Financing Agreement

(Agro-processing, Productivity Enhancement and Livelihood Improvement Support Project)

between

FEDERAL REPUBLIC OF NIGERIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated 14 July, 2017
CREDIT NUMBER 5993-NG

FINANCING AGREEMENT

AGREEMENT dated ________________, 2017, entered into between the FEDERAL REPUBLIC OF NIGERIA ("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) constitute an integral part of this Agreement.

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

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to one hundred forty-seven million two hundred thousand Special Drawing Rights (SDR 147,200,000) (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 IV of Schedule 2 to this Agreement. The Recipient’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the director or deputy director, department of international economic relations, Federal Ministry of Finance.

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

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.

2.06. The Payment Dates are February 1 and August 1 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: (a) carry out Part A(a) and A(b), Part B(b), Part D and Part E of the Project through FMARD concurrently with the Participating States; and (b) cause the Participating States to carry out, within their respective jurisdictions, Part A(c), Part B(a) and B(c), and Part C of the Project through their respective Ministry in charge of agriculture, all in accordance with the provisions of Article IV of the General Conditions.

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

3.03. The Recipient shall cause each Participating State to require its respective SCO to ensure that all funds deposited in the Project account are used by each SCO solely to defray the cost of expenditures related to the carrying out of its relevant activities under the Project.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following, namely, that as a result of events which have occurred after the date of this Agreement, an extraordinary situation shall have arisen which, shall make it improbable that a Participating State will be able to perform its obligations under the respective Subsidiary Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely, that at least one Subsidiary Agreement has been executed on behalf of the Recipient and one Participating State.

5.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Agreement referred to in Section 5.01 of this Agreement has been duly authorized or ratified by the Recipient and one Participating State and is legally binding upon the Recipient and that Participating State in accordance with its terms.

5.03. The Effectiveness Deadline is the date one hundred eighty (180) days after the date of this Agreement.
5.04. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is its minister responsible for finance.

6.02. The Recipient's Address is:

Federal Ministry of Finance
Ahmadu Bello Way
Abuja, Nigeria

Facsimile:
234-9-6273609

6.03. The Association'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 Abuja, Nigeria, as of the day and year first above written.

FEDERAL REPUBLIC OF NIGERIA

By:

[Signature]

Authorized Representative

Name: KEMI ADEOSUN (MRS)

Title: HON. MINISTER OF FINANCE

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

[Signature]

Authorized Representative

Name: Rachid Benmessghoud

Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to enhance agricultural productivity of small and medium scale farmers and improve value addition along priority value chains in the Participating States.

The Project consists of the following Parts:

Part A: Production and Productivity Enhancement

Provision of support to improve farmers' participation to agribusiness supply chains and response to market requirements through: (a) technical assistance to develop value chain investment plans and stakeholder mapping, and for structuring business alliances and out-grower schemes linking farmers to off-takers and processing units; (b) acquisition and dissemination of improved, climate-smart and nutrition-sensitive technologies (including, inter alia, inputs, equipment and machineries) for agricultural production systems; and (c) support for technology adoption, through provision of Matching Grants for Subprojects to Beneficiaries in accordance with agreed eligibility criteria and selection procedures as defined in the PIM, to facilitate access and adoption of proven technologies.

Part B: Primary processing, Value Addition, Post-Harvest Management, and Women and Youth Empowerment

Provision of support for post-harvest losses, consolidation of produce and primary processing by farmers' cooperative societies, and small and medium scale enterprises in Project intervention areas, focusing on gender sensitive activities along the core segment of the value chains (production, processing marketing) and ancillary businesses (including, inter alia, agro-dealership, haulage, packaging, business management), through: (a) (i) technical assistance for business planning; (ii) provision of Start-up Grants for Subprojects to Beneficiaries; (iii) mentorship for start-ups or consolidation of existing women and youth led businesses, as individuals or group beneficiaries, all in accordance with agreed eligibility criteria and selection procedures as defined in the PIM; (b) feasibility studies, construction, equipment and support to management of aggregation and primary processing centers for producer organization in productions clusters; and (c) support to market development, and linkage to business services.
Part C: Infrastructure Support to Agribusiness Clusters

Provision of support to improve physical environment (last mile connection to roads and utilities) for agro-industrial and cottage processing units located in agribusiness clusters with significant potential for agro-processing and greater inclusion of small to medium size farmers into the agribusiness supply chains alliances through: (a) design and construction of infrastructure such as access roads, jetties and other water transport infrastructure, mini water supply systems to unlock production clusters and facilitate linkage to processing units and aggregation centers; and (b) same facilities aiming at connecting processing clusters to facilitate small and medium farmer’s inclusion onto agribusiness supply chains.

Part D: Technical Assistance, Knowledge Management and Communication

Provision of support to build capacity of Project staff and partners in the relevant areas of value chains development, through: (a) capacity building, including preparation and implementation of Project capacity building and training plans, and support to Project’s collaborating institutions at federal and state levels; (b) technical assistance and knowledge management, including studies and preparatory works for subsequent projects contributing to advancing the implementation of the Recipient’s strategies; and support to FMARD in improving quality control of inputs, and information to farmers on input markets and agro dealers; and (c) communication and outreach.

Part E: Project Management and Coordination

Provision of support to ensure effective management and coordination of the Project for technical, financial, administrative, monitoring and evaluation activities during Project implementation in the areas of: (a) Project management through provision of Operating Costs, Training, equipment and tools necessary to carry out Project day-to-day activities by NCO and SCOs; (b) Monitoring and Evaluation (“M&E”) including gender tracker, Beneficiary assessment and impact evaluation; and (c) preparation, implementation and monitoring of environmental and social safeguards instruments, as well as establishment of an effective grievance redress mechanism.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall: (a) carry out Part A(a) and A(b), Part B(b), Part D and Part E of the Project through FMARD concurrently with the Participating States; and (b) cause the Participating States to carry out, within their respective jurisdictions, Part A(c), Part B(a) and B(c), and Part C of the Project through their respective Ministry in charge of Agriculture, all in accordance with the provisions of the PIM, the ESMF, and the RPF; and except as the Association shall otherwise agree, the Recipient shall not amend or waive any provision of any of these documents.

2. Federal Level Coordination and Implementation

(a) The Recipient shall entrust overall responsibility for the execution of the Project to FMARD.

(b) To secure an efficient overall coordination and prompt and timely execution of the Project, the Recipient shall maintain at all times during the Project implementation period, the following agencies: (i) NSC, with membership and functions satisfactory to the Association; and (ii) NCO, with mandate, resources, and qualified and experienced staff in adequate numbers, satisfactory to the Association.

(c) Without limitation upon the provisions of Paragraph 2(b) of this Section: (i) NSC shall be responsible for Project oversight at the federal level, review and approval of the annual work program and budget of the NCO, and review of progress achieved in implementation of the Project; and (ii) NCO shall be responsible for day-to-day overall coordination of Project implementation at the national level.

3. State Level Coordination and Implementation

(a) The Recipient shall cause each Participating State to establish and thereafter maintain at all times during implementation of the Project: (i) the SSC with membership and functions satisfactory to the Association; (ii) the STC with membership and functions satisfactory to the Association; and (iii) the SCO, with mandate, resources, and qualified and experienced staff in adequate numbers, satisfactory to the Association, so as to ensure prompt and efficient implementation of the Project.
(b) Without limitation upon the provisions of Paragraph 3(a) of this Section:

(i) the SSC shall perform the oversight, policy and strategic orientation functions for the Project and shall review and approve the AWPB and review the progress achieved in the execution of the Project.

(ii) The STC shall facilitate Project implementation through periodic review of implementation progress and coordination with relevant projects in the state; and ensure Project activities are implemented in accordance with the AWPB as approved by the SCC and in accordance to the PIM.

(iii) The SCO shall coordinate the day-to-day implementation of the Project in the Participating State.

(c) No later than three (3) months after the Effective Date, the Recipient shall ensure the establishment of the SCO in Kogi State, with staff with terms of reference, experience and qualifications acceptable to the Association recruited in accordance with the provisions of Section III of this Schedule 2.

4. **Financial Management Units**

The Recipient shall cause each Participating State to maintain at all times during the implementation of the Project, its PFMU, in form and with mandates, resources, and qualified and experienced staff in adequate numbers, all satisfactory to the Association, so as to ensure prompt and efficient implementation of the Project.

5. **Annual Work Plans and Budgets**

(a) The Recipient, through the FMARD, shall prepare or cause to be prepared, and thereafter collect and furnish to the Association not later than November 15 of each year during the implementation of the Project (or such later date as the Association may agree) for the Association’s approval, annual work plans and budgets containing all eligible Project activities and expenditures at the federal and each Participating State levels proposed to be included in the Project for the following Fiscal Year, including:

(i) environmental and social safeguards measures taken or planned to be taken in accordance with the provisions of Section I.E of this Schedule; and
(ii) the amount, allocation and schedule of disbursement of federal and Participating States' counterpart funds required for the financing of:

(A) any environmental and social safeguards measures required pursuant to any Safeguards Instrument;

(B) the Participating State's share of expenditures under the relevant Category in the table in Section IV.A.2 of this Schedule; and

(C) any other activities and expenditures required for the efficient implementation of the Project in accordance with this Agreement.

(b) The Recipient shall afford the Association a reasonable opportunity to review such draft annual work plans and budgets, and thereafter shall ensure that the Project is implemented in accordance with the Annual Work Plans and Budgets approved by the Association for the respective Fiscal Year, and shall ensure that the Recipient's and Participating States' counterpart funds required for the Project and specified in the Annual Work Plans and Budgets are duly committed and promptly paid as and when required for the purposes of the Project; provided, however, that in case of any conflict between the Annual Work Plans and Budgets and the provisions of this Agreement, the provisions of this Agreement shall prevail.

(c) The Recipient shall not make or allow to be made any change to the Annual Work Plans and Budgets without prior approval in writing by the Association.

(d) The Recipient shall cause each Participating State to implement, monitor and evaluate its annual work plan and budget in accordance with the provisions set forth in this Agreement and in more detail in the PIM and the respective Subsidiary Agreements as they shall have been approved by the Association pursuant to the provisions of Section I.B of this Schedule 2.
6. **Project Implementation Manual**

(a) No later than three (3) months after the Effective Date, the Recipient shall, and shall cause each Participating State, to adopt the Project Implementation Manual (“Project Implementation Manual” or “PIM”) in form and substance satisfactory to the Association, and, thereafter carry out the Project and cause each Participating State to carry out its respective activities under the Project in accordance with the provisions of the PIM, which shall include: (i) institutional coordination and day-to-day execution of the Project; (ii) Project budgeting, disbursement and financial management; (iii) procurement; (iv) environmental and social safeguard guidelines; (v) monitoring, evaluation, reporting and communication; and (vi) such other administrative, financial, technical, and organizational arrangements and procedures as shall be required for the Project, as the same maybe further updated from time to time with the prior written agreement of the Association.

(b) The Recipient shall, and shall cause the Participating States to, not amend, abrogate, waive or fail to enforce any provision of the Project Implementation Manual without the prior written agreement of the Association; provided, however, that in case of any conflict between the arrangements and procedures set out in the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

B. **Subsidiary Agreements**

1. To facilitate the carrying out of the Project, the Recipient shall make a portion of the proceeds of the Financing available to each Participating State as a grant on a non-reimbursable basis under a subsidiary agreement between the Recipient and each Participating State, under terms and conditions approved by the Association (“Subsidiary Agreement”), which shall include, *inter alia*:

(a) the principal amount of the financing allocated to the respective Participating State (“Subsidiary Financing”) which shall be the equivalent in terms of SDR of the amount withdrawn under this Agreement (determined as of the date or dates of withdrawal from the Financing Account) with respect to such Participating State; and

(b) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:

(i) suspend or terminate the right of the Participating State to use the proceeds of the Subsidiary Financing, or declare to be immediately due and payable or obtain a refund of all or any part
of the amount of the Subsidiary Financing then withdrawn, upon the Participating State's failure to perform any of its obligations under the Subsidiary Agreement; and

(ii) require each Participating State to:

(A) carry out its respective activities under the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, and in accordance with the provisions of this Agreement, including the relevant Safeguards Instruments, the PIM, and the Anti-Corruption Guidelines applicable to recipients of credit proceeds other than the Recipient;

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

(C) ensure that any goods and services to be financed out of the Subsidiary Financing are procured in accordance with the provisions of this Agreement;

(D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of its respective activities under the Project and the achievement of the objective of the Project;

(E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to its respective activities under the Project; and (2) have such financial statements audited annually by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association, but in any event not later than 6 months after the end of each Fiscal Year;

(F) enable the Recipient and the Association to inspect the Participating State's respective activities under the
Project, its operation and any relevant records and documents;

(G) permit the Association to make the Subsidiary Agreement and all financial statements audited pursuant to sub-paragraph (E) above available to the public in accordance with the Association's policies on access to information; and

(H) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

2. The Recipient shall exercise its rights and perform its obligations under the Subsidiary 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 and the Recipient shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Subprojects and Grants

1. Subprojects shall be selected in accordance with the procedures, guidelines, eligibility criteria and other provisions set forth in detail in the PIM and outlined hereunder. The SCO in a Participating State, through the NCO, shall submit summaries of all Subprojects to the Association, including data on any resettlement. Subprojects shall be implemented with due diligence and efficiency and in accordance with sound administrative, agricultural, financial, technical, environmental and social practices.

2. The Recipient shall cause each Participating State to provide Grants to Beneficiaries through its SCO in accordance with the eligibility criteria and the terms and conditions set forth in the PIM and in a Grant Agreement to be entered into between its SCO and the Beneficiary, which shall include the following:

   (a) The SCO shall obtain rights adequate to protect its interests and the interests of the Participating State and those of the Recipient and the Association, including the right to suspend or terminate the right of the Beneficiary to use the proceeds of the Grant and obtain a refund of all or any part of the amount of the Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Grant Agreement;

   (b) The SCO shall require each Beneficiary to: (i) carry out Subproject activities with due diligence and efficiency and in accordance with sound
agricultural, technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of the proceeds of the Credit other than the Recipient; (ii) provide, promptly as needed, the resources required for the purpose; (iii) procure the goods, works and services to be financed out of the Grant in accordance with the provisions of this Agreement; and (iv) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Subproject activities and the achievement of its objectives; and

(c) The Participating State shall require each Beneficiary to: (i) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Subproject activities; (ii) at the Association’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (iii) enable the Recipient and the Association to inspect the Subproject activities, its operation and any relevant records and documents; and (iv) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

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

D. Anti-Corruption

The Recipient shall: (i) carry out Part D of the Project concurrently with the Participating States; and (ii) cause each Participating State to carry out Parts A, B and C of the Project; all in accordance with the provisions of the Anti-Corruption Guidelines.

E. Safeguards

1. The Recipient shall implement, and cause each Participating State to implement, the Project in accordance with the Safeguards Instruments.
2. The Recipient, prior to initiating the carrying out of any civil works for any subproject, shall:

(a) (i) prepare (or cause each Participating State to prepare) in accordance with terms of reference and process acceptable to the Association, any Resettlement Action Plan ("RAP") required for such subproject and furnish said RAP to the Association for its review and approval; (ii) adopt and disclose such RAP in the Recipient’s territory; and (iii) incorporate such RAP in the bidding documents;

(b) if any activity under the Project would involve Affected Persons, ensure that: (i) no displacement (including restriction of access to legally designated parks and protected areas) shall occur before resettlement measures under the applicable RAP, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been taken; and (ii) provide from its own resources, any financing required for any measures under subparagraph (i) above including any costs associated with land acquisition required for the Project; and

(c) thereafter implement (or cause each Participating State to implement) the Project in accordance with such RAP.

3. The Recipient shall:

(a) prior to commencement of bidding for civil works for any subproject: (i) prepare (or cause each Participating State to prepare) in accordance with terms of reference and process acceptable to the Association, the Environmental and Social Impact Assessment ("ESIA") required for the subproject under the ESMF and the Environmental and Social Management Plan ("ESMP") required for the subproject under an ESIA, in form and substance satisfactory to the Association; (ii) furnish said ESIA and ESMP to the Association for its review and approval; (iii) adopt and disclose the ESIA and ESMP in the Recipient’s territory; and (iv) incorporate said ESMP in the bidding documents; and

(b) thereafter, implement (or cause each NE Participating State to implement) the Project in accordance with such ESIA and ESMP.

4. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, for each applicable Safeguards Instrument, regularly collect, compile and furnish to the Association reports in form and substance satisfactory to the Association, on the status of compliance with each applicable Safeguards Instrument, as part of the Project Reports, giving details of:
(a) measures taken in furtherance of such Safeguards Instrument;
(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguards Instrument; and
(c) remedial measures taken or required to be taken to address such conditions.

5. In the event that any provision of the Safeguards Instruments shall conflict with any provision under this Agreement, the provisions of this Agreement shall prevail.

6. The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the ESMF, the RPF and any other Safeguards Instrument adopted or to be adopted in accordance with the provisions of this Part E, unless the Association has provided its prior approval thereof in writing.

7. The Recipient shall ensure that all studies and technical assistance to be carried out under the Project are undertaken pursuant to terms of reference reviewed and found satisfactory by the Association, and that such terms of reference shall be designed to ensure that said studies and technical assistance are consistent with the Association's environmental and social safeguard policies.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall cause each Participating State, acting through its SCO, to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association 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 Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall cause each Participating State to prepare and furnish to the Recipient not later than thirty (30) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Association. The Recipient shall consolidate the same and
submit them to the Association not later than forty-five (45) days after the end of each calendar semester.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

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

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

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

B. Particular Methods of Procurement of Goods, Works and Non-Consulting Services

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

2. Other Methods of Procurement of Goods, Works and Non-Consulting Services. The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:
### Procurement Method

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
</tbody>
</table>

### C. Particular Methods of Procurement of Consultants' Services

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

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

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-based Selection</td>
</tr>
<tr>
<td>(b) Selection based on Consultants' Qualifications</td>
</tr>
<tr>
<td>(c) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(d) Single Source Selection of consulting firms</td>
</tr>
<tr>
<td>(e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(f) Single-source procedures for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

### D. Review by the Association of Procurement Decisions

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

### Section IV. Withdrawal of the Proceeds of the Financing

#### A. General

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

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants' services, Operating Costs and Training under the Project</td>
<td>75,800,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Matching Grants-under Part A of the Project</td>
<td>18,400,000</td>
<td>100% of amounts disbursed to Beneficiaries</td>
</tr>
<tr>
<td>(3) Start-Up Grants-under Part B of the Project</td>
<td>53,000,000</td>
<td>100% of amounts disbursed to Beneficiaries</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>147,200,000</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:
   (a) for payments made prior to the date of this Agreement;
   (b) under Categories (1), (2), and (3) with respect to any Participating State unless:
      (i) the Recipient has furnished to the Association evidence satisfactory to the Association that the concerned Participating State has duly established its SCO in form and substance satisfactory to the Association; and
      (ii) the Association has received an opinion pursuant to Section 8.02(b) of the General Conditions that the
Subsidiary Agreement has been duly authorized or ratified by the Recipient and the concerned Participating State and is legally binding upon the Recipient and the Participating State in accordance with its terms; and

(c) under Categories (2) and (3) unless a list of the Beneficiaries has been prepared in accordance with the Project Implementation Manual, and is acceptable to the Association.

2. The Closing Date is September 30, 2023.
### 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 February 1 and August 1:</td>
<td></td>
</tr>
<tr>
<td>commencing August 1, 2022 to and including February 1, 2032</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing August 1, 2032 to and including February 1, 2042</td>
<td>3.35%</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 3.03(b) of the General Conditions.
APPENDIX

Section I. Definitions

1. "Affected Persons" means a person who as a result of: (a) the involuntary taking of land under the Project is affected in any of the following ways: (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 the affected person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood; and "Affected Person" means any of the Affected Persons.


3. "Annual Work Plan and Budget" and "AWPB" each means each annual work plan, together with the related budget, for the Project approved by the Association pursuant to the provisions of Section I.A.5 of Schedule 2 to this Agreement.

4. "Beneficiary" means farmers and farmers groups under Matching Grants and individuals or group beneficiaries under Start-up Grants in any Participating State, as hereinafter defined, which have met the Matching Grant or the Start-up Grant eligibility criteria as set out in the PIM and as a result, have received, or are entitled to receive a Matching Grant or a Start-up Grant, as hereinafter defined.

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


7. "ESIA" or "Environmental and Social Impact Assessment" means an environmental and social impact assessment prepared by the Recipient in accordance with the ESMF pursuant to Section I.E.3 of Schedule 2 to this Agreement, and "ESIAs" means, collectively, all such assessments.

8. "ESMF" means the Environment and Social Management Framework prepared and adopted by the Recipient, dated January 2017, defining the set of mitigation, enhancement, monitoring, and institutional measures to be taken during implementation of the Project to eliminate any adverse environmental and social impacts, offset them, reduce them to acceptable levels, or to enhance positive
impacts of the Project activities, as such framework may be amended by the Recipient from time to time, with the prior written agreement of the Association.

9. "FMARD" means the Recipient’s Federal Ministry of Agriculture and Rural Development or any successor thereto.

10. "Fiscal Year" or "FY" each means the Recipient’s fiscal year commencing January 1 and ending December 31 in each year.

11. "General Conditions" means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.

12. "Grant" means a Matching Grant or a Start-up Grant.

13. "Grant Agreement" means the agreement to be entered into between the Participating State, through its SCO, and a Beneficiary for provision of a Grant.

14. "Kogi State" means the Recipient’s state of Kogi.

15. "Matching Grant" means a grant to be made out of the proceeds of the Financing to a Beneficiary under Part A of the Project.

16. "NCO" means the National Coordination Office referred to in paragraph 2(b)(ii) of Section I.A of Schedule 2 to this Agreement.

17. "NSC" means the National Steering Committee referred to in paragraph 2(b)(i) of Section I.A of Schedule 2 to this Agreement.

18. "Operating Costs" means the incremental expenses incurred by the Recipient and the Participating States, based on amounts and budgets approved by the Association, on account of Project implementation, management, and monitoring, including, inter alia, office space rental and utilities, office supplies and equipment, bank charges, communications, vehicle operation, maintenance, insurance cost, building and equipment maintenance, travel and subsistence allowances, supervision, advertising, and salaries of staff and consultants, but excluding salaries of civil servants of the Recipient and the Participating States.

19. "Participating State" means any of the Recipient’s States which has entered into a Subsidiary Agreement, with the Recipient, in accordance with Section I.B of Schedule 2 to this Agreement.

20. "PFMU" means the Project Financial Management Unit established by each Participating State in its Office of the State Accountant General and further referred to in paragraph 4 of Section I.A of Schedule 2 to this Agreement.
21. “PIM” means the Project Implementation Manual adopted by the Recipient, outlining the institutional and operational arrangements for implementation of the Project including, *inter alia*, procurement procedures, disbursement arrangements, performance indicators, environmental and social safeguards, monitoring and evaluation arrangements, terms of reference of staff and other administrative, financial and organizational arrangements, and setting forth the Grant eligibility criteria for the Subprojects, as hereinafter defined, including any schedules to the manual, as such manual may be amended by the Recipient from time to time, with the prior written agreement of the Association.

22. “IPMP” means the Integrated Pest Management Plan adopted by the Recipient and dated December 2016, as such Plan may be amended by the Recipient from time to time, with the prior written agreement of the Association.


24. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated February 22, 2017, 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. “RAP” means the resettlement action plan, in form and substance satisfactory to the Association, prepared or to be prepared by the Recipient on the basis of the RPF, and giving details of the specific actions, measures and policies designed to facilitate the achievement of the objectives of the RPF, along with procedural and institutional measures needed to implement such actions, measures and policies.

26. “Resettlement Policy Framework” or “RPF” means the Recipient’s resettlement policy framework document dated January 2017, setting forth the modalities for the compensation, resettlement and rehabilitation of Affected Persons, acceptable to the Association and such term includes any schedules and/or annexes to said framework, as the said framework may be revised by the Recipient from time to time with the prior written agreement of the Association.

27. “SCO” means the State Coordination Office referred to in Section 1.A.3(a)(iii) of Schedule 2 to this Agreement.

28. “Safeguards Instruments” means collectively or individually the ESMF, RPF, ESMPs, ESIAs, RAPs and the IPMP.

29. “SSC” means the State Steering Committee referred to in paragraph 3(a)(i) of Section 1.A of Schedule 2 to this Agreement.
30. "Start-up Grant" means a grant to be made out of the proceeds of the Financing to a Beneficiary under Part B of the Project.

31. "STC" means the State Technical Committee referred to in paragraph 3(a)(ii) of Section 1.A of Schedule 2 to this Agreement.

32. "Subproject" means any Subproject to be carried out by any Beneficiary under Part A and Part B of the Project in accordance with eligibility criteria set out in the PIM.

33. "Subsidiary Agreement" means each of the agreements referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to each Participating State, as the same may be amended from time to time with the prior written consent of the Association, and such term includes all schedules to such Subsidiary Agreement.

34. "Training" means incremental reasonable expenditures approved by the Association on the basis of budgets acceptable to the Association to finance the cost of training activities, workshops and seminars related to the Project, including, inter alia, expenses for rental of conference rooms, acquisition of materials and supplies and required office equipment.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 3.02 is modified to read as follows:

"Section 3.02. Service Charge and Interest Charge

(a) Service Charge. The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

(b) Interest Charge. The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months."

2. Paragraph 28 of the Appendix ("Financing Payment") is modified by inserting the words "the Interest Charge" between the words "the Service Charge" and "the Commitment Charge".
3. The Appendix is modified by inserting a new paragraph 32 with the following definition of “Interest Charge”, and renumbering the subsequent paragraphs accordingly:

“32. “Interest Charge” means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b).”

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix (“Payment Date”) is modified by inserting the words “Interest Charges” between the words “Service Charges” and “Commitment Charges”.

5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix (“Service Charge”) is modified by replacing the reference to Section 3.02 with Section 3.02(a).