

**OFFICIAL
DOCUMENTS**

CREDIT NUMBER 5534-CM

Financing Agreement

(Agriculture Investment and Market Development Project)

between

REPUBLIC OF CAMEROON

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated *December 15*, 2014



CREDIT NUMBER 5534-CM

FINANCING AGREEMENT

AGREEMENT dated December 15, 2014, entered into between REPUBLIC OF CAMEROON ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions.

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 sixty-four million six hundred thousand Special Drawing Rights (SDR 64,600,000) (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.
- 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.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 November 15 and May 15 in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.08. The Payment Currency is Euro.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through MINADER in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
 - (a) The Recipient has: (i) recruited a financial management specialist and an internal auditor to the National Coordination Unit in accordance with the provisions of Section I.A.4(a)(i)(A) of Schedule 2 to this Agreement; and (ii) recruited to each Regional Coordination Unit, a Regional coordinator and an accountant, in accordance with the provisions of Section I.A.4(b)(i)(A) of Schedule 2 to this Agreement.
 - (b) The Recipient has established the Tender Board in accordance with the provisions of Section I.A.6 of Schedule 2 to this Agreement.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.03. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is the Minister of Economy, Planning and Regional Development.

5.02. The Recipient's Address is:

Ministry of Economy, Planning and Regional Development
Yaoundé
Republic of Cameroon

Facsimile:

(237) 22 22 15 09

5.03. 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
Washington, D.C.

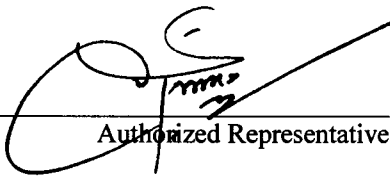
248423 (MCI)

1-202-477-6391

AGREED at Yaoundé, Republic of Cameroon, as of the day and year first above written.

REPUBLIC OF CAMEROON

By




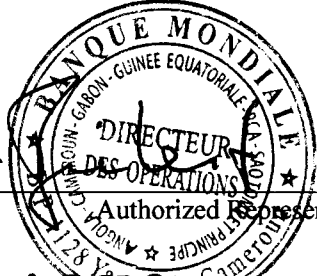
Authorized Representative

Name: Yannick O. O. O.

Title: _____

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: GREGOR BINKERT

Title: Country Director for Cameroon

SCHEDULE 1

Project Description

The objective of the Project is to support the transformation of low productivity, subsistence-oriented cassava, maize, and sorghum sub-sectors into commercially-oriented and competitive value chains in four agro-ecological zones within the Recipient's territory.

The Project consists of the following parts:

Part A. Support to Agricultural Production, Processing and Marketing

Implementation of a program of activities to establish and promote a mechanism of productive partnerships between Producer Organizations and agribusiness entities for the purpose of increasing the yield, production and quality of agricultural products by Producer Organizations, including, *inter alia*:

- (a) facilitating the establishment of productive partnerships detailing such specifications as product quality and characteristics, delivery modalities, payment modalities and price determination criteria for the purpose of promoting and enhancing direct and sustainable partnerships between Producer Organizations and agribusiness buyers through the implementation of information workshops and sensitization campaigns, and provision of Training and technical assistance to Producer Organizations;
- (b) (i) provision of Matching Grants to Producer Organizations for support specific development projects ("Sub-projects") aimed at, *inter alia*, increasing agricultural production and yield, rehabilitation and/or construction of post-harvest storage and processing facilities, enhancing product quality, facilitating nutrition-enhancing agricultural practices and promoting the mechanization of labor with an emphasis on labor saving devices for women farmers; (ii) provision of technical assistance to Producer Organizations for the purpose of supporting nutrition-enhancing agricultural activities; (iii) development of training materials and provision of Training to strengthen the preparation of Sub-projects by Producer Organizations; and (iv) provision of training to local service providers to support Producer Organizations in the preparation of Sub-project proposals and implementation of approved Sub-projects;
- (c) financing of basic public infrastructure investments, notably:
 - (i) construction and/or rehabilitation of approximately 10 market platforms and 500 kilometers of feeder roads, rural roads and ponds in the Project Area; and (ii) maintenance of roads constructed or rehabilitated under A(c)(i) above; and

- (d) support for improved access to rural financing, notably: (i) capacity-building of Project-relevant financial institutions in agricultural and value-chain lending and operational capacities in production basins; and (ii) strengthening of the supervisory roles of ANEMCAM and CAMLEASE.

Part B. Support to Seed Production and Distribution System, Relevant Public Services and Technology Transfer

Implementation of a program of activities to support the Recipient's seed production and distribution system, relevant public services and agricultural technology transfer in the Project Area, consisting of, *inter alia*:

- (a) enhancement of the Recipient's seed production and distribution system and relevant public services, through, *inter alia*, facilitating MINADER's strengthening of seed production and distribution system, including: (i) seed quality control, certification, bio-fortification and multiplication; (ii) strengthening MINADER's capacity to support implementation reforms aimed at transforming Producer Organizations into cooperatives; (iii) strengthening IRAD's capacity to enhance the production of select agricultural products; and (iv) strengthening MINADER's capacity to mainstream nutrition considerations in its policies and programs;
- (b) facilitating the creation of commodity-based public-private consultation and partnership framework, including: (i) carrying out of studies to identify regional, national and international market access and information technology opportunities; and (ii) establishment of an online-based information system on, *inter alia*, markets, prices, financial products and services, agricultural technology and Producer Organizations; and
- (c) (i) enhancement of agricultural technology transfers through research and development and dissemination of improved agricultural technologies; and (ii) design and implementation of behavioral change communications focused on new agricultural technologies, maternal care and child feeding practices.

Part C. Project Coordination and Management

- 1. Project coordination, management and monitoring, preparation of financial audits and periodic evaluations, including:
 - (a) preparation of Safeguard Instruments and implementation of Safeguard Instruments-derived mitigation measures associated with of the Project; and

- (b) (i) strengthening the technical and fiduciary capacity of the NCU and each RCU to manage and implement the Project, including, *inter alia*, recruitment of requisite staff, purchase of equipment, and provision of Training, audits, and monitoring and evaluation activities; and (ii) support to the Project oversight, regulatory and monitoring and other relevant institutions in the carrying out of their Project responsibilities and facilitation of strategic Project planning.
- 2. Monitoring and evaluations, communication and knowledge production and sharing.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. MINADER

MINADER shall be responsible for overall Project implementation and management.

2. Project Steering Committee

(a) The Recipient shall maintain, at all times during the implementation of the Project, the Project Steering Committee with a mandate, composition and resources satisfactory to the Association.

(b) Without limitation upon the provisions of paragraph (a) of Section I.A.2 of this Schedule 2, the Project Steering Committee shall be chaired by the minister of MINADER with the president of the Chamber of Agriculture as vice-chair and shall be comprised of, *inter alia*, senior representatives of the Recipient's ministries at the time responsible for agriculture, economy, finance, trade and industry, public works, scientific research, natural resources and environment; representatives of select apex Producer Organizations, agribusiness organizations, private financial institutions and a senior representative of the Chamber of Commerce and Industry; with the NCU coordinator acting as the secretary.

(c) The Project Steering Committee shall meet at least once every calendar semester and shall be responsible for Project oversight, including *inter alia*: providing overall Project guidance, facilitating coordination of Project activities; reviewing Project progress and performance; reviewing each Annual Work Plan and Budget and assuring coherence with other related government and donor-funded programs.

3. Technical Monitoring Team

(a) The Recipient shall maintain, at all times during the implementation of the Project, the Project Technical Monitoring Team with a mandate, composition and resources satisfactory to the Association.

(b) Without limitation upon the provisions of paragraph (a) of Section I.A.3 of this Schedule 2, the Technical Monitoring Team shall be comprised of,

inter alia, senior representatives as the case may be, of MINADER and MINEPAT, and representatives of select national producer organizations and agribusiness organizations.

- (c) The Technical Monitoring Team shall meet with the National Coordination Unit at least once every calendar quarter and shall be subordinate to the Project Steering Committee being responsible for just-in-time Project oversight and guidance, including *inter alia*: reviewing all documents and reports produced for submission to the Project Steering Committee through the National Coordination Unit, as applicable; ensuring implementation of the recommendations of the Project Steering Committee; and monitoring annual work plans.

4. Project Coordination Team

The Recipient shall maintain, at all times during Project implementation, the Project Coordination Team with composition, terms of reference and resources satisfactory to the Association which shall be comprised of:

- (a) a national coordination unit ("National Coordination Unit"), which shall at all times: (i) be comprised of qualified and experienced personnel in adequate numbers, and to this end, *inter alia*, recruit: (A) a financial management specialist and an internal auditor; and (B) not later than three (3) months after the Effective Date, an agribusiness specialist, an infrastructure and industrial engineering specialist, a food technology and quality specialist, a socio-environmental specialist and a monitoring and evaluations specialist; all with qualifications and terms of reference acceptable to the Association; and (ii) be responsible for overall day-to-day Project coordination and implementation, including, *inter alia*: (A) consolidating and preparing proposed annual work plans of activities for inclusion in the Project, and updating the procurement plan and related budgets and consolidating Project Reports for the Project Steering Committee's review, (B) carrying out Project financial management and procurement activities; and (C) monitoring and evaluating the Project; and
- (b) a regional coordination unit in each Project Province ("Regional Coordination Unit") which shall be subordinate to the National Coordination Unit and shall at all times: (i) be comprised of qualified and experienced personnel in adequate numbers, and to this end, *inter alia*, recruit: (A) a regional coordinator and an accountant; and (B) not later than three (3) months after the Effective Date, a procurement assistant, a financial management assistant, an agribusiness specialist and a monitoring and evaluations specialist; all with qualifications and terms of reference acceptable to the Association; and (ii) be responsible for day-to-day Project coordination and implementation in the relevant Project

Province, including, *inter alia*: (A) preparing proposed annual work plans of activities for inclusion in the Project and preparing relevant Project Reports for overall consolidation by the National Coordination Unit; (B) carrying out Project financial management and procurement activities as approved by the National Coordination Unit; and (C) Project monitoring and evaluation as directed by the National Coordination Unit.

5. Regional Selection Committee

- (a) The Recipient shall maintain, at all times during the implementation of the Project, the Regional Selection Committee in each Project Province with a mandate, composition and resources satisfactory to the Association.
- (b) Without limitation upon the provisions of paragraph (a) of Section I.A.5 of this Schedule 2, each Regional Selection Committee shall be comprised of, *inter alia*, representatives of select producer organizations, agribusiness organizations and financial institutions and a representative of the relevant RCU acting as the secretary.
- (c) Each Regional Selection Committee shall meet once every calendar semester being responsible for specified Project activities in the Project Province in which it is located, including *inter alia*, initial review of Sub-project proposals submitted by producer organizations.

6. Tender Board

To facilitate the carrying out of all Project procurement activities, the Recipient shall establish and maintain, at all times during the implementation of the Project, a special procurement tender board within MINADER, with a mandate, composition, terms of reference and resources satisfactory to the Association, which shall be responsible for providing technical procurement support to the Project Coordination Team ("Tender Board").

7. MINMAP

Notwithstanding the provisions of Sections I.A.4 of this Schedule 2, pursuant to the Recipient's procurement regulations, MINMAP shall be responsible for the: (a) procurement oversight for all contracts; and (b) procurement processing and contract execution of procurement activities of the Project which fall above the established threshold within the mandate of the Project Coordination Team.

8. Technical Implementation Arrangements

The Recipient shall, through the National Coordination Unit, not later than three (3) months after the Effective Date, enter into agreements with IITA and IRAD,



respectively, in form and substance acceptable to the Association, for the implementation of specified activities, as further detailed in the Project Implementation Manual, to be carried out under Parts A(a), A(b) and B of the Project.

B. Anti-Corruption

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

C. Project Implementation Manual

1. The Recipient shall carry out the Project in accordance with the Project Implementation Manual and except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the Project Implementation Manual, or any provision thereof.
2. In the event of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail.

D. Sub-projects

1. The Recipient shall make matching grants to Producer Organizations for Sub-projects ("Matching Grants") in accordance with eligibility criteria and procedures set forth in the Project Implementation Manual and acceptable to the Association, which shall include the following:
 - (a) no proposed Sub-project shall be eligible for financing under a Matching Grant to a Producer Organization unless the Recipient shall have determined on the basis of an appraisal carried out in accordance with guidelines acceptable to the Association and elaborated in the Project Implementation Manual, that:
 - (i) the proposed Sub-project: (A) is designed to enhance productive partnerships between the Producer Organization and agribusiness entities and increase crop yield, production and quality of applicable agricultural products; (B) is technically feasible and economically and financially viable; and (C) if, pursuant to the ESMF, RPF or IPPF, one or more Supplemental Safeguard Instruments for the Sub-project are required, such Supplemental Safeguard Instruments have been prepared and approved by the Association in accordance with the provisions of paragraph (c) of this Section I.D.1 and all measures required to be taken in accordance with Section I.F. of Schedule 2 to this Agreement prior

to commencement of the activities covered by the Safeguard Instruments have been taken; and

- (ii) the proposed Producer Organization: (A) is a legal entity established and operating as a cooperative under the laws of the Recipient with the organization, management, technical capacity and financial resources necessary to carry out the proposed Sub-project; (B) has prepared a satisfactory business plan, including financing plan and budget and a satisfactory implementation plan and has established a comprehensive record keeping system; (C) has entered into a productive partnership with an agribusiness entity for the purpose of implementing the Sub-project; (D) has commenced negotiations with an approved FI for the purpose of financing up to 40% of the total estimated cost of the Sub-project; and (E) has demonstrated the capacity, and has committed, to finance at least 10% of the total estimated cost of the Sub-project out of its own resources;
 - (b) the maximum amount: (i) of all Matching Grants to a single Producer Organization shall not exceed the equivalent of eight million dollars (\$8,000,000); and (ii) of each Matching Grant for a Sub-project shall not exceed the lesser of: (A) the equivalent of eight million dollars (\$8,000,000); and (B) 50% of the total estimated cost of the Sub-project; and
 - (c) each Matching Grant for a Sub-project requiring a Safeguard Instrument shall be subject to the Association's prior written approval and shall only be eligible for financing under the Financing if and to the extent approved by Association.
2. The Recipient shall make each Matching Grant under a Matching Grant Agreement with the respective Producer Organization on terms and conditions approved by the Association, which shall include the following:
- (a) the Matching Grant shall be made on a non-reimbursable grant basis;
 - (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 Producer Organization to use the proceeds of the Matching Grant, or obtain a refund of all or any part of the amount of the Matching Grant then withdrawn, upon the Producer Organization's failure to perform any of its obligations under the Matching Grant Agreement; and



- (ii) require each Producer Organization to:
- (A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the ESMF, RPF or IPPF (and any Safeguard Instrument required for the Sub-project pursuant to the ESMF, RPF or IPPF), and the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient;
 - (B) provide, promptly as needed, the resources required for the purpose;
 - (C) procure the goods and services to be financed out of the Matching Grant in accordance with the provisions of Section III of this Schedule;
 - (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Sub-project and the achievement of its objectives;
 - (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect its operations, including the operations, resources and expenditures related to the Sub-project; and (2) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association, and permit the Association to make such statements as so audited available to the public, along with the Matching Grant Agreement;
 - (F) maintain a satisfactory record keeping and filing system and enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents; and



- (G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing; and
- (c) the Recipient shall exercise its rights and carry out its obligations under each Matching Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Matching Grant Agreement or any of its provisions.

E. Annual Work Plans and Budgets

1. Not later than September 1 in each calendar year (or one month after the Effective Date for the first year of Project implementation), the Recipient shall prepare or cause to be prepared for the purpose of forwarding to the Association, a draft annual work plan and budget for the Project (including Training and Operating Costs) for the subsequent calendar year of Project implementation, of such scope and detail as the Association shall have reasonably requested.
2. The Recipient shall afford the Association a reasonable opportunity to review such draft annual work plan and budget, and thereafter shall carry out (or cause to be carried out) such annual work plan and budget during such subsequent calendar year as shall have been approved by the Association ("Annual Work Plan and Budget"). Only those activities that are included in an Annual Work Plan and Budget shall be eligible for financing out of the proceeds of the Financing.
3. Any Training proposed to be included in an Annual Work Plan and Budget, shall include, *inter alia*: (a) particulars of the Training envisaged; (b) the criteria for selection of the personnel to be trained, and such personnel if known; (c) the selection method of the institution or individuals conducting such Training; (d) the institution conducting such Training if identified; (e) the purpose and justification for such Training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such Training.
4. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Association's prior written approval.

F. Safeguards

1. The Recipient shall implement the Project in accordance with the relevant Safeguards Instruments, and shall, to that end:
 - (a) if any activity under the Project would require the adoption of any Supplemental Safeguard Instrument:



- (i) prepare: (A) such Supplemental Safeguard Instrument in accordance with the applicable ESMF, RPF or IPPF; (B) furnish such Supplemental Safeguard Instrument to the Association for review and approval; and (C) thereafter adopt such Supplemental Safeguard Instrument prior to implementation of the activity; and
 - (ii) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Supplemental Safeguard Instrument; and
 - (b) if any activity under the Project would involve Affected Persons, ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before resettlement measures under a Supplemental Safeguard Instrument prepared in accordance with the RPF including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been taken.
- 2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, for each Supplemental Safeguard 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 Supplemental Safeguard Instrument, as part of the Project Reports, giving details of:
 - (a) measures taken in furtherance of such Supplemental Safeguard Instrument;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Supplemental Safeguard Instrument; and
 - (c) remedial measures taken or required to be taken to address such conditions.
- 3. 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.
- 4. The Recipient shall ensure that:
 - (a) all terms of reference for any technical assistance and studies to be carried out under the Project are consistent with the Association's environmental and social safeguard policies; and
 - (b) in any Project activity that may support the drafting of regulatory instruments for the purpose of community development planning or other land related reforms, due attention will be given to said policies.

G. Third Party Verification

The Recipient shall, in accordance with Section III of this Schedule 2, recruit, no later than four (4) months after the Effective Date and thereafter maintain, throughout Project implementation, third-party verification agents, with qualifications, experience, and terms of reference satisfactory to the Association, for purposes of the technical third-party verification of the Sub-projects to be carried out under Part A(b) of the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association. Each Project Report shall cover the period of one calendar quarter, 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 prepare and furnish (or cause to be prepared and furnished) to the Association 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 Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.
4. In furtherance of the provisions of this Section II.B of Schedule 2 to this Agreement, not later than three (3) months after the Effective Date, the Recipient shall install for the purposes of the project, a computerized financial and accounting system with consolidation and decentralized modules within the National Coordination Unit and the RCUs, in a manner satisfactory to the Association.



5. In order to ensure the timely carrying out of the audits referred to in Section II. B.3, the Recipient shall recruit, in accordance with the provisions of Section III of this Schedule 2, not later than six (6) months after the Effective Date, an external auditor with qualifications, experience and term of reference acceptable to the Association.

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 Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the 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 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:

Procurement Method
(a) Limited International Bidding
(b) National Competitive Bidding, subject to the additional procedures set forth in paragraph 3 below
(c) Shopping
(d) Direct Contracting
(e) Framework Agreements

3. **Requirements for the National Competitive Bidding.** The procedures to be followed for National Competitive Bidding shall be those set forth in the Recipient's Procurement Code of September 24, 2004, as revised from time to time in a manner deemed acceptable to the Association, subject, however, to the modifications described in the following paragraphs required for compliance with the Procurement Guidelines:

- (a) in accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that: (i) the bidders, suppliers, contractors and their subcontractors, agents, personnel, consultants, service providers, or suppliers shall permit the Association, at its request, to inspect all accounts, records and other documents relating to the submission of bids and contract performance, and to have said accounts and records audited by auditors appointed by the Association; and (ii) the deliberate and material violation of such provision may amount to an obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines;
- (b) the invitation to bid shall be advertised in, at least, one national newspapers with wide circulation;
- (c) the bid evaluation, qualification of bidders and contract award criteria shall be clearly indicated in the bidding documents;
- (d) the bidders shall be given adequate response time (at least four weeks) from the date of the invitation to bid or the date of availability of a bidding documents, whichever is later, to prepare and submit their bids;
- (e) eligible bidders, including foreign bidders, shall be allowed to participate;
- (f) no domestic preference shall be given to domestic contractors and to domestically manufactured goods and association with national firm shall not be a condition for participation in a bidding process;

- (g) bids are awarded to the lowest evaluated bidder provided that such bidder is qualified; No scoring system shall be allowed for the evaluation of bids, and no "blanket" limitation to the number of lots which can be awarded to a bidder shall apply;
- (h) qualification criteria shall only concern the bidder's capability and resources to perform the contract taking into account objective and measurable factors; and
- (i) fees charged for bidding documents shall be reasonable and reflect only the cost of printing and delivery to the prospective bidders.

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 contracts which are specified in the Procurement Plan:

Procurement Method
(a) Quality-Based Selection
(b) Selection under a Fixed Budget
(c) Least Cost Selection
(d) Selection Based on the Consultants' Qualifications
(e) Single-Source Selection
(f) Individual Consultants

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.

E. Other Procurement Covenants

The Recipient shall, no later than two (2) months after the Effective Date, train the procurement staff of the Project Coordination Team in the use of the Association's procurement procedures in a manner satisfactory to the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services and consultants' services for Part A of the Project except (a) Matching Grants under Part A(b)(i) of the Project, (b) Part A(b)(ii) of the Project and (c) Part A(c)(ii) of the Project	13,000,000	100% (excluding value added tax and custom duties)
(2) Matching Grants under Part A(b)(i) of the Project	36,100,000	100% of amounts paid by the Recipient under the Matching Grants



(3) Goods, consultants' services and Training for Parts B and C of the Project except (a) Parts B(a)(i) through (iii) of the Project, (b) Parts B(a)(iv) and B(c)(ii) of the Project and (c) Part C.1 of the Project	8,800,000	100% (excluding value added tax and custom duties)
(4) Goods, works, non-consulting services, consultants' services and Training for Parts B(a)(i) through (iii) of the Project	700,000	29.3% (excluding value added tax and custom duties)
(5) Goods, works, non-consulting services, consultants' services, Training and Operating Costs for Part C.1 of the Project	4,200,000	63.8% (excluding value added tax and custom duties)
(6) Refund of Preparation Advance	1,800,000	Amount payable pursuant to Section 2.07 of the General Conditions
TOTAL AMOUNT	64,600,000	

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 September 30, 2019.



Section V. Other Undertakings

A. The Recipient shall:

1. maintain, throughout the implementation of the Project, in a financial institution and on terms and conditions acceptable to the Association, an account into which it shall deposit all counterpart funds required for Parts A(c)(ii) and B(a) and C.1 of the Project (“Counterpart Funds Account”);
 2. without limitation upon the provisions of Section 4.03 of the General Conditions, deposit into the Counterpart Funds Account, on a schedule and in installments agreed with the Association as reflected in the Annual Work Plan and Budget, a total amount equivalent to twelve million four hundred thousand Dollars (\$12,400,000) for Parts A(c)(ii), B(a) and C.1 of the Project, all in the Recipient’s currency (“Counterpart Funds”); and
 3. ensure that all Counterpart Funds shall be used exclusively to pay for Eligible Expenditures required for said parts of the Project.
- B. To facilitate the financing of Parts A(b)(ii), B(a)(iv) and B(c)(ii) of the Project, the Co-financing Deadline is January 31, 2015.**



SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 15 and November 15:	
commencing November 15, 2019 to and including May 15, 2029	1.65%
commencing November 15, 2029 to and including May 15, 2039	3.35%

* 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 Person” means a person who as a result of: (i) the involuntary taking of land under the Project is affected in any of the following ways: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (ii) 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.
2. “ANEMCAM” means the national association of micro-finance institutions, established in 2006 within the Recipient’s territory and operating pursuant to the Recipient’s *Loi n° 0/053 du 19/12/90 relative à la liberté d’association* and *règlement n° 01/02/CEMAC/UMAC/COBAC du 13 Avril 2002 sur l’exercice et le contrôle en zone CEMAC*.
3. “Annual Work Plan and Budget” means the annual work plan and budget as prepared by the Recipient for and approved by the Association in accordance with the provisions of Section I.E of Schedule 2 to this Agreement.
4. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.
5. “CAMLEASE” means the leasing association established in 2009 within the Recipient’s territory and operating pursuant to the Recipient’s *Loi n° 0/053 du 19/12/90 relative à la liberté d’association*.
6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
7. “Chamber of Agriculture” means the entity established and operating within the Recipient’s territory pursuant to the Recipient’s *Decret No. 2009/249 du 06 aout 2009*.
8. “Chamber of Commerce and Industry” means the entity established and operating within the Recipient’s territory pursuant to the Recipient’s *Decret No. 2001/380 du 27 Nov 2001*.
9. “Co-financier” means PHRD.
10. “Co-financing” means, for purposes of paragraph 11 of the Appendix to the General Conditions, an amount of approximately US\$3 million to be provided by



the Co financier under the Co financing Agreement to assist in financing Parts A(b)(ii), B(a)(iv) and B(c)(ii) of the Project.

11. "Co-financing Agreement" means the agreement to be entered into between the Recipient and the Co-financier providing for the Co-financing.
12. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011.
13. "Counterpart Funds" means an amount of approximately US\$12.4 million to be provided by the Recipient in accordance with the provisions of Section V.A.2 of Schedule 2 to this Agreement.
14. "Counterpart Funds Account" means the account to be opened by the Recipient in accordance with the provisions of Section V.A.1 of Schedule 2 to this Agreement.
15. "Environmental and Social Management Framework" and "ESMF" mean the framework disclosed in the Recipient's territory on February 8, 2014, and at the Association's *Infoshop* on April 24, 2014, in form and substance satisfactory to the Association, setting out modalities to be followed in assessing the potential adverse environmental and social impact associated with activities to be implemented under the Project, and the measures to be taken to offset, reduce, or mitigate such adverse impact.
16. "Environmental and Social Management Plan" and "ESMP" mean a plan, approved by the Association for the Project, to be prepared by the Recipient, if as required by the ESMF, proposing appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental and resettlement impacts, offset them, reduce them to acceptable levels or enhance positive impacts, as the same may be amended from time to time with the agreement of the Association.
17. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010.
18. "IITA" means the International Institute for Tropical Agriculture, an international research institute established pursuant to the Federal Republic of Nigeria's *Decret No. 32 of 1967* as modified by *Decret No. 27 of 1974* and *Decret No. 45 of 1990*.
19. "Indigenous Peoples Plan" and "IPP" mean the plans to be prepared by the Recipient on the basis of the IPPF (as hereinafter defined), defining specific measures to be implemented for indigenous minorities in order to protect them and to ensure that members of said minorities be granted equal legal, financial and organizational opportunities under the Project, as the said plan may be amended

and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document.

20. “Indigenous Peoples Policy Framework” or “IPPF” means the Recipient’s framework disclosed for the purposes of the Project, in the Recipient’s territory on February 8, 2014, and at and at the Association’s Infoshop on April 24, 2014, outlining measures to ensure culturally appropriate social and economic benefits for the indigenous peoples under the Project and avoidance, minimization, or mitigation of, or compensation for, any potential adverse effects on the indigenous peoples associated with activities to be implemented under the Project, as shall have been agreed with the Association for purposes of Project implementation and shall be applied by the Recipient in accordance with the provisions of Section I.F of Schedule 2 to this Agreement, as the same may be updated from time to time with the prior written consent of the Association, and such term includes any schedules to said framework.
21. “IRAD” means *Institut de Recherche Agricole pour le Développement* (Agricultural Development and Research Institute), a research institute within the Recipient’s territory established pursuant to the Recipient’s decree number 96/050 dated March 12, 1996, on the establishment and organization of IRAD.
22. “Matching Grant” means a grant made or to be made by the Recipient out of the proceeds of the Financing to a Producer Organization for a Sub-project in accordance with the criteria set out in Section I.D of Schedule 2 to this Agreement.
23. “Matching Grant Agreement” means an agreement between the Recipient and a Producer Organization providing for a Matching Grant.
24. “MINADER” means the Recipient’s ministry responsible for agriculture and rural development and any successor thereto.
25. “MINEPDED” means the Recipient’s ministry responsible for environment and any successor thereto.
26. “MINMAP” means the Recipient’s ministry responsible for public procurement and any successor thereto.
27. “Ministry of Economy, Planning and Regional Development” or “MINEPAT” means the Recipient’s ministry responsible for economy, planning and regional development and any successor thereto.
28. “MINTP” means the Recipient’s ministry responsible for public works and any successor thereto.



29. "National Coordination Unit" means the national unit established pursuant to the Recipient's *Decision no. 1046/ MINADER/CAB du 23 Octobre 2013* and referred to in Section I.A.4(a) of Schedule 2 to this Agreement.
30. "Operating Costs" means incremental recurrent expenditures incurred on account of Project implementation, including: local contractual support staff salaries; travel expenditures and other travel-related allowances for the purposes of the Project; equipment rental and maintenance; vehicle operation (including fuel), maintenance and repair; office rental and maintenance, materials and supplies; and utilities, media information campaigns and communications' expenses, but excluding the salaries of officials and public servants of the Recipient's civil service.
31. "Pest Management Plan" and "PMP" mean the document adopted by the Recipient and disclosed in the Recipient's territory on February 8, 2014, and at the Association's Infoshop on April 24, 2014, defining specific measures to be implemented for the management of pesticides under the Project, as the said plan may be amended and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document.
32. "PHRD" means the policy and human resource development trust fund established in 1990 as a partnership between the government of Japan and the World Bank to support the development of human resources in developing countries.
33. "Preparation Advance" means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on August 1, 2013, and on behalf of the Recipient on August 5, 2013.
34. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011.
35. "Procurement Plan" means the Recipient's procurement plan for the Project, dated May 20, 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.
36. "Producers Organization" means one or more producer groups, with a legal status established in accordance with the laws of the Recipient and operating in the Project Area; and "Producers Organizations" means more than one Producer Organization.



37. "Project Areas" means the Recipient's zones of Benoue, Diamare, Mayo-Tsanaga, Vina, Mbere, Djerem, Mayo-Banyo, Lekie, Mbam et Inoubou, Mbam et Kim, Mefou et Afamba, Nyong et Mfoumou, Dja et Lobo, Mvila, Ntem Valley, Haute Sanaga, Nyong et Kelle, Nyong et So, Haut Nyong, Kadey, Lom et Djerem, Moungo, Sanaga-Maritime, Fako, Meme, Nkam, Menoua, Noun, Bamboutos et Ngoketunjia, Nde, and Bui.
38. "Project Coordination Team" means, collectively, the National Coordination Unit and the Regional Coordination Units, as described in Section I.A.4 of Schedule 2 to this Agreement.
39. "Project Implementation Manual" and "PIM" means the manual for the Project, adopted by the Recipient as documented in the minutes of the Project validation workshop, dated April 17, 2014, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) monitoring, evaluation, reporting and communication; (e) procedures for the selection and financing of Sub-projects and other administrative, financial, technical and organizational arrangements for the implementation of Sub-projects; and (f) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project, as the same may be amended from time to time with the prior written consent of the Association.
40. "Project Province" means the legal provinces within the Project Area so designated pursuant to the Recipient's laws.
41. "Project Steering Committee" means the steering committee established pursuant to the Recipient's *Decision no. 1045/ MINADER/CAB du 23 Octobre 2013* and referred to in Section I.A.2 of Schedule 2 to this Agreement.
42. "Regional Coordination Unit" means each of the regional units established pursuant to the Recipient's *Decision no. 1046/ MINADER/CAB du 23 Octobre 2013* and referred to in Section I.A.4(b) of Schedule 2 to this Agreement; and "Regional Coordination Units" means more than one Regional Coordination Unit.
43. "Regional Selection Committee" means the committee established pursuant to the Recipient's *Decision no. 1041 du 23 Octobre 2013* and referred to in Section I.A.5 of Schedule 2 to this Agreement.
44. "Resettlement Action Plan" and "RAP" mean the plans approved by the Association for the Project, prepared by the Recipient on the basis of the RPF (as hereinafter defined) as the said document may be amended and/or supplemented from time to time with the prior written concurrence of the Association and subject to the initial consultation and disclosure requirements carried out on the RAP.



45. "Resettlement Policy Framework" and "RPF" mean the document disclosed in the Recipient's territory on February 8, 2014 and at the Association's Infoshop on April 24, 2014, outlining the policies and procedures to be implemented in the event that specific activities implemented under the Project have potentially negative impacts on the livelihoods, assets and land of the affected population, as the said framework may be amended and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document.
46. "Safeguards Instruments" means the ESMF, the RPF, IPPF, the PMP and any Supplemental Social and Environmental Safeguard Instruments.
47. "Sub-project" means a specific investment project to be carried out by the Producer Organization under Part A(b) of the Project under the criteria set forth in Section I.D of Schedule 2 to this Agreement.
48. "Supplemental Safeguard Instruments" means any ESMP, RAP, IPP or other supplemental social and environmental safeguard instruments as required under the terms of the ESMF, RPF or IPPF.
49. "Technical Monitoring Team" means the technical monitoring team established pursuant to the Recipient's *Decision no. 1045/ MINADER/CAB du 23 Octobre 2013* and referred to in Section I.A.3 of Schedule 2 to this Agreement.
50. "Tender Board" means the tender board to be established under the Project in accordance with Section I.A.6 of Schedule 2 to this Agreement.
51. "Training" means the training of persons under the Project, including through seminars, workshops, knowledge sharing activities and study tours, and covers the following costs associated with such activity: travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.