

AG
056

PARLIAMENT LIBRARY
TOWER HILL FREETOWN

GRANT NUMBER H493-SL

Financing Agreement

(Integrated Public Financial Management Reform Project)

between

REPUBLIC OF SIERRA LEONE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated OCTOBER 19, 2009

TRAVEL TRAINING
JONES HILL LEEBONS

GRANT NUMBER H493 -SL

FINANCING AGREEMENT

AGREEMENT dated OCTOBER 19, 2009, entered into between the REPUBLIC OF SIERRA LEONE ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

WHEREAS (A) the Recipient intends to contribute an amount equivalent to two million Dollars (\$2,000,000) made available to the Recipient by the African Development Bank to assist in the financing of the Project in accordance with Section I.F of Schedule 2 to this Agreement; and

(B) the Recipient and the Association, acting as an administrator of grant funds to be provided by the United Kingdom Department for International Development and the European Commission, intend to enter into a Trust Fund Grant Agreement for the purpose of making a grant to the Recipient to assist in financing the Project on the terms and conditions set forth in the Trust Fund Grant Agreement;

NOW THEREFORE, 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) 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to two million seven hundred thousand dollars Special Drawing Rights (SDR 2,700,000) ("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 IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

- 2.04 The Payment Dates are February 1 and August 1 in each year.
- 2.05 The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association 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 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.
 - (b) The Recipient has prepared the Annual Work Plan and Budget for the first year of Project implementation, in form and substance satisfactory to the Association.
 - (c) The Recipient has: (i) appointed the Director for PFM Reforms referred to in Section I.B of Schedule 2 to this Agreement as a civil servant with qualifications, experience and terms of reference satisfactory to the Association; and (ii) appointed the PAU staff specified in Section I.C.2 of Schedule 2 to this Agreement with qualifications, experience and terms of reference satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to this Agreement.
 - (d) The Trust Fund Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is its Minister responsible for finance.

5.02. The Recipient's Address is:

Ministry of Finance and Economic Development
Treasury Building
George Street
Freetown
Sierra Leone

Facsimile: 232 22 228 472

5.03. The Association's Address is:

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

| | | |
|-----------------------------|--------------|----------------|
| Cable: | Telex: | Facsimile: |
| INDEVAS Washington, D.C. | 248423 (MCI) | 1-202-477-6391 |