

AG  
045

Legal Department  
CONFIDENTIAL DRAFT  
(Subject to Change)  
Manush Hristov  
October 11, 2006

NEGOTIATED TEXT

GRANT NUMBER \_\_\_\_\_ - SL

# Financing Agreement

(First Governance Reform and Growth Grant)

between

REPUBLIC OF SIERRA LEONE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated

, 2006

PARLIAMENT LIBRARY  
TOWER HILL FREETOWN

**FINANCING AGREEMENT**

Agreement dated \_\_\_\_\_, 2006, entered into between REPUBLIC OF SIERRA LEONE ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Association has decided to provide this financing on the basis, inter alia, of (a) the actions which the Recipient has already taken under the Program and which are described in Section I of the Schedule to this Agreement, and (b) the Recipient's maintenance of an appropriate macro-economic policy framework.

The Recipient and the Association therefore 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 the Financing 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 six million eight hundred thousand Special Drawing Rights (SDR 6,800,000) ("Financing").
- 2.02. The Recipient may withdraw the proceeds of the Financing in support of the Program in accordance with Section II of the Schedule 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 June 30 and December 31 in each year.
- 2.06. The Payment Currency is Dollars.

**ARTICLE III—PROGRAM**

- 3.01. The Recipient declares its commitment to the Program and its implementation. To this end:
  - (a) the Recipient and the Association shall from time to time, at the request of either party, exchange views on the progress achieved in carrying out the Program;

PARLIAMENTARY LIBRARY  
LOWER HILL FREEZING

- (b) prior to each such exchange of views, the Recipient shall furnish to the Association for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Association shall reasonably request; and
- (c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, the Recipient shall exchange views with the Association on any proposed action to be taken after the disbursement of the Financing which would have the effect of materially reversing the objectives of the Program, or any action taken under the Program including any action specified in Section I of the Schedule to this Agreement.

**ARTICLE IV—REMEDIES OF THE ASSOCIATION**

- 4.01. The Additional Event of Suspension shall be that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

**ARTICLE V—TERMINATION**

- 5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

**ARTICLE VI—REPRESENTATIVE; ADDRESSES**

- 6.01. The Recipient's Representative is its Minister responsible for finance.
- 6.02. The Recipient's Address is:

Minister of Finance  
 Ministry of Finance  
 Ministerial Building  
 George Street  
 Freetown  
 Sierra Leone

Cable address:

MINFIN, Freetown

- 6.03. The Association's Address is:

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

Cable address:

Telex:

Facsimile:

INDEVAS  
 Washington, D.C.

248423(MCI) or  
 64145(MCI)

1-202-477-6391

**PARLIAMENT LIBRARY  
 TOWER HILL FREETOWN**