at all times during the implementation of the Project, a Project steering committee ("Project Steering Committee" or "PSC") with membership comprising such government institutions and representatives of the private sector, farmer-based organizations, women and youth organizations, and civil society as outlined in the Project Implementation Manual, and with functions, mandate and resources satisfactory to the Association.

(b) The PSC shall be responsible for: (i) providing strategic and policy guidance to ensure effective implementation and coordination of Project activities; (ii) ensuring conformity with all applicable policies and guidelines; (iii) reviewing Project progress reports and assessing performance indicators; (iv) approving the annual work plan and budget; (v) providing support for the prompt and efficient resolution of challenges or conflicts that arise during Project implementation; (vi) facilitating effective collaboration with and among Project stakeholders and implementers; and (vii) such other responsibilities as set forth or elaborated in the Project Implementation Manual.

2. Central Project Coordination Unit

(a) In order to ensure the proper and effective implementation of the Project, the Recipient shall, at all times during the implementation of the Project, maintain within the Ministry of Agriculture, the central project coordination unit ("CPCU"), with a mandate, staffing and resources satisfactory to the Association.

(b) The Recipient shall, not later than six (6) months after the Effective Date, appoint to the CPCU, and thereafter maintain at all times during Project implementation, a safeguards specialist, monitoring and evaluation officer, agribusiness specialist, gender and social inclusion specialist, and soil and water officer each of whose qualifications, experience and terms of reference shall be acceptable to the Association.
(c) The CPCU shall be responsible for day-to-day Project coordination and implementation, including: (i) carrying out Project financial management and procurement activities; (ii) preparing annual work plans and budgets; (iii) ensuring compliance with all Safeguards Instruments both at the Project and Subproject level; (iv) monitoring and evaluation of Project activities, and preparing all pertinent Project reports; (v) providing technical, administrative and supervisory support for Subproject implementation, including verification of eligible Beneficiaries, review and approval of Subproject proposals and monitoring and evaluation of Subproject activities; and (vi) such other fiduciary, administrative and technical functions as set forth in the Project Implementation Manual.

(d) The CPCU shall coordinate the activities of key implementing bodies at the national, regional and local community level, including public and private implementing intermediaries, partner institutions, Service Providers and other Subproject implementers to ensure the prompt and efficient implementation of Project activities.

3. Technical Committee

The Recipient shall, no later than three (3) months after the Effective Date, establish and thereafter maintain, at all times during the implementation of the Project, a technical committee ("TC"), with composition and terms of reference satisfactory to the Association, to assist the CPCU in day-to-day Project management and coordination, and carry out all such functions as set forth in detail in the Project Implementation Manual.

B. Implementation Arrangements

1. Project Implementation Manual

(a) The Recipient shall carry out the Project in accordance with the provisions of the Project Implementation Manual ("PIM"), which shall set forth detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) fiduciary arrangements including procurement, disbursement and financial management; (c) environmental and social safeguard guidelines and procedures, including the EMSF, PMP and RPF; (d) monitoring, evaluation, reporting and communication; (e) eligibility criteria and procedures for Subprojects; (f) implementation modalities for each Project component and activity; (g) eligible activities and expenditure categories for financing under the Project and Subprojects, including cost sharing arrangements; and (h) such other administrative, financial, technical and organizational arrangements as required for Project implementation.
The Recipient shall not amend, abrogate, waive or fail to enforce any provision of the Project Implementation Manual without the prior written agreement of the Association; provided, however, that in the event of any conflict between the provisions of the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

2. Annual Work Plan and Budget

(a) The Recipient shall prepare and furnish to the Association for its approval, not later than October 31 of each year during the implementation of the Project, a proposed annual work plan and budget containing all activities proposed to be carried out under the Project in the following fiscal year.

(b) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on each such proposed annual work plan and budget, and thereafter, shall implement the Project with due diligence in accordance with such annual work plan and budget as shall have been approved by the Association ("Annual Work Plan and Budget").

(c) The Recipient shall not make or allow to be made any changes to the Annual Work Plan and Budget without the prior written agreement of the Association.

C. Subprojects

1. General

The Recipient shall ensure the proper and effective implementation of Subprojects under Part A.2 and Part B.1 of the Project, and shall ensure that such Subprojects are implemented in accordance with the provisions of this Section I.C and such other provisions as set forth in the Project Implementation Manual.

2. Eligibility Criteria for Matching Grants and Service Grants

The Recipient shall finance eligible Subprojects in accordance with eligibility criteria and procedures acceptable to the Association and elaborated in the Project Implementation Manual, which shall include the following:

(a) No proposed Subproject shall be eligible for financing under a Matching Grant or Service Grant unless the Recipient shall have determined on the basis of an appraisal and evaluation carried out in accordance with
guidelines acceptable to the Association and elaborated in the Project Implementation Manual, that:

(i) the proposed Subproject: (A) is designed to improve the productivity of targeted agricultural commodities and enhance farmers’ access to markets in the Project Area; (B) is technically, economically, socially and environmentally feasible and financially viable; and (C) if, pursuant to the Safeguard Frameworks, one or more Safeguard Documents for the Subproject are required, such Safeguard Documents have been prepared and approved by the Association in accordance with the provisions of Section 1.E. of Schedule 2 to this Agreement and all measures required to be taken in accordance with said Section prior to commencement of the activities covered by the Safeguard Documents have been taken.

(ii) the proposed Beneficiary: (A) is a natural person, or a business entity in good standing that is registered under the laws of the Recipient and has the capacity to enter into contracts under the laws of the Recipient; (B) has the requisite organizational, fiduciary and technical capacity, and the financial resources necessary to carry out the proposed Subproject in compliance with the guidelines set forth in the Project Implementation Manual; (C) has prepared and submitted a financially-viable business plan, including financing plan and budget, and a satisfactory implementation plan for the proposed Subproject; (D) with respect to a Beneficiary of a Matching Grant under Part A.2 (a) of the Project, said Beneficiary has demonstrated the capacity to carry out the Subproject and has committed to finance at least 60% of the total estimated cost of the Subproject or, with respect to a Beneficiary of a Matching Grant under Part A.2 (b) of the Project, said Beneficiary has demonstrated the capacity to carry out the Subproject and has committed to finance at least 55% of the total estimated cost of the Subproject; and (E) has executed a Matching Grant Agreement or Service Grant Agreement, as the case may be, with the Recipient, through the MoA.

3. **Terms and Conditions of Matching Grants and Service Grants**

   Subprojects shall be carried out pursuant to a Matching Grant Agreement or Service Grant Agreement, as the case may be, to be concluded between an authorized representative of the MoA, on behalf of the Recipient, and an eligible Beneficiary under terms and conditions acceptable to the Association, which shall include the following provisions:
(a) the description of the Subproject, including the outputs and performance targets to be achieved, cost sharing arrangements, and the arrangements for monitoring and reporting on the implementation of the Subproject;

(b) the relevant Matching Grant or Service Grant shall be made on a non-reimbursable grant basis;

(c) the modalities of transfer of funds by MoA to a Beneficiary for financing of the Subproject;

(d) provisions to the effect that MoA shall obtain rights adequate to protect its interests and those of the Recipient and the Association, including the right to:

(i) suspend or terminate the right of the Beneficiary to use the proceeds of a Matching Grant or Service Grant, or obtain a refund of all or any part of the amount of said Matching Grant or Service Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the pertinent Matching Grant Agreement or Service Grant Agreement;

(ii) require each Beneficiary to:

(A) carry out its Subproject 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;

(B) provide, promptly as needed, the resources required for the purpose;

(C) procure the goods, works and services to be financed out of the proceeds of the Subproject in accordance with the provisions of Section III of Schedule 2 to this Agreement;

(D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Subproject 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 Subproject; 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 Subproject, 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.

4. The Recipient, through the MoA, shall exercise its rights and carry out its obligations under the pertinent Matching Grant Agreement or Service Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Project, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Matching Grant Agreement or Service Grant Agreement, or any provision thereof.

D. Anti-Corruption

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

E. Safeguards

1. The Recipient shall carry out the Project in accordance with all Safeguard Instruments applicable to the Project including the ESMF, RPF and PMP.

2. To ensure compliance with the applicable Safeguard Instruments, the Recipient shall take the following measures:

(a) if any activities included in a proposed Annual Work Plan and Budget would, pursuant to the ESMF, require the carrying out of an ESIA, no such activities shall be implemented unless and until:

(i) an ESIA for such activities has been: (A) prepared, in accordance with the ESMF and furnished to the Association as
part of the Annual Work Plan and Budget; (B) disclosed locally as required by the ESMF; and (C) approved by the Association and publicly disclosed; and

(ii) if said ESIA would require the preparation of an ESMP, such ESMP has been: (A) prepared in accordance with such ESIA and furnished to the Association as part of the Annual Work Plan and Budget; (B) disclosed locally as required by the ESMF; and (C) approved by the Association and publicly disclosed.

(b) If any activities included in a proposed Annual Work Plan and Budget would, pursuant to the RPF, require the preparation of a RAP, no such activities shall be implemented unless and until:

(i) a RAP for such activities has been: (A) prepared in accordance with the requirements of the RPF and furnished to the Association as part of the proposed Annual Work Plan and Budget; (B) disclosed locally as required by the RPF; and (C) approved by the Association and publicly disclosed; and

(ii) (A) all measures required to be taken under said RAP prior to the initiation of said activities have been taken, including, without limitation to the above, providing funds for resettlement compensation when and if required under a RAP; (B) a report, in form and substance satisfactory to the Association, on the status of compliance with the requirements of said RAP has been prepared and furnished to the Association; and (C) the Association has confirmed that said activities may be commenced.

(c) The Recipient shall ensure that the relevant provisions of the ESIA, ESMP, PMP or RAP, as the case may be, are appropriately included in each Matching Grant Agreement or Service Grant Agreement, as the case may be, and that they are implemented in the carrying out of all Subprojects.

3. (a) Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the Association, in form and substance satisfactory to the Association, bi-annual reports on the status of compliance with the Safeguard Instruments, giving details of: (i) measures taken in furtherance of such Safeguard Instruments; (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Instruments; and (iii) remedial measures taken or required to be taken to address such conditions.
(b) The Recipient shall afford the Association a reasonable opportunity to review and exchange views with the Recipient on the reports prepared under paragraph (a) immediately above, and thereafter, shall carry out, or cause to be carried out, with due diligence, all remedial measures agreed with the Association so as to ensure the proper implementation of the Project in accordance with the Safeguard Instruments.

4. The Recipient shall ensure that:

(a) no activities involving the use of land shall be carried out prior to the screening of the legal status of the land in form and substance acceptable to the Association;

(b) no activities shall be carried out involving land, for which there is legal uncertainty over ownership and use rights; and

(c) Notwithstanding the provisions of sub-paragraphs 4(a) and 4(b) above, no part of the Project funds shall be used to finance land acquisition.

5. The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the ESMF, RPF or PMP, or any provision thereof without the prior written approval of the Association.

6. In the event of a conflict between the provisions of any of the Safeguards Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. 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.

2. The Recipient shall, not later than twenty-four (24) months after the Effective Date:

(a) undertake, in conjunction with the Association, a mid-term review of the Project during which it shall assess and exchange views with the Association on all matters relating to the progress of the Project, including: (i) the adoption and application of the key innovations being
promoted under the Project, including the public-private partnerships and
demand-driven approaches; (ii) the performance of the Matching Grant
and Service Grant mechanisms; (iii) progress towards achievement of
quantum increases in productivity and value-added output of the target
value chain commodities; (iv) progress towards meeting the gender
equity and empowerment objectives of the Project; and (v) Project
impact and sustainability, as set forth in more detail in the Project
Implementation Manual;

(b) the Recipient shall prepare, no later than three (3) weeks after the
completion of the mid-term review, and furnish to the Association in
form and substance satisfactory to the Association, a report detailing the
results of the mid-term review and setting out the measures
recommended to ensure the efficient carrying out of the Project and
achievement of the Project objective during the period following such
date; and

(c) the Recipient shall give the Association reasonable time to review and
make an input on the results and shall thereafter promptly and diligently
take all actions required to ensure the efficient completion of the Project
and the achievement of the objective thereof as agreed by the Parties.

3. 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 not later than forty-five (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.
The audited Financial Statements for each such period shall be furnished to the
Association not later than six (6) months after the end of such period.

4. The Recipient shall recruit, not later than six (6) months after the Effective Date,
the external auditor referred to in Section 4.09(b) of the General Conditions in
accordance with Section III of Schedule 2 of this Agreement and pursuant to terms of reference satisfactory to the Association to carry out such functions as set forth in the Project Implementation Manual.

5. The Recipient shall, not later than fifteen (15) months after the Effective Date, adopt, and thereafter use at all times during the implementation of the Project, the Gambian Integrated Financial Management Information System (GIFMIS) as the Project's financial information system.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting 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 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 Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Shopping; (b) Direct Contracting; and (c) National Competitive Bidding.

shall be carried out through an open tender as set forth in the Gambia Procurement Act 2001, subject to the provisions of the Procurement Guidelines and the following additional provisions:

(a) prospective bidders shall be provided four weeks, from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later, for the preparation and submission of bids;

(b) bidding documents acceptable to the Association shall be used, and shall be prepared so as to ensure economy, efficiency, transparency, and broad consistency with the provisions of Section I of the Procurement Guidelines;

(c) invitation for bids shall be advertised in national newspapers with wide circulation, or in the official gazette provided that it is of wide circulation, or on widely used website or electronic portal with free national and international access;

(d) bids shall be submitted in a single envelope;

(e) bid evaluation criteria, bidder qualifications criteria, and the contract award criteria shall be clearly specified in the bidding documents;

(f) no margin of preference shall be granted to domestic bidders;

(g) eligible bidders, including foreign firms, shall not be excluded from the bidding;

(h) the procedures shall include the publication of the results of evaluation and of the contract award;

(i) the bidding document and contract as deemed acceptable by the Association shall include provisions stating the Association’s policy to sanction firms and individuals found to have engaged in fraud and corruption as defined in the Procurement Guidelines; and

(j) each bidding document and contract financed out of the proceeds of the Financing shall provide that bidders, suppliers and contractors, and their subcontractors, agents, personnel, consultants, services providers, or suppliers, shall permit the Association to inspect all accounts, records and other documents relating to the submission of bids and contracts performance, and to have them audited by auditors appointed by the Association. Acts intended to materially impede the exercise of the Association’s inspection and audit rights provided for in the Procurement
Guidelines constitute an obstructive practice as defined in the Procurement Guidelines.

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 methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Least Cost Selection; (b) Selection based on Consultants' Qualifications; (c) Single-source Selection of consulting firms; (d) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (e) Single-source procedures for the Selection of Individual Consultants.

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 Credit and of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, consultants’ services (including audit), non-consultants’ services, Training and Operating Costs under the Project (except under Parts A.2. and B.1)</td>
<td>4,700,000</td>
<td>3,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Matching Grants under Part A.2 of the Project</td>
<td></td>
<td>1,200,000</td>
<td>100% of amounts disbursed, payable under the respective Matching Grant</td>
</tr>
<tr>
<td>(3) Service Grants under Part B.1 of the Project</td>
<td></td>
<td>900,000</td>
<td>100% of amounts disbursed, payable under the respective Service Grant</td>
</tr>
<tr>
<td>(4) Refund of Preparation Advance</td>
<td></td>
<td>500,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>4,700,000</td>
<td>5,700,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date is November 30, 2019.
Section V. **Other Undertaking**

A. Counterpart Funding

The Recipient shall, not later than January 1 of each year, pay into an account established at a commercial bank within the Recipient’s territory and acceptable to the Association, a percentage of the Counterpart Funding, as shall be required to cover expenditures made against such Counterpart Funding, based on activities to be carried out pursuant to the Annual Work Plan and Budget.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each June 1 and December 1:</td>
<td></td>
</tr>
<tr>
<td>commencing June 1, 2024, to and including December 1, 2033</td>
<td>1%</td>
</tr>
<tr>
<td>commencing June 1, 2034, to and including December 1, 2053</td>
<td>2%</td>
</tr>
</tbody>
</table>

* 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

Section I. Definitions


2. “Beneficiary” means a natural person, producers’ association, small or medium-size enterprise, agro-processor, or farmer-based organization that has met the eligibility criteria set forth in Section 1.C of Schedule 2 to this Agreement, pursuant to which the Recipient has extended a Matching Grant under a Matching Grant Agreement for a Subproject under Part A.2 of the Project or a Service Provider to which the Recipient has extended a Service Grant under a Service Grant Agreement for a Subproject under Part B.1 of the Project; and “Beneficiaries” means more than one Beneficiary.

3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

4. “Central Projects Coordination Unit” or “CPCU” means the unit to be adequately staffed and maintained under the Project in accordance with Section I.A.2 of Schedule 2 to this Agreement.


6. “Counterpart Funding” means the amount of funding in an aggregate of $740,000, to be provided by the Recipient out of its resources to co-finance the Project, and referred to under Section V.A of Schedule 2 to this Agreement.

7. “DoA” means the Recipient’s Department of Agriculture.

8. “Environmental and Social Impact Assessment” or “ESIA” means, for a given activity included in the Project, the environmental and social impact assessment for said activity to be carried out in accordance with the ESMF and pursuant to provisions of Section I.E.2 of Schedule 2 to this Agreement.

9. “Environmental and Social Management Framework” or “ESMF” means the Recipient’s environmental and social management framework, including all schedules and annexes thereto, prepared and disclosed in the Recipient’s territory on January 28, 2014, and at the Association’s Infoshop on January 27, 2014, detailing: (a) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental and social impacts, or
to reduce them to acceptable levels; and (b) the actions needed to implement these measures, including monitoring and institution strengthening.

10. “Environmental and Social Management Plan” or “ESMP” means an environmental and social management plan for the Project to be prepared and implemented in accordance with the ESMF and pursuant to the provisions of Section I.E.2 of Schedule 2 to this Agreement.


14. “Matching Grant” means funds allocated or proposed to be allocated out of the proceeds of the Financing to an eligible Beneficiary for the purpose of financing a Subproject under Part A.2 of the Project, and referred to in Section I.C of Schedule 2 to this Agreement.

15. “Matching Grant Agreement” means an agreement between the Recipient, acting through MoA, and an eligible Beneficiary providing for a Matching Grant.

16. “MDAs” means the Recipient’s ministries, departments and agencies.

17. “Ministry of Agriculture” or “MoA” means the Recipient’s ministry responsible for agriculture and any successor thereto.


19. “Operating Costs” means the incremental expenses incurred on account of Project implementation, based on the Annual Work Plans and Budgets approved by the Association pursuant to Section I.B.2 of Schedule 2 to this Agreement, including office equipment and supplies, vehicle operation and maintenance, communication costs, office administration costs, utilities, travel and per diem, excluding the salaries of the Recipient’s civil servants.

20. “Pest Management Plan” or “PMP” means the Recipient’s pest management plan for the Project disclosed in the Recipient’s territory on January 28, 2014, and at the Association’s Infoshop on January 27, 2014, setting out the measures to be taken for the development and implementation of integrated pest management in the course of Project implementation, 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 such plan.

22. "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 dated November 12, 2013, between the Association and the Recipient.


24. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated February 1, 2014, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

25. "Producers Association" means one or more producer groups, with a legal status established in accordance with the laws of the Recipient and operating in the Project Area; and "Producers Associations" means more than one Producers Association.

26. "Project Area" means the Central River Regions (CRR – North and South) and the North Bank and West Coast Regions of the Recipient country where the Project will be implemented.

27. "Project Implementation Manual" or "PIM" means the manual for the Project to be prepared and adopted in form and substance satisfactory to the Association, and referred to in Section 4.01(a) of this Agreement and Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with prior written agreement of the Association.

28. "Project Steering Committee" means the steering committee to be established under the Project and referred to in Section I.A.1 of Schedule 2 to this Agreement.

29. "Resettlement Action Plan" or "RAP" means a resettlement action plan to be prepared and implemented in accordance with the RPF and pursuant to the provisions of Section I.E.2 of Schedule 2 to this Agreement.

30. "Resettlement Policy Framework" or "RPF" means the Recipient’s resettlement policy framework, prepared and disclosed in the Recipient’s country on January 28, 2014, and at the Association’s InfoShop on January 27, 2014, setting forth the modalities for resettlement and compensation of any persons who may be affected or displaced by any resettlement as a result of the Project, including guidelines for the preparation of the appropriate resettlement plans, as the same
may be amended from time to time with the prior written approval of the Association.

31. “Safeguards Documents” means any ESIA, ESMP, RAP or other supplemental social and environmental safeguard document prepared pursuant to Section 1.E of Schedule 2 to this Agreement.

32. “Safeguards Frameworks” means, collectively, the ESMF, PMP and RPF.

33. “Safeguards Instruments” means, collectively, the ESMF, RPF, PMP and the Safeguard Documents.

34. “Service Grant” means funds allocated or proposed to be allocated out of the proceeds of the Financing to an eligible Beneficiary, for the purpose of financing a Subproject under Part B.1 of the Project in accordance with the provisions of Section 1.C of Schedule 2 to this Agreement.

35. “Service Grant Agreement” means an agreement between the Recipient, acting through MoA, and an eligible Beneficiary providing for a Service Grant.

36. “Service Provider” means a public or private agency or enterprise, or a non-governmental organization established and operating under the laws of the Recipient, which has met the eligibility criteria set forth in the PIM and referred to in Section 1.C of Schedule 2 to this Agreement, pursuant to which Recipient has extended a Service Grant.

37. “Subproject” means a specific development project under Part A.2 or B.1 of the Project, to be carried out by a Beneficiary out the proceeds of a Matching Grant or Service Grant; and “Subprojects” means more than one Subproject.

38. “Training” means the cost associated with the training and workshops, based on the Annual Work Plans and Budgets approved by the Association pursuant to Section 1.B.2 of Schedule 2 to this Agreement, for reasonable expenditures (other than expenditures for consultants’ services), including: (i) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (ii) course fees; (iii) training facility rentals; (iv) training material preparation, acquisition, reproduction and distribution expenses; and (v) other costs directly related to training preparation and implementation.