



Enabling poor rural people to overcome poverty

5 June 2012

Mr Minister,

Re: REPUBLIC OF SIERRA LEONE: Grant No. DSF-8001-Loan No. I-873A-SL/Grant No.I-DSF-8001A-SL  
(Rural Finance and Community Improvement Programme)  
Amendment to the Programme Grant Agreement

1. We refer to the Grant Agreement dated 25 June 2007 between the Republic of Sierra Leone (hereinafter referred to as "the Recipient/Borrower") and the International Fund for Agricultural Development (hereinafter referred to as "the Fund" or "IFAD") for the execution of the Rural Finance and Community Improvement Programme ("the Programme"), as amended on 26 November 2008 and 3 November 2009. We also refer to the understanding among the Recipient/Borrower and the Fund to seek the approval of IFAD supplementary financing for the implementation of the Programme.

2. We are pleased to inform you that the Executive Board of the Fund has agreed to extend to the Republic of Sierra Leone a supplementary financing for the implementation of the Programme, in the form of a loan equivalent to six hundred ninety-five Special Drawing Rights (SDR 695 000) and a supplementary grant equivalent to six hundred ninety-five Special Drawing Rights (SDR 695 000).

3. Therefore, based on the foregoing the Grant Agreement is hereby amended as follows:

I. Main text of the Agreement

- (a) The terms "Grant Agreement" and "Recipient" shall be replaced by "Financing Agreement" and "Recipient/Borrower", respectively, throughout the text of the Agreement.
- (b) The first WHEREAS (A) shall read: "WHEREAS (A) the Fund has agreed to extend to the Recipient/Borrower a grant, a supplementary grant and a loan (together, the "Financing") for the purpose of financing the Rural Finance and Community Improvement Programme described in Schedule 1 to the Agreement (the "Programme");"

The Honourable  
Minister for Finance of  
the Republic of Sierra Leone  
Freetown

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- (c) The second WHEREAS shall read: "WHEREAS, on the basis of the above and other consideration, the Fund has agreed to extend a grant, a supplementary grant and a loan to the Recipient/Borrower on the terms and conditions set for in this Agreement."
- (d) In the definitions the term "Grant Closing Date" shall read "Financing Closing Date".
- (e) Article II shall be entitled: "Financing".
- (f) Section 2.01 is amended to read :
- "Section 2.01. The Financing. The Fund agrees to extend to the Recipient/Borrower: a Grant in the principal amount of five million nine hundred and fifty thousand Special Drawing Rights (SDR 5 950 000) (the "Grant"); a supplementary grant in the principal amount of six hundred ninety-five thousand Special Drawing Rights (SDR 695 000) (the "Supplementary Grant") and a loan in the principal amount of six hundred ninety-five thousand Special Drawing Rights (SDR 695 000) (the "Loan") for the purpose of financing the Programme."
- (g) Section 2.02 is amended to read :
- "Section 2.02. *Grant Account, Supplementary Grant Account, Loan Account and Withdrawals.* The Fund shall open a Grant Account , a Supplementary Grant Account and a Loan Account in the name of the Recipient/Borrower and credit the amounts of the Grant, Supplementary Grant and Loan thereto, respectively. The Recipient/Borrower may request withdrawals from the Grant, Supplementary Grant and Loan Accounts from time to time between the Effective Date and the Financing Closing Date in various currencies in respect of Eligible Expenditures."
- (h) Section 2.03 is amended to read:
- "*Grant Bank Account and Special Account.* (a) As soon as practicable, the Recipient/Borrower shall open and thereafter maintain in a commercial bank proposed by the Recipient/Borrower and accepted by the Fund, a Grant Bank Account denominated in United States dollar for the purpose of receiving Grant proceeds. The Grant Bank Account shall be protected against set-off, seizure or attachment on terms and conditions proposed by the Recipient/Borrower and accepted by the Fund.
- (b) After the Grant Bank Account has been duly opened, upon the Recipient/Borrower's request and in accordance with the AWPB for the first Programme Year, the Fund shall make one or more withdrawal of up to USD 700 000 from the Grant Account on behalf of the Recipient/Borrower and deposit such amount into the Grant Bank Account. The Fund shall replenish the Grant Bank Account from time to time in accordance with the AWPBs. The Project Coordinator and the Head of Administration and Finance of the NCU shall be fully authorised to jointly operate the Grant Bank Account.
- (c) As soon as practicable, the Recipient/Borrower shall open and thereafter maintain in a commercial bank proposed by the Recipient/Borrower and accepted by the Fund, a Special Account denominated in United States dollar for the purpose of receiving the Loan and Supplementary Grant proceeds. The Special Account shall be protected against set-off, seizure or attachment on terms and conditions proposed by the Recipient/Borrower and accepted by the Fund.

