Financing Agreement

(Sustainable and Inclusive Agribusiness Development Project)

between

REPUBLIC OF SENEGAL

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated March 28, 2014
FINANCING AGREEMENT

AGREEMENT dated March 28, 2014, entered into between REPUBLIC OF SENEGAL ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

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

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to fifty-two million one hundred thousand Special Drawing Rights (SDR 52,100,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule I to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%).

2.05. The Payment Dates are April 15 and October 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 objective of the Project. To this end, the Recipient shall carry out the Project 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 Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals thereunder (other than the effectiveness of this Agreement) have been fulfilled.

(b) The Recipient has recruited a Project coordinator and a financial management specialist in accordance with the provision of Section I.A.2(a) of Schedule 2 to this Agreement.

(c) The Land Framework has been adopted in accordance with Section I.G of Schedule 2 to this Agreement.

(d) The Recipient has acquired and installed the accounting software referred to in Section II.B.5 of Schedule 2 to this Agreement.

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

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its minister in charge of finance.

5.02. The Recipient’s Address is:

Ministry of Economy and Finance
Rue René N’diaye
B.P. 4017
Dakar
Senegal
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 Dakar, Senegal, as of the day and year first above written.

REPUBLIC OF SENEGAL

By

Authorized Representative

Name: Amadou Ba
Title: Minister of Economy and Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Veronique Songue
Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to develop inclusive commercial agriculture and sustainable land management in the Project Areas.

The Project consists of the following parts:

Part A. Support to Sector Actors

1. Improved Rural Communities and Small-Scale Farmers’ Capacity

   (a) Carrying out a program of activities to strengthen the capacity, knowledge and involvement of Rural Communities in sustainable land management and in securing inclusive, beneficial and socially and environmentally sound partnerships with commercial agribusiness investors. Such program to include, *inter alia*: (i) assisting Rural Communities, through a participatory, informed and transparent process, in undertaking land rights inventories and planning, and in identifying parcels of land that they choose to make available for commercial agriculture; (ii) assisting Rural Communities in selecting private investors including small-scale operators and negotiating commercial agriculture contracts with said private investors which shall include sustained benefits, fair compensation and enforceable rights for the community; (iii) assisting Rural Communities in developing robust mechanisms for monitoring the implementation of investment contracts, including through the establishment of local land management offices; (iv) developing effective dispute resolution mechanisms; and (v) carrying out feasibility studies, including evaluation of land economic and agricultural value, and preparing master plans for the development of irrigation schemes in selected areas, all through the provision of technical advisory services, and acquisition of goods required for the purpose.

   (b) Carrying out a program of activities to strengthen the capacity of Small-Scale Farmers, through the provision of technical assistance and Training to: (i) establish Producers Associations and business partnerships with larger investors; and (ii) develop and implement a program for the use of sustainable land management practices in agriculture. Said program to include establishing demonstration sites on selected parcels and provision of equipment, and materials required for the purpose.
2. Improved Selected Key Stakeholders’ Capacity

(a) Providing technical advisory services to the Gaston Berger University for the development and implementation of sustainable land and water management vocational Training and applied research in selected agribusiness value chains for Small-Scale Farmers and small-and-medium enterprises (SMEs), and provision of goods required for the purpose.

(b) Carrying out a program of activities to assist the Recipient in enhancing the horticulture sector through: (i) developing and implementing a products’ marketing and certification framework; (ii) carrying out business opportunities feasibility studies along the horticulture value chains; (iii) assessing and piloting organic and/or fair trade certification; and (iv) providing equipment, materials and supplies required for the purpose.

(c) Rehabilitating Agropole to ensure better agro-processing quality services to producers in the Project Areas.

(d) Carrying out a program of activities to assist APIX in: (i) identifying and attracting investment in commercial agriculture and agribusiness; (ii) preparing marketing documents for parcels of land identified in accordance with the Land Framework; and (iii) preparing a model framework partnership agreement (“cahiers des charges”), through the provision of technical advisory services and acquisition of goods required for the purpose.

3. Support to the Land Management Process

Carrying out a program of activities to review the policy, legal and institutional frameworks governing the use and allocation of rural land as it relates to agribusiness investment and community rights and livelihoods. Said program to include, inter alia: (a) reviewing laws and practices in light of international best practices; (b) assessing capacity strengths and weaknesses in implementation by all involved actors and within Rural Communities; (c) identifying reforms that may be required in laws, institutions and practices to address identified constraints and weaknesses; and (d) preparing, in a participatory manner with Rural Communities, a mapping of agricultural land update, a cadastral plan showing the allocation of land rights to investors and community members, and including a mechanism by which information concerning related investments is made public.
Part B. Development of Irrigation Infrastructure and Sustainable Natural Resources Management

1. Irrigation Infrastructure and Water Resources Management in the Project Areas

   (a) Design, construction and equipping of primary canal irrigation infrastructure for water delivery in the Ngalam Valley.

   (b) Design, construction and equipping of: (i) secondary irrigation canals for 10,000 hectares of irrigated perimeters in the Project Areas; and (ii) tertiary irrigation schemes for Small-Scale Farmers in the Project perimeters and provision of basic technology packages to said farmers.

   (c) Development of supporting infrastructure in the Project Areas including, *inter alia:* (i) rehabilitation and/or construction of access roads; (ii) construction and equipping of storage and conditioning facilities and fences; and (iii) extension and expansion of electricity connections.

   (d) Carrying out a program of activities to improve the Recipient's water resources management in the Project Areas through: (i) conducting an environment audit; and (ii) designing and implementing an integrated water management plan.

2. Matching Grants

   Financing, through the provision of Matching Grants, of specific development projects ("Sub-projects") to SMEs and Producers Associations, consisting of tertiary irrigation infrastructure, technical advisory and business development services and Training to improve the productive capacity and competitiveness of SMEs, as well as their linkages with larger businesses in such areas as development of business plans, marketing and product design.

3. Sustainable Management of Classified Forests and Natural Reserves

   Developing and implementing community-led natural reserves and classified forests management plans in selected areas, through the provision of technical assistance, Training, and goods required for the purpose.

Part C. Project Coordination, Management, Communication, Monitoring and Evaluation

   Support to the Recipient in the areas of Project coordination, supervision, financial management, procurement, communication and outreach, supervision of implementation of the Safeguards Instruments and Land Framework, monitoring and evaluation including through the provision of technical assistance, Training, Operating Costs, goods and services for the required purpose.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Steering Committee

   In order to ensure the proper oversight of the Project and coordination among the Recipient’s ministries and agencies involved in the Project, the Recipient shall, not later than three months (3) after the Effective Date, establish, and thereafter maintain throughout the period of Project implementation, with terms of reference, mandate, composition and resources satisfactory to the Association, a steering committee chaired by the Minister in charge of agriculture and comprised of representatives of all key ministries, agencies, rural communities, civil society and related private institutions involved in the Project (“Steering Committee”).

2. Project Coordination Unit

   (a) In order to ensure proper and efficient implementation of the Project, the Recipient shall establish, and thereafter maintain at all times during Project implementation, a Project coordination unit, with a mandate, staffing and resources satisfactory to the Association (“Project Coordination Unit” or “PCU”). To this end: (i) (A) the Recipient shall employ and thereafter maintain at all times during Project implementation, a Project coordinator and a financial management specialist; and (B) by not later than four (4) months after the Effective Date, recruit and thereafter maintain at all times during Project implementation, two procurement specialists, an accountant, a monitoring and evaluation specialist, a sustainable land management and water management specialist, an environmental safeguard specialist, a social safeguard and community development specialist, and a communication specialist, each of whose qualifications, experience and terms of reference shall be acceptable to the Association; and (ii) the PCU shall be responsible for day to day Project coordination and implementation, including: (A) carrying out Project financial management and procurement activities; (B) preparing Annual Work Plans and budget; (C) ensuring compliance with the Safeguards Instruments and Land Framework for Project activities; and (D) ensuring monitoring and evaluation of Project activities and preparing Project progress reports and monitoring and evaluation reports.
In order to achieve the objectives of Part A.1 of the Project, the Recipient shall by not later than three (3) months after the Effective Date, employ in accordance with the provisions of Section III of Schedule 2 to this Agreement, and thereafter maintain at all times during Project implementation or as agreed with the Association, an implementation support consultant whose qualifications, experience and terms of reference shall be acceptable to the Association, to be responsible for assisting the Recipient in the implementation of Part A.1 of the Project, in accordance with terms and conditions as further detailed in the PIM, which shall include requirements for said implementation support consultant to enter into agreements with Rural Communities on the implementation of said Part A.1 of the Project, in a manner satisfactory to the Association.

3. **Technical Implementation Arrangements**

   The Recipient shall, by not later than four (4) months after the Effective Date, enter into agreements with SAED, APIX, National Agency for the Great Green Wall, respectively, in form and substance acceptable to the Association, for the implementation of some of the activities to be carried out under Parts A, and B of the Project.

4. **Project Implementation Manual**

   (a) The Recipient shall, not later than three (3) months after the Effective Date prepare, in accordance with terms of reference acceptable to the Association, and furnish to the Association, a proposed implementation manual for the Project containing detailed: (i) technical; (ii) administrative; (iii) procurement; (iv) financial and accounting; and (v) monitoring and evaluation procedures and arrangements, including land degradation, sustainable forest management and carbon tracking tools, for the Project. Said manual to further include, *inter alia*, an elaboration of the eligibility criteria and terms and conditions, and procedures for preparation, approval and monitoring and evaluation, of Matching Grants; and elaboration of the procedures for developing and implementing the Safeguard Documents and Land Framework.

   (b) The Recipient shall: (i) furnish such manual to the Association for review and approval; (ii) afford the Association a reasonable opportunity to exchange views with the Recipient on said manual; and (iii) thereafter adopt said manual as shall have been approved by the Association ("Project Implementation Manual" and "PIM").

   (c) The Recipient shall carry out the Project in accordance with the Project Implementation Manual, and shall not assign, amend, abrogate, or waive,
or permit to be assigned, amended, abrogated, or waived, the aforementioned manual, or any provision thereof, without the prior written agreement of the Association.

(d) Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the Project Implementation Manual and those of the Financing Agreement, the provisions of the Financing Agreement shall prevail.

B. Annual Work Plan

1. The Recipient shall prepare, in accordance with terms of reference acceptable to the Association, and furnish to the Association not later than November 30 of each calendar year throughout the implementation of the Project, a work plan of activities proposed for inclusion in the Project for the next calendar year, including: (a) a detailed timetable for the sequencing and implementation of these activities; (b) the types of expenditures required for such activities and a proposed financing plan (including counterpart funds to be provided by the Recipient) for such expenditures; and (c) each Safeguard Document required for such activities pursuant to Section I.E of this Schedule and the measures proposed to be carried out under such Safeguard Document.

2. The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on such proposed work plan; and, thereafter, carry out such work plan during the period covered by said plan, according to such budget, both as shall have been approved by the Association ("Annual Work Plan").

3. Only such activities as shall have been included in the Annual Work Plan shall be eligible for inclusion in the Project and for financing out of the proceeds of the Financing.

C. Anti-Corruption

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

D. Sub-projects

1. The Recipient shall make Matching Grants to Beneficiaries for Sub-projects in accordance with eligibility criteria and procedures set forth in the PIM and acceptable to the Association, which shall include the following:

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

(i) the proposed Sub-project: (A) is designed to encourage private investments by small and medium enterprises in the Project Areas; (B) is technically feasible and economically and financially viable; and (C) if, pursuant to the Safeguard Frameworks, one or more Safeguard Documents for the Sub-project are required, such Safeguard Documents have been prepared and approved by the Association in accordance with the provisions of paragraph (c) of this Section I.D.1 and all measures required to be taken in accordance with Section I.E. of Schedule 2 to this Agreement prior to commencement of the activities covered by the Safeguard Documents have been taken; and

(ii) the proposed Beneficiary: (A) is a natural person or a legal entity established and operating under the laws of the Recipient with the organization, management, technical capacity and financial resources necessary to carry out the proposed Sub-project; (B) has prepared a satisfactory business plan, including financing plan and budget, and a satisfactory implementation plan for the proposed Sub-project; and (C) has demonstrated the capacity, and has committed to finance at least 20% of the total estimated cost of the Sub-project out of its own resources.

(b) The maximum amount: (i) of all Matching Grants to a single Beneficiary shall not exceed the equivalent of $200,000; and (ii) of each Matching Grant for a Sub-project shall not exceed the lesser of: (A) the equivalent of $200,000; and (B) 80% of the total estimated cost of the Sub-project.

(c) Each Matching Grant in an amount equivalent to $200,000 or more, and each Matching Grant for a Sub-project requiring a Safeguard Document shall be subject to the Association’s prior written approval and shall only be eligible for financing under the Financing if and to the extent approved by the Association.

2. The Recipient shall make each Matching Grant under a Matching Grant Agreement with the respective Beneficiary on terms and conditions approved by the Association, which shall include the following:

(a) The Matching Grant shall be made on a non-reimbursable grant basis.

(b) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:
(i) suspend or terminate the right of the Beneficiary to use the proceeds of the Matching Grant, or obtain a refund of all or any part of the amount of the Matching Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Matching Grant Agreement; and

(ii) require each Beneficiary to:

(A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Safeguard Frameworks (and any Safeguard Document required for the Sub-project pursuant to the Safeguard Frameworks), and the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient;

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

(C) procure the goods and services to be financed out of the Matching Grant in accordance with the provisions of Section III of this Schedule;

(D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Sub-project and the achievement of its objectives;

(E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect its operations, including the operations, resources and expenditures related to the Sub-project; and (2) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association, and permit the Association to make such statements as so audited
available to the public, along with the Matching Grant Agreement;

(F) enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents; and

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

3. The Recipient shall exercise its rights and carry out its obligations under each Matching 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 Matching Grant Agreement or any of its provisions.

E. Safeguards

1. The Recipient shall carry out the Project in accordance with the Safeguard Frameworks and all Safeguard Documents. To this end, the Recipient shall take the following measures:

(a) If any activities included in a proposed Annual Work Plan 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; (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 for the Association as part of the Annual Work Plan; (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 would, pursuant to the RPF, require the carrying out of a RAP, no such activities shall be implemented unless and until:
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; (B) disclosed as required by the RPF; and (C) approved by the Association; 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.

2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the Association every calendar semester, reports, in form and substance satisfactory to the Association, on the status of compliance with the Safeguard Instruments, giving details of:

(a) measures taken in furtherance of such Safeguard Instruments;

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

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

3. The Recipient shall afford the Association a reasonable opportunity to review the reports prepared under paragraph 2 of this Part E, 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.

F. **Dam Safety**

1. In order to ensure the proper management, operations and maintenance and safety of the Diama and Manantali Dams in the Project Areas, the Recipient shall, by not later than three (3) months after the Effective Date: (1) in accordance with terms of reference satisfactory to the Association: (a) carry out a study of risks of inundation and related potential uncontrolled release of water from the Diama and Manantali Dams; (b) prepare an operation and maintenance plan and emergency preparedness plan for the Diama and Manantali Dams based on the results of said study; (c) furnish said study and plans to the Association for
its review; and (d) adopt and implement said plans taking into account the views of the Association on the matter; and (2) enter into an agreement with the OMVS to ensure that the OMVS shall carry out safety inspection of said Dams at intervals of not less than once every five years during the implementation of the Project, by independent experts, including a civil structure and dam safety specialist, whose terms of reference, qualifications, and experience shall be satisfactory to the Association.

G. Land Framework

1. The Recipient shall prepare a land framework embodying the principles and procedures set forth in annex 10 to the Resettlement Policy Framework; said framework to include, inter alia: (a) procedures and sequencing for the participatory, transparent, informed and voluntary community-based identification of land for potential agribusiness investment; and (b) criteria and procedures for land consolidation, allocation, establishment of land use rights, leasing of land to Rural Communities and subleasing to private investors.

2. The Recipient shall: (a) furnish such framework to the Association for review and approval; (b) afford the Association a reasonable opportunity to exchange views with the Recipient on said framework; (c) thereafter adopt said framework as shall have been approved by the Association (the “Land Framework”); and (d) carry out the Project in accordance with the Land Framework and shall not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, the aforementioned manual, or any provision thereof, without the prior written agreement of the Association.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

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

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

4. The Recipient shall recruit, not later than four (4) months after the Effective Date: (a) 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; and (b) an internal auditor, whose qualifications and experience and terms of reference shall be acceptable to the Association.

5. The Recipient shall acquire, install and thereafter maintain an accounting software 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 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) National Competitive Bidding subject to the additional provisions listed in paragraph 3 below; (b) Shopping; and (c) Direct Contracting.

3. The following provisions apply to National Competitive Bidding: (a) bids shall be advertised in national newspapers with wide circulation; (b) bid evaluation, bidder qualification and award criteria shall be specified clearly in the bidding documents; (c) bidders shall be given an adequate response time (minimum four weeks following the date of the invitation to bid or the date of availability of the bidding documents, whichever is later) to prepare and submit bids; (d) bids shall be awarded to the lowest evaluated bidder; (e) eligible bidders, including foreign bidders, shall not be precluded from participating; and (f) no preference margin shall be granted to domestic contractors.

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) Selection based on Consultants’ Qualifications; (b) Single-source Selection; and (c) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines 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 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 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 Part B.2)</td>
<td>47,500,000</td>
<td>92.7%</td>
</tr>
<tr>
<td>(2) Matching Grants under Part B.2 of the Project</td>
<td>2,600,000</td>
<td>100% of amounts disbursed, payable under the respective Matching Grants</td>
</tr>
<tr>
<td>(3) Refund of Preparation Advance</td>
<td>2,000,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>52,100,000</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 December 31, 2019.
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 April 15 and October 15:</td>
<td></td>
</tr>
<tr>
<td>commencing April 15, 2024 to and including October 15, 2033</td>
<td>1%</td>
</tr>
<tr>
<td>commencing April 15, 2034 to and including October 15, 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

1. “Agropole” means a majority Recipient-owned agro-processing facility established and operating under the Recipient's laws.

2. “Annual Work Plan” means each annual work plan, together with the related budget and any required Safeguard Documents, for the Project approved by the Association pursuant to the provisions of Section I.B of Schedule 2 to this Agreement.


4. “APIX” means a majority Recipient-owned limited liability corporation established and operating under the APIX Legislation and which is responsible for investment promotion activities and large civil works programs in the Recipient’s territory.


6. “Beneficiary” means a small-and-medium enterprise or a Producers Association to which the Recipient has extended a Matching Grant under a Matching Grant Agreement for a Subproject; “Beneficiaries” means more than one Beneficiary.

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

8. “Co-financier” means the GEF.

9. “Co-financing” means for purposes of paragraph 11 of the Appendix to the General Conditions, an amount of approximately $6,000,000, to be provided by the Co-financier to assist in the financing of the Project.

10. “Co-financing Agreement” means the GEF Grant Agreement (as defined hereinafter), entered into or to be entered into between the Recipient and the International Bank for Reconstruction and Development acting as implementing agency of the GEF, providing for the Co-financing.

12. "Diama Dam" means the reservoir located in the Project Area and all its related structures.

13. "Displaced Person" means a person who, on account of the execution of an activity under 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; "Displaced Persons" means all such persons.

14. "Environmental and Social Impact Assessment" and "ESIA" each, means for a given activity included in the Project, the environmental and social impact assessment of said activity to be carried out in accordance with the ESMF and pursuant to provisions of Section I.E.1(a) of Schedule 2 to this Agreement; and "ESIAs" means more than one ESIA.

15. "Environmental and Social Management Framework" and "ESMF" each means the Recipient’s framework entitled “Environmental and Social Management Framework”, disclosed in the Recipient’s territory on August 10, 2012 and at the Association’s Infoshop on August 1, 2012, 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.

16. "Environmental and Social Management Plan" and "ESMP" each 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.1 of Schedule 2 to this Agreement; and “ESMPs” means more than one ESMP.

17. “Fiscal Year” means the twelve month period commencing January 1 and ending on December 31.

18. “Gaston Berger University” means an academic institution of higher education and research established and operating under the laws of the Beneficiary.
19. "GEF Grant Agreement" means the grant agreement, for the Project, of the same date as this Agreement, between the Recipient and the Bank acting as an implementing agency of the Global Environmental Facility, providing for the GEF Grant.

20. "GEF Grant" means a grant in the amount of six million Dollars (US $6,000,000) provided under the GEF Grant Agreement to assist in financing of the Project.


22. "Global Environmental Facility" and "GEF" each means the trust fund established in 1991 by a resolution of the Bank’s executive directors as a program to assist in the protection of the global environment and to promote environmentally sound and sustainable economic development.

23. "IBRD" means the International Bank for Reconstruction and Development.

24. "Land Framework" means the land framework to be adopted by the Recipient in accordance with the provisions of Section I.G of Schedule 2 to this Agreement.

25. "Manantali Dam" means the reservoir located in the Project Area and all its related structures.

26. "Matching Grant" means a grant made or to be made by Recipient out of the proceeds of the Financing to a Beneficiary for a Subproject.

27. "Matching Grant Agreement" means an agreement between the Recipient and a Beneficiary providing for a Matching Grant.

28. "National Agency for Great Green Wall" means an independent public entity responsible for the implementation of the great green wall initiative in the Recipient's territory and established pursuant to the Recipient's Decree No. 2008/1521 dated 31/12/2008, as may be amended from time to time.

29. "Ngalam Valley" means an area in the Recipient's territory.

30. "Organisation pour la Mise en Valeur du fleuve Sénégal" and "OMVS" each means a joint cooperation between Mali, Mauritania, Guinea and Senegal for the development and management of the Senegal River and governed by four agreements signed on March 11, 1972.

31. "Operating Costs" means the reasonable incremental operating expenses, approved by the Association under each Annual Work Plan, on account of the Project, including office supplies, bank charges, staff salaries, travel and
supervision costs, \textit{per diem}, but excluding the salaries of officials and public servants of the Recipient's civil service.

32. "Pest Management Plan" and "PMP" each means the Recipient's pest management plan for the Project dated August 2012, disclosed in the Recipient's territory on August 10, 2012 and at the Association's \textit{Infoshop} on August 1, 2012, 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.

33. "Preparation Advance" means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on December 8, 2011 and on behalf of the Recipient on December 23, 2011.


35. "Procurement Plan" means the Recipient's procurement plan for the Project, dated November 4, 2013 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.

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

37. "Project Areas" means the Recipient's regions of the \textit{Lac de Guiers} and the \textit{Ngalam Valley}.

38. "Project Coordination Unit" and "PCU", each means the unit to be established under the Project in accordance with Section I.A.2 of Schedule 2 to this Agreement.

39. "Project Implementation Manual" and "PIM" each means the manual for the Project to be prepared and adopted in accordance with the provisions of Section I.A.4 of Schedule 2 to this Agreement.

40. "Resettlement Action Plan" and "RAP" each means a resettlement action plan to be prepared and implemented in accordance with the RPF and pursuant to the
provisions of Section E.2 of Schedule 2 to this Agreement; and “RAPs” means more than one such RAP.

41. “Resettlement Policy Framework” and “RPF” each means the Recipient’s framework entitled “Resettlement Policy Framework”, disclosed in the Recipient’s territory on November 4, 2013 and at the Association’s Infoshop on October 30, 2013 and containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons.

42. “Rural Community” means a local community established by the Recipient’s law no. 72-25 dated April 19, 1972, which is responsible, inter alia for the management of land as specified in the Recipient’s law no. 64-46 dated June 17, 1964 as said laws may be amended from time to time; and “Rural Communities” means more than one Rural Community.


44. “Safeguards Documents” means any ESIA, ESMP, RAP, or other supplemental social and environmental safeguard documents as required under the terms of the Safeguard Frameworks.

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

46. “Safeguards Instruments” means, collectively, the Safeguards Frameworks and the Safeguard Documents.

47. “Senegal River” means a river in West Africa, of 1790 km length, which has its source in Guinea and runs through Mali, Mauritania and Senegal.

48. “Small-Scale Farmer” means a farmer exploiting an area of less than 5 acres in the Project Area, and “Small-Scale Farmers” means more than one Small-Scale Farmer.

49. “Steering Committee” means the steering committee to be established under the Project in accordance with Section I.A.1 of Schedule 2 to this Agreement.

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

51. “Training” means the training of persons involved in Project-supported activities, such term including seminars, workshops, and study tours, and costs associated with such activity include travel and subsistence costs for training participants,
costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.