August 11, 2015

His Excellency Wilson Laleau
Minister of Economy and Finance
Ministère de l’Economie et des Finances
5, Avenue Charles Sumner
Port-au-Prince
Republic of Haiti

Re: Republic of Haiti: Grant Number H741-0-HT
Relaunching Agriculture: Strengthening Agriculture Public Services II Project
Amendment to the Financing Agreement

Excellency:

We refer to the Financing Agreement between the Republic of Haiti (Recipient) and the International Development Association (Association) dated January 11, 2012 with regard to the above-captioned Project (the Financing Agreement). We also refer to your request dated April 8, 2015, requesting the Association to amend the Financing Agreement.

We are pleased to inform you that the Association has, after due consideration, acceded to your request. Accordingly, the Financing Agreement is hereby amended as follows:

1. Schedule 1 to the Financing Agreement is amended to read as set forth in Attachment 1 to this Amendment Letter.

2. Section I of Schedule 2 is amended to read as set forth in Attachment 2 to this Amendment Letter.

3. Section III.B.2 of Schedule 2 is amended to read as follows:

   "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 for those contracts which are specified in the Procurement Plan: (a) National Competitive Bidding; (b) Shopping; (c) Direct Contracting; and (d) Procedures set forth in paragraph 3.13 of the Procurement Guidelines for goods, works and Non-consulting services."

4. Section III.C.2 (f) of Schedule 2 is deleted and the paragraph shall read as follows:

   "2. Other Methods of Procurement of Consultants' Services. The following methods of procurement, other than Quality and Cost-based Selection may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of..."
consulting firms; (f) Selection of UN Agencies; (g) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (h) Single-source procedures for the Selection of Individual Consultants.”

5. The table in Section IV.A.2 of Schedule 2 is amended to read as set forth in Attachment 3 to this Amendment Letter.

6. Schedule 3 is amended to read as set forth in Attachment 4 to this Amendment Letter.

7. The Appendix to the Financing Agreement is amended to read as set forth in Attachment 5 to this Amendment Letter.

8. Please be advised that the Association has established June 30, 2018 as the later date for purposes of Section IV.B.3 of Schedule 2 to the Financing Agreement.

9. Except as specifically amended in this Amendment Letter, all other terms and conditions of the Financing Agreement shall remain in full force and effect.

Please confirm your agreement to the foregoing by countersigning both copies of this Amendment Letter and returning one of the countersigned copies to us. This Amendment Letter will become effective upon receipt of: (i) the countersigned original of this Amendment Letter; (ii) the revised Operational Manual, satisfactory to the Association.

Please also note that the restructuring paper approved on July 2, 2015 will be disclosed on the Association’s external website as per the Association’s policy on access to information.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Mary A. Barton-Dock
Special Envoy to Haiti
Latin America and the Caribbean Region

AGREED:

REPUBLIC OF HAITI

By: ________________________________
Authorized Representative

Name:/william/shakey
Title: Ministre, ECO, & Finance
Date: 16/08/2015
Attachment 1

"SCHEDULE 1

Project Description

The objectives of the Project are to: (a) reinforce the capacity of the Ministry of Agriculture, Natural Resources and Rural Development to provide or facilitate access to services in the agricultural sector; (b) increase market access to small producers and food security in Selected Areas; and (c) provide financial assistance in the case of an Agriculture Sector Emergency.

The Project consists of the following parts:

**Part 1: Agricultural Support Services**

Provision of consultants’ services, non-consulting services, goods, training/workshops, operational costs and carrying out works to strengthen MARNDR’s capacity to provide and/or facilitate access to agricultural and extension services through, inter alia:

1.1. (a) the design, renovation, construction and initial equipment for an agricultural middle school; (b) the strengthening of the Agricultural Extension Steering Committee; (c) the preparation and dissemination of an executive summary of the national extension strategy; and (d) the preparation and dissemination of agricultural innovations and good practices based on a diagnostic conducted in the Recipient’s territory.

1.2. the financing of: (a) the collecting, analysis and dissemination of sectoral information, including producer and/or consumer prices in Selected Areas of the Recipient’s territory; (b) the broadcasting of market prices for food products through SMS and community radios and the display of prices in *inter alia* urban and rural markets, the Directions Départementales Agricoles and the Bureau Agricoles Communaux.

1.3. the improvement of sanitary and phyto-sanitary services (SPS) to increase the production of quality food, public health, environmental protection and competitiveness of the agriculture sector through:

   (a) the design, rehabilitation and/or construction of infrastructure including: (i) the construction and initial equipment of the central administrative building for consolidated SPS and four decentralized technical administrative centers; and (ii) the strengthening of quarantine infrastructure and services through the construction, initial equipment and supplies of three new centers and the rehabilitation of two supplementary centers to ensure sanitary control of animal and vegetal products for imports and exports;

   (b) the provision of support to MARNDR for the development of new regulations and the revision and distribution of SPS standards;

   (c) the strengthening of the laboratory system and quality control of food through: (i) the equipment and provision of basic equipment and supplies for decentralized laboratories; (ii) new infrastructure; and (iii) the training of laboratory technicians;
(d) the strengthening of the animal health through the financing of inter alia: (i) the design and delivery of training to private veterinary professionals and/or volunteers in charge of epidemiological surveillance; (ii) vaccination and epidemiological surveillance; (iii) vaccination campaigns and the carrying out of prevalence studies before and after said campaigns to measure their impact; (iv) the identification of livestock for the strengthening of a national livestock identification system; and (v) the design of a database related to the tagging of cattle and the training of agents in charge of tagging animals and providing controls at slaughterhouses; and

(e) the strengthening of the plant health through the financing of inter alia: (i) programs to support the control and the fight against the mango fruit fly and the cochineal; and (ii) the construction of several greenhouses to test biological tools to fight diseases.

Part 2: Direct Support to Producers and Associations

Providing agricultural support and extension services to producers and association and facilitating their access to such services through:

2.1. the design and implementation of a scheme for improved agriculture services in Selected Areas of the Recipient’s territory including: (a) the scaling up of an electronic farmer registry and service provider registry covering the Selected Areas; (b) the carrying out of a Farmer Subsidy Scheme for Eligible Farmers in the farmer registry who adopt improved, environmentally sound, climate smart input and/or higher-income generating agriculture technologies for the production of selected crops; (c) the setting-up of farmer-field-schools for producers to improve production techniques; and (d) the building of relevant capacity of the Recipient’s support service structures, private service providers, extension agents, and MARNDR staff for an optimal implementation of the Farmer Subsidy Scheme, all through the provision of technical assistance, training, the acquisition of goods, services, Operational Costs and the carrying out of works.

2.2. (a) the establishment and carrying out of a Market Support Facility to provide matching-grants to producer Organizations to: (i) conduct applied research on agricultural supply chains with export potential, food security potential or environmental/nutritional impact; (ii) strengthen producer-based Organizations, their administration, management, leadership or capacity of groups to increase sales and profits; (iii) provide technical assistance and investment support to Organizations for production, post-harvest and agribusiness development, focused on improving productivity, quality, value added, and/or reducing production and post-harvest losses; and (iv) provide support to Service Providers in the agriculture sector to have access to better technology and inputs; and (b) the strengthening of the Tables de Concertations and the MARNDR’s institutional capacity through, inter alia, the provision of technical assistance, the carrying out of training (including studies, workshops and exchange visits) and the acquisition of equipment.

Part 3: Emergency Response Contingent Reserve

3.1. Provision of support upon occurrence of an Agriculture Sector Emergency.
Part 4: Institutional Strengthening, Monitoring and Evaluation Project Management and Studies

4.1. Provision of consultant’s services, non-consulting services, goods, training/workshops, operational costs and carrying out of works for: (a) the day-to-day management and coordination of the Project, compliance with safeguard, gender and nutrition, monitoring and evaluation; and (b) the strengthening of MARNDR’s units such as: (i) the planning and evaluation unit; (ii) the information technology department; (iii) the newly created unified procurement unit for all donor-funded projects; and (iv) the unified financial management unit currently being planned for all donor-funded projects.”
Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Recipient, through MARNDR, shall maintain at all times during Project implementation, a Coordination Unit with a structure, functions and responsibilities acceptable to the Association and reflected in the Operational Manual. The Recipient, through MARNDR, shall ensure that the Coordination Unit is, at all times during Project implementation, led by a Project coordinator and assisted by adequate professional, technical and administrative staff (including procurement, financial management and environmental specialists), all operating under terms of reference satisfactory to the Association. The Coordination Unit shall, inter alia, be responsible for facilitating coordination during Project implementation.

2. The Recipient, through MARNDR, shall, not later than February 28 of each year of Project implementation: (a) submit to the Association, annual Project work plans and budgets for its prior review and approval for Parts 1, 2 and 4 of the Project; and (b) carry out each plan in a manner consistent with the terms of this Agreement.

3. The Recipient, through MARNDR, shall ensure that: (a) reviews with respect to the progress in the implementation of the Project and the periodicity therefor as described in the Operational Manual, including the Farmer Subsidy Scheme and the Market Support Facility, are carried out jointly with the Association; and (b) the implementation of the Project is subsequently carried out, taking into account the views and recommendations of the Association in that respect, if any.

B. Operational Manual

1. The Recipient, through MARNDR, shall carry out the Project in accordance with an operational manual, satisfactory in form and substance to the Association, which consists of different schedules setting forth, respectively, rules, methods, guidelines, specific development plans, standard documents and procedures for the carrying out of the Project, including the following:

   (a) the detailed description of all Project activities considered under this Agreement, their sequencing and the prospective timetable and benchmarks in relation thereto;

   (b) the Project administrative, financial, accounting, auditing, procurement and disbursement procedures, including all relevant standard documents;

   (c) (i) the eligibility criteria for Eligible Farmers to participate in the Farmer Subsidy Scheme; and (ii) the conditions and procedures for receiving Farmer Subsidy Scheme Payments;

   (d) (i) the eligibility criteria for Organizations to participate in the Market Support Facility; and (ii) the conditions and procedures for receiving Sub-grants under the Market Support Facility;
(e) the model form of the Sub-grant Agreement;

(f) the Negative List;

(g) the ESMF; and

(h) the monitoring indicators for the Project.

2. The Recipient shall: (a) maintain the OM throughout Project implementation; (b) take all measures necessary to ensure that the Project is carried out in conformity with the OM; and (c) only amend the OM, from time to time, with the Association’s prior consent.

3. In case of a conflict between any provision of the OM and those under this Agreement, the provisions of this Agreement shall prevail.

C. Farmer Subsidy Scheme

Before carrying out the Farmer Subsidy Scheme under Part 2.1 of the Project, the Recipient, through MARNDR, shall:

1. Select and appoint in accordance with the provisions of Section III.C of Schedule 2 to this Agreement and pursuant to terms of reference previously agreed with the Association, one or several Operators with whom a Service Agreement shall be entered into, satisfactory to the Association, with respect to the technical implementation and supervision of the Farmer Subsidy Scheme.

2. (a) Select and appoint, in accordance with the provisions of Section III.C of Schedule 2 to this Agreement and pursuant to terms of reference previously agreed with the Association, a Financial Agent acceptable to the Association, to administer all payments and financial transfers under the Farmer Subsidy Scheme; and (b) enter into a Financial Agency Agreement satisfactory to the Association, with the Financial Agent. The Financial Agency Agreement shall incorporate, inter alia, the provisions of the Anti-Corruption Guidelines applicable to recipients of Grant proceeds.

3. Cause the Financial Agent to make Farmer Subsidy Scheme Payments available to Eligible Suppliers of goods, works and services in accordance with detailed provisions, procedures, sequencing and timing in relation thereto, set forth in the Operational Manual, and including, inter alia, the following:

   (a) Farmer Subsidy Scheme Payments shall be released by the Financial Agent and made available to Eligible Suppliers upon evidence of delivery of eligible goods, works or services to Eligible Farmers after initial validation of their registration in a national farmer registry shall have been made by the Operators and the related information received by the Association, in respect of the Selected Areas, all as set forth in the Operational Manual; and

   (b) the validation of the adherence of Eligible Farmers against the relevant performance indicators set forth in the Operational Manual shall be made
through the use of independent external technical audits carried out by auditors appointed by MARDNR for that purpose, in accordance with the provisions of Section III of Schedule 2 to this Agreement and pursuant to terms of reference satisfactory to the Association. Each audit shall cover the period of one fiscal year of the Recipient and shall be furnished to the Association not later than four months after the end of such period.

4. Exercise its rights and carry out its obligations under each Service Agreement and/or Financial Agency Agreement, as applicable, in such manner as to protect the interest 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 amend, assign, abrogate, suspend, terminate, waive or fail to enforce any Service Agreement or Financial Agency Agreement or any of their provisions.

5. In case of conflict among the provisions of the Service Agreement and Financial Agency Agreement and those under this Agreement, the provisions of this Agreement shall prevail.

D. Market Support Facility

1. The Recipient, through MARDNR, shall during Project implementation, operate and maintain a Market Support Facility under Part 2.2 of the Project with a structure, functions, responsibilities and staff acceptable to the Association.

2. The Recipient, through MARDNR, shall appoint one or several Operators based on terms of reference acceptable to the Association, to assist Organizations in the preparation of their proposals. The Recipient shall make Sub-grants to Organizations, in accordance with eligibility criteria and procedures satisfactory to the Association and specified in the Operational Manual, which shall include the following:

   (a) a pre-screening by the Recipient, through MARDNR, of the eligibility of Organizations to submit proposals;

   (b) the selection of Organizations submitting Sub-project proposals, based on procedures satisfactory to the Association, which shall include the following:

      (i) each potential Organization shall provide evidence, acceptable to the Association, of its capacity to provide the required counterpart financing of the proposed Sub-project, as set forth in the Operational Manual;

      (ii) all potential Organizations, other than individual farmers, shall be a legally established entity; and

      (iii) each potential Organization, non-governmental organization shall have written authorization to represent the relevant farmers or farmers groups, as the case may be; and
a review and approval by MSF of the relevant Sub-project proposal, on the basis of a detailed evaluation, pursuant to eligibility criteria and procedures acceptable to the Association, which shall include the following:

(i) unless otherwise agreed by the Association, the amount of the proposed Sub-grant shall be no more than the amount specified in the Operational Manual;

(ii) the Sub-grant shall only finance the purchase of equipment, works, goods, consultants’ services, Non-consulting Services and/or Training;

(iii) no Sub-grants shall finance any activity included in the Negative List; and

(iv) the proposed Sub-project shall comply with the provisions of the ESMF.

3. Upon approval of a Sub-project proposal, the Recipient, through MARNDR, shall make each Sub-grant available to the pertinent Organization, under a Sub-grant Agreement to be entered into between the Recipient, through MARNDR, and said Organization, on terms and conditions satisfactory to the Association, which shall include the following:

(a) the Recipient, through MARNDR, 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 Organization to use the proceeds of the Sub-grant, or to obtain a refund of all or any part of the amount of the Sub-grant then withdrawn, upon the Organization’s failure to perform any of its obligations under the Sub-grant Agreement; and

(ii) require each Organization 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 ESMF and the Anti-Corruption Guidelines applicable to recipient of Grant proceeds other than the Recipient; (B) ensure that the Sub-project does not include any activities mentioned in the Negative List; (C) procure the goods, works, consultants’ services and Non-consulting Services to be financed out of the Sub-grant 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 Sub-project and the achievement of its objectives; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (2) at the Association’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the
Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (F) enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents; and (G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

4. The Recipient, through MARNDR, shall exercise its rights and carry out its obligations under each Sub-grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the objective of the Project. Except as the Association shall otherwise agree, the Recipient, through MARNDR, shall not assign, amend, abrogate, terminate, waive or fail to enforce any Sub-grant Agreement or any of its provisions.

E. Agriculture Sector Emergency Expenditures under Part 3 of the Project

1. In an event of an Agriculture Sector Emergency, the Recipient shall: (a) clearly establish a causal relationship between the relevant Agriculture Sector Emergency and the need to withdraw the proceeds of the Grant allocated to Category (2) of the table in Section IV; and (b) prepare and furnish to the Association a list of potential Emergency Recovery and Rehabilitation Subprojects, including a procurement plan and a proposed flow of funds, and the implementation arrangements, all acceptable to the Association.

2. The Recipient shall exchange views with the Association on the proposed Emergency Recovery and Rehabilitation Subprojects, and shall thereafter adopt, and carry out the activities under such list, as agreed with the Association.

3. Prior to implementing the Emergency Recovery and Rehabilitation Subprojects, the Recipient shall carry out all fiduciary, social and environmental assessments required by the Association (under terms of reference satisfactory to the Association and with scope and detail satisfactory to the Association) and prepare and implement all plans required by the Association (under terms of reference satisfactory to the Association and with scope and detail satisfactory to the Association).

4. Notwithstanding the Negative List, an investment activity shall only be included in the pertinent Emergency Recovery and Rehabilitation Subproject if:

(a) it is initiated in response to an Agriculture Sector Emergency and the Recipient has not rescinded its declaration of an Agriculture Sector Emergency declaration;

(b) it aims to provide emergency support to affected farmers and/or repair or rehabilitate agricultural infrastructure damaged by the event of an Agriculture Sector Emergency;

(c) the Association has reviewed and approved the Emergency Recovery and Rehabilitation Subproject prior to such an Emergency Recovery and Rehabilitation Subproject's initiation if the Emergency Recovery and Rehabilitation Subproject: (i) is estimated to cost in excess of $750,000 equivalent; (ii) would affect or take place in a national or municipal protected area or buffer zone thereof that has no official management plan in place; (iii) is
estimated to cost in excess of $300,000 equivalent and involves re-establishment or rehabilitation of infrastructure before it was damaged by the event of Agriculture Sector Emergency in question; or (iv) is estimated to cost in excess of $300,000 equivalent and involves repair, re-establishment or rehabilitation of infrastructure in such a way that the resulting infrastructure would have greater production output capacity by ten percent or more and/or greater service capacity by ten percent or more than the original pre-damage infrastructure; and

(d) the requirements set forth in subparagraphs (a) to (c) of this paragraph have been met and contracts for the execution for the investment activity have been awarded and signed (and on-site work under such contracts has commenced) after forty-five (45) calendar days, but no more than one hundred and eighty (180) calendar days, have passed since the declaration of an Agriculture Sector Emergency referred to in subparagraph (a) of this paragraph.

5. On an exceptional basis, the 45 calendar day limit set forth in paragraph 4(d) of this Section, as well as the 180 calendar day limit set forth in said paragraph, may, before the relevant limit expires, be extended in writing by the Association for a particular commencement of any activity under Part 3 of the Project if the nature of the disaster is such as to justify, in the Association’s opinion, delays in the commencement of such work.

F. Anti-Corruption

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

G. Safeguards

1. The Recipient, through MARNDR, shall ensure that the Project is carried out in accordance with the ESMF and the Pest Management Plan, including the guidelines, rules and procedures defined in said ESMF or Pest Management Plan. To this end, if an environmental and social management plan or similar safeguard instrument would be required on the basis of the ESMF, the Recipient shall specifically take the following actions, in a manner acceptable to the Association:

(a) such environmental and social management plan or similar safeguard instrument shall be prepared in accordance with the requirements of the ESMF, disclosed locally and furnished to the Association for approval; and

(b) the pertinent Project activity shall be carried out in accordance with such environmental and social management plan or similar safeguard instrument as approved by the Association.

2. The Recipient shall include in the Project Reports referred to in Section II.A of this Schedule, adequate information on the implementation of the ESMF, the Pest Management Plan, any environmental management plan or similar safeguard instrument, giving details of:

(a) measures taken in furtherance of the ESMF, the Pest Management Plan or similar safeguard instrument;
(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the ESMF, the Pest Management Plan, any environmental and social management plan or similar safeguard instrument; and

(c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of the ESMF, the Pest Management Plan, any environmental and social management plan or similar safeguard instrument.

3. The Recipient, through MARNDR, shall ensure that any works to be carried under the Project do not involve any Involuntary Resettlement."
<table>
<thead>
<tr>
<th>&quot;Category&quot;</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, Non-consulting Services, Consultants’ Services, Training and Operating Costs under Parts 2 and 4 of the Project</td>
<td>2,708,943</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, Works, Non-consulting Services, Consultants’ Services, Training and Operating Costs under Parts 1, 2 and 4 of the Project</td>
<td>10,641,057</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, Works, Non-consulting services, Consultants’ services and Operation Costs under Part 3 of the Project</td>
<td>1,250,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Goods, Works, Non-consulting services, Consultants’ services, Training and Operating Costs under Part 2 of the Project for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Farmer Subsidy Scheme Payments and;</td>
<td>4,250,000</td>
<td></td>
</tr>
<tr>
<td>(b) Sub-Grants under the Market Support Facility</td>
<td>6,250,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>25,100,000</td>
<td></td>
</tr>
</tbody>
</table>
"SCHEDULE 3

List of Prohibited Activities under Parts 2 and 3 of the Project

1. Dam construction, reconstruction, rehabilitation or strengthening.

2. Activities affecting natural protected areas recognized as national or municipal protected areas (or buffer zones thereof), other than as required to mitigate damage caused by the Emergency.

3. Land clearance and leveling (when affecting critical natural habitats and natural land contours, natural habitats for this purpose being those water or land areas where most of the original plant and animal species are present), except for clearing or debris resulting from the Emergency.

4. Land reclamation (i.e., drainage of wetlands or filing of water bodies to create land).

5. Hazardous waste management and disposal, as well as manufacture, transport and use of pesticides classified as Class I (1a, 1b) highly toxic and other hazardous and/or toxic materials (except small amounts of solvents, degreasing materials, paints, fuels and the like used during construction). However, pesticides of Class II (medium toxicity) and Class III (very low toxicity and not toxic to non-target organisms) could be purchased by the Recipient under the conditions defined in the project’s Environmental Safeguards Instruments (the ESMF and the Pest Management Plan (PMP)), including the guidelines, rules and procedures defined in the said ESMF and PMP documents.

6. River training (i.e., realignment, contraction or deepening of an existing river channel, or excavation of a new river channel).

7. Activities involving industrial plants (large-scale) and industrial estates.

8. New road construction or major upgrading or realignment of roads (major means: changing the road category, such as from seasonal to all-weather or secondary to primary; adding new lanes; or changing road surface).

9. (a) Activities which involve:

(i) (A) any river, canal, lake or similar body of water that forms a boundary between, or any river or body of surface water that flows through, two or more states, whether Association members or not; (B) any tributary or other body of surface water that is a component of any waterway described in (A) immediately above; and (C) any bay, gulf, strait or channel bounded by two or more states or, if within one state, recognized as a necessary channel of communication between the open sea and other states and any river flowing into such waters;

(ii) hydroelectric, irrigation, flood control, navigation, drainage, water and sewerage, industrial and similar projects that involve the use or potential
pollution of international waterways as described in paragraph (i) immediately above; and

(iii) detailed design and engineering studies of projects under paragraph (ii) immediately above, including those to be carried out by the Association as an executing agency or in any other capacity.

(b) The activities set forth in subparagraph 9 (a) of this Schedule 3, shall not be prohibited under the Project:

(i) if a bordering state formally expressed in writing to the Association and the Recipient its no-objection to such activities; or

(ii) if: (A) for any ongoing scheme, projects involving additions or alterations that require rehabilitation, or other changes that in the judgment of the Association: (I) will not adversely change the quality or quantity of water flows to the other riparians; and (II) will not be adversely affected by the other riparians' possible water use. The exception in (ii) herein shall apply only to minor additions or alterations to the ongoing scheme; it does not cover works and activities that would exceed the original scheme, change its nature, or so alter or expand its scope and extent as to make it appear a new or different scheme; (B) water resource surveys and feasibility studies on or involving international waterways. However, if the Recipient decides to finance the activities mentioned in (B) herein as part of any Emergency Recovery and Reconstruction Subproject, then such activities shall include in the terms of reference for the activities, an examination of any potential riparian issues; or (C) any project that relates to a tributary of an international waterway where the tributary runs exclusively in one state and the state is the lowest downstream riparian, unless there is concern that the project could cause appreciable harm to other states.

10. Activities of any type classifiable as category A for environmental purposes pursuant to Bank Safeguard Policy relating to Environmental Assessment (OP 4.01).

11. Conversion or degradation of critical natural habitats as defined in Annex A of the Bank Safeguard Policy relating to Natural Habitats (OP 4.04).

12. Mere consumption or transfer of ownership.


14. Purchase or rental of land.

15. Purchase of equipment for disaster preparedness.

16. Provision of welfare or other social assistance.

17. Cash compensation to parties affected by the Agriculture Sector Emergency (except for Farmer Subsidy Scheme Payments)."


Section I. Definitions

1. “Agricultural Extension Steering Committee” means Commission transitoire pour la vulgarisation agricole, the Recipient’s task force for the formulation and monitoring of the MARNDR’s strategy on extension services established and operating within the MARNDR.

2. “Agriculture Sector Emergency” means the imminent or actual occurrence of a natural or man-made crisis or disaster, which, in the opinion of the Association, has the capacity to cause major adverse economic and/or social impacts in the Recipient’s agriculture sector.


4. “Bureau Agricoles Communaux” means MARNDR’s local agricultural support offices.

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


7. “Coordination Unit” means the Project coordination unit established and operating within MARNDR and referred to in Section I.A.1 of Schedule 2 of this Agreement.

8. “Directions Départementales Agricoles” means MARNDR’s decentralized offices.

9. “Eligible Farmer” means a farmer operating in any of the Recipient’s Selected Areas registered in a national farmer registry maintained by MARNDR.

10. “Eligible Supplier” means suppliers registered in the National Registry of Agricultural Producers (Registre National des Exploitants Agricoles) developed and maintained by MARNDR for the delivery of goods and services under the Farmer Subsidy Scheme.

11. “Emergency Recovery and Rehabilitation Subproject” means an investment activity under Part 3 of the Project, consisting of a combination of works, goods or technical advisory services, aimed at responding to damage caused by an Agriculture Sector Emergency which meets the criteria set forth Section I.E.4 of Schedule 2 to this Agreement.

12. “Environmental and Social Management Framework” or “ESMF” means the Recipient’s updated environmental and social management framework (included in the Operational Manual), disclosed in the Recipient’s territory on August 4, 2011, and at the Association’s Infoshop on August 3, 2011, giving details of a program of actions,
measures and policies designed to maximize the benefits of the Project, eliminate, offset or mitigate any adverse environmental impacts, or reduce such impacts to acceptable levels, along with the procedural and institutional measures needed to implement such actions, including the Pest Management Plan and the guidelines for protection of natural habitats and forests, as said framework may be amended from time to time with the prior consent of the Association.

13. “Farmer Subsidy Scheme” means the incentive-based mechanism that may be implemented for Eligible Farmers under Part 2.1 of the Project, in case of the occurrence of an Agriculture Sector Emergency, following the terms, conditions and procedures set forth in the Operational Manual.

14. “Farmer Subsidy Scheme Payment” means the transfer of financial resources made to Eligible Farmers under the Farmer Subsidy Scheme.

15. “Financial Agent” means the financial entity to administer the Farmer Subsidy Scheme Payments.

16. “Financial Agency Agreement” means the agreement to be entered into between the Recipient and the Financial Agent for the purpose of administering Farmer Subsidy Scheme Payments, as described in Section I.C.3 (a) of Schedule 2 to this Agreement.


18. “Involuntary Resettlement” means the impact of: (i) an involuntary taking of land under the Project, which taking causes affected persons to have their: (a) income source or means of livelihood adversely affected (whether or not the affected persons must move to another location); or (b) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (c) access to productive assets adversely affected, temporarily or permanently; or (d) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently; or (ii) an involuntary restriction of access to legally designated parks and protected areas (including reserves) which causes an adverse impact on the livelihoods of the displaced persons.

19. “Market Support Facility or “MSF” means the Recipients competitive agriculture innovation and extension market support facility, referred to in Part 2.2 of the Project.

20. “MARNDR” means the Recipient’s Ministry of Agriculture, Natural Resources and Rural Development.

21. “Negative List” means the list, approved by the Association, and included in the Operational Manual specifying the activities which are not eligible for financing under Sub-grants pursuant to Schedule 3 to this Agreement.

22. “Non-consulting Services” means services not rendered by consultants and not covered under Operating Costs, which can be procured on the basis of performance of measurable physical outputs such as internet service, laboratory equipment repair, translation and notary services for legalization of farmer groups.
23. “Operating Costs” means in respect of Category 2, the incremental expenses incurred on account of Project implementation, including office supplies, vehicle operation and maintenance, insurance costs, office administration costs, utilities, travel, per diem and supervision costs and salaries of locally contracted employees, and as approved by the Association.

24. “Operational Manual” or “OM” means the manual for Project implementation as referred to in Section 1.B.1 of Schedule 2 to this Agreement, dated May 20, 2009 and updated on August 11, 2011.

25. “Operator” means a non-governmental organization or a qualified entity contracted under the Project pursuant to a Service Agreement, acceptable to the Association, to implement and supervise the operation of Part 2 of the Project.

26. “Organization” means an Eligible Farmer, a non-governmental organization, a cooperative and/or a university, or any legal entity acceptable to the Association which meets the criteria set forth in the Operational Manual and in Section C.2 of Schedule 2 to this Agreement, to receive a Sub-grant under Part 2.2 of the Project.

27. “Pest Management Plan” means the Recipient’s pest management plan to be disclosed in the Recipient’s territory and at the World Bank’s Infoshop before project activities on Part 2 and 3 begin, giving details of a program of actions, measures and policies on managing pests in agriculture project areas and activities.

28. “Pesticide Class I” means pesticide class I, which includes class I(a) (extreme toxicity) and I(b) (very high toxicity) as defined by the World Health Organization Recommended Classification of Pesticides by Hazard and Guidelines to Classification, 2004.

29. “Pesticide Class II” means pesticide class II (moderate toxicity) as defined by the World Health Organization Recommended Classification of Pesticides by Hazard and Guidelines to Classification, 2004.

30. “Pesticide Class III” means pesticide class III (very low toxicity) as defined by the World Health Organization Recommended Classification of Pesticides by Hazard and Guidelines to Classification, 2004.

31. “Priority Regions” means the regions specified in the Recipient’s agriculture investment plan.


33. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated January 9, 2015 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.

34. “RESEPAG II Grant Agreement” means the grant agreement between the Association and the Recipient for this Project.
35. “Selected Areas” means any area of the Recipient’s territory identified in the Recipient’s agriculture investment plan.

36. “Service Agreement” means the agreement between MARNDR and each selected Operator under the Project, as further referred to in Section I.C.1 of Schedule 2 to this Agreement.

37. “SMS” means short message service, a text messaging service component of phone, Web, or mobile communication systems.

38. “Sub-grant” means a grant made, or to be made, under any given Subproject.

39. “Sub-grant Agreement” means any of the agreements referred to in Section I.D.3 of Schedule 2 to this Agreement.

40. “Subproject” means any investment under Part 2.2 of the Project.

41. “Tables de Concertation Agricoles Départementales” means agriculture sector coordination bodies at the Recipient’s departmental level, led by the MARNDR, and comprised of private and public sectors, farmer groups, universities, vocational schools, and civil society involved in the provision and demand of agriculture services at the Recipient’s department level.

42. “Training” means learning courses on farm sites and other locations.”