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ARTF GRANT NUMBER TF013820-AF

**Amended and Restated Afghanistan  
Reconstruction Trust Fund  
Grant Agreement**

**(Additional Financing for National Horticulture and Livestock Project)**

**between**

**ISLAMIC REPUBLIC OF AFGHANISTAN**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**(acting as Administrator of the Afghanistan Reconstruction Trust Fund)**

**Originally Dated December 22, 2012  
(As amended and Restated on July 19, 2016)**

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**AMENDED AND RESTATED  
AFGHANISTAN RECONSTRUCTION TRUST FUND  
GRANT AGREEMENT**

AGREEMENT originally dated December 22, 2012, amended and restated on July 18 2016, between ISLAMIC REPUBLIC OF AFGHANISTAN (the "Recipient"); and the INTERNATIONAL DEVELOPMENT ASSOCIATION, acting as administrator (the "World Bank") of grant funds (the "Grant Funds") contributed by various donors (collectively the "Donors") to the Afghanistan Reconstruction Trust Fund ("ARTF").

WHEREAS

(A) the ARTF Management Committee and the World Bank approved on December 11, 2012 a proposal for financing of the Project (as hereinafter defined) in the amount of one hundred million United States Dollars (\$100,000,000) (the "Original Financing Allocation"), of which the World Bank extended to the Recipient a grant in an amount equal to fifty million United States Dollars (\$50,000,000) (the "First Grant"), on terms and conditions set forth or referred to in the Grant Agreement, dated December 22, 2012 (the "Original Grant Agreement"), to assist in the financing of the Project;

(B) the Recipient requested, and the ARTF Management Committee and the World Bank approved on September 24, 2014, a release of a second tranche of the Original Financing Allocation in an amount equal to fifty million United States Dollars (\$50,000,000) (the "Second Grant"), to assist in the financing of the Project; and

(C) the Recipient requested, and the ARTF Management Committee and the World Bank approved on June 29, 2016, a proposal for additional financing for the Project (as hereinafter defined) in the amount of ninety million United States Dollars (\$90,000,000) (the "Third Grant"), to assist in the financing of the Project.

WHEREAS the World Bank has agreed, on the basis, inter alia, of the foregoing to extend such additional assistance to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the Recipient and the World Bank hereby agree to amend and restate the Original Grant Agreement to read as follows with effect from the date of this Agreement:

**Article I**  
**Standard Conditions; Definitions**

- 1.01. The "Standard Conditions for Grants Made by the World Bank Out of Various Funds", dated February 15, 2012 ("Standard Conditions"), 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 Standard Conditions or in this Agreement.

**Article II**  
**The Project**

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project through MAIL in accordance with the provisions of Article II of the Standard Conditions.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**Article III**  
**The Grant**

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement:
  - (a) a grant in an amount equal to fifty million United States Dollars (\$50,000,000) ("First Grant");
  - (b) a grant in an amount equal to fifty million United States Dollars (\$50,000,000) ("Second Grant"); and
  - (c) a grant in an amount equivalent to ninety million United States Dollars (\$90,000,000) ("Third Grant") (the First Grant, the Second Grant and the Third Grant are collectively referred to herein as the "Grant");

in each case, to assist in financing the Project.

- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the ARTF for which the World Bank receives periodic contributions from the Donors to the ARTF. In accordance with Section 3.02 of the Standard Conditions, the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the ARTF, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

**Article IV**  
**Recipient's Representative; Addresses**

4.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance.

4.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance  
Pashtunistan Watt  
Kabul  
Islamic Republic of Afghanistan

Facsimile:

+93202103258

4.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

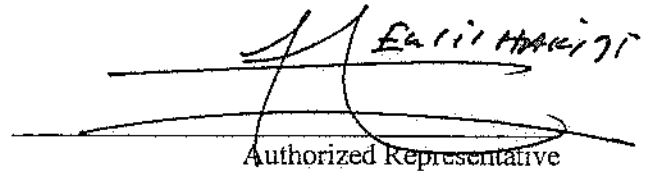
Facsimile:

+1-202-477-6391

AGREED at Kabul, Islamic Republic of Afghanistan, as of the day and year first above written.

ISLAMIC REPUBLIC OF AFGHANISTAN

By

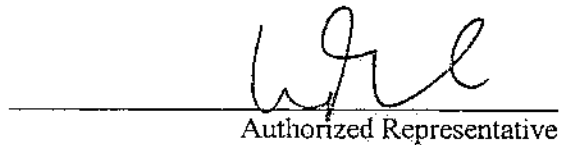
  
Authorized Representative

Name: Eulii Haqiqi

Title: Minister

INTERNATIONAL DEVELOPMENT ASSOCIATION  
(acting as administrator of the Afghanistan Reconstruction Trust Fund)

By

  
Authorized Representative

Name: Wezi Msisha

Title: Acting Country Director

## SCHEDULE 1

### Project Description

The objective of the Project is to promote adoption of improved production practices by target farmers, with gradual rollout of farmer-centric agricultural services systems and investment support.

The Project consists of the following parts:

#### Part 1: Horticultural Production

##### (a) Extension and Farm Advisory Services

(i) Carrying out a program of activities designed to facilitate dissemination of information on improved production practices and technologies and to enhance the productive skill of eligible horticultural farmers, such program to include provision of technical assistance for:

(A) Organizational capacity through identification and formation of common interest groups and facilitation of farmer field schools on specific topics; and

(B) adoption of improved production practices through delivery of extension messages focused on: (1) orchard management, including promoting adoption of improved agronomic, integrated pest management and on-farm water management practices; (2) value addition to the orchard produce, including improved picking, grading, packing, storage and transportation techniques; and (3) marketing of produce, including building productive linkages between producer groups and traders.

(ii) Carrying out a program of activities designed to build the capacity of MAIL and the Directorate of Agriculture, Irrigation and Livestock for enhanced horticultural support delivery.

##### (b) Investment Packages for Improved Productivity and Market Efficiency

Provision of In-kind Grants to eligible Beneficiaries to finance productive investment activities, such activities to include *inter alia*: (i) rehabilitation of existing orchards and establishment of new orchards; (ii) establishment of facilities that support cross-cutting agricultural practices such as integrated pest management, on-farm water management, reclamation and management of saline and alkaline soils, and apiculture; (iii) acquisition of improved equipment and development of related infrastructure for post-harvest handling, storage and

processing equipment and development of related infrastructure; and (iv) establishment of farm service centers.

(c) Improved Market Access and Post-Harvest Handling Systems

Carrying out a program of activities designed to improve market access and post-harvest handling processes, such activities to include *inter alia*: (i) identification of strategic partners in the trading and marketing community to strengthen market linkages between producers and those marketing farm output to consumers, including, strengthening trader associations, improving communications and contact with producers, and conducting analytical work and outreach in identified strategic target markets; and (ii) construction of improved post-harvest facilities in rural areas, introduction of improved packaging materials to lengthen product shelf life, and increasing the practice of sorting and grading for fruits.

Part 2. Animal Production and Health

(a) Improved Animal Health Service Delivery

- (i) Carrying out a program of activities designed to enhance the productive skills of eligible livestock farmers, such program to include provision of technical assistance for delivery of extension messages focused on (A) animal production, including housing, nutrition and reproductive management and (B) animal health, including infectious and noninfectious causes of livestock diseases and loss; and
- (ii) Carrying out a program of activities designed to build the capacity of MAIL and the DAIL for enhanced livestock support delivery.

(b) Improved Animal Production through Investment Support and Investment Packages

Carrying out a program of activities designed to provide investment support, such activities to include:

- (i) at private sector level, provision of In-kind Grants to eligible livestock farmers to finance: (A) productive investments support required for adoption of improved technology developed under Part 2(a)(i) of the Project, and (B) inputs such as vaccines, mineral blocks, pasture seeds and de-wormers; and
- (ii) at the public sector level, establishing an animal health surveillance and control system, and development of improved models of intervention through undertaking trials and related studies.

(c) Improved Market Access and Value Addition for Livestock Products

Carrying out a program of activities designed to enhance the marketing skills of eligible livestock farmers, such program to include *inter alia*: (i) provision of technical assistance and training to identify and benefit from seasonal marketing opportunities; and (ii) the development of an effective marketing infrastructure.

Part 3. Project Implementation Management and Technical Assistance Support

Carrying out a program of activities designed to enhance the Recipient's implementation capacity at central and regional levels, including: (i) financing implementation management support teams; (ii) undertaking studies to inform implementation and policy development; and (iii) capacity building to mainstream service delivery systems and ensure long term adequate staffing and ability at all levels of the service delivery systems being deployed.



## SCHEDULE 2

### Project Execution

#### Section I. Institutional and Other Arrangements

##### A. Institutional Arrangements

1. The Recipient shall vest the overall responsibility for Project implementation in MAIL.

2. Project Steering Committee

The Recipient shall maintain the Project Steering Committee, throughout the Project implementation period: (a) chaired by the Minister of MAIL (or his or her designee), and comprised of Deputy Minister level representation of at least Ministry of Finance and Ministry of Economy (b) with responsibility for the overall policy and strategic planning and management of the Project; and (c) to meet at least twice a year.

3. Implementation Management Support Team

(a) The Recipient shall maintain, throughout Project implementation period, the Implementation Management Support Team at the national level, headed by the Project Director, with qualified and experienced staff, terms of reference and resources satisfactory to the World Bank, to be responsible for overall implementation of the Project, including monitoring and quality control responsibilities, safeguards compliance, financial management and procurement for the Project.

(b) The IMST at national level shall be supported by at least five regional implementation management support teams within their respective regions. To this end, the Recipient shall maintain throughout Project implementation period, the regional implementation management support teams, with qualified and experienced staff, terms of reference and resources satisfactory to the World Bank.

##### B. Financial Management Manual and Operations Manual

1. The Recipient shall:

(a) ensure that the Project is carried out pursuant to the Financial Management Manual, the Project Operations Manual and the respective Annual Work Plan; and

- (b) refrain from amending, suspending, waiving, cancelling or abrogating the Financial Management Manual, the Project Operations Manual or any Annual Work Plan, whether in whole or in part, without the prior written concurrence of the World Bank.
- 2. In the event of any inconsistency between any provisions of the Financial Management Manual, the Project Operations Manual or any Annual Work Plan and any provisions of this Agreement, the provisions of this Agreement shall prevail.

**C. Annual Work Plan**

- 1. The Recipient shall prepare, in accordance with terms of reference acceptable to the World Bank, and furnish to the World Bank not later than July 31 of each calendar year throughout the Project implementation period, a plan of activities proposed for inclusion in the Project for the next calendar year, together with a budget for such activities and a timetable for their implementation.
- 2. The Recipient shall: (i) afford the World Bank a reasonable opportunity to exchange views with the Recipient on such proposed work plan; and (ii) thereafter carry out such work plan during the period covered by said plan, according to such budget, both as shall have been approved by the World Bank ("Annual Work Plan").
- 3. Only such activities as shall have been included in the Annual Work Plan shall be eligible for inclusion in the Project and financing out of the proceeds of the Grant.

**D. In-kind Grants**

The Recipient, through MAIL, shall, prior to approving any activity to be supported by an In-kind Grant, satisfy itself that such activity meets the selection criteria set out in the Operations Manual, including the requirement that the Beneficiary sponsoring such activity has:

- (a) prepared an action plan satisfactory to MAIL outlining the activities proposed to be undertaken by the Beneficiary;
- (b) undertaken to carry out such activity in accordance with the policies, principles and procedures set forth in the Financial Management Manual, the Operations Manual, the Pest Management Plan and the ESMF;
- (c) undertaken to contribute any and all land required for such activity, which shall have been acquired by, or otherwise made available to, the Beneficiary for this purpose on in accordance with the ESMF, and, as described in each agreement to be entered into pursuant to sub-paragraph

- (d) below, contribute to the estimated capital cost and the operation and maintenance cost of such activity.
- (d) entered into an agreement with MAIL, substantially conforming to the standard form agreement appended to the Operations Manual, pursuant to which the Beneficiary shall assume full responsibility for the preparation, design and implementation of such activity while it is being carried out, and for its operation and maintenance upon its completion, and shall, among other things:
- (i) require that the In-kind Grant be used to support only the activities included in the Beneficiary's action plan;
  - (ii) require that the Beneficiary carries out the activities with due diligence and efficiency and in accordance with sound technical, financial, environmental and managerial standards and the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient;
  - (iii) procure the goods and services required for the activities in accordance with Section III of this Section;
  - (iv) maintain adequate records to reflect, in accordance with sound accounting practices, the resources, operations, and expenditures relating to the In-kind Grants;
  - (v) at the request of the World Bank or the Recipient, have such records audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the records as so audited to the Recipient and the World Bank;
  - (vi) enable the Recipient and the World Bank to inspect the activities that are the subject of the In-kind Grant, its operations and any relevant documents and records;
  - (vii) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing; and
  - (viii) include the right of the Recipient to terminate the right of the Beneficiary to use the proceeds of the In-kind Grant upon the Beneficiary's failure to perform any of its obligations under the In-kind Grant agreement between the Beneficiary and the Recipient.

**E. Safeguards**

1. The Recipient shall:

- (a) ensure that the Project is carried out in accordance with the Safeguards Instruments, in a manner and substance satisfactory to the World Bank; and
- (b) refrain from amending, suspending, waiving, abrogating, and/or voiding any provision of the Safeguards Instruments, in whole or in part, without the prior written agreement of the World Bank.

2. The Recipient shall:

- (a) take all necessary actions to avoid or otherwise minimize to the extent possible, and to mitigate, any involuntary loss by persons of shelter, productive assets or access to productive assets or income or means of livelihood, temporarily or permanently, and the displacement of said people in the carrying out of the Project or any part thereof;
- (b) where the acquisition of land or assets or the displacement of people is unavoidable, before initiating the implementation of any Project activity which would result in such acquisition or displacement, develop and implement a RAP in accordance with the ESMF, and make available to such people full compensation and, as applicable, relocate and rehabilitate the Displaced Persons in accordance with the applicable RAP and in a manner satisfactory to the World Bank;
- (c) ensure that prior to commencing any civil works under the Project, all resettlement measures set forth in the applicable RAP (if any), shall have been fully executed, including the full payment of compensation prior to displacement and/or the provision of relocation assistance to all Displaced Persons, as per the entitlements provided in the applicable RAP; and

3. Whenever a new or revised ESMP, PMP or RAP is required for any proposed activity under the Project in accordance with the provisions of the ESMF, the Recipient shall:

- (a) prior to the commencement of such activity, proceed to have such ESMP, PMP or RAP (as the case may be): (i) prepared in accordance with the provisions of the ESMF; (ii) furnished to the World Bank for review and approval; and (iii) thereafter adopted and disclosed as approved by the World Bank, in a manner acceptable to the World Bank; and

- (b) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such ESMP, PMP or RAP (as the case may be), including the payment of full compensation as applicable to Displaced Persons prior to the commencement of the relevant activity.
- 4. The Recipient shall ensure that each contract for civil works under the Project include the obligation of the relevant contractor to comply with the relevant Safeguard Instrument applicable to such civil works commissioned/awarded pursuant to said contract.
- 5. The Recipient shall maintain throughout Project implementation, a Project Grievance Redress Mechanism, with staffing and operating procedures acceptable to the World Bank, for monitoring and addressing the concerns of people affected by the Project and building public and stakeholder support for the Project.
- 6. The Recipient shall maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the World Bank, the implementation of the Safeguards Instruments. Without limiting its other reporting obligations under this Agreement, the Recipient shall take all necessary measures to collect, compile and submit to the World Bank, as part of the Project Reports, information on the status of compliance with the Safeguards Instruments, giving details of:
  - (a) measures taken in furtherance of the Safeguards Instruments;
  - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments, particularly those related to the relevant RAP; and
  - (c) remedial measures taken or required to be taken immediately to address such conditions.
- 7. In the event of any inconsistency between the provisions of any of the Safeguards Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.

**F. Anti-Corruption**

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

**G. Donor Visibility and Visit**

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors' support for the Project through the ARTF.
2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, enable the representatives of the Donors to visit any part of the Recipient's territory for purposes related to the Project.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Documents; Records**

In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

- (a) all records evidencing expenditures under the Project are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the World Bank; (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and
- (b) the representatives of the World Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donors.

**B. Project Reports; Completion Report**

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the World Bank not later than forty five (45) days after the end of the period covered by such report.
2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report

shall be furnished to the World Bank not later than six (6) months after the Closing Date.

**C. Financial Management; Financial Reports; Audits**

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one Fiscal Year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

**Section III. Procurement**

**A. General**

1. **Procurement and Consultant Guidelines.** All goods, works, non-consulting-services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:
  - (a) Section I of the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014) ("Procurement Guidelines") in the case of goods, works and non-consulting services, and Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014) ("Consultant Guidelines") in the case of consultants' services; and
  - (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

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

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding, subject to the additional provisions agreed upon from time to time between the Recipient and the World Bank and set forth in the Procurement Plan; (c) Shopping; (d) Direct Contracting and (e) Community Participation procedures acceptable to the World Bank.

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

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

**D. Review by the World Bank of Procurement Decisions**

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



**E. Document Retention**

Notwithstanding the provisions of paragraphs 2(j) and 5 of Appendix 1 to the Procurement Guidelines, and paragraphs 2(k) and 5 of Appendix 1 to the Consultant Guidelines, the Recipient: (i) shall retain all documentation with respect to each contract as described in said paragraphs for at least seven years and six months after the Closing Date set forth in Section IV.B.2 of this Schedule; (ii) shall furnish such documentation to the World Bank at any time upon request; and (iii) hereby authorizes the World Bank to disclose such documentation to the Donors.

**Section IV. Withdrawal of Grant Proceeds**

**A. General**

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

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
Goods, works, non-consulting services, consultants' services, In-kind Grants, Training and Incremental Operating Costs under the Project.	190,000,000	100%
<b>TOTAL AMOUNT</b>	<b>190,000,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to the amount of (a) the First Grant may be made prior to this date but on or after December 22, 2012; and (ii) the Second Grant may be made prior this date but on or after September 30, 2014.
2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2020.

## APPENDIX

### Definitions

1. "Annual Work Plan" means, individually, each of the Recipient's time-bound action plan of activities for the Project, to be prepared in accordance with the Section I.C of Schedule 2 to this Agreement.
2. "ARTF Management Committee" means the committee established pursuant to Section 5 of the standard terms and conditions governing contributions to the Afghanistan Reconstruction Trust Fund (TF No. 050576), responsible for, *inter alia*, overseeing the activities of the Trust Fund and for resource allocation decisions with respect to the Grant Funds.
3. "Beneficiary" means an individual farmer, farmers' organization or farmers' association established and operating in the territory of the Recipient, which meet the eligibility criteria set forth in the Operations Manual to receive In-kind Grants; and "Beneficiaries" mean collectively the plural thereof.
4. "Category" means the category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. "DAIL" means the Recipient's Directorate of Agriculture, Irrigation and Livestock, within MAIL.
6. "Displaced Persons" means persons who, on account of the implementation of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; (iii) loss of income source or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons.
7. "Environmental and Social Management Framework" or "ESMF" means: (i) through May 14, 2016, the Recipients' environmental and social management framework, adopted by MAIL in December 2012 and (ii) commencing on May 15, 2016, the Recipient's environmental and social management framework adopted by MAIL and disclosed on May 15, 2016, acceptable to the World Bank, setting out the principles, standards, processes and tools to be applied to assess potential adverse environmental and social impacts associated with Project activities and the ways to avoid, minimize and/or mitigate them, with related public consultation, disclosure, reporting and grievance redress procedures, including for the preparation of Environmental and Social Management Plans, Resettlement Action Plans and Pest Management Plans, as may be required for Project activities, as said

framework may be modified from time to time by agreement between the Recipient and the World Bank.

8. "Environmental and Social Management Plan" or "ESMP" means, individually, each of MAIL's environmental and social management plans, as may be required to be prepared in accordance with the ESMF and Section I.E.3 of Schedule 2 to this Agreement, setting forth mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to eliminate any adverse environmental impacts of activities to be implemented under the Sub-Project, offset them, or reduce them to acceptable levels, or enhance positive impacts, as the same may be modified from time to time with the prior written agreement of the World Bank, and such term includes any annexes or schedules to such plan, and "Environmental and Social Management Plans" and "ESMPs" means, collectively, all such plans.
9. "Financial Management Manual" means the financial management manual acceptable to the World Bank, setting out the financial management arrangements for the Project, prepared and adopted by MAIL in, 2012, as the same, has been, and may continue to be updated from time to time by agreement between the Recipient and the World Bank.
10. "Fiscal Year" means the fiscal year of the Recipient beginning on December 21 of a calendar year and ending on December 20 of the following calendar year.
11. "Implementation Management Support Team" or "IMST" means the team established under the Emergency Horticulture and Livestock Project (Grant Number H226-AF) referred to Section I.A.3 of Schedule 2 to this Agreement.
12. "Incremental Operating Costs" means the Project-related incremental expenses incurred on account of Project implementation support and management including the rental of office space; the operation, maintenance, rental and insurance of vehicles; fuel; communications supplies and charges; advertisements; books and periodicals; office administration and maintenance costs; bank transaction charges; utility charges; domestic travel and per diem but excluding salaries of officials and staff of the Recipient's civil service, which cost would not have been incurred absent the Project.
13. "In-kind Grant" means in-kind assistance financed out of the proceeds of the Grant provided or to be provided by the Recipient to eligible Beneficiaries for the carrying out of activities under Part 1(b) and Part 2(b) of the Project (as described in Schedule 1 to this Agreement), in accordance with eligibility criteria and operating procedures set out in the Operations Manual and in this Agreement.
14. "MAIL" means the Recipient's Ministry of Agriculture, Irrigation and Livestock, or any successor thereto.

15. "Ministry of Economy" means the Recipient's Ministry of Economy, or any successor thereto.
16. "Ministry of Finance" means the Recipient's Ministry of Finance, or any successor thereto.
17. "Operations Manual" means the Recipient's project implementation manual, prepared and adopted pursuant to in Section I.B.1 of Schedule 2 to this Agreement and acceptable to the World Bank, setting forth policies and guidelines for the strategic and operational management of the Project, terms of reference and eligibility criteria for the selection of Beneficiaries under Parts 1(b) and 2(b) of the Project, in each case acceptable to the World Bank, as said manual may be updated by agreement between the Recipient and the World Bank.
18. "Pest Management Plan" or "PMP" means individually, each of MAIL's pest management plans, as may be required to be prepared in accordance with the ESMF and Section I.E.3 of Schedule 2 to this Agreement, acceptable to the World Bank, to be followed by MAIL and the Project beneficiaries in/during the implementation of the Project, designed to minimize potential adverse impacts on human health and the environment by describing pest and pesticide management issues relevant to the Project, and to advance ecologically based Integrated Pest Management by providing a strategy and plan for its implementation, as said plan may be updated from time to time by agreement between the Recipient and the World Bank.
19. "Procurement Plan" means the Recipient's procurement plan for the Project, dated December 23, 2012, as amended to the date of this Agreement, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
20. "Resettlement Action Plan" or "RAP" means, individually, each of MAIL's resettlement action plans, as may be required to be prepared in accordance with the ESMF and Section I.E.2.(b) of Schedule 2 to this Agreement, acceptable to the World Bank, which sets out the: (i) principles and procedures governing the acquisition of land required for the Project; (ii) Displaced Persons as a result of Project activities; (iii) actions and measures for the payment of compensation to Displaced Persons and for their resettlement and rehabilitation; (iv) criteria and procedures for developing and implementing actions and measures for mitigating the adverse social impacts resulting from the implementation of Project activities; and (v) principles and procedures for consultation, grievance redress, reporting and monitoring requirements, as said plan may be revised from time to time by agreement between the Recipient and the World Bank; and "Resettlement Action Plans" and "RAPs" means, collectively, all such plans.

21. "Safeguards Instruments" means the Environmental and Social Management Framework, the Environmental and Social Management Plan(s), the Pest Management Plan(s), and the Resettlement Action Plan(s).
22. "Training" means the reasonable costs associated with the training and workshop participation of personnel involved in Project supported activities, including travel and subsistence costs for training participants, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training courses and workshop.