Financing Agreement

(Livestock Commercialization Project)

between

MONGOLIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between MONGOLIA ("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, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to twenty-one million eight hundred thousand Special Drawing Rights (SDR 21,800,000) (variously, “Credit” and “Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section 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 The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.

2.05. The Interest Charge is one and a quarter percent (1.25%) per annum on the Withdrawn Credit Balance.

2.06. The Payment Dates are February 15 and August 15 in each year.

2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
2.08. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

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

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

(b) the Recipient has established the Project Implementation Unit with a mandate, composition, and terms of reference satisfactory to the Association.

4.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the Signature Date.

4.03. 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 V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its Minister at the time responsible for finance.

5.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient’s address is:

Ministry of Finance
Government Building II
S. Danzan Street 5/1 D
Ulaanbaatar 15160
Mongolia

and
(b) the Borrower's Electronic Address is:

Facsimile:

976-11-320247

5.03. 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 Address is:

Telex: Facsimile:

248423 (MCI) 1-202-477-6391
AGREED as of the Signature Date.

MONGOLIA

By

[Signature]

Authorized Representative

Name: Khurelbaatar Chimed
Title: Ministry of Finance, Minister
Date: February 7, 2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: Andrei Mikheev
Title: Country Manager for Mongolia
Date: February 7, 2020
SCHEDULE 1

Project Description

The objective of the Project is to improve livestock health, productivity, and commercialization of targeted value chains in Project Locations, and to provide immediate and effective response in the event of an Eligible Crisis or Emergency.

The Project consists of the following parts:

Part 1: Animal Health Services

1.1. Institutional and Capacity Building

Carrying out a program of activities to:

(a) enhance national veterinary and animal health policy and regulations to meet international benchmarks, through: reviewing and identifying priorities of policies and legislations on animal health and animal welfare, and developing relevant policies and regulations as required;

(b) increase the knowledge and skills of veterinarians and veterinary paraprofessionals through: institutionalizing training system, building capacity of technical staff, developing training materials, and delivering trainings; and

(c) monitor and review on-going veterinary services through: providing capacity building support to facilitate reviews on veterinary services carried out by World Organization for Animal Health, establishing an effective response mechanism to recommendations made following the said reviews; and providing technical assistance to GAVS in performing periodic reviews of the delivery of veterinary services.

1.2. Disease Surveillance and Control and Food Safety

Carrying out a program of activities to:

(a) improve the delivery of risk-based disease surveillance and control programs for transboundary animal diseases through: (i) providing technical assistance in development of: national risk-based food safety supervision frameworks, epidemiological research, food risks assessments and food safety standards, immunization plans, disease surveillance methods, disease monitoring/surveys, and (ii) carrying out disease control activities;

(b) upgrade the network of veterinary laboratory infrastructure and facilities; and
(c) support disease prevention and control strategies specific to establishing disease-free zones, and high health animal production compartments.

1.3. Digital Livestock Interventions

Carrying out a program of activities to:

(a) strengthen integrated animal health information, and animal product quality assurance and traceability systems;

(b) enhance and streamline laboratory information management system;

(c) strengthen livestock movement control and assurance for product quality and food safety; and

(d) scale-up the animal identification and registration system.

1.4. Participatory Animal Health Risk Management Initiatives

Carrying out a program of activities to:

(a) pilot community partnerships in animal health risk management; and

(b) develop vulnerability and risk assessment tools for: identification of animal health risks, and prioritization of veterinary service delivery in selected Soums in the Project Locations.

Part 2: Value Chain Commercialization

2.1. Livestock Productivity

Carrying out a program of activities to:

(a) improve animal breeding services, through creation of nucleus flocks, male flocks, and artificial insemination units;

(b) build capacity of private breeding units and/or local breeders;

(c) foster availability of animal nutrition, through provision of: capacity building and demonstration of improved feeding practices; and

(d) promote semi-intensive and intensive and high health production models of livestock production, through establishment of dairy clusters, feedlots, and high health animal production compartments.
2.2. Productive Partnerships

(a) Create a platform for identifying innovative solutions for addressing weaknesses in livestock value chains, and facilitating linkages between herders, processors, service providers, and value chain partners; and

(b) Support the Productive Partnerships through the provision of Performance-based Incentives against their business plans for implementing innovative solutions for value chain development.

Part 3: Project Implementation Support

Provision of technical and operational assistance for the overall implementation, supervision and coordination of the Project, including among others: (a) social and environmental safeguards management; (b) procurement planning and contracts management; (c) financial management, disbursement and audit; and (d) monitoring and evaluation, and communication.

Part 4: Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Recipient shall maintain, throughout the period of implementation of the Project, Project implementation structures at the national and sub-national levels, all with composition, functions, staffing and resources satisfactory to the Association and set out in the Project Implementation Manual.

2. Without limitation to foregoing, the Recipient shall:

   (a) maintain a Project Steering Committee, chaired by the State Secretary of MOFALI and including as members representatives of MOF and heads of relevant departments of MOFALI and GAVS, which shall be responsible, *inter alia*, for overseeing and facilitating coordination of the Project implementation;

   (b) maintain a Project Implementation Unit within the MOFALI, which shall be responsible, *inter alia*, for the overall day-to-day implementation of the Project, including: (i) preparing annual work plans and budgets, (ii) processing procurement, financial management, environmental and social safeguards management, and (iii) monitoring and evaluation of the Project;

   (c) no later than three (03) months from the Effective Date, appoint at least one (1) implementation advisor and thereafter, appoint other implementation advisors as needed, to provide support for the implementation of the Project; all on terms of reference and with qualifications acceptable to the Association; and

   (d) maintain the engagement with the implementation advisors referred to in the preceding paragraph 2.(c) of this Section in a manner acceptable to the Association.

B. Project Implementation Manual

The Recipient shall ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Implementation Manual (provided, however, that in the event of any conflict between the arrangements and procedures set out in the Project Implementation Manual ("PIM") and the provisions of this Agreement, the provisions of this Agreement shall prevail) and
shall not amend, abrogate or waive any provision of the PIM unless the Association has provided its prior no-objection thereof in writing.

C. **Annual Work Plans and Budgets**

1. The Recipient, through MOFALI, shall prepare and furnish to the Association for its no-objection not later than December 31 of each fiscal year during the implementation of the Project (or such later date as the Association may agree), a consolidated Annual Work Plan and Budget ("AWPB") containing all Project activities and expenditures proposed to be included in the Project in the following fiscal year, including a specification of the sources of financing for all expenditures, and environmental and social safeguard measures taken or planned to be taken in accordance with the provisions of Part E of this Schedule.

2. The Recipient shall ensure that the Project is implemented in accordance with the AWPB accepted by the Association for the respective fiscal year; provided, however, that in the event of any conflict between the AWPB and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Recipient shall not make or allow to be made any change to the AWPB without prior no-objection in writing by the Association.

D. **Productive Partnerships**

1. To facilitate the implementation of Part 2.2.(b) of the Project, the Recipient, through MOFALI, shall make Performance-based Incentives available to a Productive Partnership in accordance with the eligibility criteria and administration arrangements set out in the PIM.

2. Without limitation upon the foregoing, the Recipient shall ensure that each Performance-based Incentives is made under a Productive Partnership Agreement between the Recipient, through the MOFALI, and the respective Productive Partnership in accordance with the PIM and under terms and conditions acceptable by the Association, which shall include, *inter alia*:

   (a) A description of the activities to be financed out of the respective Performance-based Incentives, including the contribution from the parties to the Productive Partnership;

   (b) The obligations of the respective Productive Partnership to:

      (i) carry out the activities in accordance with its business plan as approved by MOFALI;
(ii) ensure that each activity under the approved business plan is carried out with due diligence and efficiency and in accordance with appropriate technical, economic, financial, and managerial practices, including in accordance with the provisions of the PIM, the Safeguard Instruments, and the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient;

(iii) provide or cause to be provided, promptly as needed, the agreed contribution required for the implementation of the approved business plan;

(iv) ensure that the goods and services to be financed out of the Performance-based Incentives are procured under procurement practices acceptable to the Association and as further specified in the PIM;

(v) monitor and report in accordance with indicators acceptable to the Association, the progress of the implementation of the approved business plan and the achievement of its objectives;

(vi) comply with financial management requirements in accordance with the provisions of the PIM;

(vii) enable the Recipient and the Association to inspect the activities implemented under its business plan, its operation and any relevant records and documents; and

(viii) prepare and furnish or cause to be prepared and furnished to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing; and

(c) the right of the Recipient, through the MOFALI, to suspend or terminate the right of the Productive Partnership to use the proceeds of the Performance-based Incentives or obtain a refund of all or any part of the amount of the Performance-based Incentives then withdrawn, upon the Productive Partnership's failure to perform any of its obligations under the Productive Partnership Agreement.

3. The Recipient shall, through the MOFALI, exercise its respective rights and perform its respective obligations under each Productive Partnership 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 Productive Partnership Agreement or any of its provisions.

E. Safeguards

1. The Recipient shall ensure that:

(a) the Project is carried out with due regard to appropriate health, safety, social, and environmental standards and practices, and in accordance with the Safeguards Instruments;

(b) for each activity under the Project for which the Environmental and Social Management Framework ("ESMF") provide for the preparation of a site-specific Environmental Management Plan ("EMP") and/or an Indigenous People Plan ("IPP"):

(i) proceed to have such EMP and/or such IPP: (A) prepared and disclosed in accordance with the ESMF; (B) consulted upon adequately with people affected by the Project as per the ESMF, and submitted to the Association for review and approval; and (C) thereafter adopted, prior to implementation of the activity; and

(ii) take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such EMP and/or such IPP in a manner satisfactory to the Association;

2. The Recipient shall ensure that: (a) all consultancies related to technical assistance, design and capacity building under the Project, the application of whose results could have environmental, social and health and safety implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association; and (b) such terms of reference shall require the technical assistance, design and capacity building activities to take into account the requirements of the Safeguards Policies and the EHS Guidelines.

3. Except as the Association shall otherwise agree in writing, the Recipient shall ensure that none of the provisions of the Safeguard Instruments be abrogated, amended, repealed, suspended or waived. In case of any inconsistencies between the provisions of any of the Safeguard Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.

4. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall:
(a) take all measures necessary on its part to regularly collect, compile, and submit to the Association, as part of the Project Reports, and promptly in a separate report whenever the Association may require, information on the status of compliance with the Safeguards Instruments, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the Safeguards Instruments; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the Safeguards Instruments; and (iii) corrective and preventive measures taken or required to be taken to address such conditions;

(b) promptly furnish to the Association a copy of each progress report prepared and submitted by any entity (including any engineer) supervising the Project’s civil works, the Project’s contractors and/or subcontractors; and

(c) promptly notify the Association 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.

5. The Recipient shall 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 Safeguard Instruments; (b) adopt and implement measures to assess and manage the risks and impacts of labor influx and workers’ camps; (c) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures on environmental, social, health and safety, gender-based violence and violence against children; all as applicable to such civil works commissioned or carried out pursuant to said contracts.

6. The Recipient shall maintain, throughout Project implementation, and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.


F. **Contingent Emergency Response**

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project (Emergency Response Part), the Recipient shall:

   (a) prepare and furnish to the Association for its review and approval, a Contingent Emergency Response Manual ("C-PIM") which shall set forth detailed implementation arrangements for the Emergency Response Part, including: (i) any special institutional arrangements for coordinating and implementing the Emergency Response Part; (ii) specific activities which may be included in the Emergency Response Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the Emergency Response Part; (iv) procurement methods and procedures for the Emergency Response Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) application of the Safeguard Instruments and any other relevant safeguard instruments to the Emergency Response Part; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the Emergency Response Part;

   (b) afford the Association a reasonable opportunity to review the proposed C-PIM;

   (c) promptly adopt the C-PIM for the Emergency Response Part as accepted by the Association;

   (d) ensure that the Emergency Response Part is carried out in accordance with the C-PIM; provided, however, that in the event of any inconsistency between the provisions of the C-PIM and this Agreement, the provisions of this Agreement shall prevail; and

   (e) not amend, suspend, abrogate, repeal or waive any provision of the C-PIM without the prior written approval by the Association.

2. The Recipient shall undertake no activities under the Emergency Response Part unless and until the following conditions have been met in respect of said activities:

   (a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Emergency Response Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
the Recipient has ensured the preparation and disclosure of all safeguard instruments as may be required for said activities in accordance with the C-PIM, the Association has approved all said instruments, and the Recipient has ensured the implementation of any actions which are required to be taken under said instruments

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

B. Mid-term Review

The Recipient shall: (a) on or about the date thirty (30) months after the Effective Date, prepare and furnish to the Association a mid-term report, in such detail as the Association shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of such report, taking into account the monitoring and evaluation activities performed pursuant to this Part A, and setting out the measures recommended to ensure the continued efficient carrying out of the Project and the achievement of its objectives during the period following such date; and (b) review with the Association such mid-term report, on or about the date forty-five (45) days after its submission, and thereafter take all measures required to ensure the continued efficient implementation of the Project and the achievement of its objectives, based on the conclusions and recommendations of the mid-term report and the Association’s views on the matter.

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 finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consulting services, Operating Costs, and Training under Parts 1, 2.1, and 3 of the Project</td>
<td>17,440,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, consulting services, non-consulting services, and Performance-based Incentives under Part 2.2 of the Project</td>
<td>4,360,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Emergency Expenditures under Part 4 of the Project</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>21,800,000</td>
<td></td>
</tr>
</tbody>
</table>

B. **Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, 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 SDR 725,000 may be made for payments made up to twelve (12) months prior to this date, for Eligible Expenditures under Category (1); or

   (b) for Emergency Expenditures under Category (3), unless and until the Association is satisfied, and notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said expenditures:

      (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include the
proposed activities in the Emergency Response Part in order to respond to said crisis or emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

(ii) the Recipient has ensured that all safeguard instruments required for said activities have been prepared and disclosed, and the Recipient has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Sections I.E and I.F of this Schedule;

(iii) the entities in charge of coordinating and implementing the Emergency Response Part have adequate staff and resources, in accordance with the provisions of Section I.F of this Schedule, for the purposes of said activities; and

(iv) the Recipient has adopted the C-PIM, in form and substance acceptable to the Association, and the provisions of the C-PIM remain - or have been updated in accordance with the provisions of Section I.F of this Schedule so as to be - appropriate for the inclusion and implementation of the Emergency Response Part.

2. Notwithstanding the provision of paragraph 1 above, the Recipient shall ensure that:

(a) the amounts requested for withdrawal for Performance-based Incentives at any point in time shall be determined and calculated on the basis of the Output Value, each of which Output Value shall be:

(i) calculated on the basis of a methodology acceptable to the Association and set forth in the PIM, and designed to ensure that the Output Value:
(A) does not exceed the reasonable cost of implementation of an activity in the respective business plan as approved by the MOFALI; and (B) excludes any amount of the cost of the activity which is to be financed from another source of financing; and

(ii) reviewed and adjusted from time to time, in a manner and at a level acceptable to the Association, as necessary to ensure that it continues to comply with the criteria set forth in the previous sub-paragraph (i);

(b) the activities performed under a business plan are verified by an independent expert whose terms of reference, qualifications and experience shall be satisfactory to the Association; and
(c) a verification report of said independent expert, in form and substance satisfactory to the Association and elaborated in the PIM, is furnished to the Association upon any request for withdrawal for Performance-based Incentives.

3. The Closing Date is June 30, 2025.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each February 15 and August 15:</td>
<td></td>
</tr>
<tr>
<td>commencing February 15, 2025 to and including August 15, 2044</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing February 15, 2045 to and including August 15, 2049</td>
<td>3.40%</td>
</tr>
</tbody>
</table>

* 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. “Aimag” means a province in the Recipient’s territory; and “Aimag” means more than one (1) Aimag.

2. “Annual Work Plan and Budget” and the acronym “AWPB” each means the plan and budget referred to in Section I.C of Schedule 2 to this Agreement; as said plan may be modified from time to time with the prior written no-objection of the Association.

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

5. “Contingent Emergency Response Manual” or “C-PIM” means the manual referred to in Section I.F.1(a) of Schedule 2 to this Agreement, to be adopted by the Recipient for the Emergency Response Part in accordance with the provisions of said Section.


7. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

8. “Emergency Expenditure” means any of the eligible expenditures set forth in the C-PIM in accordance with the provisions of Section I.F of Schedule 2 to this Agreement and required for the Emergency Response Part.

9. “Emergency Response Part” means a specific activity or activities to be carried out in the event of an Eligible Crisis or Emergency under Part 4 of the Project.

10. “Environmental and Social Management Framework” or “ESMF” means, environmental and social management framework prepared and adopted by the Recipient, satisfactory to the Association, dated October 19, 2029 disclosed in-country, and the Association’s website on November 5, 2019 setting out the principles, rules, guidelines and procedures to screen and assess the potential
adverse environmental and social risks and impacts (including health and safety issues) of Project activities, including the risks of gender-based violence and sexual exploitation and abuse, adopt measures to avoid, reduce, mitigate or offset environmental and social adverse risks and impacts, including: the principles, organizational arrangements (including consultation, budget and disclosure), and design criteria to be applied to Project activities which affect Indigenous Peoples, including the preparation of Indigenous Peoples Plans; measures that endeavor to prevent and respond to gender-based violence, sexual exploitation and abuse, procedural, budget and institutional arrangements and actions needed to implement these measures, and information on the agency or agencies responsible for addressing the Project’s risks and impacts; as well as for the preparation of Environmental Management Plans, as such framework may be amended by the Recipient from time to time, with the prior written agreement of the Association.

11. “Environmental Management Plan” or “EMP” means the instrument to be prepared for a site-specific activity under the Project, as applicable in accordance with the procedures and requirements under the ESMF, satisfactory to the Association, which details: (a) the measures to be taken during the implementation and operation of the said activity to avoid, minimize, mitigate or offset adverse environmental and social impacts (including health and safety issues), or to reduce them to acceptable levels; and (b) the actions needed to implement these measures, as said instrument may be amended from time to time with the Association’s prior written agreement; and “EMPs” means, collectively, all such EMP.

12. “GAVS” means the Recipient’s General Authority of Veterinary Services, or any successor thereto.


14. “Indigenous Peoples” means those social groups in the Recipient’s territory that have a distinct, vulnerable, social and cultural identity, and that possess the following characteristics in varying degrees: (a) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (b) collective attachment to geographically distinct habitats or ancestral territories in the Project area and to the natural resources in these habitats and territories; (c) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (d) an indigenous language.

15. “Indigenous Peoples Plan” or “IPP” means any indigenous people plan to be adopted by the Recipient in accordance with the ESMF; each such plan in form and substance satisfactory to the Association, setting out the measures to be undertaken to ensure culturally appropriate social and economic benefits for the Indigenous Peoples affected by Project activities, and to avoid, minimize and/or
mitigate for any potential adverse effects on the Indigenous Peoples associated with such activities; as such plan may be modified from time to time with the prior written approval of the Association, and such term includes any schedules or annexes to such plan.

16. "MOF" means the Recipient’s Ministry of Finance, or any successor thereto.

17. "MOFALI" means the Recipient’s Ministry of Food, Agriculture, and Light Industry, or any successor thereto.

18. “Operating Costs” means the reasonable costs of goods and non-consulting services required for the day-to-day coordination, administration and supervision of Project activities, including leasing and/or routine repair and maintenance of vehicles, equipment, facilities and office premises, fuel, office supplies, utilities, consumables, communication expenses (including postage, telephone and internet costs), transportation, translation, printing and photocopying expenses, bank charges, publications and advertising expenses, insurance, Project-related meeting expenses, Project-related travel, subsistence and lodging expenses, contractual support staff and other administrative costs directly related to the Project, but excluding salaries, bonuses, fees and honoraria or equivalent payments of members of the Recipient’s civil service.


20. “Performance-based Incentives” means the total amount to be made available by the Recipient out of the proceeds of the Financing to a Productive Partnership to finance activities included in the business plan of the Productive Partnership, as such incentives shall be calculated on the basis of the Output Value.

21. “Pest Management Plan” or the acronym “PMP” means the pest management plan, prepared by the Recipient, satisfactory to the Association, and disclosed on the Association’s website on November 5, 2019, as said instrument may be updated from time to time with the prior written agreement of the Association.

22. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.

23. “Productive Partnership” means a partnership established between a public/private service provider and a primary livestock producer for implementing innovative solutions for value chain development and selected by the Recipient, through MOFALI in accordance with eligibility and criteria set forth in the PIM.
“Productive Partnership Agreement” means an agreement to be entered into between the Recipient, through MOFALI and an eligible Productive Partnership for the purposes of implementing and financing the activities under the business plan of the Productive Partnership; and “Productive Partnership Agreements” means collectively, all such agreements.

“Project Locations” means, collectively, the Recipient’s Aimags of Bayan-Ulgii, Uvs, Khovd, Zavkhan, Khuvsgul, Gobi-Altai, Bayankhongor, Bulgan, Orkhon, Arkhangai, Uvurkhangai, Tuv, Khentii, and Sukhbaatar; or such other Aimags as agreed with the Association.

“Project Implementation Manual” means the manual to be adopted by the Recipient for the implementation of the Project referred to in Section I.B of Schedule 2 to this Agreement, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) disbursement and financial management; (c) procurement; (d) environmental and social safeguard implementation measures; (e) monitoring and evaluation, reporting and communication; (f) an integrity action plan, (g) a sub-manual including therein the eligibility criteria, appraisal, approval and administration arrangement and procedures for selection of business plans and eligible Productive Partnership, and provision of the Performance-based Incentives, and (h) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project; as said manual may be modified from time to time with the prior written approval of the Association, and such term includes any schedules to such manual.

“Project Implementation Unit” means a unit to be established and maintained by the Recipient; as referred to in Sections I.A.2.(b) of Schedule 2 to this Agreement, or any successor thereto.

“Project Steering Committee” means the committee established and maintained by the Recipient in accordance with Section I.A.2.(a) of Schedule 2 to this Agreement, or any successor thereto.

“Safeguard Instruments” means collectively, the ESMF, EMPs, IPPs, PMP, and “Safeguard Instrument” means any of such Safeguards Instruments.

“Safeguard Policies” means, the Operational Policies (OPs) and Bank Procedures (BPs) of the Association, namely OP/BP 4.01 (Environmental Assessment), OP/BP 4.04 (Natural Habitats), OP/BP 4.09 (Pest Management), OP/BP 4.10 (Indigenous Peoples), OP/BP 4.11 (Physical Cultural Resources), OP/BP 4.12 (Involuntary Resettlement), OP/BP 4.36 (Forests), and OP/BP 4.37 (Safety of Dams); they can be found at https://policies.worldbank.org.
31. “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.

32. “Soum” means a district in an Aimag in the Recipient’s territory; and “Soums” means more than one (1) Soum.

33. “Training” means the reasonable costs of goods and services required for the participation of personnel involved in training activities, workshops and study tours under the Project, including travel and subsistence costs for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course, workshop or study tour preparation and implementation, but excluding consultants’ fees and salaries, bonuses, fees and honoraria or equivalent payments of members of the Recipient’s civil service.

34. “World Organization for Animal Health” means an intergovernmental organization established on January 25, 1924, under the original name of Office International des Epizooties to improve animal health worldwide.