Global Agriculture and Food Security Program
Grant Agreement

(Caribbean Coast Food Security Project)

between

REPUBLIC OF NICARAGUA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as a Supervising Entity of the Global Agriculture and Food Security Program

Dated February 23, 2016
GLOBAL AGRICULTURE AND FOOD SECURITY PROGRAM
GRANT AGREEMENT

AGREEMENT dated February 23, 2015 entered into between:

REPUBLIC OF NICARAGUA ("Recipient"); and

INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as a Supervising Entity of the Global Agriculture and Food Security Program.

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


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

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project, through MEFCCA, in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to thirty-three
million nine hundred thousand United States Dollars ($33,900,000) ("Grant") to assist in financing the Project.

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

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

**Article IV**

**Additional Remedies**

4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:

(a) The Procurement Law shall have been amended, suspended, abrogated, repealed or waived so as to render its Article 5(e) ineffective, in the opinion of the World Bank, and no provision analogous to such Article 5(e) has been adopted to replace said provision.

(b) The World Bank has determined after the Effective Date, an event has occurred which would have entitled the World Bank to suspend the Recipient’s right to make withdrawals from the Grant Account.

**Article V**

**Recipient’s Representative; Addresses**

5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance and Public Credit.

5.02. The Recipient’s Address is:

Ministerio de Hacienda y Crédito Público
Avenida Bolívar, frente a la Asamblea Nacional
Managua, Nicaragua

Facsimile: + (505) 2222-3033
5.03. The World Bank’s Address is:

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

Cable: Telex: Facsimile:
INDEVAS 248423 (MCI) 1-202-477-6391 Washington, D.C.

AGREED at Managua, Republic of Nicaragua, as of the day and year first above written.

REPUBLIC OF NICARAGUA

By

Authorized Representative

Name: Iván Acosta
Title: Ministro de Hacienda

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as Supervising Entity of the Global Agriculture and Food Security Program

By

Authorized Representative

Name: Luis Constantino
Title: Country Manager
SCHEDULE 1

Project Description

The objective of the Project is to enhance food and nutritional security in Selected Communities of the Caribbean Coast of the Recipient.

The Project consists of the following parts:

Part 1. Innovation Development Plans for Strengthening Natural and Non-Natural Resource-Based Productive and Marketing Capacity

(a) Supporting sustainable, climate-smart, and diversified family agriculture and livestock production and market linkages through, *inter alia*, the carrying out of IDP Subprojects by Eligible Beneficiaries.

(b) Supporting sustainable artisanal fisheries and aquaculture production and market linkages through, *inter alia*, the carrying out of IDP Subprojects by Eligible Beneficiaries.

(c) Supporting agricultural and agro-industrial ventures through, *inter alia*, the carrying out of IDP Subprojects by Eligible Beneficiaries.

(d) Strengthening the productive and marketing capacity of non-agricultural small and micro-enterprises through, *inter alia*, the carrying out of IDP Subprojects by Eligible Beneficiaries.

(e) Supporting the preparation of IDP Subprojects through, *inter alia*: (i) the carrying out of communication activities in Select Communities; (ii) conducting rapid and participatory value-chain assessments and territorial diagnostics; (iii) capacity building for preparing, implementing and monitoring IDP Subprojects; (iv) carrying out related environmental and social assessments; and (v) providing technical assistance on sanitary and phytosanitary surveillance and services.

Part 2. Strengthening Service Provision for Sustainable Production, Food Security and Nutrition

(a) Improving the productivity and quality of agriculture yields through, *inter alia*, strengthening the capacity of INTA and other service providers to generate, validate and transfer technologies to agricultural producers.

(b) Supporting nutrition education and behavior change communications and nutrition-sensitive agriculture practices through, *inter alia*, training and awareness raising activities about feeding and food handling practices and the role of agriculture in improving nutrition outcomes.

Carrying out Project management and monitoring and evaluation activities, including, \textit{inter alia}: (i) carrying out Project supervision, including field visits; (ii) carrying out Project audits; (iii) complying with the financial management, procurement, social and environmental requirements under the Project; and (iv) supporting the establishment and operation of a monitoring and evaluation system for the Project.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional and Implementation Arrangements.

1. No later than four (4) months after the Effective Date, the Recipient, through MEFCCA, shall appoint, and thereafter maintain, at the national and Caribbean Coast regional levels, at all times during the implementation of the Project, competent personnel required for Project implementation, in adequate numbers, including, but not limited to, a Project coordinator, nutrition specialists, environmental specialists, social specialists, a planning, monitoring and evaluation specialist, technical field supervisors, procurement specialists, a financial management specialist, a disbursement specialist, senior accountants, and an IT specialist, all with qualifications, experience and terms of reference acceptable to the World Bank, as further detailed in the POM. The Recipient, through MEFCCA, shall be responsible for, inter alia, financial management and procurement activities of the Project, overall monitoring and evaluation of the Project and the approval of IDP Subprojects.

2. Not later than four (4) months after the Effective Date, the Recipient, through MEFCCA, shall establish, and thereafter operate and maintain, throughout the implementation of the Project, a National Project Coordination Committee ("CNCP") and a Regional Project Coordination Committee ("CRCPs") in each of the RACCN and RACCS, all headed by the MEFCCA, with functions, responsibilities and sufficient resources, acceptable to the World Bank, and comprised of qualified representatives from Cooperation Entities and other relevant stakeholders, as further detailed in the POM. The CNCP and the CRCPs shall be responsible for, inter alia, fostering inter-institutional and cross-sectoral coordination and collaboration for the timely and efficient implementation of the Project and providing non-binding strategic guidance to MEFCCA related to Project implementation at national and regional levels, respectively.

3. For the purposes of carrying out the Project, the Recipient, through MEFCCA, shall ensure adequate inter-agency and inter-governmental cooperation and shall enter into agreements ("Cooperation Agreements"), on terms and conditions acceptable to the World Bank, and further detailed in the POM, with Cooperation Entities and other relevant regional and communal stakeholders.

4. The Recipient shall: (i) prepare and furnish to the World Bank, an Annual Operating Plan of such scope and detail as the World Bank shall have reasonably requested (including, without limitation, a budget and indication of source of funds, the necessary counterpart funds and all measures taken or to be taken in
accordance with the Safeguard Instruments during the implementation of the Project) as follows: (A) for the first year of Project implementation, not later than three months after the Effective Date; and (B) for the second year of Project implementation and the immediately following calendar years of Project implementation, not later than November 30; and (ii) immediately thereafter, implement, and/or cause to be implemented, the adopted Annual Operating Plan in accordance with its terms and in a manner acceptable to the World Bank.

5. No later than six (6) months after the Effective Date, the Recipient, through MEFCCA, shall appoint and, thereafter maintain, at all times during Project implementation, independent auditors, with terms of reference acceptable to the World Bank.

B. Subproject Agreements.

1. To facilitate the carrying out of Parts 1(a), 1(b), 1(c) and 1(d), and prior to the carrying out of each IDP Subproject under said Parts of the Project, the Recipient, through MEFCCA, shall enter into an agreement (“Subproject Agreement”) with each Eligible Beneficiary, under terms and conditions acceptable to the World Bank, and as set forth in the Project Operational Manual, including, inter alia:

   (a) the Recipient’s obligation to:

   (i) make part of the proceeds of the Grant available to Eligible Beneficiaries on a grant basis (“Sub-grant”); and/or

   (ii) carry out the IDP Subproject, for the benefit of the Eligible Beneficiary, in accordance with the pertinent provisions of this Schedule; and

   (b) the Eligible Beneficiary’s obligation to:

   (i) if applicable, carry out the IDP Subproject in accordance with the pertinent provisions of this Schedule; and

   (ii) contribute to the IDP Subproject with, inter alia, labor, material or funds as set forth in the Project Operational Manual.

2. The Recipient shall take all the measures necessary to ensure that, in making the Sub-grant available to Eligible Beneficiaries, it shall obtain rights adequate to protect the interests of the Recipient and those of the World Bank, including the right to:

   (a) Suspend or terminate the right of Eligible Beneficiary to use the proceeds of the Sub-grant, or obtain a refund of all or any part of the amount of the
Sub-grant then withdrawn, upon the failure of the Eligible Beneficiary to perform any of its obligations under the Subproject Agreement.

(b) Require each Eligible Beneficiary to:

(i) carry out the IDP Subproject for which the Sub-grant was given with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, and environmental and social standards and practices, acceptable to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to the recipients of Grant proceeds other than the Recipient, the Safeguard Instruments and the POM;

(ii) procure the goods and services to be financed out of the proceeds of the Sub-grant in accordance with the provisions of Section III of Schedule 2 to this Agreement;

(iii) enable the Recipient and the World Bank to inspect activities carried out under the IDP Subproject, its operation and any relevant records and documents;

(iv) maintain policies and procedures adequate to enable the Recipient to monitor and evaluate, in accordance with indicators acceptable to the World Bank, the progress of the activities carried out under the IDP Subproject and the achievement of its objectives;

(v) (A) maintain records and prepare financial reports in accordance with requirements specified in the POM, both in a manner to reflect the operations, resources and expenditures related to the IDP Subproject; and (B) have such financial reports/statements available for any type of review or audit as requested by MEFCCA or the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank; and

(vi) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request related to the foregoing.

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

4. In case of any conflict between the provisions of any of the Subproject Agreements and this Agreement, the provisions of this Agreement shall prevail.


1. The Recipient shall maintain the Project Operational Manual ("POM") in form and substance acceptable to the World Bank, which sets forth, *inter alia*:

   (a) the detailed description of Project implementation activities, their sequencing and the prospective timetable;
   
   (b) the institutional arrangements for the implementation of the Project;
   
   (c) the Project administrative, procurement, environmental and social, financial management and disbursement requirements and procedures;
   
   (d) the staffing needs of MEFCCA at national and regional levels;
   
   (e) the plan for the monitoring, evaluation and supervision of the Project;
   
   (f) the performance indicators for the Project;
   
   (g) the criteria for the selection of the Eligible Beneficiaries;
   
   (h) the terms and conditions of the Subproject Agreements; and
   
   (i) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

2. The Recipient shall carry out the Project in accordance with the provisions of the POM. Except as the Recipient and the World Bank may otherwise agree in writing, the Recipient shall not abrogate, amend, suspend, waive or otherwise fail to enforce the POM or any provision thereof.

3. In the event of any conflict between the provisions of the POM and those of this Agreement, the terms of this Agreement shall prevail.

D. Safeguards.

1. The Recipient shall ensure, and cause Eligible Beneficiaries to ensure, that the Project activities are carried out in accordance with the Safeguard Instruments, including the guidelines, rules and procedures defined in said Safeguard...
Instruments. To that end, the Recipient shall ensure that the following actions are taken in a manner acceptable to the World Bank:

(a) if an Environmental and Social Management Plan or Indigenous Peoples Plan, as applicable, would be required for any Project activity or IDP Subproject on the basis of the ESMF: (i) such ESMP or IPP, as applicable, shall be prepared in accordance with the requirements of the ESMF, disclosed locally and furnished to the World Bank; (ii) adequate and meaningful consultations shall be carried out on said ESMP or IPP; and (iii) the activities or IDP Subproject shall be carried out in accordance with such ESMP and IPP as approved by the World Bank; and

(b) no works shall be commenced on any site until: (i) all measures required to be taken under the ESMF and/or the specific ESMP, as applicable, prior to the initiation of said works have been taken; (ii) all measures required to be taken under the IPP to address the needs of the Indigenous Peoples in the areas under the Project have been taken; and (iii) the Recipient has prepared and furnished to the World Bank a report in form and substance satisfactory to the World Bank, on the status of compliance with the requirements of said ESMP or IPP or both.

2. The Recipient shall ensure that all measures required for carrying out the recommendations of the Safeguard Instruments are taken in a timely manner.

3. Without limitation to excluded expenditures set forth in the POM, the following activities shall not be eligible to be carried out under IDP Subprojects and to be funded under the Project:

(a) activities involving the involuntary acquisition of land or the displacement of persons;

(b) any activities that would lead to conversion or degradation of critical natural habitats or their supporting areas;

(c) any activities that would lead to conversion or degradation of critical forest areas, related critical natural habitats, clearing of forests or forest ecosystem;

(d) any activities that would involve the use or potential pollution of the Coco (Wanki) River Basin, including, but not limited to, irrigation or aquaculture activities; and

(e) activities involving palm oil production.
4. The Recipient shall ensure that any terms of reference for any consultancies related to technical assistance or capacity building under the Project shall be satisfactory to the World Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the World Bank's Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance and/or capacity building activities.

5. Without limitation to its other reporting obligations under this Agreement and under Section 2.06 of the Standard Conditions, the Recipient shall:

(a) include in the Project Reports referred to in Section II, Part A, paragraph 1 of this Schedule adequate information on the implementation of the Safeguard Instruments, giving details of:

(i) measures taken in furtherance of such Safeguard Instruments;

(ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Instruments; and

(iii) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such Safeguard Instruments; and

(b) afford the World Bank a reasonable opportunity to exchange views with the Recipient on such Project Reports.

6. The Recipient shall maintain, and publicize the availability of, grievance redress mechanisms to hear and determine fairly and in good faith, and in accordance with the Safeguard Instruments, all complaints raised in relation to the implementation of the Safeguard Instruments by Project affected persons, and take all measures necessary to implement the determinations made under such grievance redress mechanisms in a manner acceptable to the World Bank.

7. In the event of a conflict among the provisions of any of the Safeguard Instruments and those of this Agreement, the provisions of this Agreement shall prevail.

E. Anti-Corruption.

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report.

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

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

B. Financial Management; Financial Reports; Audits.

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient or any other period to be agreed with the Bank. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

Section III. Procurement

A. General.

1. Procurement and Consultant Guidelines. All goods, works non-consulting services and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(a) Section I of the Procurement Guidelines in the case of goods, works and non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consultants’ services; and
2. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.


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

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding; (b) Shopping; (c) Direct Contracting; and (d) Community Participation procedures which have been found acceptable to the World Bank.

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 methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Special provisions.

1. In addition and without limitation to any other provisions set forth in this section, the Procurement Guidelines or the Consultant Guidelines, the following principles of procurement shall expressly govern all procurement of works, goods, non-consulting services or consultants' services, as the case may be:
(a) foreign bidders shall not be required to be registered with local authorities as a prerequisite for bidding;

(b) no bids shall be rejected, and no provisional awards shall be made at the time of bid opening;

(c) the invitation to bid shall not establish, for purposes of acceptance of bids, minimum or maximum amounts for the contract prices;

(d) the invitation to bid shall not publish the estimated cost of the contract;

(e) in the case of Shopping, a minimum of three quotations shall be obtained as a condition to award the contract;

(f) unless the World Bank may otherwise agree, for the procurement of goods and non-consulting services, the “best offer” shall be the one submitted by the bidder whose offer was determined to be the lowest evaluated bid and was found substantially responsive to the bidding document acceptable to the World Bank, provided further that the bidder was determined to be qualified to perform the contract satisfactorily;

(g) bidders and Consultants shall not be allowed to review or make copies of other bidder’s bids or consultants’ proposals, as the case may be. Likewise, bidders’ and consultants’ responses to requests of clarifications made by the procuring entity during the bidding process shall not be disclosed to other bidders or consultants, as the case may be. Finally, reports including recommendations for award shall not be shared with bidders and consultants prior to their publication;

(h) eligibility criteria shall be the one defined in Section I of the Procurement Guidelines and Consultant Guidelines;

(i) automatic rejection of bids or proposals, as the case may be, due to differences between bid or proposal prices and cost estimates being higher than predetermined percentages, shall not be allowed;

(j) bidders shall have the possibility of procuring hard copies of bidding documents even if they are published on the procurement portal;

(k) unless so indicated in the applicable World Bank Standard Bidding Document, pre-bid conferences shall not be conducted;

(l) bid preparation terms shall not be reduced as a result of re-bidding;
consultants shall not be required to submit proposal and performance securities;

complaints shall be handled as indicated in the appendixes to the Procurement Guidelines and Consultant Guidelines;

the procurement of goods and works shall be carried out using standard bidding documents acceptable to the World Bank;

the Recipient, shall: (i) supply SEPA with the information contained in the initial Procurement Plan within 30 days after the Project has been approved by the World Bank; and (ii) update the Procurement Plan at least every three months, or as required by the World Bank, to reflect the actual Project implementation needs and progress and shall supply SEPA with the information contained in the updated Procurement Plan immediately thereafter; and

the invitations to bid, bidding documents, minutes of bid opening, requests for expressions of interest and the pertinent summary of the evaluation reports of bids and proposals of all goods, works, non-consulting and Consultants' Services shall be published in SISCAE in a manner acceptable to the World Bank. The bidding period shall be counted from the date of publication of the invitation to bid or the date of the availability of the bidding documents, whichever is later, to the date of bid opening.

E. Annual Procurement Audits.

1. The Recipient, through MEFCCA, shall:

(a) have all the procurement records and documentation for each fiscal year of the Project audited, in accordance with appropriate procurement audit principles, by independent auditors acceptable to the Bank;

(b) furnish to the World Bank as soon as available, but in any case not later than six months after the end of each such fiscal year, the procurement audit report of such audit by said auditors of such scope and in such detail as the World Bank shall reasonably request; and

(c) furnish to the World Bank such other information concerning said procurement records and documentation and the procurement review thereof as the World Bank shall from time to time reasonably request.

2. The Procurement Audit shall include in its scope the review of the IDPs to confirm that funds have been spent for intended purposes and that the principle of value for money is dully respected.
F. **Review by the World Bank of Procurement Decisions.**

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

**Section IV. ** **Withdrawal of Grant Proceeds**

**A. General.**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may 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 World Bank and as made applicable to this Agreement pursuant to such instructions), to 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 Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, Non-Consulting Services, and consultants’ services, Operating Costs and Training under Parts 1(e), 2 and 3 of the Project</td>
<td>11,300,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, Non-Consulting Services, consultants’ services, Operating Costs and Training for IDP Subprojects under Parts 1(a), 1(b), 1(c) and (d) of the Project</td>
<td>22,600,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>33,900,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
For the purposes of this Section IV.A.:

(a) "Training" means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consultants' services).

(b) "Operating Costs" means the incremental reasonable costs, as shall have been approved by the World Bank, incurred by MEFCCA and Eligible Beneficiaries, on account of Project administration, implementation, monitoring and supervision consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, office rental expenses, freight charges, office (and office equipment) maintenance, utilities, printing, non-durable goods, travel cost and per diem for Project staff for travel linked to the implementation, monitoring and supervision of the Project (but excluding consultants' services and salaries of officials of the Recipient's civil service).

B. Withdrawal Conditions; Withdrawal Period.

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

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 30, 2019.
APPENDIX

Definitions

1. “Annual Operating Plan” means each adopted annual plan referred to in Section I.A.4. of Schedule 2 to this Agreement.


3. “Caribbean Coast” means the Recipient’s municipalities of Puerto Cabezas, Bonanza, Rosita, Waspam, Siuna, Prinzapolka, Waslala, Mulukuku in the RACCN and in the Recipient’s municipalities of Paíwas, Bluefields, Kukra Hill, El Tortugero, La Desembocadura de Rio Grande, Laguna de Perlas and La Cruz de Rio Grande in the RACCS.

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

5. “CNCP” means Comité Nacional de Coordinación del Proyecto, the national project coordination committee referred to in Section I.A.2 of Schedule 2 to this Agreement.


7. “Cooperation Entities” means, inter alia, INPESCA, INTA, IPSA and MAG.

8. “Cooperation Agreements” means the agreements referred to in Section I.A.3 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior approval and in a manner satisfactory to the World Bank.

9. “CRPCs” means Comités Regionales de Coordinación del Proyecto, the RACCN and RACCS regional project coordination committees referred to in Section I.A.2 of Schedule 2 to this Agreement.

10. “Eligible Beneficiaries” means any individual, community or organization with residence in the Caribbean Coast eligible to receive a Subgrant or to benefit from an IDP Subproject under Part I of the Project, in accordance with criteria, procedures, terms and conditions set forth in the IOM.

11. “Environmental and Social Management Framework” or “ESMF” means the integrated environmental and social framework, including an Indigenous Peoples Planning Framework, dated November 25, 2014, adopted by the Recipient, setting forth prevention,
mitigation, monitoring, and institutional measures to address environmental and social impacts of Project activities, including impacts, *inter alia*, on natural habitats, forests, physical cultural resources, indigenous peoples, offset negative impacts, or reduce them to acceptable levels, or enhance positive environmental and social impacts, as said ESMF may be modified from time to time with the prior written agreement of the World Bank, and such term includes any schedules or annexes to such framework, including the indigenous peoples framework and the guidelines for preparing and implementing Environmental and Social Management Plans and Indigenous Peoples Plans.

12. “Environmental and Social Management Plan” or “ESMP” means any site-specific environmental and social management plan, prepared in accordance with the Environmental and Social Management Framework and the provisions of Section I.D. of Schedule 2 to this Agreement and acceptable to the World Bank, and giving details of the magnitude of the environmental and social impacts, as well as the specific actions, measures and policies designed to facilitate the achievement of the objective of the Environmental and Social Management Framework, including measures for protection of natural habitats, forests and physical cultural resources, setting forth the prevention, mitigation, monitoring and institutional measures to be taken during the implementation and operation of the Project to offset or reduce adverse environmental and social impacts to levels acceptable to the World Bank, including the budget and cost estimates, and sources of funding, along with the institutional and procedural measures needed and the chronogram to implement such actions, measures and policies.

13. “IDP” means any of the innovation development plans supporting: (i) family agriculture; (ii) artisanal fisheries; (iii) agro-industrial ventures; or (iv) non-agriculture microenterprises and eligible for financing form the proceeds of the Grant in accordance with the criteria and terms and conditions set forth in the POM.

14. “Indigenous Peoples” means a social group of people with a distinct social and cultural identity that makes them vulnerable to being disadvantaged in the development process, including the presence in varying degrees of the following characteristics: (i) a close attachment to ancestral territories and to the natural resources in these areas; (ii) self-identification and identification by others as members of a distinct cultural group; (iii) an indigenous language, often different from the national language; (iv) presence of customary social and political institutions; and (v) primarily subsistence-oriented production.

15. “Indigenous Peoples Planning Framework” or “IPPF” means the Recipient’s framework dated November 25, 2014, acceptable to the World Bank, and constituting an integral part of the ESMF, setting forth procedures for preparation of an indigenous peoples plan, measures for addressing the needs of the Indigenous Peoples, and providing guidelines and procedures for carrying out free, prior and informed consultation leading to broad community support of Indigenous Peoples present in the Project area.
16. "Indigenous Peoples Plan" or "IPP" means any site-specific indigenous peoples plan for the Project prepared and implemented in accordance with the ESMF and IPPF and the provisions of Section I.D. of Schedule 2 to this Agreement and approved by the World Bank.

17. "INPESCA" means the Recipient's Institute of Fisheries, or any successor thereto.

18. "INTA" means the Recipient's Institute of Agricultural Technology, or any successor thereto.

19. "IPSA" means the Recipient's Food Safety and Animal Health Institute, or any successor thereto.

20. "MAG" means the Recipient's Ministry of Agriculture, or any successor thereto.


23. "Procurement Plan" means the Recipient's procurement plan for the Project, dated December 2, 2014, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.


25. "Project Operational Manual" or "POM" means the manual, dated November 28, 2014, satisfactory to the World Bank, referred to in Section I.C. of Schedule 2 to this Agreement, as the same may be amended from time to time, after the prior written approval of the World Bank.

26. "RACCN" means Región Autónoma de la Costa Caribe Norte, the Recipient's North Caribbean Coast Autonomous Region.

27. "RACCS" means Región Autónoma de la Costa Caribe Sur, the Recipient's South Caribbean Coast Autonomous Region.

28. "Safeguard Instruments" means the ESMF, including its IPF, and related ESMPs and Indigenous Peoples Plans for the Project.
29. “Selected Communities” means vulnerable and/or indigenous communities in the Recipient’s municipalities of Puerto Cabezas, Bonanza, Rosita, Waspam, Siuna, Prinzapolka, Waslala, Mulukuku in the RACCN; and in the Recipient’s municipalities of Paiwas, Bluefields, Kukra Hill, El Tortugero, La Desembocadura de Rio Grande, Laguna de Perlas and La Cruz de Rio Grande in the RACCS.

30. “SISCAE” means Sistema de Contrataciones Administrativas del Estado, the Recipient’s contracting system.


32. “Subgrant” means any grant made out of the proceeds of the Grant to an Eligible Beneficiary for the carrying out of Parts 1(a), 1(b), 1(c) and 1(d) of the Project.

33. “Subproject” or “IDP Subproject” means any community-based activity/investment under Parts 1(a), 1(b), 1(c) and 1(d) of the Project, each to be proposed and carried out by and/or for the benefit of an Eligible Beneficiary in accordance with an IDP and selected as eligible to be financed from the proceeds of the Grant, in accordance with criteria, procedures, terms and conditions set forth in the POM.

34. “Subproject Agreement” means any of the agreements referred to in Section I, Part B of Schedule 2 to this Agreement.