Financing Agreement

(Rural and Private Sector Development Project)

between

REPUBLIC OF SIERRA LEONE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated August 2, 2007
FINANCING AGREEMENT

AGREEMENT dated August 2, 2007, entered into between REPUBLIC OF SIERRA LEONE (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

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

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to nineteen million nine hundred thousand Special Drawing Rights (SDR 19,900,000) (“Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

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

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

2.04. The Payment Dates are June 15 and December 15 in each year.

2.05. The Payment Currency is Dollars.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article IV of the General Conditions.

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

ARTICLE IV—REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension is that a situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out.

4.02. The Additional Event of Acceleration is the event specified in Section 4.01 of this Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

(a) The Recipient has appointed essential PCU staff, including: (i) the Project Coordinator; (ii) firms responsible for furnishing (A) accounting and procurement officers for the Project, and (B) the Matching Grants Manager, all with qualifications and experience satisfactory to the Association.

(b) The Recipient has prepared Operational Manuals in form and substance satisfactory to the Association:

(i) for the matching grants to be made under Parts 1. (b), 2. (b), and 3. (a) of the Project; and

(ii) for the overall implementation of the Project.
5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

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

ARTICLE VI—REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the Minister responsible for Finance.

6.02. The Recipient’s Address is:

Ministry of Finance
Ministerial Building
George Street
Freetown
Sierra Leone

Facsimile: 232 22 228 472

6.03. The Association’s Address 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

Washington, D.C.
AGREED at Freetown, Republic of Sierra Leone, as of the day and year first above written.

REPUBLIC OF SIERRA LEONE

By /s/ John Benjamin

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Christopher Juan Costain

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to support sustained growth in agriculture with increased competitiveness in export and higher value crops, increased employment and increased rice and palm oil production. Towards this end the Project would improve efficiencies along the value chain of agricultural commodities with higher benefits flowing to the producers.

The Project consists of the following parts:

Part 1: Domestic Marketing Improvement

Support the improvement of: (a) domestic distribution channels for crops, including rice and cassava and fruits and vegetables and for poultry (industrial layers), livestock and fisheries as pilot activities; (b) the ability of farmers to market their goods in Freetown and other large domestic markets; and (c) supply to consumers of commodities at competitive prices.

(a) Domestic supply chain consolidation for specific crops and products:

(i) support the development of business models in key supply chains for the domestic and regional markets;

(ii) design appropriate strategies for improvements in the supply and value chains of supported commodities, including grades & standards, packaging facilities; and

(iii) development of a system of bonded storage and warehouse receipts, including support to SLRA to upgrade critical road links which are important for the value chains being supported under the Project.

(b) Rural Market Infrastructure improvements to address critical infrastructure needs for select products:

(i) provision of Matching Grants to selected rural and urban trader or market associations investing in improved arrangements for the flow of goods or in market structures; and
(ii) provision of capacity building grants to local communities and market associations (women’s associations, petty traders’ associations) to help them contract with private entrepreneurs to develop enterprises particularly in the fields of agro-processing.

(c) Knowledge management and technical assistance to improve access to market information and identification of opportunities; provision of technical advisory services to develop a management information system and support events such as fairs, workshops, training, demos, field farm schools geared to improve interchange among value chain actors of different levels.

Part 2: Agricultural Export Promotion

The implementation of an export promotion initiative to support Beneficiaries, including agricultural producers, agricultural exporters and other private enterprises in the value chain for commodities identified as promising for export by the DTIS. The initiative will support:

(a) Upgrading and creation of market and export infrastructure to provide facilities where produce is transacted, assembled, processed and prepared for shipment.

(b) Provision of Matching Grants to finance technical advisory services, training, operational support and investments for product development and adaptation, proactive marketing and compliance with quality and phytosanitary standards.

(c) Rehabilitation of clonal seed gardens for cocoa, seedling trials and first-stage multiplication for high yielding varieties.

(d) Support to the Standards Laboratory at Njala University to improve, reform and update of phytosanitary policy and import quarantine system; restructure and build capacity of the Recipient’s Produce Inspectorate for grading and sealing of quality produce for export and provide support to the Recipient’s Standards Bureau for implementing an improved system.

(e) The carrying out of studies and capacity building initiatives for identifying new markets for non-traditional agricultural commodities.
(f) Support for: (i) the development of a market information system to provide producers and exporters with information on market opportunities and increase their bargaining power; and (ii) events such as fairs, workshops, training, demos, and field farm schools geared to improve interchange among value chain actors of different levels.

Part 3: Support to Farmer-based Organizations and Technology Improvement

(a) Provision of Matching Grants to finance the strengthening of legally registered farmer organizations and their unions, agribusinesses, marketing entities, and other rural businesses through the provision of capacity building, policy regulations and market information.

(b) The carrying out of studies in strategic areas such as rehabilitation of agricultural research and export promotion to initiate future programs.

Part 4: Project Management, Monitoring and Evaluation and Policy Regulations

(a) The establishment of a Project Coordinating Unit to carry out the management and monitoring and evaluation functions of the Project and support for the development of key policy regulations, including:

(i) the carrying out of studies in strategic areas such as rehabilitation of agricultural research and export promotion to initiate future programs; and

(ii) the establishment of a management information system, the carrying out of baseline studies, participatory monitoring and impact assessments, environmental and social monitoring, periodic project progress reviews and preparation of reports to be prepared under the Project.

(b) The formulation of appropriate policies to strengthen the enabling environment for Project activities, the development of seed, fertilizer and pesticide regulations and the harmonization of policies and regulations governing the formation and regularization of farmer based groups, as well as the assessment and preparation of feasibility studies for setting up a commodity trading exchange.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

General

1. The Recipient shall, implement the Project through MAFS and MoTI under a shared institutional arrangement.

2. During Project implementation, the Recipient shall ensure: (a) that the National Steering Committee (NSC) for the Project be coordinated with the National Steering Committee established for ASREP, RCPRP and RCFIP, with the additional membership of MoTI and SLIEPA; and (b) that the NSC meetings for ASREP, RCPRP, RCFIP and this Project are coordinated, and carried out in accordance with the procedures existing for the three on-going projects and with the guidelines detailed in the Project Implementation Manual for this Project.

3. The main responsibilities of the NSC include: (a) providing conceptual, and strategic guidance to the PCU for Project design, implementation and coordination of Project activities, including, if necessary, the formulation of development and implementation strategies; (b) ensuring overall conformity with the Recipient’s policies and strategies; (c) monitoring and evaluating Project progress and performance; (d) approving the Annual Work Programme and Budget; (e) resolving any implementation problems or conflicts; and (f) assisting the PCU in obtaining, whenever needed, the necessary assistance from the various ministries and agencies of the Recipient and contribution to the Project.

4. The Recipient shall establish and maintain, throughout the implementation of the Project, a Project Coordination Unit (PCU) reporting to NSC to serve as the principal implementing entity of the Project. PCU shall be headed by a duly qualified Project Coordinator and be assisted by an adequate number of senior duly qualified professional staff, including a financial and accounting manager, a procurement specialist, and a monitoring and evaluation specialist, all employed with qualifications and under terms of reference and terms and conditions, satisfactory to the Association.
5. At the technical and operational level, the Recipient shall establish and maintain, throughout the implementation of the Project, a Project Technical Committee (PTC) chaired by the Project Coordinator and with members including senior technical personnel of the relevant ministries and departments of the Recipient, representatives of local governments, concerned donor implementers and non-governmental organizations. The technical committee shall assist: (a) the PCU in day to day Project management and coordination particularly at the District level and with other key implementers; (b) review and make appropriate recommendations for approval of procurement proposals; (c) review and make recommendations pertaining to the Annual Work Programme and Budget, midterm review of the Project and annual assessment reports for consideration of the NSC.

6. At the District level, the Recipient shall establish and maintain, throughout the implementation of the Project, a District Implementation Committee (DIC) with defined role, powers and functions, and chaired by the local council chairperson. The DIC will guide project implementation at the District level and review micro/sub-projects submitted by the eligible Beneficiaries. A Project sub unit located in the office of the DDA will act as the secretariat of the DIC and will assist the DDA, who will be designated as the District Project coordinator.

**Matching Grants Administration Unit**

7. (a) The Recipient shall appoint and maintain, at all times during the implementation of the Project, a firm to serve as the Matching Grants manager, with qualifications, terms of reference and functions satisfactory to the Association.

(b) Without limitation upon the provisions of paragraph 7 (a) of this Part A, the Matching Grants manager shall be responsible for: (i) conducting due diligence on applications received for sub-projects; (ii) approving, subject to the Project Coordinator’s no-objection, Matching Grants which fall below the threshold for approval by the Project Coordinator, or recommending for approval by the Project Coordinator or the NSC as the case may be, Matching Grants in accordance with the provisions of the Matching Grants Manual; and (iii) disbursing, administering, monitoring and reporting to the NSC on all approved Matching Grants, all in accordance with the provisions and procedures set forth in Part B of this Section and further detailed in the Matching Grants Manual.
B. Matching Grants

1. The Recipient shall make Matching Grants to Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association and in accordance with the provisions of the Matching Grants Manual.

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

   (a) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Matching Grant upon the Beneficiary’s failure to perform any of its obligations under the Matching Grant Agreement; and (ii) require each Beneficiary to:

   (A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association;

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

   (C) procure the goods, works and services to be financed out of the Sub-financing in accordance with the provisions of this Agreement;

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

   (E) (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.

3. The Recipient shall exercise its rights under each Matching Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Matching Grant. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Matching Grant Agreement or any of its provisions.

C. Operations Manuals:

The Recipient shall carry out the Project in accordance with the arrangements and procedures set out in the Operations Manuals (provided, however, that in case of any conflict between the arrangements and procedures set out in the Operations Manuals and the provisions of this Agreement, the provisions of this Agreement shall prevail) and, except as the Association shall otherwise agree, shall not amend, abrogate or waive any provision of either of the Operations Manuals.

D. Safeguards.

Environmental and social safeguards

(a) The Recipient shall carry out the Project in accordance with the environmental, social and resettlement guidelines, rules and procedures defined in the Environmental and Social Management Framework (ESMF) and the Resettlement Policy Framework (RPF) adopted in December 2006 and, wherever applicable, prepare and implement Resettlement Action Plans (RAPs) in accordance with the RPF and in form and substance acceptable to the Association, defining a program of actions, measures and policies for compensation and resettlement of Affected Persons, including the magnitude of displacement, proposed
compensation and resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, the RAPs.

(b) The Recipient shall not amend or waive, or permit to be waived, the ESMP, RPF and RAPs, or any provision thereof.

(c) The Recipient shall ensure that: (i) all measures for carrying out the recommendations of the ESMP, RPF and RAPs are taken in a timely manner; and (ii) the Project Reports referred to in Part A of Section II of this Schedule shall include adequate information on monitoring the measures defined in the ESMP, RPF and RAPs.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of six calendar months and shall be furnished to the Association not later than forty five days after the end of the period covered by such report.

(b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

Key Performance Indicators

The key outcome indicators will be as follows:

(i) efficiency of agricultural value chains in food crops, as reflected in farm level value addition; and

(ii) efficiency of agricultural value chains in export crops as reflected in quality premiums.
Intermediate Outcome Indicators

(i) Real increase in farm gate prices for beneficiary farmers.

(ii) Within core production areas, market traders associations are benefiting from the Project (as reported by members).

(iii) Area of cultivated land under high-value crops increases.

(iv) Export associations enter into semi-formal arrangements with international buyers.

(v) Substantial increase in agricultural exports.

(vi) Beneficiary FBOs are run effectively for their members.

(vii) FBOs maintain records of membership dues, production levels, and asset records.

(viii) Development of seed, fertilizer and pesticide laws and regulations.

(ix) Harmonization of policies and regulations governing the formation and regularization of farmer based groups.

(x) Beneficiary scorecards report satisfaction with the Project.

(xi) Community awareness of Matching Grants.

2. On or about the date thirty months after the Effective Date, the Recipient shall undertake in conjunction with the Association a comprehensive midterm review of the Project during which it shall exchange views generally on all matters relating to the progress of the Project, and the performance by the Recipient of its obligations under the Financing Agreement, having regard to the performance indicators referred to in paragraph 1 (b) of this Part A.

3. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than November 14, 2012.
B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Report not later than 45 days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants’ Services.** All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.
B. Particular Methods of Procurement of Goods and Works

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

2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) IAPSO</td>
</tr>
<tr>
<td>(d) Community based procedure for Matching Grants as specified in the Matching Grants Manual</td>
</tr>
</tbody>
</table>

C. Particular Methods of Procurement of Consultants’ Services

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

2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-Based Selection</td>
</tr>
<tr>
<td>(b) Selection Under a Fixed Budget</td>
</tr>
<tr>
<td>(c) Single Source Selection</td>
</tr>
<tr>
<td>(d) Selection Based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(e) Selection of Individual Consultants</td>
</tr>
<tr>
<td>(f) Least-cost Selection</td>
</tr>
</tbody>
</table>
D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association. Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) each contract for goods or works estimated to cost the equivalent of $250,000 or more procured on the basis of International Competitive Bidding or National Competitive Bidding; (b) each contract for consultants’ services provided by a firm estimated to cost $100,000 or more; and (c) each contract for individual consultants estimated to cost $50,000 or more. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
### Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Civil Works</td>
<td>3,830,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods</td>
<td>1,690,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Consultants’ services</td>
<td>1,610,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Training and Workshops</td>
<td>1,190,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Matching Grants</td>
<td>7,270,000</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Operating Costs</td>
<td>2,720,000</td>
<td>100%</td>
</tr>
<tr>
<td>(7) ) Refund of Project Preparation Advance</td>
<td>170,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>(8) Unallocated</td>
<td>1,420,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>19,900,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

### B. Withdrawal Conditions; Withdrawal Period

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

2. Any Matching Grant under Category (5), unless: (i) the Recipient has contracted the Matching Grants Manager with qualifications, and under terms and conditions and terms of reference satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to this Agreement; and (ii) such Matching Grant has been made in accordance with the criteria, procedures and terms and conditions set forth or referred to in Section III C.2 of Schedule 2 to this Agreement and the Matching Grants Manual

3. The Closing Date is November 14, 2012.
Section V. Other Undertakings

A. Appointment of Financial Auditors

The Recipient shall, not later than six months after the Effective Date, appoint the independent auditors referred to in Section 4.09 (b) of the General Conditions, in accordance with the provisions of Section III of this Schedule.

B. Procurement Audits

1. The Recipient shall, not later than six months after the Effective Date, put in place arrangements, satisfactory to the Association, including the appointment of independent procurement auditors in accordance with the provisions of Section III of Schedule 2 to this Agreement, with qualifications, experience and terms of reference acceptable to the Association, for reviewing the procurement of goods, works and consultants’ services financed under the Project, including the reviewing of procurement procedures and processes.

2. The Recipient shall, not later than six months after the end of each Recipient’s fiscal year, or such later date as the Association may agree, furnish to the Association an audit report on the procurement of goods, works and consultants’ services carried out under the Project, prepared by the said independent procurement auditors.
APPENDIX

Definitions

1. “Affected Persons” means persons who, on account of the execution of the Project had or would have their: (i) standard of living adversely affected; (ii) right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habitat adversely affected.

2. “Annual Work Plans and Budgets” means the annual plans and budget required for the proper implantation of the Project referred to in Section I. A. 3. of Schedule 2 to this Agreement and to be prepared annually by the PCU (as hereinafter defined).

3. “ASREP” means the Agriculture Sector Rehabilitation Project financed under a loan and a grant pursuant to agreements entered into on April 4, 2005 between the Recipient and the African Development Bank and the African Development Fund, respectively.

4. “Beneficiary” or “Beneficiaries” means one or more recipients of a matching grant under Components 1 (b), 2 (b) or 3 (a) of the Project and whose eligibility and selection is determined in accordance with the Matching Grants Manual (as hereinafter defined).

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


8. “FBO” means Farmer Based Organizations.

10. “Matching Grant” means a grant made or proposed to be made out of the proceeds of the Financing by the Recipient to a Beneficiary for the purpose of financing a Sub-project in accordance with the provisions of Section I.B.2 of Schedule 2 to this Agreement.

11. “Matching Grant Agreement” means an agreement entered into, or to be entered into, between the NSC on behalf of the Recipient, and a Beneficiary, for the purpose of extending a Matching Grant to such Beneficiary on the terms and conditions set forth or referred to in Section I.B.2 of Schedule 2 to this Agreement.

12. “Matching Grants Manager” means a firm to be recruited by the Recipient in accordance with the provisions of Section III of Schedule 2 to this Agreement to assist the Recipient in managing Matching Grants to be made under the Project.

13. “Matching Grants Manual” means the Recipient’s Manual referred to in Section 5.01 (b) (i) of Article V of this Agreement.


16. “NSC” means the National Steering Committee referred to in Section A. 2 of Schedule 2 to this Agreement.

17. “Operating Costs” means the incremental operating costs incurred on account of the implementation of the Project including maintenance of vehicles, fuel, equipment, office supplies, utilities, consumables, bank charges, advertising expenses, travel per diems, and accommodation.

18. “Operational Manuals” means, collectively, (i) the Matching Grants Manual; (ii) the manual referred to in Section (d) (ii) of Article V of this Agreement; (iii) and a Monitoring and Evaluation Manual, satisfactory to the Association, to be adopted by the Recipient.


20. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 5, 2007, 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.

21. “Program” means the Recipient’s program set out in its Letter of Sector Policy furnished to the Association in a letter dated March 26, 2007, describing a set of objectives, policies and actions framing the transition from emergency assistance to a longer-term development strategy in the agricultural sector, and declaring the Recipient’s commitment to the execution of the Program.

22. “Project Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association and on behalf of the Recipient on April 12, 2007.

23. “Project Coordinator” means the head of PCU (as hereinafter defined) referred to in Section I. A. 4 of Schedule 2 to this Agreement.

24. “PCU” means the Project coordination unit to be set up pursuant to Section I. A. 4 of Schedule 2 to this Agreement.

25. “Project Technical Committee” means the committee to be set up pursuant to Section I. A. 5 of Schedule 2 to this Agreement.

26. “RAP” means a resettlement action plan prepared in accordance with the provisions of the RPF.

27. “RCPRP” means the Rehabilitation and Community-based Poverty Reduction Project financed pursuant to a loan agreement entered into on February 20, 2004 between the Recipient and the International Fund for Agricultural Development.

28. “RFCIP” means the Rural Finance and Community Improvement Program financed pursuant to a financing agreement to be entered into between the Recipient and the International Fund for Agricultural Development.


30. “SLIEPA” means Sierra Leone Investment and Export Promotion Agency.

31. “SLRA” means Sierra Leone Roads Authority.
32. “Sub-project” means the reasonable cost of goods, works or services required for a set of specific activities carried out or to be carried out by a Beneficiary under Components 1.(b), 2.(b), and 3.(a) of the Project, and financed or proposed to be financed out of the proceeds of the Financing through a Matching Grant.

33. “Sub-financing” means financing made available, or to be made available, to a Beneficiary under a Matching Grant.

34. “Training and Workshops” means capacity building for implementing agencies and for Beneficiaries in management and implementation of Project activities.