

**OFFICIAL
DOCUMENTS**

CREDIT NUMBER 5767-SL

Project Agreement

(Smallholder Commercialization and Agri-Business Development Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

APEX BANK LIMITED

Dated March 14, 2016

CREDIT NUMBER 5767-SL

PROJECT AGREEMENT

AGREEMENT dated March 14, 2016, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and APEX BANK LIMITED (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between REPUBLIC OF SIERRA LEONE (“Recipient”) and the Association. The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Financing 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 Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out Part A.2.1 the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its Respective Part of the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its Respective Part of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

- 3.01. For purposes of Section 8.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

- 4.01. The Project Implementing Entity’s Representative is its managing director.

4.02. The Association's Address is:

International Development Association

1818 H Street, NW
Washington, DC 20433
United States of America

Telex:	Facsimile:
248423(MCI)	1-202-477-6391

4.03. The Project Implementing Entity's Address is:

APEX Bank (SL) Limited

8 Bathurst Street
Freetown, Sierra Leone

Telex:	Facsimile:
_____	_____

AGREED at Freetown, 14/3/2016, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

P. BRAR

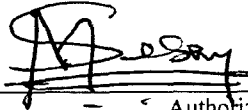
Name:

Title:

COUNTRY MANAGER

APEX BANK LIMITED

By



Authorized Representative

Name:

Momodou Sasay

Title:

Managing Director

SCHEDULE

Execution of the Project Implementing Entity's Respective Part of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

Project Officer

The Project Implementing Entity shall, not later than the Effective Date to designate a Project Officer, with qualifications and experience and terms of reference satisfactory to the Association. The Project Officer shall be responsible for coordinating the implementation of Part A.2.1 of the Project.

B. Implementation Arrangements

1. The Project Implementing Entity shall provide concessional agricultural loans ("Agricultural Loans") to eligible farmers and producer organizations ("Agricultural Loans Beneficiaries") to implement eligible activities ("Eligible Activities") in accordance with the Financing Agreement, this Agreement and the criteria, conditions and guidelines set out in the Agricultural Loans Scheme Operations Manual.
2. The Project Implementing Entity shall:
 - (a) implement the Respective Part of the Project with due diligence and efficiency and in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices, including the provisions of the Anti-Corruption Guidelines and the Safeguards Instruments, and in accordance with the provisions of this Agreement;
 - (b) (i) procure all goods and services required under the Respective Part of the Project and to be financed out of the proceeds of the Financing in accordance with the provisions of Section III of this Schedule; and (ii) ensure that all such goods and services are used exclusively for the purposes of the Project;
 - (c) open and maintain an account for depositing the funds of the Agricultural Loan Scheme in the name of the Recipient and pay to the Recipient a fixed rate of interest on the amount on deposit in such account from time to time, which interest shall be credited to said account;
 - (d) advance Agricultural Loans to Agricultural Loans Beneficiaries in accordance with the Project Implementing Entity's eligibility

requirements and the requirements of the Agricultural Loans Scheme Operations Manual and this Agreement;

- (e) manage the Agricultural Loans Scheme in accordance with the provisions of the Anti-Corruption Guidelines and ensure that the loan arrangements with Agricultural Loans Beneficiaries require the latter to comply with these Guidelines, as well as the requirements of the Safeguard Instruments;
 - (f) include in their standard loan agreements with Agricultural Loans Beneficiaries, terms and conditions on minimum loan amounts, loan duration, flexible repayment terms, concessionary interest rates ten per centum (10%) per annum on principal amounts outstanding from time to time, and simple documented procedures for application and disbursement;
 - (g) exercise prudent banking standards and practices and adhere to the Recipient's relevant national laws and regulations on prudent management of lending businesses;
 - (h) monitor and evaluate the performance of the loan advances and detect risks to loan repayments in time to ensure timely measures are taken to safeguard against default;
 - (i) maintain transparent, accurate and complete records in respect of all transactions and submit such reports to the Recipient on a regular basis;
 - (j) diligently pursue the recovery of any debt immediately following default;
 - (k) to work with the Recipient's staff in the implementation of the Scheme; and
 - (l) exercise transparency in its transactions including providing quarterly reporting on progress especially in providing timely information on loans disbursed and number and segregation of the beneficiaries.
3. In the event that on the Closing Date there are any amounts remaining on deposit in the account referenced in sub-paragraph 2(c) above, the Project Implementing Entity shall only disburse the balance after the Closing Date with the prior written approval of the Recipient.

C. Anti-Corruption

The Project Implementing Entity shall ensure that its Respective Part of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

1. The Project Implementing Entity shall carry out the Respective Part of the Project in accordance with the provisions of the Environmental and Social Management Framework (“ESMF”) and the Resettlement Policy Framework (“RPF”).
2. If any Supplemental Social and Environmental Safeguard Instrument is required under any of the Safeguard Instruments, the Project Implementing Entity or as appropriate to:
 - (a) prepare (i) such Supplemental Social and Environmental Safeguard Instrument in accordance with the applicable Safeguard Instrument; (ii) furnish such Supplemental Social and Environmental Safeguard Instrument to the Association for review and approval; and (iii) thereafter adopt such Supplemental Social and Environmental Safeguard Instrument prior to implementation of the activities ; and
 - (b) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Supplemental Social and Environmental Safeguard Instrument.
 - (c) Without limitation upon its other reporting obligations under this Agreement, the Project Implementing Entity shall for each of the Safeguards Instruments including the related Supplemental Social and Environmental 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 such Safeguard Instrument including the related Supplemental Social and Environmental Safeguard Instrument, as part of the Project Reports, giving details of:
 - (i) measures taken in furtherance of the Safeguards Instruments including the Supplemental Social and Environmental Safeguard Instruments;
 - (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments including the Supplemental Social and Environmental Safeguard Instruments; and
 - (iii) remedial measures taken or required to be taken to address such conditions.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Project Implementing Entity shall monitor and evaluate the progress of the Respective Part of the Project and prepare Project Reports for the Respective Part of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association and set out in the Agricultural Loans Scheme Operations Manual. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later forty-five (45) after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall 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 and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to its Respective Part of the Project.
2. The Project Implementing Entity shall have its financial statements referred to above, audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be:
(a) furnished to the Recipient and the Association not later than six (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

Section III. Procurement

All goods, works and services required for the Project Implementing Entity's Respective Part of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.