Ghana Commercial Agriculture Project
Trust Fund Grant Agreement

(Commercial Agriculture Project)

between

REPUBLIC OF GHANA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
and
INTERNATIONAL DEVELOPMENT ASSOCIATION

both acting as administrator of the
Ghana Commercial Agriculture Project Trust Fund

Dated March 13, 2013
GHANA COMMERCIAL AGRICULTURE PROJECT TRUST FUND
GRANT AGREEMENT

AGREEMENT dated March 13th, 2013, entered into between the
REPUBLIC OF GHANA ("Recipient"); and the INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT and the INTERNATIONAL
DEVELOPMENT ASSOCIATION ("World Bank"), both acting as administrator of the
Ghana Commercial Agriculture Project Trust Fund ("Trust Fund").

WHEREAS (A) the Recipient has requested the International Development
Association ("Association") to provide assistance towards the financing of the project
described in Schedule I to this Agreement ("Project"), and the Association has agreed to
make available a credit to the Recipient in the amount of sixty-four million five hundred
thousand Special Drawing Rights (SDR 64,500,000) to assist in the financing of the
Project, pursuant to the agreement between the Recipient and the Association, dated
September 25, 2012 ("Financing Agreement");

(B) the United States Agency for International Development ("USAID") intends
to make available to the World Bank a total estimated amount of US$ 45,000,000, subject
to availability of funds over a period of five (5) years for the financing of Parts A, C and
D of the Project;

(C) the Recipient, having satisfied itself as to the feasibility and priority of the
Project, has requested the World Bank for additional assistance for the financing of Parts
A, C and D of the Project.

WHEREAS the World Bank has agreed, on the basis, inter alia, of the foregoing,
to extend a grant from the Trust Fund to the Recipient upon the terms and conditions set
forth in this Agreement;

NOW THEREFORE, the Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard 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 Standard Conditions or in
Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through MoFA in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to three million nine hundred thousand United States Dollars ($3,900,000) ("Grant") to assist in financing Parts A, C and D of the Project.

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

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

Article IV
Effectiveness; Termination

4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

4.02. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required
pursuant to Section 4.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article V
Recipient's Representative; Addresses

5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister responsible for finance.

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

Ministry of Finance and Economic Planning
P.O. Box MB40
Accra, Ghana

Cable: ECONOMICON
Telex: 2205 MIFAEP GH
Facsimile: 233-30-2667069

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

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

Cable: INDEVAS
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
AGREED at Accra, Ghana, as of the day and year first above written.

REPUBLIC OF GHANA

By

[Signature]
Authorized Representative

Name: SETH TERRPER
Title: MINISTER OF FINANCE

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and INTERNATIONAL DEVELOPMENT ASSOCIATION both acting as administrator of the Ghana Commercial Agriculture Project Trust Fund

By

[Signature]
Authorized Representative

Name: YUSUPHA CROKES
Title: COUNTRY DIRECTOR
SCHEDULE 1

Project Description

The objective of the Project is to increase access to land, to private sector finance, to input- and output-markets, by smallholder farms through private-public partnerships (PPPs) in commercial agriculture in Accra Plains and SADA zone.

The Project consists of the following parts:

Part A: Strengthening Investment Promotion Infrastructure and Facilitating Secure Access to Land

1. (a) Strengthening the Recipient’s capacity to identify, attract, retain and expand investment in commercial agriculture and agribusiness, including by: (i) developing a framework for channeling investors’ interest to the appropriate MDAs and a multi-year strategic plan for investment promotion efforts; and (ii) retaining and improving an inventory of investor interest at the Ghana Investment Promotion Centre; (b) building the capacity for commercial agriculture policy reforms to improve the investment climate and creating an enabling environment for agri-business, including improving the mechanism for public-private dialogue on policy issues; and (c) carrying out sector and policy analysis, investment planning and identified policy reforms, all through the provision of technical advisory services and acquisition of goods.

2. Improving land access and local rights in the context of commercial agriculture, including by: (a) establishing a land facilitation mechanism for matching interested communities with available land to interested investors; (b) carrying out policy, social and economic analysis, and knowledge sharing from international and domestic investment experience; (c) developing an inventory of existing land rights and uses, and enhancing a participatory planning of land use at the community level; (d) identifying and analyzing ambiguities and/or disputes over land uses and rights, and strengthening dispute resolution mechanisms; (e) strengthening communities’ capacity to engage in consultations and negotiations with investors; and (f) developing a model lease agreement for the use of land based on international best practices in commercial agriculture, all through the provision of technical advisory services and acquisition of goods.

3. Strengthening out-grower arrangements, including by: (a) developing a national framework for out-growers and contract farming arrangements; (b) strengthening the capacity of investors interested to set up inclusive business arrangements; (c) establishing new out-growers schemes and improving existing schemes, all through the provision of technical advisory services and acquisition of goods; and (d) carrying out a program of eligible start-up agri-business investments activities (Sub-projects) in the Accra Plains and other identified zones by
participating small holders and/or nucleus/commercial investors (Eligible Beneficiaries), through the provision of grants (Matching Grants).

Part B:  **Securing PPP Transactions and Small-holder Linkages in the Accra Plains**

1. Strengthening the capacity of MoFA, and specifically its Project Delivery Team, to bring to commercial and financial close one or two PPP transactions in an irrigation investment in the Accra Plains, including: (a) carrying out of a pre-feasibility study to identify options for PPP modalities; (b) provision of transactional advisory and due diligence services; (c) carrying out of related environmental and social safeguards due diligence work; and (d) carrying out training, operational support and outreach on PPPs in the agriculture sector and agribusiness, all through the provision of technical advisory services, training and acquisition of goods.

2. Carrying out a full feasibility study for the Accra Plains PPP transaction(s) and provision of transactional advice for said PPP transaction(s), including facilitating an international investor conference, all through the provision of technical advisory services and acquisition of goods.

3. Carrying out an assessment of alternative mechanisms for small holder participation in the Accra Plains PPP transaction(s) and implementing the recommendations of said assessment, through the provision of technical advisory services and acquisition of goods.

4. Facilitating the conclusion of one or two transactions for an irrigation-based PPP in the Accra Plains through a viability gap funding (Viability Gap Funding) mechanism, or other available payment modality as may be established for the relevant PPP transaction.

Part C:  **Securing PPPs and Small-holder Linkages in the SADA zone**

1. Carrying out: (a) a program of capacity building activities for small-holders and/or nucleus/commercial investors for: (i) establishing nucleus out-growers schemes in the SADA zone; and (ii) facilitating transfer of agricultural technology and technology innovation, through the provision of specifically targeted training and technical advisory services to participating small holders and/or nucleus/commercial investors in the SADA zone (Eligible Beneficiaries); and (b) a program of eligible start-up agri-business investments activities (Sub-projects) by the Eligible Beneficiaries, through the provision of grants to the Eligible Beneficiaries (Matching Grants).

2. Carrying out: (a) a program of activities to facilitate investments in land development for commercial agriculture (Sub-projects) in the SADA zone,
through the provision of Matching Grants to Eligible Beneficiaries; and (b) feasibility studies and assessments, including: (i) identifying high potential locations for inland valleys and conducting feasibility studies of each location; (ii) preparing public information packs about commercial opportunities for land development; (iii) carrying out land clearing, leveling, water management interventions including contour bunding, farm roads and farm building at nucleus farms and adjacent out-growers; and (iv) facilitating the connection of nucleus investors to the existing power grid; all through the provision of technical advisory services, works and acquisition of goods.

3. Carrying out rehabilitation and construction of agricultural storage infrastructure and processing facilities in the SADA zone, including: (a) developing an implementation plan for said rehabilitation and construction activities; and (b) the rehabilitation of state-owned agricultural storage facilities, warehouses and rice mills, through the provision of technical advisory services, works and acquisition of goods.

4. Facilitating business development, including carrying out a program of activities to strengthen the service delivery capacity (Agri-business Services) of eligible input dealers, mechanization centers, processors and other agricultural service providers (Eligible Agri-business Service Providers), through the provision of a grant (the Agri-business Service Grant).

Part D: Project management, Monitoring and Evaluation

Strengthening the Project Implementation Unit’s capacity for implementation, management, and monitoring and evaluation of the Project, through the provision of technical advisory services and acquisition of goods.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. MoFA

The Recipient shall, at all times during the implementation of the Project, ensure that resources, satisfactory to the Association, are available to MoFA for the purpose of ensuring prompt and efficient oversight and coordination of the Project implementation.

2. Project Steering Committee

(a) The Recipient shall establish and maintain, at all times during the implementation of the Project, a Project steering committee (the Project Steering Committee) with functions, composition, mandate and resources satisfactory to the Association.

(b) Without limitation to the provisions of paragraph (a) of this Part A.2, the Recipient shall ensure that the Project Steering Committee will be responsible for providing policy guidance to ensure prompt and efficient implementation of the Project, including, inter alia: (i) reviewing progress made towards achieving the Project's objective; (ii) facilitating the coordination of Project activities, and making recommendations for removal of any obstacles to the implementation of the Project; (iii) providing comments on reports and reviews prepared by the Project Implementation Unit; and (iv) approving the Annual Work Plans and Budgets.

3. Project Implementation Unit

(a) The Recipient shall maintain, at all times during the implementation of the Project, the Project Implementation Unit. To this end, the Project Implementation Unit shall be responsible for ensuring the prompt and efficient overall coordination, monitoring, reporting, evaluation, communication, and guidance of implementation of Project activities, including: (i) facilitating the coordination of the respective MDAs under the Project; (ii) coordinating technical, fiduciary aspects (i.e., financial management and procurement), social and environmental safeguards aspects, monitoring and evaluation of the Project; (iii) preparing the Annual Work Plans and Budgets; and (iv) carrying out the appraisal, review of Sub-projects design, technical support, supervision, monitoring
and evaluation and approval of applications for Sub-projects under the respective Matching Grants, or for Agri-business Service under the Agri-business Service Grants; and (v) carrying out the administration and management of the respective Matching Grants and Agri-business Service Grants, including verification of Eligible Beneficiaries and Eligible Agri-business Service Providers.

(b) Without limitation to the provisions of paragraph (a) of this Part A.3, the Recipient shall not later than six (6) months after the Effective Date, appoint to the Project Implementation Unit, and thereafter maintain until the closure of the irrigation-based PPP transaction(s) in the Accra Plains under Part B.4 of the Project, an irrigation PPP advisor, in accordance with the provisions of Section III.C of this Agreement.

(c) Without limitation to the provisions of paragraph (a) of this Part A.3, the Recipient shall establish and maintain, at all times during the implementation of the Project, a special office (PIU Grants Management Desk) within the Project Implementation Unit for the purpose of ensuring effective and efficient administration and management of the Matching Grants and Agri-business Service Grants, and monitoring the implementation of the related Sub-projects and Agri-business Services.

(d) The Recipient shall, for the purpose of ensuring adequate procurement capacity for the Project, not later than three (3) months after the Effective Date, appoint to the Project Implementation Unit and maintain, throughout the Project implementation, at least three (3) procurement personnel, all with qualifications, experience and terms of reference acceptable to the Association.

4. **SADA**

The Recipient shall maintain, throughout the period of implementation of the Project, the Savannah Accelerated Development Authority with mandate, functions, composition and adequate resources for the purpose of ensuring prompt and efficient implementation of Part C of the Project, including: (a) collaboration with the Project Implementation Unit; and (b) facilitation of the implementation of said activities.

5. **PDT**

The Recipient shall establish and maintain, within MoFA, the Project Delivery Team with functions, composition and resources satisfactory to the Association, for the purpose of providing timely and efficient guidance for development of the irrigation-based PPP transaction(s) in the Accra Plains under Part B.4 of the Project.

1. The Recipient shall carry out the Project (except Parts A.3(d), C.1(b) and C.2(a)) in accordance with the provisions of the Project Implementation Manual, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) environmental and social safeguard guidelines; (e) monitoring, evaluation, reporting and communication; and (f) such other administrative, financial, technical and organizational arrangements as required for Project implementation.

2. The Recipient shall carry out Parts A.3(d), C.1(b) and C.2(a)) in accordance with the provisions of the Matching Grants Manual and the Agri-business Service Grants Manual, respectively, containing detailed arrangements and procedures for: (a) institutional arrangements for management, supervision, monitoring, evaluation and reporting of the respective Subprojects and Agribusiness Services; (b) disbursement and funds flow arrangements; (c) a procurement manual and a financial management manual setting forth, inter alia, the procurement and financial management responsibilities of the respective Eligible Beneficiaries and Eligible Agri-business Service Providers; (d) environmental and social safeguard guidelines; (e) guidelines for the carrying out of the respective Sub-projects and Agri-business Services, including, the eligibility criteria for determining the Eligible Beneficiaries and Eligible Agri-business Service Providers, and detailed procedures for the selection, approval and implementation of respective Subprojects and Agri-business Services; and (f) sample format of the respective Subproject Agreement or Agri-business Service Agreement.

3. The Recipient shall not amend, abrogate, waive or fail to enforce any provision of the Project Implementation Manual, or the Matching Grants Manual, or the Agri-business Service Grants Manual without the prior written agreement of the Association; provided, however, that in case of any conflict between the arrangements and procedures set out in any of said manuals and the provisions of this Agreement, the provisions of this Agreement shall prevail.

C. Annual Work Plans and Budgets

1. The Recipient shall prepare and furnish, or cause to be prepared and furnished, to the Association for its review and approval, not later than November 30 of each year during the implementation of the Project (or such later date as the Association may agree), an annual work plan and budget (Annual Work Plan and Budget) containing all eligible Project activities and expenditures planned for the following Fiscal Year, including a specification of the source or sources of financing for all eligible expenditures.
2. The Recipient shall implement the Project or cause it to be implemented in accordance with such Annual Work Plan and Budget as shall have been approved by the Association.

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

D. Anti-Corruption

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

E. Matching Grants and Agri-business Service Grants

1. General

For the purpose of carrying out any Sub-projects under Parts A.3(d), C.1(b) and C.2(a), or Agri-business Service under Part C.4 of the Project, and without limitation upon the provisions of Section I of this Schedule, the PIU Grant Management Desk shall appraise, recommend for approval to MoFA and monitor the respective Sub-projects and Agri-business Services, and administer the respective Matching Grants or Agri-business Service Grants, as the case may be, in accordance with the provisions of this Part E, and the procedures and guidelines set out in more detail in the Matching Grants Manual and the Agri-business Service Grants Manual.

2. Eligibility Criteria for Sub-projects and Agri-business Services

No proposed Sub-project or Agri-business Service shall be eligible for financing under a Matching Grant or an Agri-business Service Grant, respectively, out of the proceeds of the Credit unless the PIU Grant Management Desk has determined, on the basis of an appraisal in accordance with this Part E, and the procedures and guidelines set forth in the Matching Grants Manual and the Agri-business Service Grants Manual, that the proposed Sub-project or Agri-business Service satisfies following eligibility criteria:

(a) For the Matching Grants:

(i) the proposed Sub-project shall be initiated by an Eligible Beneficiary, which has the capacity to enter into a binding contract under the laws of the Recipient, and which has met the eligibility criteria specified in the Matching Grants Manual, including: (1) execution of the Matching Grant Agreement, (2) ability to provide a financial matching contribution of not less 20% of the total cost of the pertinent Sub-project; and (3) ability to provide a financial
and business viability plan for the proposed Sub-project, as specified in the PIM;

(ii) the Eligible Beneficiary has the required technical, financial management and procurement capacity to implement the proposed Sub-project in compliance with the guidelines set forth in the Matching Grants Manual; and

(iii) the Eligible Beneficiary shall be eligible to receive subsequent Matching Grants if it has completed the Sub-project in the preceding Fiscal Year(s) to the satisfaction of the PIU Grant Management Desk, in accordance with the terms of the Matching Grant Agreement.

(b) For the Agri-business Service Grants:

(i) the proposed Agri-business Service shall be initiated by an Eligible Agri-business Service Provider, which has the capacity to enter into a binding contract under the laws of the Recipient, and which has met the eligibility criteria specified in the Agri-business Service Grants Manual, including: (1) execution of an Agri-business Service Grant Agreement; and (2) ability to provide a financial or in-kind matching contribution of not less 20% of the total cost of the pertinent Agri-business Service, in compliance with the guidelines set forth in the Agri-business Service Grants Manual;

(ii) the Eligible Agri-business Service Provider has the required technical, financial management and procurement capacity to implement the proposed Agri-business Service in compliance with the guidelines set forth in the Agri-business Service Grants Manual; and

(iii) the Eligible Agri-business Service Provider shall be eligible to receive subsequent Agri-business Service Grants if it has completed the Agri-business Service in the preceding Fiscal Year(s) to the satisfaction of the PIU Grant Management Desk, in accordance with the terms of the Agri-business Service Grant Agreement.

3. Terms and Conditions of Matching Grants and the Agri-business Service Grants

(a) A pertinent Sub-project or Agri-business Service shall be carried out pursuant to a Matching Grant Agreement or an Agri-business Service Grant Agreement, as the case may be, to be concluded between an
authorized representative of the MoFA on behalf of the Recipient, and the
relevant Eligible Beneficiary or Eligible Agri-business Service Provider,
under terms and conditions described in more detail in the Matching
Grants Manual and the Agri-business Service Grants Manual and
satisfactory to the Association, which, *inter alia*, shall include the
following:

(i) the description of the Sub-project or Agri-business Service,
including the outputs and performance targets to be achieved,
and the arrangements for monitoring and reporting on the
implementation of the Sub-project or the Agri-business Service;

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

(iii) the modalities of transfer of funds by MoFA to the Eligible
Beneficiary or Eligible Agri-business Service Provider, as the
case may be, for the financing of the Sub-project or Agri-
business Service;

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

(A) suspend or terminate the right of the Eligible Beneficiary
or Eligible Agri-business Service Provider to use the
proceeds of a Matching Grant or an Agri-business
Service Grant, or obtain a refund of all or any part of the
amount of said Matching Grant or Agri-business Service
Grant then withdrawn, upon the Eligible Beneficiary’s or
Eligible Agri-business Service Provider’s failure to
perform any of its obligations under the pertinent
Matching Grant Agreement or Agri-business Service
Grant Agreement;

(B) require each Eligible Beneficiary or Agri-business
Service Provider to:

(i) contribute, in cash in the case of an Eligible
Beneficiary, or in cash and/or in-kind in the case of an
Eligible Agri-business Service Provider, a minimum
percentage of the projected Sub-project or Agri-
business Service costs as specified in the Matching
Grants Manual and the Agri-business Service Grants
Manual;
(ii) carry out the Sub-project or Agri-business Service with due diligence and efficiency and in accordance with sound technical, engineering, environmental, financial, and managerial practices, including in accordance with the Project Implementation Manual, ESMF, the RPF, the PMP and the Anti-Corruption Guidelines;

(iii) procure any goods, works and/or services required for the Sub-project and to be financed out of the proceeds of the pertinent Matching Grant or Agri-business Service Grant in accordance with the provisions of Section III of this Schedule and as further elaborated in the Matching Grants Manual and the Agri-business Service Grants Manual;

(iv) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the implementation of the pertinent Sub-project or Agri-business Service and the achievement of its objectives;

(v) (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, resources and expenditures, including those related to the Matching Grant or Agri-business Service Grant; and (2) at the Association's or MoFA'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 Association and MoFA;

(vi) enable the Association, the Recipient to inspect its facilities, operations and any records and documents relevant to the Sub-project or Agri-business Service;

(vii) permit the Association to make the Matching Grant Agreement or Agri-business Service Grant Agreement, as the case may be, and all financial statements audited pursuant to sub-paragraph (v) above available
to the public in accordance with the Association's policies on access to information; and

(viii) prepare and furnish to MoFA and the Association all such further information as MoFA and the Association shall reasonably request relating to the foregoing.

(b) The Recipient shall, through MoFA, exercise its rights and carry out its obligations under the pertinent Matching Grant Agreement or Agri-business Service Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Project, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Matching Grant Agreement or Agri-business Service Grant Agreement, or any substantial provision of said Matching Grant or Agri-business Service Grant Agreement.

F. Environmental and Social Safeguards.

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the ESMF, the RPF and the PMP.

2. The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the ESMF, the RPF and the PMP or any provision thereof without prior approval in writing by the Association, subject to the same approval requirements as applicable to the adoption of the said instruments.

3. The Recipient shall ensure that, in respect of any activity that is site specific under the Project, including any Subproject, or any Agri-business Service: (a) an ESIA, an ESMP and/or a RAP are prepared as required under the ESMF and/or the RPF; (b) each such instrument is submitted to the Association for its review and approval; and (c) each such instrument is thereafter adopted and disclosed in accordance with the provisions of the ESMF or the RPF; (d) the relevant mitigation and monitoring provisions of the ESIA, ESMP or RAP, as the case may be, are appropriately included in each work contract, Matching Grant Agreement or Agri-business Service Grant Agreement, as the case may be, and that they are implemented in the carrying out of the Project.

4. Without limitation to aforementioned provisions of this Part F, the Recipient shall ensure that: (a) no activities involving land shall be carried out, prior to the screening of the legal status of the land in form and substance acceptable to the Association; and (b) no activities shall be carried out involving land, for which there is legal uncertainty over ownership and use rights.
G. Donor Visibility and Visit

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the donor’s support for the Project.

2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the donor to visit any part of the Recipient’s territory for purposes related to the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of six (6) calendar months, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

2. On or about the date thirty-six months after the Effective Date, the Recipient shall:

   (a) undertake in conjunction with the Association a comprehensive mid-term review of the Project during which it shall exchange views generally on all matters relating to the progress of the Project, having regard to the performance indicators referred to in Section II.A.1 of this Schedule;

   (b) not later than one month prior to the mid-term review, furnish to the Association for comments, a report, in such detail as the Association shall reasonably request, on the progress achieved in the carrying out of the Project during the period preceding the date of the mid-term report, and giving details of the various matters to be discussed at such review; and

   (c) following the mid-term review, act promptly and diligently in order to take any corrective action deemed necessary to remedy any shortcoming noted in the implementation of the Project, or to implement such other measure as may be required in furtherance of the objective of the Project or otherwise agreed upon by the parties.
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 2.07 of the Standard Conditions.

2. The Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard 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: (a) not later than three (3) months after the Effective Date, appoint the external auditors for the Project, in accordance with the provisions of Section III.C of this Schedule; and (b) not later than thirty (30) days after the Effective Date, assign an internal auditor to the PIU with qualifications, experience and terms of reference acceptable to the Association.

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 table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
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<tbody>
<tr>
<td>(a) National Competitive Bidding*</td>
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<td>(b) Shopping</td>
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<td>(c) Direct Contracting</td>
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<tr>
<td>(d) Well-Established Private or Commercial Practices which have been found acceptable to the Association</td>
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<tr>
<td>(e) Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the Association</td>
</tr>
</tbody>
</table>

*National Competitive Bidding* shall be subject to the following additional procedures: (a) foreign bidders shall be allowed to participate in the National Competitive Bidding procedures; (b) bidders shall be given at least one month to submit bids from the date of the invitation to bid, or the date of availability of bidding documents, whichever is later; (c) no domestic preference shall be given for domestic bidders and for domestically manufactured goods; and (d) in accordance with paragraph 1.16 (e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Credit shall provide that: (i) the bidders, suppliers, contractors and subcontractors shall permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Association; and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.16 (a) (v) of the Procurement Guidelines.
C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following 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) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(b) Quality-based Selection</td>
</tr>
<tr>
<td>(c) Least Cost Selection</td>
</tr>
<tr>
<td>(d) Selection based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(e) Single-source Selection of consulting firms</td>
</tr>
<tr>
<td>(f) Single-source procedures for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(g) Well-Established Private or Commercial Practices which have been found acceptable to the Association</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.

E. Procurement Filing and Tracking System

The Recipient shall, not later than three (3) months after the Effective Date, establish a procurement filing and tracking system for the Project, satisfactory to 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 III of the Standard Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient
(including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Credit 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 Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works for Part C.2(b) of the Project, and goods, non-consulting services, consultants’ services and Operating Costs under Part A (except Part A.3(d)) and Parts C.1(a) and C.2(b) of the Project</td>
<td>$1,950,000</td>
<td>7%</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consultants’ services, Training and Operating Costs under Parts B.1 through B.3 of the Project</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>(3) Viability Gap Funding for goods, works and services under Part B.4 of the Project</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>(4) Works, goods, non-consulting services and consultants’ services under Part C.3 of the Project</td>
<td>$562,000</td>
<td>Such percentage of Eligible Expenditures as the Association shall determine for each Fiscal Year</td>
</tr>
<tr>
<td>(5) Matching Grants for Sub-projects under Parts A.3(d), C.1(b) and C.2(a) of the Project</td>
<td>$772,000</td>
<td>6% of the goods, works and services financed by such Matching Grants</td>
</tr>
</tbody>
</table>
(6) Agri-business Service Grants for Agri-business Services under Part C.4 of the Project  
$78,000  
6% of the goods, works and services financed by such Agri-business Service Grants

(7) Goods, consultants' services, Training and Operating Costs under Part D of the Project  
$538,000  
7%

**TOTAL AMOUNT**  
3,900,000

For the purpose of this Section IV.A.2:

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

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

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for:

(a) payments made prior to the date of this Agreement; or

(b) any Eligible Expenditures under Category (4), unless the Recipient has concluded, in form and substance satisfactory to the Association, a feasibility study to, inter alia, determine the extent of rehabilitation and construction of agricultural storage infrastructure and processing facilities in the SADA zone, and costs associated with such works under Part C.3 of the Project; or

(c) any Eligible Expenditure under Category (5) or (6), unless the Recipient has: (i) submitted, in form and substance satisfactory to the Association, the
Matching Grants Manual and the Agri-business Service Grants Manual, in accordance with the PIM; and (ii) established the PIU Grants Management Desk.

2. The Closing Date is September 30, 2017.
APPENDIX

Definitions

1. "Accra Plains" means the geographical area along the right side of the Volta River, stretching from Kpong Dam in the west to Dove in the east of the territory of the Recipient.

2. "Agri-business Service" means a specific development project carried out under Parts C.4 of the Project, and which meets the eligibility criteria for an Agri-business Service Grant.

3. "Agri-business Service Grant" means funds allocated or proposed to be allocated out of the proceeds of the Financing to an Eligible Agri-business Service Provider, for the purpose of financing an Agri-business Service in accordance with the provisions of Section I.E of Schedule 2 to this Agreement.

4. "Agri-business Service Grant Agreement" means an agreement entered into, or to be entered into, between the Recipient, through MoFA, and an Eligible Agri-business Service Provider (as hereinafter defined), for the purpose of extending an Agri-business Service Grant.

5. "Agri-business Service Grants Manual" means the Recipient's manual in form and substance satisfactory to the Association, and referred to in Section I.B.2 of Schedule 2 to this Agreement, as the same may be amended from time to time with agreement of the Association.

6. "Annual Work Plans and Budgets" means the annual work plans and budgets prepared by the PIU, and approved by the Association in accordance with Section I.C of Schedule 2 to this Agreement.


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


10. "Eligible Agri-business Service Provider" means a private agency established and operating under the laws of the Recipient, as an agriculture commercial or business service, which has met the eligibility criteria set forth in the Agri-business Service Grants Manual and referred to in Section I.E of Schedule 2 to this Agreement.
11. “Eligible Beneficiary” means a private operator operating as an out-grower, an agricultural commercial investor, a small-holder, or a farmer cooperative, which has met the eligibility criteria set forth in the Matching Grants Manual (as hereinafter defined) and referred to in Section I.E of Schedule 2 to this Agreement and, as a result has been extended, or is to be extended, an Agri-business Service Grant for the carrying out of an Agri-business Service.

12. “ESIA” means each environmental and social impact assessment for the Project to be carried out in accordance with the ESMF and pursuant to provisions of Section I.F of Schedule 2 to this Agreement.

13. “ESMF” means the Recipient’s environmental and social management framework, acceptable to the Association, dated November 2011, and published on November 22, 2011, setting forth the modalities for environmental screening and procedures/actions for the preparation and implementation of environmental and social assessments and management plans under the Project, and such term includes all schedules and annexes to the said framework.

14. “ESMP” means each environmental and social management plan for the Project to be carried out in accordance with the ESMF and pursuant to provisions of Section I.F of Schedule 2 to this Agreement.

15. “Fiscal Year” means the fiscal year of the Recipient beginning on January 1 and ending December 31 of each year.

16. “Ghana Investment Promotion Centre” means the Recipient’s investment promotion center established under Ghana Investment Promotion Centre Act, 1994 (Act 478), as amended thereof and any successor thereto.

17. “Matching Grant” means funds allocated or proposed to be allocated out of the proceeds of the Financing to an Eligible Beneficiary, for the purpose of financing a Sub-project in accordance with the provisions of Section I.E of Schedule 2 to this Agreement.

18. “Matching Grant Agreement” means an agreement entered into, or to be entered into, between the Recipient, through MoFA, and an Eligible Beneficiary (as hereinafter defined), for the purpose of extending a Matching Grant.

20. "MDA" means the Recipient’s ministries, departments and agencies.

21. "Ministry of Food and Agriculture" and the acronym "MoFA" mean the Recipient’s ministry responsible for food and agriculture and any successor thereto.


23. "PMP" means the Recipient’s pest management plan dated November, 2011, and published on November 22, 2011, acceptable to the Association, setting forth various means to assess pest management in the country and support integrated pest management and the safe use of agricultural pesticides.


25. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated February 13, 2012, 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.

26. "Project Delivery Team" and the acronym "PDT" mean the project delivery team to be established in accordance with the National Policy on PPP and referred to in Section I.A.5 of Schedule 2 to this Agreement.

27. "Project Implementation Manual" and the acronym "PIM" mean the Recipient’s manual, in form and substance satisfactory to the Association, and referred to in Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with agreement of the Association.

28. "Project Implementation Unit" and the acronym "PIU" mean the implementation unit to be maintained within MoFA and referred to in Section I.A.3 of Schedule 2 to this Agreement.

29. "PIU Grants Management Desk" means the office referred to in Section I.A.3 (f) of Schedule 2 to this Agreement.

30. "Project Steering Committee" means the steering committee to be established under the Project and referred to in Section I.A.2 of Schedule 2 to this Agreement.
31. "PPP" means public private partnership.

32. "RAP" means each resettlement action plan for the Project to be carried out in accordance with the RPF and pursuant to provisions of Section I.F of Schedule 2 to this Agreement.

33. "RPF" means the Recipient’s resettlement policy framework dated December 2011, and published on January 13, 2012, acceptable to the Association, setting forth the modalities for resettlement and compensation of any persons who may be affected or displaced by any resettlement as a result of the Project, including guidelines for the preparation of the appropriate resettlement plans, as the same may be amended from time to time with the agreement of the Association.

34. "SADA" means the Savannah Accelerated Development Authority, established and operating pursuant to the Savannah Accelerated Development Authority Act, 2010 (Act 805) of the laws of the Recipient, as amended thereof and any successor thereof.


36. "Sub-Project" means a specific development project carried out under Parts A.3(d), C.1(b) or C.2(a) of the Project, and which meets the eligibility criteria for a Matching Grant.

37. "Viability Gap Funding" means the contribution made to or for the benefit of a private sector investor for identified goods, works and services to facilitate irrigation-based PPP transaction(s) in the Accra Plains under Part B.4 of the Project, in accordance with the National Policy on PPP and eligibility requirements acceptable to the Association.