Financing Agreement

(Additional Financing for Agricultural Productivity and Diversification Project and Amendments to the Original Project)

between

REPUBLIC OF BENIN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated 2 June, 2017
CREDIT NUMBER IDA 6013-BJ

FINANCING AGREEMENT

Agreement dated 2 June, 2017, entered into between the REPUBLIC OF BENIN ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). 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.

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 the amount of forty-one million nine hundred thousand Euros (EUR 41,900,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) 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 carry out through the MoA 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 Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.

4.02. 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 V— REPRESENTATIVE; ADDRESSES

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

5.02. The Recipient’s address is:

Ministère de l’Economie et des Finances
Route de l’aéroport B.P. 302
Cotonou
Republic of Benin

Cable address: MINFINANCES
Facsimile: +229-21-30-18-51
Cotonou
+229-21-31-53-56

5.03. The Association’s Address is:

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

Telex: 248423 (MCI)
Facsimile: 1-202-477-6391
AGREED at Cotonou, Benin, as of the day and year first above written.

REPUBLIC OF BENIN

By

Authorized Representative
Name: Romuald WADAGNI
Title: Ministre de l'Economie et des Finances

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative
Name: KATRINA SHARKEY
Title: COUNTRY MANAGER
SCHEDULE 1

Project Description

The objective of the Project is to restore and improve productivity and value addition for selected value chains in the Recipient's territory.

The Project consists of the following parts:

Part 1. Adoption of Improved Technologies and Restoration of Productivity

1. Supporting a program of activities aimed at assisting targeted households affected by the floods of 2010; such program includes: (i) the purchase and distribution of improved maize and rice seeds as well as fertilizers to targeted crop farmers; (ii) the provision of fingerlings to targeted fish farmers; and (iii) the purchase and distribution of poultry kits (e.g., kit comprised of rooster(s) and hen(s)) as well as the provision of selected vaccinations for poultry and small ruminants to targeted livestock producers.

2. (a) Supporting a program of activities aimed at developing improved technologies and management practices for the development of: (i) Food Security Value Chains; and (ii) Export-Oriented Value Chains; such program includes technical assistance and capacity building support to selected producers and agro-processors: (A) to develop multiplication systems for rice and maize seed, catfish and tilapia fingerlings, and cashew plantlets and pineapple suckers; (B) to strengthen the distribution systems for quality input delivery (including fertilizers, feed and fingerlings); and (C) to support improved re-stocking activities for the small ruminants and poultry, though carrying out of production techniques, including provision of shelter, vaccination and de-worming.

(b) Provision of Sub-Grants to promote access to improved technologies and management practices for the development of: (i) Food Security Value Chains; and (ii) Export-Oriented Value Chains.

3. Supporting a program of activities aimed at building resilience and mitigating climate change effects on production systems; through inter alia: (i) promoting agricultural production systems that reduce greenhouse gas emissions; (ii) provision of capacity building activities to producers on good practices of climate smart agriculture; (iii) supporting the use of drought and flood tolerant varieties such as rice seeds and pineapple plantlets; and (iv) promoting agroforestry activities; all through the provision of Training, technical assistance and goods required for the purpose.
Part B. Development/Rehabilitation of Production and Market Infrastructures

1. (a) (i) Provision of Sub-Grants in Targeted Areas for the financing of: (A) rehabilitation of small scale irrigation perimeters; (B) the construction of small scale irrigation perimeters; and (C) irrigation equipment; and (ii) provision of technical assistance to support the provision of the foregoing Sub-Grants; and

(b) Supporting a program of activities for the construction and/or rehabilitation of marketing infrastructure in the Targeted Areas, including the construction and/or rehabilitation storehouses, cold rooms, stocking facilities and drying areas.

Part C. Value Chain Coordination and Access to Finance for Private Initiatives

1. Supporting a program of activities aimed at creating and/or strengthening partnerships among public and private participants so as to improve coordination among the key links of the targeted value chains; such program includes: (i) the provision of technical assistance and small equipment to support selected value chain coordination bodies or commodity inter-professions (i.e., associations regrouping key commodity stakeholders in the agricultural sector such as producers, processors, input importers and distributors, and exporters); (ii) technical assistance to support the improvement of the legal and regulatory environment for targeted value chain coordination; and (iii) in connection with the cotton value chain, technical assistance to support the implementation of the cotton sector’s governance reform plan as well as the regulatory and oversight roles in the agricultural sector.

2. Supporting a program of activities aimed at improving market facilitation and strengthening public services for improved market efficiency in connection with the targeted value chains; such program includes the promotion of products derived from the targeted value chains and market prospection at regional and international level.

3. Supporting a program of activities aimed at improving access to financial services (including for farmers and service providers); such programs includes: (i) the provision of technical assistance for the development of innovative financial instruments; (ii) the provision of technical assistance for the management and operation of the Recipient’s national agricultural development fund to ensure a long-term financing strategy in the agricultural sector; and (iii) the provision of technical assistance to assess the economic and financial implications of agricultural production, processing, logistics and marketing activities, and to assist with the preparation, implementation and monitoring of business plans.
4. (i) Facilitating and improving access to finance to selected producers and agro-processors' through the provision of Sub-Grants to carry out Sub-projects; and (ii) supporting the scaling up of the pilot *Warrantage* Scheme; through the provision of Training and technical assistance.

**Part D. Sector Program Coordination and Project Management**

1. Strengthening the MoA’s capacity in coordinating the agriculture sector, including its ability to implement a strategic revitalization plan, through technical assistance aimed at supporting: (i) the implementation of sector coordination tools, (ii) fiduciary capacities (procurement, financial management), and (iii) the improvement of the quality and targeting of public expenditures in the agriculture sector.

2. Supporting the Project Management Unit’s capacity in the areas of Project management, coordination, administration, monitoring and evaluation, through *inter alia*, (i) construction and purchase of equipment for Project premises; (ii) technical assistance for the preparation of the financial and technical audits and well as the environmental impact assessment (and other safeguard related assessments); (iii) provision of technical advisory services (including Training), and (iv) the acquisition of equipment and materials.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall, throughout the implementation of the Project, maintain the following implementation and coordination arrangements:

(1) The MoA shall be responsible for the overall supervision and oversight of the Project.

(2) Steering Committee

(a) The Recipient shall maintain the national steering committee (the "Steering Committee"), throughout the implementation of the Project, with functions and resources satisfactory to the Association.

(b) Without limitation to the provisions of paragraph (a) above, the Steering Committee shall be responsible for, inter alia, overall strategic guidance for the Project, the supervision of governance issues, the approval of Annual Work Programs, review of the monitoring reports, and to ensure conflict resolution as needed.

(c) Without limitation to the provisions of paragraph (a) above, the Steering Committee shall be chaired by the MoA's General Secretary and include representatives from the private sector, producer organizations and ministries in charge of finance, agriculture, commerce, industry and plan.

(3) Project Management Unit

(a) The Recipient shall maintain the project management unit ("PMU"), throughout the implementation of the Project, with functions and resources satisfactory to the Association.

(b) Without limitation to the provisions of paragraph (a) above, the PMU shall be responsible for the overall implementation of the Project, including (i) planning, programming, and budgeting the financed activities; (ii) preparation and management of the contractual partnership with the public and private delivery agencies, and with producers organizations; (iii) supervision, control of the field activities; (iv) administration of the technical functions (procurement, financial management, monitoring and evaluation); and (v) preparation of financial and project reports.
(c) Without limitation to the provisions of paragraph (a) above, the PMU shall be headed by a Project coordinator, who shall be assisted by the team comprised under the Original Financing Agreement, in addition to recruiting no later than 3 (three) months: (i) an operations officer; (ii) an animal production specialist; (iii) an improvement of production systems specialist; (iv) a finance controller; (v) a computer and information management specialist; (vi) a logistics and utility management specialist; (vii) an accountant; and (viii) 2 (two) administrative assistants; all of whom with experience and terms of reference satisfactory to the Association.

(4) Regional Steering Committees

(a) The Recipient shall maintain, a regional steering committee (“Regional Steering Committee”) in each of the Relevant Regions, with functions and resources satisfactory to the Association.

(b) Without limitation to the provisions of paragraph (a) above, the Regional Steering Committee shall be responsible for, inter alia, the supervision of Project activities in its region.

(c) Without limitation to the provisions of paragraph (a) above, the Regional Steering Committee shall be chaired by the President of the Recipient’s Interdepartmental Chambers of Agriculture covering the region and include representatives from the local authorities, private sector and professional organizations.

B. Sub-Projects

1. Under Part A.2(b), B.1(a) and Part C.4(i) of the Project, the Recipient shall make Sub-Grants to Sub-Grant Beneficiaries for the purpose of financing Sub-Projects in accordance with eligibility criteria, Sub-Grant amounts and contributions (as applicable in the case of Matching Grants), and procedures acceptable to the Association and further described in the Project Implementation Manual.

2. The Recipient shall make each Sub-Grant under a Sub-Grant Agreement with the respective Sub-Grant Beneficiary in the form of the model agreement attached to the Project Implementation Manual and on terms and conditions described in more details in the Project Implementation Manual, which shall include, inter alia, the following:

(a) the Sub-Grant shall be made on a non-reimbursable grant basis; and

(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 Sub-Grant Beneficiary to use the proceeds of the Sub-Grant, or obtain a refund of all or any part of the amount of the Sub-Grant then withdrawn, upon the Sub-Grant Beneficiary’s failure to perform any of its obligations under the Sub-Grant Agreement;

(ii) require each Sub-Grant Beneficiary to:

A. carry out the 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, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient, and in accordance with the Environmental and Social Management Plan prepared for its Sub-project, the Resettlement Action Plan prepared for its Sub-project, and the Pest Management Plan, if applicable to this type of Sub-project;

B. provide, promptly as needed, the resources required for the purpose of the Sub-Project;

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. to the extent required under the PIM, (x) 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 (y) at the Association’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the
Association, and promptly furnish the statements as so audited to the Recipient and the Association;

F. enable the Recipient and the Association to inspect the Sub-Project, its operation and any relevant records and documents;

G. prepare and furnish to the Recipient and the Association all such information, as the Recipient or the Association shall reasonably request relating to the foregoing; and

H. promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of the Sub-Project, or the performance by the Sub-Project Beneficiary of its obligations under the Sub-Project Agreement.

3. Except as otherwise agreed in writing with the Association, the Recipient shall, in the case of Matching Grants, ensure that: (a) the contribution of the Matching Grant to the cost of the proposed Sub-project shall not exceed the maximum amount indicated in the Project Implementation Manual for the relevant type of Sub-projects; and (b) the balance of the cost of the proposed Sub-project shall be provided by the Sub-Grant Beneficiary in the form of the Sub-Grant Beneficiary’s contribution, whether in cash or in kind.

4. 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.

C. Anti-Corruption

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

D. Safeguards

1. The Recipient shall ensure that, throughout Project implementation, the Project (including each Sub-projects), is implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Safeguard Documents.

2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the Association, in
accordance with Section II of this Schedule 2 to this Agreement, reports on the status of compliance with the Safeguard Documents, giving details of:

(a) measures taken in furtherance of the Safeguard Documents;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and

(c) remedial measures taken or required to be taken to address such conditions.

3. The Recipient shall not amend, abrogate, repeal, suspend, waive, or otherwise fail to enforce, or permit to be amended, abrogated, repealed, suspended or waived any of the Safeguard Instruments or any provision thereof without the prior written approval of the Association.

E. Project Implementation Manual

1. The Recipient shall update no later than one (1) month after the Effective Date, in accordance with terms of reference acceptable to the Association, the Project Implementation Manual prepared under the Original Project.

2. Except as the Association shall otherwise agree, the Recipient shall not amend or waive any provision thereof if, in the opinion of the Association, such amendment or waiver may materially and adversely affect the implementation of the Project.

3. In the event of any inconsistency between this Agreement and the PIM, the provisions of this Agreement shall prevail.

F. Annual Work Programs

1. The PMU shall, not later than December 15th in each calendar year during Project implementation, prepare and furnish to the Project Steering Committee and the Association, a program of activities proposed for inclusion in the Project during the following fiscal year, including: (a) a detailed timetable and budget for the sequencing and implementation of said activities; (b) the types of expenditures required for such activities; and (c) the planned procurement methods for the expenditures ("Annual Work Program").

2. The PMU shall exchange views with the Association on each such proposed Annual Work Program, and shall thereafter carry out such program of activities for such following fiscal year as shall have been agreed between the PMU and the Association.

3. Only those activities, which are included in an Annual Work Program, shall be included in the Project. Notwithstanding the foregoing, the Annual Work Program
might be amended from time to time to include new activities with the prior and written concurrence of the Association.

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 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.

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. The Recipient shall prepare and furnish to the Association not later than 45 (forty-five) 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. 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.
4. The Recipient shall disclose the audited Financial Statements in a manner acceptable to the Association. The Recipient agrees that upon receipt of the Financial Statements, the Association shall make them available to the public in accordance with the Association’s policy on access to information.
5. The Recipient shall no later than (3) three months of Effective Date recruit and thereafter maintain, a financial controller, with experience and terms of reference acceptable to the Association.
6. The Recipient shall no later than (3) three months of Effective Date recruit and thereafter maintain, an external auditor, with experience and terms of reference acceptable to the Association.
7. The Recipient shall no later than (3) three months of Effective Date update and thereafter maintain the accounting software in a manner acceptable to the Association, for the Project.

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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

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:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding</td>
</tr>
<tr>
<td>(b) Limited International Bidding</td>
</tr>
<tr>
<td>(c) Shopping</td>
</tr>
<tr>
<td>(d) Direct Contracting</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Least Cost Selection</td>
</tr>
<tr>
<td>(b) Selection based on Consultants' Qualifications</td>
</tr>
<tr>
<td>(c) Selection of Individual Consultants</td>
</tr>
<tr>
<td>(d) Single-source Selection</td>
</tr>
</tbody>
</table>

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:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in EUR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, Operating Costs, non-consulting services and consultants’ services for the Project Except Part A.1 and C.1.(iii)</td>
<td>32,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Sub-Grants under Parts A.2(B), B.1(A) and Part C.4(i) of the Project.</td>
<td>9,300,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>41,900,000</strong></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 February 28, 2021.
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 March 15 and September 15, commencing September 15, 2023 to and including March 15, 2055</td>
<td>1.5625%</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.

2. "Basis Adjustment to the Service Charge" means the Association's standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.

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

4. "Competitive Grant" means a grant to be made on a competitive basis to a Sub-Grant Beneficiary out of the proceeds of the Financing for a Sub-Project under Parts A.2(B), B.1(A) and Part C.4(i) of the Project, as further detailed in the PIM.


6. "Displaced Persons" means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter, (ii) loss of assets or access to assets, or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.

7. "Environmental and Social Management Framework" or "ESMF" means the Recipient's document entitled "Cadre de Gestion Environnementale et Sociale du Projet d'Appui à la Diversification Agricole", prepared for the Original Project and updated and disclosed on February 3, 2017, 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.

8. "Environmental and Social Impact Assessment" or "ESIA" means the Recipient's document prepared and disclosed in accordance with the Environmental and Social Management Framework with respect to the Project (or a Sub-project), that
includes Environmental and Social Management Plan" or “ESMP that details:
(i) the measures to be taken during the implementation and operation of the Project
(or a Sub-project) to eliminate, mitigate or offset adverse environmental or social
impacts, or to reduce them to acceptable levels, and (ii) the actions needed to
implement these measures.

9. “Export-Oriented Value Chains” means the value chains associated with the
agricultural production and distribution of cashew, pineapple and cotton (and any
other value chain agreed from time to time by the Association).

10. “Food Security Value Chains” means the value chains associated with the
agricultural production and distribution of rice, aquaculture (fish), maize and
livestock (and any other value chain agreed from time to time by the Association).

11. “General Conditions” means the “International Development Association General

12. “Original Financing Agreement” means the financing agreement for the
Agricultural Productivity and Diversification Project between the Recipient and
the Association, dated June 11, 2011 as amended to the date of this Agreement
(Credit No. 4884-BJ and Grant No. H655-BJ).

13. “Original Project” means the Project described in Schedule 1 to the Original
Financing Agreement.

14. “Matching Grant” means a grant to be made to a Sub-Grant Beneficiary out of the
proceeds of the Financing for a Sub-Project under Parts A.2(B), B.1(A) and Part
C.4(i) of the Project, for which the Sub-Grant Beneficiary must provide a matching
contribution (in cash or in kind), as further detailed in the PIM.

15. “MoA” means the Recipient’s ministry in charge of, among others, agriculture,
livestock, and fishery

16. “Operating Costs” means the reasonable incremental operating expenses, based on
annual budgets approved by the Association, incurred by the MOA or the PMU,
on account of operation and maintenance costs incurred in connection with the
implementation of the Project, including costs related to office, vehicles and office
equipment; water and electricity utilities, telephone, office supplies, bank charges,
additional staff costs, travel and supervision costs, per diem, but excluding the
salaries and indemnities of officials and public servants of the Recipient’s civil
service.

17. “Pest Management Plan” or “PMP” means the Recipient’s document entitled
“Plan de Gestion des Pestes” du Projet d’Appui à la Diversification Agricole
prepared for the Original Project and updated and disclosed on February 3, 2017,
describing the actions and policies required or appropriate to promote and support
the safe, effective and environmentally-sound pest management under the Project,
as such Pest Management Plan may be amended from time to time, and such term
includes all schedules and agreements supplemental to the Pest Management Plan.

and Non-consulting Services under IBRD Loans and IDA Credits and Grants by

19. "Procurement Plan" means the Recipient’s procurement plan for the Project dated
February 16, 2017 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.

20. "Project Implementation Manual" means the manual adopted by the Recipient for
the Original Project and to be updated in a manner satisfactory to the Association,
and containing detailed guidelines and procedures for the implementation of the
Project, including in the areas of monitoring and evaluation, procurement,
coordination, social and environmental safeguards, financial, administrative and
accounting procedures as well as provisions defining eligibility criteria and
approval, disbursement, procurement, administration and monitoring
arrangements for Sub-Projects together with a model Sub-Project Agreement
format, and such other administrative, financial, technical and organizational
arrangements and procedures as shall be required for the Project.

21. "Project Management Unit" or "PMU" means the Project management unit
established pursuant to ministerial order No. 040/MAEP/D-
CAB/SM/DPP/DRH/SA (arrêté portant création, attributions, organisation et
fonctionnement du programme cadre d’appui à la diversification agricole
(ProCAD)) dated February 9, 2011.

22. "Regional Steering Committees" has the meaning given to such term in Section
I.A(4) of Schedule 2 to the Agreement.

23. "Relevant Region" means the Recipient’s region of Atlantique-Littoral, Borgou-
Alobori, Ataocra-Donga, Mono-Couffo, Oueme-Plateau and Zou-Collines.

24. "Resettlement Action Plan" or "RAP" means the Recipient’s document prepared
and disclosed in accordance with the Resettlement Policy Framework with respect
to the Project (or a Sub-project), which, inter alia: (i) contains a census survey of
Displaced Persons and valuation of assets; (ii) describes compensation and other
resettlement assistance to be provided, consultation to be conducted with
Displaced Persons about acceptable alternatives, institutional responsibilities for
the implementation and procedures for grievance redress, and arrangements for
monitoring and evaluation; and (iii) contains a timetable and budget for the implementation of such measures.

25. "Resettlement Policy Framework" or 'RPF' means the Recipient's document entitled "Cadre de Politique de Reinstallation (C.P.R)" du Projet d'Appui à la Diversification Agricole prepared for the Original Project and --updated and disclosed on February 3, 2017, containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons, as amended from time to time with the prior written consent of the Association.

26. "Safeguard Documents" means collectively or individually the Environmental and Social Management Framework, the Resettlement Policy Framework, and the Pest Management Plan, the Environmental and Social Impact Assessment (including the Environmental and Social Management Plans) and the Resettlement Action Plans prepared in connection with the Project (or Sub-project), if any.

27. "Steering Committee" has the meaning given to such term in Section I.A(2)(a) of Schedule 2 to the Agreement.

28. "Sub-Grant" means a Matching Grant or a Competitive Grant.

29. "Sub-Grant Beneficiary" means a community, farmer/fishermen/producer organization and/or individual which or who is a beneficiary of a Sub-Grant for a Sub-Project.

30. "Sub-Project" means a specific small scale project to be carried out by a Sub-Grant Beneficiary under Parts A.2(B), B.1(A) and Part C.4(i) of the Project.

31. "Sub-Project Agreement" means the agreement to be entered into between the Recipient and a Sub-Grant Beneficiary providing a Sub-Grant for a Sub-Project.

32. "Targeted Areas" means the Recipient's counties of Malanville, Tangueta, Glazoue, Dangbo, Bonou and Adjohoun as well as any other areas, counties, sectors or regions that the World Bank may agree from time to time.

33. "Training" means the reasonable costs of training under the Project, based on the annual work plans and budgets approved by the Association, and attributable to seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.

34. "Warrantage Scheme" means A scheme which enables producers' groups to (i) receive full or partial payment for their crop production upon delivery; (ii) access financial institutions financing using the crop stored in warehouses as
collateral; (iii) enhance sales prices due to the "consolidation" of the group's production; and (iv) benefit from higher price trends which may materialize once the "glut" of seasonal supply has passed.

Section II. Amendment to the Original Financing Agreement

1. Project description set forth in Schedule 1 of the Original Financing Agreement are amended and restated to read as set forth in Schedule 1 to this Agreement.

2. Section I.A. of Schedule 2 of the Original Financing Agreement is amended and restated to read as set forth in Section I.A of Schedule 2 of this Agreement.

3. Section IV.B.2 Of Schedule 2 to the Original Financing Agreement is deleted and replaced with the following:

"The Closing Date is February 28, 2021."