CREDIT NUMBER (IDA/PORTION A)73660-GH
CREDIT NUMBER (SUW-SML/PORTION B)73650-GH

Financing Agreement

(Ghana Tree Crop Diversification Project)

between

REPUBLIC OF GHANA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT (IDA/PORTION A) NUMBER 73660-GH
CREDIT (SUW-SML/PORTION B) NUMBER 73650-GH

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF GHANA ("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) apply to and form 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, a credit in two portions, which is deemed as Concessional Financing for purposes of the General Conditions (collectively, "Credit" and "Financing") in the following amounts to assist in financing the project described in Schedule 1 to this Agreement ("Project"):

(a) a first portion of the credit in an amount of fifty million Dollars ($50,000,000) ("Portion A of the Credit"); and

(b) a second portion of the credit in an amount of one hundred and fifty million dollars ($150,000,000) (Portion B of the Credit).

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.

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

2.04. The financial terms applicable to Portion A of the Credit only are as follows:

(b) The Service Charge is the greater of: (i) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (ii) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance.

(c) The Interest Charge is the greater of: (i) the sum of one and a quarter percent (1.25%) per annum plus the Basis Adjustment to the Interest

Charge; and (ii) zero percent (0%) per annum; on the Withdrawn Credit Balance.

2.05. The Payment Dates are May 1 and November 1 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall cause: (a) COCOBOD to carry out Parts 1.1(a), 1.2(a), 1.3(a)(i), 1.3(b)(i), 2.1(a), 2.1(c)(i), 2.1(b)(i), 2.2(a), 2.3(a), 3.1(a) and 4.1(a) of the Project; and (b) TCDA to carry out Parts 1.1(b), 1.2(b), 1.3(a)(ii), 1.3(b)(ii), 2.1(b)(ii), 2.1(c)(ii), 2.1(d), 2.2(b), 2.3(b), 3.1(b) and 4.1(b) of the Project (Respective Parts of the Project), all in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following, namely that the legislation establishing the Project Implementing Entities shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Association, the ability of the Project Implementing Entities to perform any parts of their obligations referred to, or arising from this Agreement, and the Subsidiary Agreements.

4.02. The Additional Event of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) the Recipient has prepared and adopted a Project Implementation Manual ("PIM") in form and substance satisfactory to the Association;

(b) the Recipient has recruited, appointed or seconded to the COCOBOD PIU the key staff referred to in Section I.A.1(a) of Schedule 2 to this Agreement, all with experience, qualifications and under terms of reference satisfactory to the Association;

(c) the Recipient has recruited, appointed or seconded to the TCDA PCU the key staff referred to in Section I.A.2(a) of Schedule 2 to this Agreement all with experience, qualifications and under terms of reference satisfactory to the Association;

(d) the Recipient has set up the Project Steering Committee referred to in Section I.A.3(a) of Schedule 2 in a manner satisfactory to the Association;

(e) the Subsidiary Agreement referred to in Section I.F.1 of Schedule 2 to this Agreement shall have been duly executed and delivered on behalf of the Recipient and COCOBOD, and such Subsidiary Agreement, shall have become effective and binding upon the parties in accordance with its terms; and

(f) the Subsidiary Agreement referred to in Section I.F.1 of Schedule 2 to this Agreement shall have been duly executed and delivered on behalf of the Recipient and TCDA, and such Subsidiary Agreement, shall have become effective and binding upon the parties in accordance with its terms.

5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

5.03. For purposes of Section 10.05(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 Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is Minister responsible for Finance.

6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:

Ministry of Finance
Finance Drive
Ministries, Accra
GA-144-2024
Ghana; and

(b) the Recipient's Electronic Mail Address is:

E-mail: chiefdirector@mofep.gov.gh

6.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association's address is:

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

(b) the Association's Electronic Mail Address is:

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

AGREED as of the Signature Date.

REPUBLIC OF GHANA

By:

_____
Authorized Representative

Name: _____

Title: _____

Date: _____

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

_____
Authorized Representative

Name: _____

Title: _____

Date: _____

SCHEDULE 1

Project Description

The objective of the Project is to improve economic, climate, and social resilience in selected tree crop value chains.

The Project consists of the following parts:

Part 1: Institutional Strengthening and Value Chain Governance

1.1. *Institutional Capacity, Policies, and Regulations*

(a) Strengthen the institutional capacity of COCOBOD through the provision of technical assistance and training to build its operational capacity including through: (i) supporting the paperless transformation of COCOBOD information technology (IT)'s internal operations, and the interoperability of administrative processes with the Cocoa Management System (CMS); (ii) developing a methodology for measuring and monitoring carbon sequestration under cocoa farms; (iii) finalizing, adopting and implementing the policy and standards for cocoa agroforestry; and (iv) carrying out a study to evaluate and propose modifications to expand cost-effective access to semi-finished cocoa products from free zones companies through regulatory or policy instrument changes.

(b) Strengthen the institutional capacity of TCDA through the provision of technical assistance and training to build its organizational capacity to deliver efficient agri-value-chain oriented services including, *inter alia*: (i) conducting a needs assessment, developing a capacity building plan, and implementing this plan for organizational development; (ii) financing the development of administrative policies and manuals for TCDA internal operations; (iii) strengthening the governance of the cashew, coconut and rubber value chain associations and their respective umbrella organizations; and (iv) financing the operationalization of the tree crops regulation, including production and productivity; pricing of tree crop products, buying procedure, scientific research and development, use of chemicals and pest control.

1.2. *Value Chain Digitization for Traceability*

(a) Support the operationalization of COCOBOD's Cocoa Management System (CMS) including: (i) digital payments, input distribution, and other farm management services; (ii) training of COCOBOD and Licensed Buying Company staff on how to use relevant applications of the CMS

system; (iii) financing logistics for operationalization including computers and vehicles; (iv) carrying out capacity building activities, knowledge exchange, and study tours; (v) developing and implementing e-extension modules; (vi) supporting farm-level tree tagging for tenure security and remote sensing; and (vii) monitoring land use changes, studying climate change patterns and their impacts, and estimating on-farm biomass and carbon storage that could benefit from climate financing.

(b) Support TCDA to implement an existing blueprint for digitizing its value chains through, *inter alia*: (i) developing and operationalizing a web-based platform and application for licensing and regulating the operations of tree crop value chain actors; (ii) mapping value chain actors, including farm parcels, and other data collection; (iii) training value chain associations and TCDA staff in the use of the said platform; (iv) the upgrading and maintenance of a database of certified and traceable tree crop value chain actors; and (v) developing e-extension for beneficiary farmers leveraging the digital system.

1.3. *Preventing and Responding to Child Labor*

(a) Support social intervention programs in tree crop communities undertaken by (i) COCOBOD and (ii) TCDA through the provision of Alternative Livelihood Support Packages to selected households vulnerable to Child Labor for the purpose of providing agriculture and other income generation opportunities.

(b) Support (i) COCOBOD and (ii) TCDA to implement an integrated, area-based child labour prevention, identification, and remediation strategy through *inter alia*: (A) scaling up of MOGSCP Social Welfare Management Information System (SWIMS) and MELR's Ghana Child Labor Monitoring System (GCLMS) in selected districts; (B) development of an interface between GCLMS and COCOBOD's CMS and TCDA's digital platform; (C) carrying out and implementing nationally representative Child Labor surveys for cocoa, cashew, coconut and rubber tree crops; and (D) setting up and/or strengthening a child labour desk or unit at COCOBOD and TCDA.

Part 2: Improving Tree Crops Productivity and Climate Resilience

2.1. *Demand Driven Research*

(a) Support critical research infrastructure and demand driven research in cocoa through the following: (i) expanding and refurbishing laboratory space and upgrading equipment; (ii) providing capacity building activities and formal training for selected researchers; (iii) documentation of

existing knowledge and gaps in current recommendations for cocoa swollen shoot virus disease (CSSVD) control, identification of all major CSSVD strains, early detection for CSSVD and ancillary research; and (iv) supporting research in priority topics for cocoa farmers.

(b) Support: (i) COCOBOD; and (ii) TCDA to carry out climate smart agriculture (CSA) through: (A) elaborating a climate risk assessment and adaptation options for cocoa, cashew, coconut, and rubber value chains; (B) supporting the co-design and roll-out of digital e-extension modules on CSA practices; (C) developing curricula for the implementation of e-extension for capacity building; and (D) provide training in the delivery of CSA advisory services.

(c) Support (i) COCOBOD and (ii) TCDA to carry out cashew, coconut and rubber research through, *inter alia*: (A) establishing and upgrading in-vitro laboratories for cashew and coconut respectively, to develop high-yielding, pest- and disease-resistant, and climate-resilient tree crop varieties; (B) capacity building and formal training of researchers; (C) developing and disseminating appropriately stress-tolerant tree crop varieties for different geographical regions including, highly disease prone ones; and (D) carrying out research in other priority areas.

(d) Support TCDA to establish and institutionalize a market-led tree crops research agenda platform to collaborate with research institutions, value chain actors, farmers, and development partners.

2.2. *On-Farm Productivity Enhancement and Resilience*

(a) Support COCOBOD's rehabilitation of farms affected by CSSVD through: (i) the provision of Livelihood Support Payments to farmers and landlords who participate on a voluntary basis in a program of activities to cut down their diseased cocoa crops to provide for a loss of income from cutting of those cocoa trees; and (ii) adoption of improved cutting, planting, spraying, and other farming practices.

(b) Support TCDA to strengthen the private sector to deliver seeds, saplings, other inputs, and CSA practices to farmers through the provision of: (i) Matching Grants for private sector nurseries to be able to access loans to scale up multiplication services; (ii) Matching Grants to input suppliers for certification and to be able to access loans to scale up their activities; (iii) provision of inputs to farmers via private sector; and (iv) delivery of CSA via e-extension and training.

2.3. *Strengthening of FBOs*

Support (a) COCOBOD and (b) TCDA to provide technical assistance to farmer-based organizations (FBOs) to enhance their ability to implement and absorb productivity investments including: (i) training on group dynamics, management, good governance, business development, monitoring and evaluation, and financial literacy; (ii) support the registration of cocoa cooperatives and the development of organizational by-laws if needed, in order to facilitate FBOs' access to rural finance and the establishment of contracts with buyers; (iii) support FBOs to develop a strategy to communicate outreach efforts; and (iv) access to logistics, expertise and equipment.

Part 3: Support for Post-Harvest Management, Value Addition, and Market Access

3.1 Support (a) COCOBOD and (b) TCDA to strengthen private investments in secondary value addition of small and medium sized enterprises (SMEs) in cocoa, cashew, and coconut value chains and in cashew and coconut processing units, through *inter alia*: (i) the promotion, mobilization, and pre-screening of investments proposals via an independent selection committee; (ii) Matching Grants to selected beneficiaries for the purpose of partially financing the cost of eligible private investments; (iii) technical assistance to investors for detailed preparation of business plans to be presented to financial institutions; (iv) technical assistance to investors for the start-up phase of their investments; (v) support for export fairs in country to link local businesses to buyers.

Part 4: Project Coordination, Management, Monitoring and Evaluation

4.1. Provide support to: (a) COCOBOD; and (b) TCDA for project coordination, management, and monitoring and evaluation including: (i) establishing and maintaining financial management and procurement systems; (ii) reporting on project activities; (iii) ensuring the full implementation of environmental and social safeguards; (iv) maintaining and ensuring the performance of the monitoring and evaluation system; and (v) developing and implementing a knowledge management and communication for development strategy.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. TCDA Project Coordinating Unit

(a) The Recipient shall maintain at all times during Project Implementation, a Project Coordinating Unit within TCDA with a composition, mandate, functions and resources satisfactory to the Association, including the following key personnel: Project Coordinator, agribusiness expert, value chain expert(s), monitoring and evaluation specialist, environmental specialist, social specialist with expertise in Child Labor, procurement specialist, gender specialist, communications specialist, financial management specialist, accountant, and internal auditor ("Project Coordinating Unit" or "PCU").

(b) The PCU shall be responsible for coordinating Project activities including procurement and fiduciary management, environmental and social management, monitoring and evaluation, preparing Project Reports, and preparing and consolidating inputs from COCOBOD into the Annual Work Plans and Budgets.

2. COCOBOD Project Implementation Unit

(a) The Recipient shall maintain at all times during Project implementation, a Project Implementation Unit within COCOBOD with a composition, mandate, functions and resources satisfactory to the Association, including the following key personnel: Project Coordinator, two (2) monitoring and evaluation specialists, environmental specialist, social specialist with expertise in Child Labor, communications specialist, procurement specialist, financial management specialist, accountant, and internal auditor ("Project Implementation Unit" or "PIU").

(b) The PIU shall be responsible for coordinating Project activities including procurement and fiduciary management, environmental and social management, monitoring and evaluation, preparing Project Reports, and providing inputs into the Annual Work Plans and Budgets.

3. Project Steering Committee

(a) The Recipient shall maintain throughout the implementation of the Project, a Project steering committee with a composition, mandate, terms

of reference and resources satisfactory to the Association. Without limitation upon the generality of the foregoing, the PSC shall be chaired by the Minister for Food and Agriculture or his designated representative, including: the CEOs or their designated representatives of TCDA and COCOBOD and two representatives of MOFA, OHLGS, MOF, MLNR, MELR, MOGCSP, and MLGDRD ("Project Steering Committee" or "PSC").

(b) The PSC shall meet at least biannually and shall be responsible for: (i) providing overall oversight on Project implementation; (ii) reviewing and approving the Annual Work Plans and Budget prepared by the PIU; (iii) evaluating the performance of each Project component; (iv) determining and authorizing corrective measures aimed at improving the Project; (v) approving the project implementation manual (PIM), including signing off on any changes to the PIM; and (vi) validating the periodic technical and financial monitoring reports of the Project.

B. Project Manuals

1. Project Implementation Manual

The Recipient shall prepare and furnish to the Association for its review, the Project Implementation Manual ("Project Implementation Manual" or "PIM"), containing detailed arrangements and procedures for implementation of the Project, including *inter alia*: (a) the respective roles and responsibilities of the Project Implementing Entities; (b) disbursement and flow of funds arrangements; (c) institutional arrangements; (d) fiduciary arrangements including financial management, procurement, and anti-corruption (including the Anti-Corruption Guidelines); (e) environment and social management systems; (f) monitoring and evaluation, reporting and communication; (g) eligibility criteria and detailed arrangements for the provision of Alternative Livelihood Support Packages; (h) modalities for the payment of Livelihood Support Payments and a template Livelihood Support Agreement to be entered into between COCOBOD and beneficiaries of Livelihood Support Payments; and (i) such other administrative, financial, technical and organizational arrangements, procedures and necessary terms of reference as shall be required for the Project.

2. Matching Grants Manual

The Recipient shall prepare and furnish to the Association for its review, the Matching Grants Manual, in form and substance satisfactory to the Association, giving details of the guidelines and procedures governing the provision of Matching Grants under Parts 2.2(b)(i) and (ii); and 3.1(a)(ii) and (b)(ii) of the Project, including: (a) eligibility criteria applicable to potential Matching Grant Beneficiaries; (b) procedures for the award of Matching Grants and selection of

Matching Grant Beneficiaries; (c) arrangements and procedures for management, supervision, monitoring, evaluation and reporting of the respective Subprojects; (d) disbursement and funds flow arrangements for Matching Grants; (e) the procurement, safeguards and financial management responsibilities of the respective Beneficiaries; and (f) a template of a Matching Grant Agreement.

3. In case of any conflict between the arrangements and procedures set out in the Project manuals and the provisions of this Agreement, the provisions of this Agreement shall prevail.

4. The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the Project manuals or any of their provisions without prior approval in writing by the Association.

C. Matching Grants under Parts 2.2(b)(i) and (ii), and 3.1(b)(ii) of the Project

1. The Recipient shall cause the Project Implementing Entities to provide Matching Grants to Matching Grant Beneficiaries for the purpose of implementing eligible sub-projects in accordance with the eligibility and selection criteria and procedures acceptable to the Association and elaborated in the Matching Grants Manual, and make no payments of any Matching Grants to any Matching Grants Beneficiary unless and until the conditions for such payment, as set out in this Agreement, the Matching Grants Manual, and the Matching Grant Agreement, are satisfied.

2. The Recipient shall cause the relevant Project Implementing Entities to provide each Matching Grant under a Matching Grant Agreement on terms and conditions approved by the Association, which shall include *inter alia* the following:

   (a) adequate rights to protect the interests of the Recipient and those of the Association;

   (b) the amount of the Matching Grant provided to the Matching Grant Beneficiary, the description of the activities to be implemented by the Matching Grant Beneficiary and financed by such Matching Grant ("Sub-project");

   (c) the right of the Recipient to suspend or terminate the right of the Matching Grant Beneficiary 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 Matching Grant Beneficiary's failure to perform any of its obligations under the Matching Grant Agreement; and

   (d) the requirement that each Matching Grant Beneficiary shall:

      (i) carry out the 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 Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; provide, promptly as needed, the resources required for the purpose;

(ii) procure the goods and services to be financed out of the Matching Grant in accordance with the Procurement Regulations;

(iii) 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;

(iv) 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 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;

(v) enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents; and

(vi) 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 the Project Implementing Entities to exercise their rights and carry out their 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.

D. Livelihood Support Payments under Part 2.2(a)(i)

1. In order to ensure the effective implementation of Part 2.2(a)(i) of the Project, the Recipient shall cause COCOBOD to:

(a) enter into agreements acceptable to the Association with farmers and/or landlords who wish to take part in a program of activities for clearing cocoa trees affected by CSSVD, strictly on a voluntary basis ("Livelihood Support Agreements"), as further detailed in the PIM; and

(b) make payments in an amount acceptable to the Association ("Livelihood Support Payments") to eligible beneficiaries in accordance with the eligibility criteria and procedures acceptable to the Association and further detailed in the PIM.

2. The Recipient shall cause COCOBOD to:

(a) enter into an agreement ("Payment Agreement") with a service provider selected on the basis of terms of reference, qualifications and experience satisfactory to the Association ("Payment Service Provider"), for the transfer of Livelihood Support Payments to eligible beneficiaries, in form and substance satisfactory to the Association and in accordance with criteria and procedures set forth in the PIM;

(b) ensure that each Payment Agreement is: (i) submitted to the Association for its review and approval prior to its signature between the Recipient and a Payment Service Provider; (ii) signed and effective before any proceeds of the Financing are transferred to the Payment Service Provider; and (iii) implemented with due diligence and efficiency and in accordance with sound technical, financial, and managerial standards and practices acceptable to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to the recipients of the Transfers proceeds other than the Recipient; and

(c) not amend, abrogate, waive or fail to enforce any provision of the Payment Agreement without the prior written agreement of the Association; provided, however, that in the event of any conflict between the provisions of the Payment Agreement and the provisions of this Agreement, the provisions of this Agreement shall prevail.

E. Subsidiary Agreement

1. To facilitate the carrying out of the relevant Project Implementing Entity's Respective Parts of the Project, the Recipient shall enter into a Subsidiary Agreement with the relevant Project Implementing Entity, under terms and conditions acceptable to the Association, which shall include, *inter alia*:

(a) The Recipient's obligation to provide to the Project Implementing Entity the portion of the proceeds of the Financing allocated from time to time as set forth in the withdrawal table in Section III.A of this Schedule 2.

(b) The Project Implementing Entity's obligation to carry out its Respective Parts of the Project with due diligence and efficiency, in conformity with appropriate administrative, financial, technical, environmental and social practices, under the supervision of qualified and experienced management assisted by competent staff in adequate numbers, and in accordance with the provisions of this Agreement, and the Project Implementation Manual.

(c) The Project Implementing Entity's obligation to procure goods, works and services required for carrying out its Respective Parts of the Project and to be financed out of the proceeds of the Financing, in accordance with the provisions of the Procurement Regulations, as said provisions may be further elaborated in the procurement plan and the Project Implementation Manual.

(d) The Project Implementing Entity's obligation to implement its Respective Parts of the Project in accordance with the provisions of the Environmental and Social Commitment Plan.

(e) The Project Implementing Entity's obligation to implement the terms of the Anti-Corruption Guidelines.

(f) The Project Implementing Entity's obligation to: (i) maintain a separate financial management system for implementing its Respective Parts of the Project; (ii) prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, adequate to reflect its operations and financial condition; and (iii) register separately the operations, resources and expenditures related to its Respective Parts of the Project.

(g) The Project Implementing Entity's obligation to promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of its Respective Parts of the Project and the performance of its obligations under the Subsidiary Agreement.

(h) The Project Implementing Entity's obligation to neither take nor concur in any action which would have the effect of amending, abrogating, assigning or waiving the Subsidiary Agreement.

2. Each Subsidiary Agreement shall include a provision stipulating that in the case of conflict between the Subsidiary Agreement and this Agreement, the provisions of this Agreement shall apply.

3. The Recipient shall exercise its rights under each 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 shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive, or fail to enforce any Subsidiary Agreement or any of its provisions.

E. Annual Work Plans and Budget

1. The Recipient shall cause each Project Implementing Entity to:

   (a) prepare and furnish to the Association not later than November 30 of each fiscal year during the implementation of the Project, a work plan and budget (each an "Annual Work Plan and Budget") containing all the activities for their Respective Parts of the Project proposed to be carried out during the following fiscal year, and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing, including counterpart funding required for the purpose; except for the annual work plan and budget for the Project for the first year of Project implementation, which shall be furnished no later than one (1) month after the Effective Date;

   (b) afford the Association a reasonable opportunity to exchange views with each Project Implementing Entity on each such proposed Work Plan and Budget and thereafter, without limitation to the pertinent provisions of this Agreement, ensure that the Project is implemented during said following fiscal year in accordance with such Work Plan and Budget as shall have been approved by the Association. Only the activities included in the Annual Work Plan and Budget expressly approved by the Association are eligible for financing from the proceeds of the Financing; and

   (c) not make or allow to be made any material change to the approved Annual Work Plan and Budget without prior approval in writing by the Association.

F. Environmental and Social Standards

1. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.

2. Without limitation upon paragraph 1 above, the Recipient shall, and shall cause the Project Implementing Entity to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall, and shall cause the Project Implementing Entity to, ensure that:

(a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;

(b) sufficient funds are available to cover the costs of implementing the ESCP;

(c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and

(d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.

3. Without limitation upon the provisions of paragraph 2 above, if sixty (60) days prior to the Closing Date, the Association determines that there are measures and actions specified in the ESCP which will not be completed by the Closing Date, the Recipient shall, and shall cause the Project Implementing Entity to: (a) not later than thirty (30) days before the Closing Date, prepare and present to the Association, an action plan satisfactory to the Association on the outstanding measures and actions, including a timetable and budget allocation for such measures and actions (which action plan shall deem to be considered an amendment of the ESCP); and (b) thereafter, carry out, or cause to be carried out (as the case may be), said action plan in accordance with its terms and in a manner acceptable to the Association.

4. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

5. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that:

(a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

(b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a

significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

6. The Recipient shall, and shall cause the Project Implementing Entity to, establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-Affected Persons, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

7. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures; and (b) repay the Preparation Advance, in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Portion A of the Amount of the Credit Allocated	Portion B of the Amount of the Credit Allocated	Percentage of Expenditures to be Financed

	(expressed in USD)	(expressed in USD)	(inclusive of Taxes)
COCOBOD (1) Goods, works, non-consulting services, consulting services, Training and Operating Costs for Parts 1.1(a); 1.2(a); 1.3(b)(i); 2.1(a); 2.1(b)(i); 2.1(c)(i); 2.2(a)(ii); 2.3(a); 3.1(a) (except 3.1(a)(ii)); and 4.1(a) of the Project	21,550,000	64,650,000	100%
(2) Livelihood Support Payments under Part 2.2(a)(i)	1,250,000	3,750,000	100%
(3) Matching Grants under Part 3.1(a)(ii) of the Project	1,750,000	5,250,000	100% of the amount disbursed
TCDA (4) Goods, works, non-consulting services, consulting services, Training and Operating Costs for Parts 1.1(b); 1.2(b); 1.3(a)(ii); 1.3(b)(ii); 2.1(b)(ii); 2.1(c)(ii); 2.1(d); 2.2(b)(iii) and (iv); 2.3(b); 3.1(b) (except 3.1(b)(ii)); and 4.1(b) of the Project	17,556,851	52,670,554	100%
(5) Matching Grants under Part 2.2(b)(i) and (ii); and 3.1(b)(ii) of the Project	6,940,649	20,821,946	100%

(6) Refund of Preparation Advance	952,500	2,857,500	Amount payable pursuant to Section 2.07(a) of the General Conditions
TOTAL AMOUNT	50,000,000	150,000,000	

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 Signature Date, except that withdrawals up to an aggregate amount not to exceed $40,000,000 may be made for payments made prior to this date but on or after July 1, 2023, for Eligible Expenditures;

   (b) under Category (2) unless COCOBOD has entered into a Payment Agreement with a Payment Service Provider as referred to in Section I.D.2(a) of Schedule 2 to this Agreement; or

   (c) under Categories (3) and (5) unless and until the Recipient has prepared and submitted to the Association the Matching Grants Manual referred to in Section I.B.2 of Schedule 2 to this Agreement in form and substance satisfactory to the Association.

2. The Closing Date is December 14, 2029.

SCHEDULE 3

A. Repayment Schedule for Portion A of the Credit

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 1 and November 1:	
commencing November 1, 2028, to and including May 1, 2048	1.65%
commencing November 1, 2048, to and including May 1, 2053	3.40%

* 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 3.05(b) of the General Conditions.

B. Repayment Schedule for Portion B of the Credit

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 1 and November 1:	
commencing November 1, 2029, to and including November 1, 2034	8.33334%
on May 1, 2035	8.33326%

* 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 3.05(b) of the General Conditions.

APPENDIX

Definitions

1. "Alternative Livelihood Support Packages" means a mix of income generating and empowerment support to households at risk of Child Labor to address the specific needs and risk-factors in each household including but not limited to: in-kind support (equipment, inputs, training etc.), support for women and youth empowerment, parental skills training for parents and care providers, coaching, counselling, legal support, healthcare support for households.

2. "Annual Work Plans and Budget" means the annual work plan to be prepared by the Project Implementing Entities during each fiscal year, including a program of activities and budget proposed for inclusion in the Project during the following fiscal year, as described in Section I.E of Schedule 2 to this Agreement.

3. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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 and as of July 1, 2016.

4. "Basis Adjustment to the Interest Charge" means the Association's standard basis adjustment to the Interest Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.

5. "Basis Adjustment to the Service Charge" means the Association's standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed as a percentage per annum.

6. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

7. "Child Labor" work that deprives a child, under the minimum age, of rights and developments, as established in accordance with the Labor Management Procedures in connection with the Project.

8. "Child Labor Monitoring System" means an automated system with a database that identifies child laborers and determines risks to which they are exposed and is used for tracking and referring them to social services.

9. "COCOBOD" means the Ghana Cocoa Board established and operating pursuant to the Ghana Cocoa Board Act, 1984 (PNDCL 81) as amended by the Ghana Cocoa Board (Amendment) Act 2020, (Act 1035), or its legal successor.

10. "Cocoa Management System" or "CMS" means the integrated and comprehensive digital database of cocoa farmers, cocoa farms, LBCs, haulers, and all other stakeholders and activities operating along the domestic supply chain of cocoa.

11. "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated May 12, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.

12. "Environmental and Social Standards" or "ESSs" means, collectively: (i) "Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts"; (ii) "Environmental and Social Standard 2: Labor and Working Conditions"; (iii) "Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management"; (iv) "Environmental and Social Standard 4: Community Health and Safety"; (v) "Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement"; (vi) "Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources"; (vii) "Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities"; (viii) "Environmental and Social Standard 8: Cultural Heritage"; (ix) "Environmental and Social Standard 9: Financial Intermediaries"; (x) "Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure"; effective on October 1, 2018, as published by the Association.

13. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Investment Project Financing", dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).

14. "Labor Management Procedures" means the Recipient's labor management procedures for the Project disclosed on May 8, 2023, under terms satisfactory to the Association.

15. "Licensed Buying Company" or "LBC" means a private commercial firm or entity that has been licensed by COCOBOD to purchase cocoa beans from farmers at a

pre-determined price and margin, and hand over all cocoa beans to COCOBOD at a designated warehouse.

16. "Livelihood Support Agreement" means the agreement referred to in Section I.D.1(a) to be entered into between COCOBOD and beneficiaries of Livelihood Support Payments.

17. "Livelihood Support Payments" means a one-off non-refundable lumpsum payment per hectare for participating cocoa farmers and landowners (as the case may be) to support their livelihoods while the diseased cocoa trees are voluntarily rehabilitated, (i.e., cutting, planting, spraying, and other farming practices).

18. "Matching Grant" means a grant made or proposed to be made out of the proceeds of the Financing under a Matching Grant Agreement for the purpose of carrying out activities under Parts 2.2(b)(i) and (ii), and 3.2 of the Project.

19. "Matching Grant Agreement" means the agreement referred to in Section I.B.2 of Schedule 2 to this Agreement.

20. "Matching Grant Beneficiary" means a selected individual or business who receives a Matching Grant under a Matching Grant Agreement. "Matching Grant Beneficiaries" means the plural thereof.

21. "Matching Grants Manual" means the manual referred to in Section I.B.2 of Schedule 2 to this Agreement.

22. "MELR" means the Recipient's Ministry of Employment and Labor Relations, or its legal successor.

23. "MLGDRD" means the Recipient's Ministry of Local Government, Decentralization and Rural Development, or its successor.

24. "MLNR" means The Recipient's Ministry of Land and Natural Resources, or its legal successor.

25. "MOF" means the Ministry of Finance, or its legal successor.

26. "MOFA" means The Recipient's Ministry of Food and Agriculture, or its legal successor.

27. "MOGCSP" means the Recipient's Ministry of Gender, Children, and Social Protection, or its legal successor.

28. "OHLGS" means the Recipient's Office of the Head of Local Governments Services, established and operating pursuant to Local Governance Act, 2016 (Act 936), or its legal successor.

29. "Operating Costs" means the incremental expenses incurred on account of Project implementation, based on the Annual Work Plan and Budget approved by the Association, and consisting of expenditures for bank charges, public awareness-related media expenses, office supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, rental, consumables, accommodation, travel and *per diem* costs for technical staff carrying out training, preparatory, supervisory and quality control activities, salaries of contractual and temporary full time Project staff, expenses related to Project management, and other reasonable expenditures directly associated with implementation of the Project activities, and excluding salaries of officials of the Recipient's civil service.

30. "Payment Agreement" means an agreement entered or to be entered into between the Recipient and a Payment Service Provider in accordance with Section I.D.2(a) of Schedule 2 of this Agreement.

31. "Payment Service Provider" means any commercial bank, microfinance institution, non-governmental organization and telecommunication operator selected in accordance with Section I.D.2(a) of Schedule 2 of this Agreement.

32. "Preparation Advance" means the advance referred to in Section 2.07(a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on November 17, 2022, and on behalf of the Recipient on November 23, 2022.

33. "Project Affected Persons" means persons adversely impacted or likely to be adversely impacted by the Project.

34. "Procurement Regulations" means, for purposes of paragraph 85 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated November 2020.

35. "Project Coordinating Unit" or "PCU" means the unit established within TCDA and referred to in Section I.A.1(a) of Schedule 2 to this Agreement.

36. "Project Implementation Manual" or "PIM" means the manual referred to in Section I.B.1 of Schedule 2 to this Agreement.

37. "Project Implementation Unit" or "PIU" means the unit established within COCOBOD and referred to in Section I.A.2(a) of Schedule 2 to this Agreement.

38. "Project Implementing Entity" means COCOBOD and TCDA. "Project Implementing Entities means both COCOBOD and TCDA.

39. "Project Steering Committee" or "PSC" means the committee referred to in Section I.A.3(a) of Schedule 2 to this Agreement.

40. "Respective Parts of the Project" means: for COCOBOD Parts 1.1(a), 1.2(a), 1.3(a)(i), 1.3(b)(i), 2.1(a), 2.1(c)(i), 2.1(b)(i), 2.2(a), 2.3(a), 3.1(a) and 4.1(a) of the Project; and for TCDA Parts 1.1(b), 1.2(b), 1.3(a)(ii), 1.3(b)(ii), 2.1(b)(ii), 2.1(c)(ii), 2.1(d), 2.2(b), 2.3(b), 3.1(b) and 4.1(b) of the Project.

41. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.

42. "Social Welfare Management Information System" means the Recipient's web-based system to document and report on the provision of social welfare services (child protection, social protection and gender-based violence) based on standard national data collection forms, workflows, referral pathways and standard operating procedures.

43. "Sub-project" means activities to be carried out by Matching Grants Beneficiaries under a Matching Grant Agreement, as further detailed in the Matching Grants Manual. "Sub-projects" means the plural thereof.

44. "Subsidiary Agreement" means any of the agreements referred to in Section I.E.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written consent of the Association.

45. "TCDA" means the Tree Crops Development Authority established and operating pursuant to the Tree Crops Development Authority Act, 2019 (Act 1010), or its legal successor.

46. "Training" means the reasonable cost of training under the Project as approved by the Association and included in the Annual Work Plan and Budget, including costs associated with 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 (but excluding consultants' fees under consulting services), rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.