FINANCING AGREEMENT

(Agriculture Competitiveness Project)

between

LAO PEOPLE'S DEMOCRATIC REPUBLIC

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between the LAO PEOPLE’S DEMOCRATIC REPUBLIC (“Recipient”) and the 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) apply to and form 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 a credit, deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement, in an amount equivalent to seventeen million two hundred thousand Special Drawing Rights (SDR 17,200,000) (variously, “Credit” and “Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

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

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

2.04. The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.

2.05. The Interest Charge is one and a quarter percent (1.25%) per annum on the Withdrawn Credit Balance.

2.06. The Payment Dates are April 15 and October 15 in each year.
2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.08. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through its Ministry of Agriculture and Forestry ("MAF") in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

4.02. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its Minister at the time responsible for finance.

5.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient’s address is:

Ministry of Finance
23rd Singha Road
Saysettha District
Vientiane
Lao PDR

(b) the Recipient’s Electronic Address is:

Facsimile: 856-21-412142
E-mail: tpphasysithisone@yahoo.com
5.03. For purposes of Section 11.01 of the General Conditions:

(a) the Association's address is:

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

(b) the Association's Electronic Address is:

Facsimile: 1-202-477-6391
E-mail: laopdr@worldbank.org

AGREED as of the Signature Date.

LAO PEOPLE'S DEMOCRATIC REPUBLIC

By

[Signature]

Authorized Representative

Name: Thipphakone CHANTHAYONGSA
Title: Deputy Minister of Finance
Date: 17 MAY 2018

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: Inguna Dobroaja
Title: Country Manager
Date: May 17, 2018
SCHEDULE 1

Project Description

The objective of the Project is to increase the competitiveness of selected agricultural value chains in the Project areas.

The Project consists of the following parts:

Part A. Improved Agricultural Efficiency and Sustainability

1. **Promoting Adoption of Good Varieties and Quality Seeds.** Carrying out of a program of activities designed to promote the adoption of good varieties and quality seeds, including the provision of: (a) technical assistance for the establishment of SMGs and building their capacity to adopt good varieties and quality seeds; (b) Matching Grants to selected SMGs to carry out Sub-projects for improving the production and postharvest handling, packaging and storage of quality seeds; (c) technical and material assistance to build the capacity of PAFOs, DAFOs, MAF technical departments and research institutions to conduct training for SMGs and to carry out seed quality monitoring and certification; and (d) technical assistance to link SMGs with FPGs and agribusinesses in marketing certified seeds.

2. **Promoting Good Agricultural Practices.** Carrying out of a program of activities designed to promote good agricultural practices, including the provision of: (a) technical assistance for the establishment of FPGs and building their capacity to adopt good agricultural practices; (b) Matching Grants to selected FPGs to carry out Sub-projects that implement good agricultural practices; (c) technical and material assistance to build the capacity of PAFOs, DAFOs, and MAF technical departments to conduct training for FPGs on good agricultural practices and to carry out related extension and certification activities including soil analysis, organic fertilizer production, and organic farming; and (d) technical assistance to link FPGs with agribusinesses in marketing farm produce.

3. **Providing Critical Productive Infrastructure.** Carrying out of a program of activities designed to improve critical irrigation infrastructure and water use practices, including: (a) rehabilitation of selected irrigation schemes; and (b) provision of technical assistance to establish water user groups and to build their capacity to adopt improved water use models.

4. **Strengthening Public Services Delivery.** Carrying out of a program of activities designed to strengthen agriculture and nutrition service delivery, including the provision of technical and material assistance to: (a) improve the overall extension service capacity of PAFOs, DAFOs and MAF technical departments; (b) develop and implement mapping and demarcation pilots for agricultural land in irrigated areas; and (c) conduct studies on integrated farming systems and diversification for nutrition, and carry out social behavioral change communication activities related to dietary diversity, adequate care practices, and processing and cooking for improved nutrition.
Part B. Enhanced Agricultural Commercialization

1. Establishing an Agricultural Value Chain Facility. Establishment and operation of an agricultural value chain facility for the purpose of extending technical and financial services to agribusinesses, including the provision of: (a) technical assistance to establish and operate the facility and provide advisory and Sub-project implementation support to agribusinesses; and (b) Matching Grants to selected agribusinesses to carry out Sub-projects for upgrading their processing and postharvest handling facilities and their management capacities to improve product quality, increase operational efficiency, reduce physical losses, and link agribusinesses with FPGs to improve the marketing of farm produce.

2. Linking Farmers to Markets. Carrying out of a program of activities designed to link farmers to markets, including the provision of technical assistance to: (a) strengthen the horizontal links of farmers within FPGs for implementing procurement, marketing and other collective actions, and the vertical links of FPGs and agribusiness in productive partnerships to undertake further processing and marketing of the produce; and (b) develop an improved agriculture market information system to provide reliable market information for productive partnerships.

3. Improving the Enabling Environment. Carrying out of a program of activities by MAF technical departments, MOIC and other relevant agencies to improve the enabling legal, policy and institutional environment for supporting agribusiness investment and agricultural trade policies, including the development of improved sanitary and phytosanitary standards, rice standards and rice export policies, and improved import and export legislation focusing on agriculture inputs and farm machinery.

Part C. Project Management

1. Project Management. Carrying out of the day-to-day implementation, coordination, and management of Project activities including planning and execution, financial management, procurement, internal and external audits, and environmental and social safeguards management.

2. Project Monitoring and Evaluation. Carrying out of the day-to-day monitoring, reporting and evaluation of Project activities.

Part D: Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.
SCHEDULE 2
Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. National Project Steering Committee

The Recipient shall maintain, throughout the Project implementation period, a National Project Steering Committee, with a mandate, composition and resources satisfactory to the Association. Without limitation to the foregoing, the National Project Steering Committee shall: (a) be chaired by a Vice Minister of MAF and include representatives from MOIC and other ministries and provinces involved in the implementation of the Project; (b) meet annually or more often as required; and (c) be responsible for, inter alia: (i) providing strategic and policy guidance on the implementation of Project activities; (ii) supporting inter-ministerial and national-provincial coordination of Project activities; and (iii) approving the overall Annual Work Plans and Budgets.

2. Provincial Project Steering Committees

The Recipient shall ensure the maintenance, throughout the Project implementation period, of a Provincial Project Steering Committee in each province participating in the implementation of the Project, each with a mandate, composition and resources satisfactory to the Association. Without limitation to the foregoing, each Provincial Project Steering Committee shall: (a) be chaired by the province’s Governor or Vice Governor and include representatives from the respective PAFOs and other provincial offices and agencies involved in the implementation of the Project, including representatives of MAF as observers as needed; (b) meet annually or more often as required; and (c) be responsible for, inter alia: (i) providing strategic and policy guidance on the implementation of Project activities at the provincial level; (ii) supporting coordination of Project activities at the provincial level among the agencies represented on the committee; and (iii) approving the provincial level annual work plans and budgets for input into the overall Annual Work Plans and Budgets.

3. MAF National Project Management Office

The Recipient shall maintain, throughout the Project implementation period, a national project management office within MAF, with functions, resources and staff in numbers and with terms of reference and qualifications satisfactory to the Association, which shall be responsible for, inter alia: (a) the overall administration of the Project, including the compilation of Annual Work Plans and
Budgets; (b) the overall administration of financial management, procurement, environmental and social safeguards management, and communication of all Project activities; (c) the overall monitoring, evaluation and reporting of Project activities; (d) approving Sub-project proposals, and providing general oversight of the implementation of Sub-projects; and (e) reporting to the National Project Steering Committee on the implementation of Project activities.

4. Provincial Agriculture and Forestry Offices

The Recipient shall ensure the maintenance, throughout the Project implementation period, of the PAFOs in each province participating in the Project, with functions, resources, and staff in numbers and with terms of reference and qualifications satisfactory to the Association, which shall be responsible for, *inter alia*: (a) the overall implementation of Project activities at the provincial level, including the preparation of provincial annual work plans and budgets and coordination with PICOs and selected districts and villages in the planning and implementation of activities; (b) the administration of financial management, procurement, and environmental and social safeguards management of Project activities at the provincial level; (c) the monitoring, evaluation and reporting of Project activities at the provincial level; (d) reviewing and recommending for approval Sub-project proposals in the respective province, and monitoring the implementation of Sub-projects at the provincial level; and (e) reporting to the MAF national project management office and the Provincial Project Steering Committee on the implementation of Project activities at the provincial level.

B. Project Operational Manual

The Recipient shall ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Operational Manual ("POM") (provided, however, that in the event of any conflict between the arrangements and procedures set out in the POM and the provisions of this Agreement, the provisions of this Agreement shall prevail) and shall not amend, abrogate or waive any provision of the POM unless the Association has provided its prior no-objection thereof in writing.

C. Annual Work Plans and Budgets

1. The Recipient shall ensure that the Association is furnished, not later than one (1) month before the beginning of each Fiscal Year during the implementation of the Project (or such later date as the Association may agree) for the Association's no-objection, a consolidated Annual Work Plan and Budget ("AWPB") containing all Project activities and Eligible Expenditures proposed to be included in the Project in the following Fiscal Year.
2. The Recipient shall ensure that the Project is implemented in accordance with the AWPB (provided, however, that in the event of any conflict between the AWPB and the provisions of this Agreement, the provisions of this Agreement shall prevail) and shall provide, promptly as needed, its share of the Project financing as specified in the AWPB.

3. The Recipient shall not make or allow to be made any change to the AWPB without prior no-objection in writing by the Association.

D. Environmental and Social Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the ESMF, the CRPF, and the EGEF.

2. Whenever a Safeguard Assessment and Plan shall be required for any proposed Project activity in accordance with the provisions of the ESMF, the CRPF and the EGEF, the Recipient shall ensure that: (a) prior to the commencement of such activity, such Safeguard Assessment and Plan is, as applicable: (i) prepared and furnished to the Association for review and no-objection; (ii) disclosed and consulted upon in accordance with the provisions of the ESMF, the CRPF and the EGEF, as the case may be; and (iii) thereafter finalized and adopted as accepted by the Association, in a manner satisfactory to the Association; and (b) thereafter such measures are taken as shall be necessary or appropriate to ensure compliance with the requirements of such Safeguard Assessment and Plan.

3. Without limitation to the foregoing, the Recipient shall ensure that, in accordance with the ESMF: (a) a Panel of Experts, with composition, terms of reference and resources satisfactory to the Association, is appointed prior to the commencement of any Project activities involving the use of large dams which are fifteen (15) meters or more in height, and said panel is maintained until the completion of said activities, to review and make recommendations on the dam safety and operational aspects of such dams, including recommendations for any remedial work or safety-related measures necessary to upgrade such dams to an acceptable standard of safety; (b) copies of all reports prepared by the Panel of Experts are promptly furnished to the Association; and (c) thereafter, the recommendations of the Panel of Experts are implemented in a manner satisfactory to the Association.

4. The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the ESMF, the CRPF, the EGEF and any Safeguard Assessment and Plan, unless the Association has provided its prior no-objection thereof in writing, and the Recipient has ensured compliance with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.
5. The Recipient shall ensure that: (a) all terms of reference for any technical assistance or studies carried out under the Project are consistent with, and pay due attention to, the Association's environmental and social safeguards policies, as well as the Recipient's own laws relating to the environment and social aspects; and (b) in drafting any regulations, guidelines or procedures and carrying out capacity building activities under the Project, due attention is given to said policies and laws, in accordance with the guidelines set forth in the ESMF, the CRPF and the EGEF.

6. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall ensure that consolidated reports on the status of compliance with the ESMF, the CRPF, the EGEF and the Safeguard Assessments and Plans are collected, compiled and furnished to the Association on a six (6) monthly basis (or such other frequency as may be agreed with the Association), giving details of:

(a) measures taken in accordance with the said instruments;

(b) conditions, if any, which interfere or threaten to interfere with the implementation of the said measures; and

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

7. In the event of any conflict between the provisions of any of the ESMF, the CRPF, the EGEF and the Safeguard Assessments and Plans, and the provisions of this Agreement, the provisions of this Agreement shall prevail.

E. Matching Grants

1. The Recipient shall ensure that Matching Grants are provided for financing Sub-projects under Parts A.1(b), A.2(b) and B.1(b) of the Project in accordance with the eligibility criteria and approval and administration arrangements set out in the Project Operational Manual.

2. Without limitation upon the foregoing, the Recipient shall ensure that each Matching Grant is made under a Matching Grant Agreement with the respective Beneficiary in accordance with the POM and under terms and conditions acceptable by the Association, which shall include, inter alia:

(a) A description of the eligible Sub-project activities and expenditures to be financed out of the proceeds of the respective Matching Grant, including the matching contribution from the Beneficiary, and the amount of the Matching Grant;

(b) The obligations of the respective Beneficiary to:
(i) carry out the Sub-project in accordance with the approved activity and financing plan in respect of such Sub-project;

(ii) ensure that the Sub-project is carried out with due diligence and efficiency and in accordance with appropriate technical, economic, financial, managerial, environmental and social standards and practices, including in accordance with the provisions of the POM and the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient;

(iii) provide or cause to be provided, promptly as needed, the resources required for the purpose;

(iv) ensure that the goods, works and/or services to be financed out of the Matching Grant are procured in accordance with the provisions of the Procurement Regulations and the POM;

(v) 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;

(vi) ensure compliance with the environmental and social safeguard requirements set forth in this Agreement, including those provided in the ESMF, the CRPF, the EGEF and the Safeguard Assessments and Plans;

(vii) (A) maintain or cause to be maintained a financial management system and prepare or caused to be prepared 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 (B) at the Association’s or the Recipient’s request, ensure that such financial statements are audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish or cause to be furnished the statements as so audited to the Recipient and the Association;

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

(ix) prepare and furnish or cause to be prepared and furnished to the Recipient and the Association all such information as the
Recipient or the Association shall reasonably request relating to the foregoing; and

(c) the right of the Recipient to suspend or terminate the right of the Beneficiary to use the proceeds of the Matching Grant, or obtain a refund of all or any part of the amount of the Matching Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Matching Grant Agreement.

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

F. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part D of the Project ("Contingent Emergency Response Part"), the Recipient shall ensure that:

(a) a Contingent Emergency Response Manual ("CERM") is prepared and furnished to the Association for its review and no-objection, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any special institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor ("Contingent Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for Contingent Emergency Response Part; (v) documentation required for withdrawals of Contingent Emergency Expenditures; (vi) application of the relevant safeguard instruments to the Contingent Emergency Response Part; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the Contingent Emergency Response Part;

(b) the Association is afforded a reasonable opportunity to review the proposed CERM;

(c) the CERM for the Contingent Emergency Response Part is promptly adopted as shall have been accepted by the Association;
the Contingent Emergency Response Part is carried out in accordance with the CERM; provided, however, that in the event of any inconsistency between the provisions of the CERM and this Agreement, the provisions of this Agreement shall prevail; and

the CERM is not amended, suspended, abrogated, repealed or waived without prior written no-objection by the Association.

2. The Recipient shall ensure that no activities are undertaken under the Contingent Emergency Response Part, unless and until the following conditions have been met in respect of said activities:

(a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Contingent Emergency Response Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient and the Project Implementing Entity thereof; and

(b) all safeguard instruments as may be required for said activities have been prepared and disclosed in accordance with the CERM, the Association has approved all such instruments, and the Recipient has ensured the implementation of any actions which are required to be taken under said instruments.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

B. Mid-term Review

The Recipient shall: (a) on or about the date thirty (30) months after the Effective Date, prepare and furnish to the Association a mid-term report, in such detail as the Association shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of such report, taking into account the monitoring and evaluation activities performed pursuant to Part A of this Section II, and setting out the measures recommended to ensure the continued efficient carrying out of the Project and the achievement of its objectives during the period following such date; and (b) review with the Association such mid-term report, on or about the date forty-five (45) days after its submission, and thereafter take all measures required to ensure the continued
efficient implementation of the Project and the achievement of its objectives, based on the conclusions and recommendations of the mid-term report and the Association’s views on the matter.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures; and (b) repay the Preparation Advance; in the amount allocated and up to the percentage set forth against each Category of the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing 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, consulting services, Matching Grants, Training and Operating Costs under Parts A, B and C of the Project</td>
<td>16,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Refund of Preparation Advance</td>
<td>700,000</td>
<td>Amount payable pursuant to Section 2.07 (a) of the General Conditions</td>
</tr>
<tr>
<td>(3) Contingent Emergency Expenditures under Part D of the Project</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>17,200,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for:

   (a) payments made prior to the Signature Date; or
(b) for Contingent Emergency Expenditures under Category (3), unless and until the Association is satisfied that all of the following conditions have been met in respect of said expenditures:

(i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Contingent Emergency Response Part in order to respond to said crisis or emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

(ii) the Recipient has ensured that all safeguards instruments required for said activities have been prepared and disclosed, and the Recipient has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Sections I.F of this Schedule;

(iii) the entities in charge of coordinating and implementing the Contingent Emergency Response Part have adequate staff and resources, in accordance with the provisions of Section I.F of this Schedule, for the purposes of said activities; and

(iv) the Recipient has adopted the CERM, in form and substance acceptable to the Association, and the provisions of the CERM remain – or have been updated in accordance with the provisions of Section I.F of this Schedule 2 so as to be – appropriate for the inclusion and implementation of the Contingent Emergency Response Part.

2. The Closing Date is June 28, 2024.
### SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 15 and October 15:</td>
<td></td>
</tr>
<tr>
<td>commencing October 15, 2023 to and including April 15, 2043</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing October 15, 2043 to and including April 15, 2048</td>
<td>3.40%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.
APPENDIX

Definitions

1. “Annual Work Plan and Budget” and the acronym “AWPB” each means the plan and budget which have received the Association’s no-objection in accordance with Section I.C of Schedule 2 to this Agreement; as said plan and budget may be modified from time to time with the prior written no-objection of the Association.

2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.

3. “Beneficiary” means a farmer seed multiplication group, a farmer production group, or an agribusinesses selected in accordance with the eligibility criteria and procedures set forth in the Project Operational Manual, to receive a Matching Grant for the financing of a Sub-project, and the term “Beneficiaries” means collectively all such Beneficiaries.

4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

5. “National Project Steering Committee” means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement, or any successor thereto which the Association has confirmed in writing is acceptable for the implementation of the Project.

6. “Contingent Emergency Expenditure” means any of the eligible expenditures set forth in the Contingent Emergency Response Manual in accordance with the provisions of Section I.F of Schedule 2 to this Agreement, and required for the Contingent Emergency Response Part.

7. “Contingent Emergency Response Manual” and “CERM” each means the manual referred to in Section I.F of Schedule 2 to this Agreement, in form and substance satisfactory to the Association, to be adopted for the Contingent Emergency Response Part in accordance with the provisions of said Section.

8. “Contingent Emergency Response Part” means a specific activity or activities to be carried out in the event of an Eligible Crisis or Emergency under Part D of the Project.

9. “CRPF” means the Recipient’s Compensation and Resettlement Policy Framework, dated January 11, 2018, setting out measures and actions to be taken during the implementation of the Project for the provision of compensation,
rehabilitation and resettlement assistance to any Displaced Persons, and protocols and procedures for voluntary land donations, with related public consultation, disclosure, monitoring, reporting and grievance redress procedures; as said framework may be modified from time to time with the prior written no-objection of the Association, and such term includes any schedules or annexes to such framework.

10. “DAFOs” means the District Agriculture and Forestry Offices in each province participating in the Project, or any successors thereto which the Association has confirmed in writing are acceptable for the implementation of the Project.

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

12. “DSP” means any dam safety plan to be prepared by the Recipient in accordance with the ESMF pursuant to Section I.D.2 of Schedule 2 to this Agreement, each such plan in form and substance satisfactory to the Association, setting out, inter alia, remedial works construction supervision and quality assurance plan, instrumentation plan, emergency preparedness plan, operation and maintenance plan and other dam safety measures to be implemented under the Project, as said plan may be modified from time to time with the prior written no-objection of the Association, and such term includes any annexes and schedules to such plan.

13. “ECOP” means the Environmental Codes of Practice included in the ESMF, setting out, inter alia, measures and procedures to avoid, minimize, mitigate and/or compensate any adverse environmental, social, health and safety impacts that may result from the implementation of the Project.

14. “EGDP” means any ethnic groups development plan to be prepared in accordance with the EGEF, pursuant to Section I.D.2 of Schedule 2 to this Agreement, each such plan in form and substance satisfactory to the Association, setting out the measures to be undertaken in accordance with the EGEF to ensure culturally appropriate social and economic benefits for the Ethnic Groups affected by Project activities, and to avoid, minimize, mitigate and/or compensate for any potential adverse effects on the Ethnic Groups associated with such activities; as said plan may be modified from time to time with the prior no-objection of the Association, and such term includes any schedules or annexes to such plan.

15. “EGEF” means the Recipient’s Ethnic Groups Engagement Framework, dated January 11, 2018, setting out the strategy to be implemented in the carrying out of
the Project in areas where Ethnic Groups are residing, cultivating, hunting and carrying out other similar social activities, which strategy includes special planning measures or actions to be undertaken aimed at ensuring that through informed consultation the Ethnic Groups receive the benefits from the Project in a culturally compatible manner acceptable to them, and do not suffer adverse effects as a result of the implementation of the Project, with related public consultation, disclosure, monitoring, reporting and grievance redress procedures, as said framework may be modified from time to time with the prior no-objection of the Association, and such term includes any schedules or annexes to such framework.

16. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

17. “ESA” means any environmental and social assessment to be prepared in accordance with the ESMF pursuant to Section I.D.2 of Schedule 2 to this Agreement, each such assessment in form and substance satisfactory to the Association, defining, inter alia, details of potential environmental, dam safety and social risks and adverse impacts associated with the implementation of Project activities, as said assessment may be modified from time to time with the prior written no-objection of the Association, and such term includes any annexes and schedules to such assessment.

18. “ESMF” means the Recipient’s Environmental and Social Management Framework dated January 11, 2018, setting out, inter alia, the principles, standards, processes and tools to be applied to assess potential adverse environmental and social impacts associated with Project activities and the ways to avoid, minimize, mitigate and/or compensate such impacts, with related public consultation, disclosure, reporting and grievance redress procedures, including, inter alia, the ECOP, the PMP, and the guidelines, procedures and forms for preparing and implementing ESAs, ESMPs and DSPs, as said framework may be modified from time to time with the prior written no-objection of the Association, and such term includes any annexes and schedules to such framework.

19. “ESMP” means any environmental and social management plan to be prepared in accordance with the ESMF pursuant to Section I.D.2 of Schedule 2 to this Agreement, each such plan in form and substance satisfactory to the Association, setting out, inter alia, details of measures to manage potential environmental and social risks and avoid, minimize and/or mitigate any adverse environmental and social impacts associated with the implementation of Project activities, together with adequate budget, institutional, monitoring, reporting and grievance redress arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms, as said plan may be modified from time to time with the prior written no-objection of the Association, and such term includes any annexes and schedules to such plan.
20. "Ethnic Groups" means social groups residing or engaged in livelihood activities in the Project area, which have a distinct, vulnerable, social and cultural identity, and that possess the following characteristics in varying degrees: (a) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (b) collective attachment to geographically distinct habitats or ancestral territories in the Project area and to the natural resources in these habitats and territories; (c) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (d) an indigenous language.

21. "Fiscal Year" means the Recipient's fiscal year, which commences on January 1 and closes on December 31 of each year.

22. "FPGs" means farmer production groups.


24. "MAF" means the Recipient's Ministry of Agriculture and Forestry, or any successor thereto which the Association has confirmed in writing is acceptable for the implementation of the Project.

25. "Matching Grant" means a grant to be made available by the Recipient out of the proceeds of the Financing to a Beneficiary to finance the reasonable costs of goods, works and services in accordance with the provisions of the respective Matching Grant Agreement; and "Matching Grants" means, collectively, all such grants.

26. "Matching Grant Agreement" means the agreement to be entered into between the Recipient and the respective Beneficiary for the purposes of implementing and financing a Sub-project; and "Matching Grant Agreements" means collectively, all such agreements.

27. "MOIC" means the Recipient's Ministry of Industry and Commerce, or any successor thereto which the Association has confirmed in writing is acceptable for the implementation of the Project.

28. "Operating Costs" means reasonable costs required for the day-to-day coordination, administration, operation and supervision of Project activities, including leasing and/or routine repair and maintenance of vehicles, equipment, facilities and office premises, fuel, office supplies, utilities, consumables, communication expenses (including postage, telephone and internet costs), translation, operating costs of information campaigns including media costs; printing and photocopying expenses, bank charges, publications and advertising expenses, insurance, Project-related meeting expenses, Project-related travel,
subsistence and lodging expenses, and other administrative costs and costs of contractual staff directly related to the Project, but excluding consulting fees and salaries, bonuses, fees and honoraria or equivalent payments of members of the Recipient’s civil service.

29. “PAFOs” means the Provincial Agriculture and Forestry Offices in each province participating in the Project, or any successors thereto which the Association has confirmed in writing are acceptable for the implementation of the Project.

30. “Panel of Experts” means the panel to be appointed and maintained by the Recipient pursuant to Section I.D.3 of Schedule 2 to this Agreement.

31. “PICOs” means the Provincial Industry and Commerce Office in each province participating in the Project, or any successors thereto which the Association has confirmed in writing are acceptable for the implementation of the Project.

32. “PMP” means the Recipient’s Pest Management Plan included in the ESMF, setting out, *inter alia*, measures to develop and implement integrated pest management and safe handling of pesticides in the course of Project implementation, together with adequate budget, institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms, as said plan may be modified from time to time with the prior written approval of the Association, and such term includes any annexes and schedules to such plan.

33. “Preparation Advance” means the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on May 19, 2017 and on behalf of the Recipient on June 5, 2017.

34. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017.

35. “Project Operational Manual” and the acronym “POM” each means the Recipient’s manual referred to in Section I.B of Schedule 2 to this Agreement, in form and substance satisfactory to the Association, containing detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) disbursement and financial management; (iii) procurement; (iv) environmental and social safeguards management; (v) monitoring, evaluation, reporting and communication; (vi) the eligibility criteria, appraisal, approval and administration arrangements and procedures for Sub-projects and terms and conditions of Matching Grant Agreements; and (vii) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project, as said manual may be modified
from time to time with the prior written no-objection of the Association; and such term includes any schedules, annexes and attachments to the Project Operational Manual.

36. “Provincial Project Steering Committee” means the committee referred to in Section I.A.2 of Schedule 2 to this Agreement, or any successor thereto which the Association has confirmed in writing is acceptable for the implementation of the Project.

37. “RAP” means any resettlement action plan to be prepared in accordance with the CRPF, pursuant to Section I.D.2 of Schedule 2 to this Agreement, each such plan in form and substance satisfactory to the Association, setting out, inter alia, measures for compensation and resettlement of any Displaced Persons, including the magnitude of displacement, compensation and resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring, reporting and grievance redress arrangements capable of ensuring proper implementation of, and regular feedback on compliance with its terms, as said plan may be modified from time to time with the prior written no-objection of the Association, and such term includes any annexes and schedules to such plan.

38. “Safeguard Assessment and Plan” means any ESA, ESMP, DSP, EGDP and RAP to be prepared in accordance with the ESMF, the EGEF or the CRPF, as the case may be, and the provisions of Section I.D.2 of Schedule 2 to this Agreement, as said assessment and plan may be modified from time to time with the prior no-objection of the Association, and such term includes any annexes and schedules to such assessment and plan; and “Safeguard Assessments and Plans” means, collectively, all such assessments and plans.

39. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.

40. “SMGs” means seed multiplication groups.

41. “Sub-project” means a set of specific activities under Parts A.1(b), A.2(b) and B.1(b) of the Project to be carried out by a respective Beneficiary utilizing the proceeds of a Matching Grant; and the term “Sub-projects” means all such Sub-projects.

42. “Training” means the reasonable costs incurred by the Recipient for training under the Project and directly attributable to seminars, workshops and study tours, along with travel and subsistence allowances for training participants, course fees, services of trainers, rental of training facilities, preparation, acquisition,
distribution and reproduction of training materials, and other activities directly related to course preparation and implementation.