Loan Agreement

(OECS Regional Agriculture Competitiveness Project)

between

GRENADA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated July 21, 2017
LOAN AGREEMENT

AGREEMENT dated July 21, 2017, between GRENADA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank").

WHEREAS (A) the Borrower, having satisfied itself as to the feasibility and priority of the project described in Schedule 1 to this Agreement ("Project"), has requested the Bank to assist in financing the Project; and

(B) the Borrower has also requested the International Development Association ("Association") to provide additional financial assistance towards financing the Project and, by the financing agreement of the same date herewith between the Borrower and the Association ("Financing Agreement"), in an amount equivalent to two million two hundred thousand Dollars (USD 2,200,000) ("Credit");

WHEREAS the Bank has agreed, on the basis, inter alia, of the foregoing, to extend the loan referred to in Section 2.01 of this Agreement to the Borrower upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the Borrower and the Bank 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 — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of one million eight hundred thousand Dollars (USD 1,800,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("Loan"), to assist in financing the Project.

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

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

2.06. The Payment Dates are March 15 and September 15 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

(c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be
paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall carry out the Project through its Ministry of Finance and Energy ("MoFE") and its Ministry of Agriculture, Lands, Forestry and Fisheries ("MoALFF") in accordance with the provisions of Article V of the General Conditions.

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

3.03. In recognition of the corresponding terms of this Agreement and of the Financing Agreement:

(a) any actions taken, including approvals given, by the Association with respect to any Project-related matter under the Financing Agreement shall be deemed to be taken or given in the name and on behalf of both the Association and the Bank; and

(b) any information or documentation furnished by the Recipient to the Association or to the Bank with respect to any Project-related matter pursuant to the provisions of the Financing Agreement, including the International Development Association General Conditions for Credits and Grants referred to therein, or of this Agreement, shall be deemed to have been furnished to both the Association and the Bank.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Condition of Effectiveness consists of, namely, that the Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or the right of the Borrower to make withdrawals under it (other than those relating to the effectiveness of this Agreement) have been fulfilled.

4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower’s Representative is its Minister for Finance.

5.02. The Borrower’s Address is:

   Ministry of Finance and Energy
   Financial Complex
   The Carenage, St. Georges
   Grenada, W.I.

   Facsimile:

   1 (473) 440-4115

5.03. The Bank’s Address is:

   International Bank for Reconstruction and Development
   1818 H Street, N.W.
   Washington, D.C. 20433
   United States of America

   Telex: 248423(MCI) or 64145(MCI)
   Facsimile: 1-202-477-6391
AGREED at District of Columbia, USA, as of the day and year first above written.

GRENADA

By [Signature]

Authorized Representative

Name: H.E. E. Angus Friday

Title: Ambassador

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By [Signature]

Authorized Representative

Name: Tahseen Sayed

Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to support the Borrower in enhancing access to markets and sales for competitively selected farmers and fishers, as well as their allied aggregators and agro-processors, in Grenada.

The Project consists of the following parts:

Part 1. Preparation of Business Plans

Provision of goods, consulting and non-consulting services, Training and Operating Costs in support of implementing pre-investment activities, including:

(a) development and implementation of a communication and information dissemination strategy to raise awareness of the Project and its activities;

(b) organization of networking events, including business roundtables and local workshops for supporting the formation of strategic alliances between aggregators and agro-processors ("AAs"), farmers and fishers ("FF"), buyers, and lenders;

(c) provision of Training to AAs, FFs and buyers to identify business opportunities, and translate them into viable business proposals;

(d) implementation of a country-wide call for interested parties to present business proposals;

(e) evaluation of business proposals, and selection of those proposals to be developed into business plans;

(f) provision of technical assistance for the preparation of sustainable and competitive business plans;

(g) evaluation and selection of final business plans, and the preparation of Subproject Agreements for those selected plans; and

(h) analysis of the qualifications of input suppliers eligible to participate in the voucher program under Part 2 of the Project.

Part 2. Implementation of Business Plans

(a) Implementation of a matching grant and voucher program, including the provision of (i) Training for capacity building to AAs and FFs receiving
matching grants ("Matching Grants") and vouchers ("Vouchers"), respectively, and (ii) support in supervising the implementation of the selected business plans.

(b) Provision of Matching Grants to eligible AAs, and Vouchers to eligible FFs, which are allied with the respective AAs, for the purpose of implementing the business plans selected under Part 1 (g) of the Project, and co-financing investments under said plans, including:

(i) for the selected AAs: (A) equipment, infrastructure and other related inputs, and (B) technical assistance and specialized Training related to their respective business plans; and

(ii) for the selected FFs: (A) farming equipment, infrastructure and other related inputs, and (B) fishing equipment, infrastructure and other related inputs.

(c) Provision of (i) technical assistance and Training on procurement to AAs receiving Matching Grants, and (ii) specialized Training, in relation to the implementation of the relevant business plans, to FFs receiving Vouchers.

Part 3. General Agricultural Services and Enabling Environment

Strengthening of the Borrower’s general agricultural public services through the provision of goods, works, consulting services, non-consulting services, Training and Operating Costs to:

(a) improve the quality and availability of key inputs required for the adoption of more productive technology (such as quality seeds, seedlings, and planting materials) for products supported under Part 2 of the Project;

(b) organize, and facilitate participation in, trade fairs and study tours;

(c) strengthen agricultural public extension service providers’ knowledge and skills to effectively (i) support the selected AAs and FFs to adopt technology, implement their business plans under Part 2 of the Project, and (ii) communicate and disseminate information broadly across the agricultural sector;

(d) carry out technical studies to improve competitiveness, including market studies and analysis of new potential value chains, enabling environment, competition reforms, agro-food logistics, and food safety requirements and quality standards (including legal framework) and related technical skills; and
(e) carry out improvements to selected public infrastructure that are required for the promotion of adequate internal distribution of produce, reduction of post-harvest losses, establishment of modern food safety mechanisms, as well as cold storage at key exit points for perishable agricultural exports.

Part 4. Project Management, Monitoring, and Evaluation

Provision of goods, consulting services, non-consulting services, Training and Operating Costs to the PCU and PIU in support of Project coordination, management and implementation, monitoring and evaluation, fiduciary administration (including financial and technical audits), environmental and social safeguards compliance and citizens' engagement.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Without limitation to the provisions of Article V of the General Conditions, and except as the Bank shall otherwise agree, the Borrower shall:

   (a) through MoFE, operate and maintain throughout Project implementation, a Project Coordination Unit ("PCU") with composition, resources, terms of reference and functions acceptable to the Bank, to (i) carry out Project procurement, financial management, environmental and social safeguards compliance, and (ii) implement the fiduciary aspects of the Matching Grant and Voucher program under Part 2 of the Project; and

   (b) through MoALFF, operate and maintain throughout Project implementation, a Project Implementation Unit ("PIU") with composition, resources, terms of reference and functions acceptable to the Bank, to be responsible for (i) coordinating and implementing all Project activities, including with relevant agencies and beneficiaries, as specified in the Project Operations Manual ("POM"), (ii) ensuring that the requirements, criteria, policies, procedures and organizational arrangements set forth in the POM are applied in carrying out the Project, (iii) preparing all Project implementation documents, including Project reports, and (iv) monitoring and evaluating the Project.

2. In furtherance of paragraph 1 (a) of this Section, not later than forty-five (45) days after the Effective Date, the Borrower, through MoALFF, shall hire staff with qualifications satisfactory to the Bank to carry out the Project manager functions of the PIU.

3. Not later than thirty (30) days after the Effective Date, the Borrower shall appoint or ensure the appointment of representatives to, and periodically convene and ensure the appropriate functioning of, a Project Steering Committee, consisting of representatives from relevant Borrower ministries and agencies, and private sector entities within the Borrower’s territory, for the purpose of providing overall guidance and support for Project implementation, inter-institutional coordination, approve annual Project operating plans and requests for budgetary allocation, and advice on Project restructurings and adjustments, as such measures may be needed.

4. For the purposes of carrying out Part 1 (e) and (g) of the Project, the Borrower shall, not later than ninety (90) days after the Effective Date, establish, and
maintain throughout the duration of the Project, an evaluation committee, with composition, resources, terms of reference and functions acceptable to the Bank, to be responsible for conducting the technical and financial evaluations of business proposals under Part 1 (e) of the Project, and business plans under Part 1 (g) of the Project, and for making recommendations for final selection of such, all in accordance with the criteria set forth in the POM.

5. Not later than sixty (60) days after the Effective Date, the Borrower shall finalize the procurement of the main technical service provider to provide training and technical assistance under Parts 1 (c) and (f), 2 (c), and 3 (c) of the Project.

6. For the purposes of carrying out Part 2 (b) for the Project, the Borrower shall extend the Matching Grants and Vouchers to AAs and FFs, respectively, only after executing Subproject Agreements with each recipient AA and FF, on terms and conditions approved by the Bank, and such terms and conditions shall include:

(a) requiring each AA receiving a Matching Grant to deposit into a designated commercial bank account (opened by the respective AA for its exclusive use while implementing the Subproject) its counterpart funds for the carrying out of the related Subproject, as a precondition for receiving the Matching Grant;

(b) requiring each FF receiving Vouchers to use said Vouchers to acquire approved goods, as specified in the respective Subproject Agreements, from suppliers selected in accordance with the criteria set forth in the POM and to the satisfaction of the Association, and to use such goods exclusively for the implementation of the related Subproject;

(c) requiring each recipient AA and FF to:

(i) carry out its Subproject activities with due diligence and efficiency and in accordance with the POM (including sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank) and with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Borrower;

(ii) provide, promptly as needed, the resources required for the purpose of the Subproject;

(iii) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the Subproject and the achievement of its objectives;
(iv) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Subproject, and (B) at the Bank’s or the Borrower’s request, have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Borrower and the Bank;

(v) enable the Borrower and the Bank to inspect the Subproject, its operation and any relevant records and documents; and

(vi) prepare and furnish to the Borrower and the Bank all such information as the Borrower or the Bank shall reasonably request relating to the foregoing; and

(d) obtaining rights adequate to protect the interests of the Borrower and the Bank; upon the relevant recipient’s failure to perform any of its obligations under the Subproject Agreement, such rights shall include:

(i) the right to suspend or terminate a recipient AA’s right to use a Matching Grant and a recipient FF’s right to use Vouchers, and

(ii) the right to obtain a refund (A) from a recipient AA of all or any part of the Matching Grant withdrawn, and (B) from a recipient FF of all or any part of the Vouchers used.

7. The Borrower shall exercise its rights and carry out its obligations under each Subproject Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, terminate, waive, or fail to enforce any Subproject Agreement or any of its provisions.

B. Project Operations Manual

1. The Borrower shall carry out the Project in accordance with the POM, satisfactory in form and substance to the Bank, which consists of different schedules setting forth rules, methods, guidelines, specific development plans, standard documents and procedures for the carrying out of the Project, including the following:

(a) the detailed description of all Project activities supported under this Agreement, their sequencing and the prospective timetable and benchmarks in relation thereto; and
the Project administrative, financial, accounting, auditing, procurement and disbursement procedures, including all relevant standard documents.

2. (a) For carrying out Part 2 (b) of the Project, the Borrower shall include in the POM a Matching Grants and Vouchers component, which shall set forth the procedures for selecting, appraising, and approving business proposals and business plans, and for supervising implementation of Subprojects financed under the matching grants and voucher program.

(b) The Matching Grants and Vouchers component of the POM shall include, inter alia: (i) the eligibility criteria for AAs and FFs to receive, respectively, Matching Grants and Vouchers; (ii) the application, evaluation, selection, award and management procedures for the Subprojects; (iii) the criteria for Matching Grant disbursements, monitoring, evaluation and reporting; and (iv) mandatory provisions that provide the following: (A) beneficiaries of the Matching Grants shall not award contracts to their subsidiary or affiliated companies unless there is an established arms-length arrangement, and (B) the Matching Grants shall be provided and implemented in accordance with the Environmental and Social Management Framework and Resettlement Policy Framework, and any applicable Environmental Management Plan and Resettlement Action Plan thereunder.

C. Annual Work Plan and Budget

The Borrower shall:

(a) prepare and furnish to the Bank not later than January 15 of each year during the implementation of the Project, a proposed Annual Work Plan and Budget containing: (i) all activities to be carried out under the Project during the following year; (ii) a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing; and (iii) any Training activities that may be required under the Project including (A) the type of Training, (B) the purpose of the Training, and (C) the cost of the Training;

(b) afford the Bank a reasonable opportunity to exchange views with the Borrower on each such proposed Annual Work Plan and Budget, and shall thereafter ensure that the Project is implemented with due diligence during said following year, in accordance with such Annual Work Plan and Budget as shall have been approved by the Bank; and

(c) not make or allow to be made any change to the approved Annual Work Plan and Budget without the Bank's prior written approval.
D. Anti-Corruption

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

E. Safeguards

1. The Borrower shall ensure that:

   (a) the Project is carried out in accordance with the respective terms of the Environmental and Social Management Framework ("ESMF") and the Resettlement Policy Framework ("RPF"), and the policies, procedures and arrangements therein set forth are applied and implemented; and

   (b) the ESMF and the RPF, or any provision thereof, shall not be amended, suspended, abrogated, terminated or waived or permitted to be amended, suspended, abrogated, terminated or waived, except with the prior written approval of the Bank.

2. Prior to the commencement of any civil works under the Project, the Borrower shall:

   (a) submit to the Bank for its approval, as relevant (i) any required Resettlement Action Plan ("RAP"), including the relevant social assessment, in form and substance satisfactory to the Bank, (ii) any required Environmental Management Plan ("EMP"), in form and substance satisfactory to the Bank, and (iii) any required Pest Management Plan ("PMP"), in form and substance satisfactory to the Bank;

   (b) ensure that the provisions of the said RAP(s), EMP(s) and PMP(s) are adequately included in the proposed contract(s) for the said works; and

   (c) ensure that the said RAP(s), EMP(s) and PMP(s), as relevant, are disclosed and, unless the Bank shall otherwise agree, all related, adequate compensation amounts are paid in full, all in accordance with the related RAP(s), EMP(s), PMP(s), the RPF and the ESMF, as may be relevant.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank. Each Project Report shall cover the period of two calendar quarters, and shall be furnished to
the Bank not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. The Borrower shall prepare and furnish to the Bank 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 Bank.

3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.
Section III. **Procurement**

All goods, works, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations and the provisions of the Procurement Plan.

Section IV. **Withdrawal of Loan Proceeds**

A. **General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the Bank 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 Loan and the Credit (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in USD) (Credit No. 6063-GD)</th>
<th>Amount of the Loan Allocated (expressed in USD) (Loan No. 8758-GD)</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, Training and Operating Costs, except Matching Grants and Vouchers under Part 2 (b) of the Project</td>
<td>0</td>
<td>1,795,500</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consulting services, and Training financed by the Matching Grants under Part 2 (b) (i) of the Project</td>
<td>1,100,000</td>
<td>0</td>
<td>100% of the Matching Grants</td>
</tr>
<tr>
<td>(3) Goods financed by the Vouchers under Part 2 (b) (ii) of the Project</td>
<td>1,100,000</td>
<td>0</td>
<td>100% of the Vouchers</td>
</tr>
<tr>
<td>(4) Front-end Fee</td>
<td>0</td>
<td>4,500</td>
<td>Amount payable pursuant to Section 2.03 of this Loan Agreement in accordance with Section 2.07 (b) of the respective General Conditions</td>
</tr>
<tr>
<td>(5) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td></td>
<td>Amount due pursuant to Section 2.08 (c) of this Loan Agreement</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>2,200,000</strong></td>
<td><strong>1,800,000</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. The Closing Date is May 31, 2023.
SCHEDULE 3

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each March 15 and September 15</td>
<td></td>
</tr>
<tr>
<td>Beginning March 15, 2027</td>
<td>2.44%</td>
</tr>
<tr>
<td>through September 15, 2046</td>
<td></td>
</tr>
<tr>
<td>On March 15, 2047</td>
<td>2.40%</td>
</tr>
</tbody>
</table>

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

   (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

   (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal
Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.
APPENDIX

Section I. Definitions

1. "AAs" means aggregators and agro-processors, which includes (a) producer organizations such as producer associations, cooperatives or similar formal organizations that have legal standing to act as aggregators and agro-processors, and (b) small and medium-sized enterprises such as wholesalers, traders and lead farmers that have legal standing to act as aggregators, and industrial agro-processors, all in the territory of the Borrower; “AA” means one such aggregator or agro-processor.

2. “Annual Work Plan and Budget” means the work plan and budget prepared annually by the Borrower and approved by the Bank in accordance with Section I.C of Schedule 2 to this Agreement; and “Annual Work Plans and Budgets” means more than one such Annual Work Plan and Budget.


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

5. “Credit” means the credit amount extended to the Borrower under the Financing Agreement referred to in the Whereas clause (B) of this Agreement.

6. “Environmental and Social Management Framework” or “ESMF” means the Borrower’s Environmental and Social Management Framework prepared by the Borrower, and satisfactory to the Bank, disclosed on April 18, 2017, and through the Bank’s external website on April 18, 2017, that identifies the Project’s likely environmental and social impacts, the potential mitigation measures of the identified risks, assessment of the institutional capacity of the implementing agency and measures for capacity-filling gaps, and an estimate of the budget needed for its implementation and related instruments, and guidance for the preparation of activities-specific environmental and social impact assessments, Environmental Management Plans, and/or Pest Management Plans.

7. “Environmental Management Plans” or “EMPs” means the site-specific documents, adopted by the Borrower, and satisfactory to the Bank, pursuant to the Project’s Environmental and Social Management Framework, and to be prepared and implemented in a manner fully consistent with the Environmental and Social Management Framework; “EMP” means one such Environmental Management Plan.
8. "FFs" means small-scale individual, or organized, farmers and fishers in the territory of the Borrower; "FF" means one such farmer or fisher.

9. "Financing Agreement" means the agreement referred to in the Whereas clause (B) of this Agreement, as such agreement may be amended from time to time. "Financing Agreement" includes all appendices, schedules and agreements supplemental to the Financing Agreement.

10. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012, with the modifications set forth in Section II of this Appendix.

11. "Matching Grant" means a matching grant made by the Borrower out of the proceeds of the Loan to an AA under Part 2 (b) of the Project for the purposes of partially financing goods, works, consulting services, non-consulting services and/or Training under any given Subproject, and in accordance with the provisions of Section I.A.6 of Schedule 2 to this Agreement.

12. "Ministry of Agriculture, Land, Forestry and Fisheries" or "MoALFF" means the Borrower's ministry of the same name for agriculture, or its legal successor or successors thereto.

13. "Ministry of Finance and Energy" or "MoFE" means the Borrower's ministry of the same name for finance, or its legal successor or successors thereto.

14. "Operating Costs" means the incremental expenses incurred on account of Project management, including office rent, leasehold improvements, office furniture, equipment and supplies, vehicle operation and maintenance, communication and insurance costs, office administration costs, utilities, travel and per diem, excluding the salaries of the Borrower's civil service.

15. "Pest Management Plans" or "PMPs" means the site-specific documents, adopted by the Borrower, and satisfactory to the Bank, pursuant to the Project's Environmental and Social Management Framework, and to be prepared and implemented in a manner fully consistent with the Environmental and Social Management Framework; "PMP" means one such Pest Management Plan.

16. "Procurement Plan" means the Borrower's procurement plan for the Project, dated April 18, 2017, and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Bank.

18. "Project Coordination Unit" or "PCU" means the unit referred to in Section I.A.1(a) of Schedule 2 to this Agreement, or its legal successor or successors thereto.

19. "Project Implementation Unit" or "PIU" means the unit referred to in Section I.A.1(b) of Schedule 2 to this Agreement or its legal successors or successors thereto.

20. "Project Operational Manual" or "POM" means the Borrower's operational manual for the Project referred to in Section I.B of Schedule 2 to this Agreement, adopted by the Borrower on April 18, 2017, and as said manual may be amended from time to time with the agreement of the Bank.

21. "Project Steering Committee" means the committee referred to in Section I.A.3 of Schedule 2 to this Agreement, established pursuant to the Borrower's Cabinet approval, or said Committee's legal successor or successors thereto.

22. "Resettlement Action Plans" or "RAPs" means the site-specific documents, adopted by the Borrower, and satisfactory to the Bank, to be prepared and implemented in a manner fully consistent with the Resettlement Policy Framework; and "Resettlement Action Plan" or "RAP" means one such plan.

23. "Resettlement Policy Framework" or "RPF" means the document prepared and endorsed by the Borrower, and disclosed by the Borrower on April 18, 2017, and through the Bank's external website on April 18, 2017, that sets forth resettlement procedures, institutional arrangements, eligibility criteria, entitlements and compensation, including valuation procedures, public consultation and participation, monitoring and evaluation and disclosure criteria to be applied in preparing and implementing Resettlement Action Plans.

24. "Subproject" means any activity and/or investment under a selected business plan referred to in Part 2 (b) of the Project; "Subprojects" means more than one such Subproject.

25. "Subproject Agreement" means any of the agreements referred to in Section I.A.6 of Schedule 2 to this Agreement; "Subproject Agreements" means more than one such Subproject Agreement.

26. "Training" means the reasonable costs associated with the training, workshop and study tour participation of personnel involved in Project activities, as specified in the Annual Work Plan and Budget, said costs to consist of travel and subsistence for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related
to training course, workshop or study tour preparation and implementation (but excluding costs of consulting services).

27. "Voucher" means an instrument extended by the Borrower to an FF under Part 2 (b) of the Project for purposes of financing, with the proceeds of the Loan, goods under any given Subproject, in accordance with the provisions of Section I.A.6 of Schedule 2 to this Agreement.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the Table of Contents, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.

2. Section 3.01. (Front-end Fee) is modified to read as follows:

"Section 3.01. Front-end Fee; Commitment Charge

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the "Front-end Fee").

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the "Commitment Charge"). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date."

3. In the Appendix, Definitions, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.

4. The Appendix is modified by inserting a new paragraph 19 with the following definition of "Commitment Charge", and renumbering the subsequent paragraphs accordingly:

"19. "Commitment Charge" means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b)."

5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of "Front-end Fee" is modified by replacing the reference to Section 3.01 with Section 3.01 (a).
6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term “Loan Payment” is modified to read as follows:

“68. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”

7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of “Payment Date” is modified by deleting the word “is” and inserting the words “and Commitment Charge are” after the word “interest”.