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Investing in rural people

Republic of the Philippines

Rural Agro-Enterprise Partnership for  
Inclusive Development and Growth Project

Negotiated financing agreement

Executive Board — 123<sup>rd</sup> Session  
Rome, 16-17 April 2018

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For: Information

# Negotiated financing agreement: "Rural Agro-Enterprise Partnership for Inclusive Development and Growth Project"

(Negotiations concluded on 12 April 2018)

Loan Number: \_\_\_\_\_

Project Title: Rural Agro-Enterprise Partnership for Inclusive Development and Growth Project (the "Project" or "RAPID Growth")

The Republic of the Philippines (the "Borrower")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

hereby agree as follows:

WHEREAS the Borrower has requested a Loan and a Grant (the "Financing") from the Fund for the purpose of financing the Project;

WHEREAS, the Fund shall provide the Grant to the Recipient to complement the Loan in accordance with the terms and conditions of a separate agreement to be entered into between the Parties (the "Grant Agreement" for the purposes of this Agreement);

WHEREAS, the Fund has agreed to extend the Loan to the Borrower in accordance with the terms and conditions of this Agreement;

NOW THEREFORE, the Parties hereby agree as follows:

## Section A

1. The following documents collectively form this Agreement: this document, the Project Description and Implementation Arrangements (Schedule 1), and the Allocation Table (Schedule 2).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009 amended as of April 2014, and as may be amended from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein.

## Section B

1. The amount of the Loan is sixty two million and nine hundred thousand United States dollars (USD 62 900 000).

2. The Loan is granted on ordinary terms and shall be subject to interest on the principal amount outstanding at a rate equal to the IFAD Reference Interest Rate, payable semi-annually in the Loan Service Payment Currency, and shall have a maturity period of eighteen years, including a grace period of six (6) years starting from the date that the Fund has determined that all general conditions precedent to withdrawal from

the Loan have been fulfilled in accordance with Section 4.02(b) of the General Conditions and Section E of this Agreement.

3. The Loan Service Payment Currency shall be the United States Dollar.
4. The first day of the applicable Fiscal Year shall be January 1.
5. Payments of principal and interest shall be payable on each 15 April and 15 October.
6. The Loan proceeds shall be deposited into a Designated Account in United States Dollars for the exclusive use of the Project, opened in the Bangko Sentral ng Pilipinas.
7. The Borrower will provide counterpart financing for the Project in the approximate amount of USD 9.1 million for consultancies, goods, training, works, salaries, operating costs, and taxes and duties on expenditure.

#### Section C

1. The Borrower's Secretary of Finance is designated as representative for the purposes of Section 15.03 of the General Conditions.
2. The Lead Project Agency shall be the Department of Trade and Industry of the Borrower (DTI).
3. Additional Project Parties are described in Schedule 1 Part II, paragraph 12.
4. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Project.
5. The Project Completion Date shall be the sixth anniversary of the date of entry into force of this Agreement and the Financing Closing Date shall be 6 months later, or such later date as the Fund may designate by notice to the Borrower. The Agreement shall enter into force on the date of receipt by the Fund of the instrument of ratification.

#### Section D

The Fund shall administer the Loan and supervise the Project.

#### Section E

1. The first withdrawal request shall be accompanied by a communication from the Lead Project Agency informing IFAD of the designated Project Director and the official responsible for Project finance.

2. The following are the designated representatives and addresses to be used for any communication, notices, requests, and reports related to this Agreement:

For the Borrower:

Secretary of Finance  
Department of Finance  
DOF Building  
Roxas Boulevard  
Manila, Philippines

For the Fund:

The President  
International Fund for Agricultural Development  
Via Paolo di Dono 44  
00142 Rome, Italy

This agreement, has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Borrower.

REPUBLIC OF THE PHILIPPINES

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(Authorized Representative)

INTERNATIONAL FUND FOR  
AGRICULTURAL DEVELOPMENT

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President

## Schedule 1

### Project Description and Implementation Arrangements

#### I. Project Description

1. **Project Area.** The Project shall be carried out in six regions and 20 target provinces. Through its scaling-up strategy, the project may expand to other provinces once an effective operating model has been established.

2. **Target Group.** The project will directly target small farmers and microentrepreneurs engaged within selected commodity value chains. It will indirectly target unemployed and underemployed rural women and men who can potentially be employed by participating enterprises. Special focus will be placed on: (i) women farmers and entrepreneurs; (ii) young men and women; and (iii) indigenous peoples.

3. **Goal.** The Project's goal is to sustainably increase the incomes of small farmers and unemployed rural women and men across selected value chains.

4. **Purposes.** The purpose of the Project is to provide strategic enabling conditions for the sustained growth of small and microenterprises in selected agricultural commodity chains with comparative advantages, market demand, growth potential, links to small farmers and the potential for job creation.

5. **Components.** The Project shall consist of the following Components:

A. **Value chain development,** aims to ensure that producers and value-chain actors execute collaborative action plans and build commercial partnerships in selected commodity value chains. It will (i) promote a favourable governance and institutional framework to support the development of enterprises with strong linkages to smallholder farmers; (ii) provide MSMEs and farmers with access to customized business development services<sup>1</sup> so that they can commercialize their operations and expand their access to remunerative markets; and (iii) promote business partnerships between enterprises and farmers, whereby enterprises provide farmers with market-oriented support services that enable farmers to deliver expected volumes and quality in a timely manner. This component is consistent with the component 2 (institutional strengthening) and component 3 (technical assistance to financial service providers) as approved by the Borrower.

B. **Productive investments,** relates to: (i) strategic financing, improving value-chain stakeholders' access to adapted and affordable financial services; and (ii) farm-to-market infrastructure focused on securing farmers' and small and microenterprises' access to markets through the rehabilitation of farm-to-market access roads. This component is consistent with the component 1 (direct assistance to enterprises) and component 4 (innovation fund) as approved by the Borrower.

C. **Project management** to support DTI and project partners in delivering project services. The component will finance the costs of project management and coordination, monitoring and evaluation, and reporting at the national, regional and provincial levels. It will also finance the costs of contracted project staff, honoraria of DTI regular staff assigned to RAPID Growth, equipment, vehicles and operating costs. This component is consistent with component 5 (project management) as approved by the Borrower.

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<sup>1</sup> These include training, technical assistance, consultancy and advisory services, marketing assistance, information, technology development and transfer, and business linkages promotion.

## II. Project Implementation Arrangements

### A. Lead Project Agency

6. The Department of Trade and Industry (DTI) of the Borrower, in its capacity as Lead Project Agency, shall have overall responsibility for the management and implementation of the Project.

7. Responsibilities. The Lead Project Agency shall establish a Project Coordination Office (PCO) under its Regional Operations Group to coordinate implementation and carry out project implementation responsibilities at the national level. PCO will be responsible for: (i) providing strategic guidance and coordination to ensure that all project implementation partners develop activities along a common, coherent approach; (ii) ensuring the financial and administrative management of project resources in line with this Agreement and IFAD rules; (iii) facilitating the planning of project activities in consultation with project stakeholders; (iv) procuring project-related services and supplies at the national level; (iv) coordinating project activities with the various project partners; (v) securing M&E and KM in relation to all activities; and (vi) promoting inclusive approaches and the mainstreaming of targeting and gender requirements in all of the project activities.

8. Regional level. The Lead Implementing Agency will establish (i) a Regional Coordination Unit (RCU) in every target region, which will be headed by DTI Regional Director; and (ii) Provincial Coordination Units (PCUs), to support DTI's Negosyo centers in implementing the project in target areas. The Negosyo Centers shall (i) identify MSMEs, farmers and cooperatives interested in partnering; (ii) facilitate the preparation and monitoring of SIPs and DIPs; (iii) coordinate the participation of service providers; and (v) ensure provincial planning and M&E.

9. RCUs will be responsible for: (i) preparing the regional AWPB and support the preparation of participatory provincial AWPB; (ii) provide implementation support for the execution of activities in the target provinces, particularly with regard to the management and monitoring of subprojects; (iii) organise M&E and KM activities within the region and provide guidance to the PCOs; and (iv) liaise with regional MSMED, regional industry councils and private sector associations, and regional implementing agents (such as FSPs). The RCU will be composed of one Regional Coordinator, one Contract Manager, one M&E and KM Officer, and one Finance and Administration Assistant. RCUs will also be responsible for establishing a Regional Technical Working Group (RTWG), which will be composed of representatives of relevant public agencies and of private players in the target value chains along harmonised guidelines to be provided by the PCO. RTWGs will include two sub-committees: one, chaired by DTI, will approve Detailed Investment Plans, while the other will be chaired by DILG and will approve farm-to-market infrastructure subprojects. The Department of Interior and Local Government will be responsible for providing technical support and supervision for farm-to-market roads that will be executed by municipal or provincial governments.

10. Project Management. DTI shall designate a Project Director and recruit a Project Coordinator with the qualifications and experience necessary to perform the tasks of their respective positions. The Project Director shall have the authority to approve the execution of contracts and financial transactions in accordance with applicable Government rules. The Project Director will be assisted by the Project Coordinator and a team of technical experts, including a Value Chain Specialist, a Business Services Specialist, a Financial Services Specialist, a Finance and Administration Officer, a Procurement Officer, a Planning and M&E Officer and Knowledge Management and Communication Specialist. In contracting the Project Coordinator and technical experts.

DTI shall apply competitive market rates. Project expenditure at all levels shall be reported through the Government system e-NGAS, and consolidated by the PCO.

11. The Project Coordinator and aforementioned technical experts shall be recruited competitively; and appointments shall only be made after seeking IFAD's prior review and no-objection. The Project Coordinator shall serve throughout the Project implementation period and may only be removed by the Lead Project Agency for cause. The Lead Project Agency shall exercise best efforts to replace the Project Coordinator immediately upon his/her removal, which shall be communicated to the Fund without delay, specifying the reasons for the removal.

#### B. Implementing agencies

12. Designation of Project Parties. Project components shall be implemented through national institutions, including DTI, LGUs, the Philippine Crop Insurance Corporation, the Small Business Corporation, the Department of Interior and Local Government, the Philippines Institute for Development Studies, the Landbank of the Philippines, the Agricultural Guarantee Fund Pool, and the Development Bank of the Philippines, and (each, an "Implementing Agency" and collectively the "Implementing Agencies") appropriately staffed to carry out the relevant component activities.

### III. Project Implementation Procedures and Reviews

13. The Project will be implemented in two phases, as per the Borrower's internal approval of the Project. The first phase will be the pilot testing phase, and the second phase will be the full implementation phase. The Borrower will inform the Fund when it decides to move to the second phase.

14. The PCO shall adopt the Project Implementation Manual (the "PIM") prepared during the design of the Project; and will update it to include details of the procedures, processes, criteria and responsibilities for implementation of all Project activities. The PCO shall forward the updated PIM to the Fund for its comments and approval by no later than 6 months from entry into force of the Agreement. The PIM may be amended from time to time, subject to approval by the Fund.

15. The DTI shall facilitate annual supervision missions jointly or separately undertaken by IFAD and NEDA; as well as the project's mid-term review to be held jointly with DTI. Monitoring and evaluation of project results shall include the conduct of baseline, mid-term and endline evaluations by the Philippine Institute for Development Studies, or a third-party appointed subject to IFAD no-objection.

16. The Financial and Management Service (FMS) of the Lead Implementing Agency will be primarily responsible for the implementation of an adequate and sound financial management system for the project, assisted by the administrative, financial and management divisions at the regional offices. Contractual finance personnel at the PCU and RCUs will provide functional support to organic finance personnel at national, regional, and provincial levels.

## Schedule 2

## Allocation Table

1. Allocation of the Loan Proceeds. (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Loan and the allocation of the amounts of the Loan to each Category and the percentages of expenditures for items to be financed thereby in each Category:

| Category               | Loan Amount (in USD) | Percentage of Eligible Expenditures to be financed (net of taxes, and Government and co-financiers contribution) |
|------------------------|----------------------|------------------------------------------------------------------------------------------------------------------|
| I. Consultancies       | 8 890 000            | 100%                                                                                                             |
| II. Training           | 6 860 000            | 100%                                                                                                             |
| III. Goods             | 4 900 000            | 100%                                                                                                             |
| IV. Works              | 14 340 000           | 100%                                                                                                             |
| V. Grants              | 13 230 000           | 100%                                                                                                             |
| VI. Investment capital | 9 070 000            | 100%                                                                                                             |
| VII. Recurrent costs   | 5 610 000            | 100%                                                                                                             |
| <b>TOTAL</b>           | <b>62 900 000</b>    |                                                                                                                  |

(b) The terms used in the Table above are defined as follows:

- (i) Consultancies includes technical assistance
- (ii) Goods includes vehicles
- (iii) Training includes studies and workshops
- (iv) Recurrent costs includes operating costs, salaries and allowances



# Negotiated financing agreement: "Rural Agro-Enterprise Partnership for Inclusive Development and Growth Project"

(Negotiations concluded on 12 April 2018)

Grant Number: \_\_\_\_\_

Project Title: Rural Agro-Enterprise Partnership for Inclusive Development and Growth Project (RAPID Growth)

The Republic of the Philippines (the "Recipient")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

hereby agree as follows:

WHEREAS the Recipient has requested a Loan and a Grant (the "Financing") from the Fund for the purpose of financing the Project;

WHEREAS the Fund has extended the Loan to the Borrower which shall be used to implement the Project in accordance with the terms and conditions of an agreement entered into between the Parties (the "Loan Agreement" for the purposes of this Agreement); and

WHEREAS the Fund has agreed to extend the Grant to the Recipient in accordance with this Agreement and for the purpose of financing the activities described in Schedule 1;

NOW THEREFORE the Parties hereby agree as follows:

## Section A

1. The following documents collectively form this Agreement: this document, the Project Description and Implementation Arrangements (Schedule 1) and the Allocation Table (Schedule 2).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of April 2014, and as may be amended hereafter from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein.

## Section B

1. The amount of the Grant is two million five hundred thousand United States Dollars (USD 2 500 000).

2. The first day of the applicable Fiscal Year shall be 1 January.

3. The Grant proceeds shall be deposited into a Designated Account in United States Dollars for the exclusive use of the Project, opened in the Bangko Sentral ng Pilipinas.
4. The Recipient will provide counterpart financing in the form of duties and taxes.

#### Section C

1. The Recipient's Secretary of Finance is designated as representative for the purposes of Section 15.03 of the General Conditions.
2. The Lead Project Agency shall be the Department of Trade and Industry (DTI).
3. Additional Project Parties are described in Schedule 1 Part II, paragraph 12.
4. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Project.
5. The Project Completion Date shall be the sixth anniversary of the date of entry into force of this Agreement and the Financing Closing Date shall be 6 months later, or such later date as the Fund may designate by notice to the Recipient.

#### Section D

The Fund shall administer the Grant and supervise the Project.

#### Section E

1. Disbursements under the Grant are subject to the entry into force of the Loan Agreement.
2. The first withdrawal request shall be accompanied by a communication from the Lead Project Agency informing IFAD of the designated Project Director and the official responsible for Project finance.
3. The right of the Recipient to request disbursements under the Grant may be suspended by the Fund if the right to request disbursements under the Loan has been suspended.
4. The following are the designated representatives and addresses to be used for any communication, notices, requests, and reports related to this Agreement:

For the Recipient:

The Secretary of Finance  
Department of Finance  
DOF Building  
Roxas, Boulevard  
Manila, Philippines

For the Fund:

The President  
International Fund for Agricultural Development  
Via Paolo di Dono 44  
00142 Rome, Italy

This agreement, has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Recipient, and shall enter into force upon its countersignature with effect from the date of entry into force of the Loan Agreement.

THE REPUBLIC OF THE PHILIPPINES

\_\_\_\_\_  
(Authorized Representative)

INTERNATIONAL FUND FOR  
AGRICULTURAL DEVELOPMENT

\_\_\_\_\_  
President

## Schedule 1

### Project Description and Implementation Arrangements

#### I. Project Description

1. **Project Area.** The Project shall be carried out in in six regions and 20 target provinces. Through its scaling-up strategy, the project may expand to other provinces once an effective operating model has been established.
2. **Target Group.** The project will directly target small farmers and microentrepreneurs engaged within selected commodity value chains. It will indirectly target unemployed and underemployed rural women and men who can potentially be employed by participating enterprises. Special focus will be placed on: (i) women farmers and entrepreneurs; (ii) young men and women; and (iii) indigenous peoples.
3. **Goal.** The Project's goal is to sustainably increase the incomes of small farmers and unemployed rural women and men across selected value chains.
4. **Purposes.** The purpose of the Project is to provide strategic enabling conditions for the sustained growth of small and microenterprises in selected agricultural commodity chains with comparative advantages, market demand, growth potential, links to small farmers and the potential for job creation.
5. **Components.** The Project shall consist of the following Components:

D. **Value chain development,** aims to ensure that producers and value-chain actors execute collaborative action plans and build commercial partnerships in selected commodity value chains. It will (i) promote a favourable governance and institutional framework to support the development of enterprises with strong linkages to smallholder farmers; (ii) provide MSMEs and farmers with access to customized business development services<sup>2</sup> so that they can commercialize their operations and expand their access to remunerative markets; and (iii) promote business partnerships between enterprises and farmers, whereby enterprises provide farmers with market-oriented support services that enable farmers to deliver expected volumes and quality in a timely manner. This component is consistent with the component 2 (institutional strengthening) and component 3 (technical assistance to financial service providers) as approved by the Borrower.

E. **Productive investments,** relates to : (i) strategic financing, improving value-chain stakeholders' access to adapted and affordable financial services; and (ii) farm-to-market infrastructure focused on securing farmers' and small and microenterprises' access to markets through the rehabilitation of farm-to-market access roads. This component is consistent with the component 1 (direct assistance to enterprises) and component 4 (innovation fund) as approved by the Borrower.

F. **Project management** to support DTI and project partners in delivering project services. The component will finance the costs of project management and coordination, monitoring and evaluation, and reporting at the national, regional and provincial levels. It will also finance the costs of contracted project staff, honoraria of DTI regular staff assigned to RAPID Growth, equipment, vehicles and operating costs. This component is consistent with component 5 (project management) as approved by the Borrower.

#### II. Project Implementation Arrangements

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<sup>2</sup> These include training, technical assistance, consultancy and advisory services, marketing assistance, information, technology development and transfer, and business linkages promotion.

### C. Lead Project Agency

6. The Department of Trade and Industry (DTI) of the Borrower, in its capacity as Lead Project Agency, shall have overall responsibility for the management and implementation of the Project.

7. Responsibilities. The Lead Project Agency shall establish a Project Coordination Office (PCO) under its Regional Operations Group to coordinate implementation and carry out project implementation responsibilities at the national level. PCO will be responsible for: (i) providing strategic guidance and coordination to ensure that all project implementation partners develop activities along a common, coherent approach; (ii) ensuring the financial and administrative management of project resources in line with this Agreement and IFAD rules; (iii) facilitating the planning of project activities in consultation with project stakeholders; (iv) procuring project-related services and supplies at the national level; (iv) coordinating project activities with the various project partners; (v) securing M&E and KM in relation to all activities; and (vi) promoting inclusive approaches and the mainstreaming of targeting and gender requirements in all of the project activities.

8. Regional level. The Lead Implementing Agency will establish (i) a Regional Coordination Unit (RCU) in every target region, which will be headed by DTI Regional Director; and (ii) Provincial Coordination Units (PCUs), to support DTI's Negosyo centers in implementing the project in target areas. The Negosyo Centers shall (i) identify MSMEs, farmers and cooperatives interested in partnering; (ii) facilitate the preparation and monitoring of SIPs and DIPS; (iii) coordinate the participation of service providers; and (v) ensure provincial planning and M&E.

9. RCUs will be responsible for: (i) preparing the regional AWPB and support the preparation of participatory provincial AWPB; (ii) provide implementation support for the execution of activities in the target provinces, particularly with regard to the management and monitoring of subprojects; (iii) organise M&E and KM activities within the region and provide guidance to the PCOs; and (iv) liaise with regional MSMED, regional industry councils and private sector associations, and regional implementing agents (such as FSPs). The RCU will be composed of one Regional Coordinator, one Contract Manager, one M&E and KM Officer, and one Finance and Administration Assistant. RCUs will also be responsible for establishing a Regional Technical Working Group (RTWG), which will be composed of representatives of relevant public agencies and of private players in the target value chains along harmonised guidelines to be provided by the PCO. RTWGs will include two sub-committees: one, chaired by DTI, will approve Detailed Investment Plans, while the other will be chaired by DILG and will approve farm-to-market infrastructure subprojects. The Department of Interior and Local Government will be responsible for providing technical support and supervision for farm-to-market roads that will be executed by municipal or provincial governments.

10. Project Management. DTI shall designate a Project Director and recruit a Project Coordinator with the qualifications and experience necessary to perform the tasks of their respective positions. The Project Director shall have the authority to approve the execution of contracts and financial transactions in accordance with applicable Government rules. The Project Director will be assisted by the Project Coordinator and a team of technical experts, including a Value Chain Specialist, a Business Services Specialist, a Financial Services Specialist, a Finance and Administration Officer, a

Procurement Officer, a Planning and M&E Officer and Knowledge Management and Communication Specialist. In contracting the Project Coordinator and technical experts. DTI shall apply competitive market rates. Project expenditure at all levels shall be reported through the Government system e-NGAS, and consolidated by the PCO.

11. The Project Coordinator and aforementioned technical experts shall be recruited competitively; and appointments shall only be made after seeking IFAD's prior review and no-objection. The Project Coordinator shall serve throughout the Project implementation period and may only be removed by the Lead Project Agency for cause. The Lead Project Agency shall exercise best efforts to replace the Project Coordinator immediately upon his/her removal, which shall be communicated to the Fund without delay, specifying the reasons for the removal.

#### D. Implementing agencies

12. Designation of Project Parties. Project components shall be implemented through national institutions, including DTI, LGUs, the Philippine Crop Insurance Corporation, the Small Business Corporation, the Department of Interior and Local Government, the Philippines Institute for Development Studies, the Landbank of the Philippines, the Agricultural Guarantee Fund Pool, and the Development Bank of the Philippines, and (each, an "Implementing Agency" and collectively the "Implementing Agencies") appropriately staffed to carry out the relevant component activities.

### III. Project Implementation Procedures and Reviews

13. The Project will be implemented in two phases, as per the Borrower's internal approval of the Project. The first phase will be the pilot testing phase, and the second phase will be the full implementation phase. The Borrower will inform the Fund when it decides to move to the second phase.

14. The PCO shall adopt the Project Implementation Manual (the "PIM") prepared during the design of the Project; and will update it to include details of the procedures, processes, criteria and responsibilities for implementation of all Project activities. The PCO shall forward the updated PIM to the Fund for its comments and approval by no later than 6 months from entry into force of the Agreement. The PIM may be amended from time to time, subject to approval by the Fund.

15. The DTI shall facilitate annual supervision missions jointly or separately undertaken by IFAD and NEDA; as well as the project's mid-term review to be held jointly with DTI. Monitoring and evaluation of project results shall include the conduct of baseline, mid-term and endline evaluations by the Philippine Institute for Development Studies, or a third-party appointed subject to IFAD no-objection.

16. The Financial and Management Service (FMS) of the Lead Implementing Agency will be primarily responsible for the implementation of an adequate and sound financial management system for the project, assisted by the administrative, financial and management divisions at the regional offices. Contractual finance personnel at the PCU and RCUs will provide functional support to organic finance personnel at national, regional, and provincial levels..

## Schedule 2

## Allocation Table

1. Allocation of the Grant Proceeds. (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Grant and the allocation of the amounts of the Grant to each Category and the percentages of expenditures for items to be financed thereby in each Category:

| Category         | Grant Amount<br>(in USD) | Percentage of Eligible<br>Expenditures to be<br>financed<br>(net of taxes,<br>Counterpart and co-<br>financiers' contribution) |
|------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| I. Consultancies | 2 020 000                | 100%                                                                                                                           |
| II. Training     | 480 000                  | 100%                                                                                                                           |
| <b>TOTAL</b>     | <b>2 500 000</b>         |                                                                                                                                |

(b) The terms used in the Table above are defined as follows:

(v) Consultancies includes technical assistance

(vi) Training includes studies and workshops