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CREDIT NUMBER 6078-SL  
GRANT NUMBER 5350-SL

# Financing Agreement

(Additional Financing for the Public Financial Management Improvement and Consolidation Project and Amendments to the Original Financing Agreement)

between

REPUBLIC OF SIERRA LEONE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated JULY 27, 2017



CREDIT NUMBER 6078-SL  
GRANT NUMBER 5350-SL

**FINANCING AGREEMENT**

AGREEMENT dated JULY 27, 2017, entered into between the REPUBLIC OF SIERRA LEONE ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). 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 credit in an amount equivalent to seven million three hundred thousand Special Drawing Rights (SDR 7,300,000) (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 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are March 15 and September 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollar.

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### ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient through the Ministry of Finance and Economic Development ("MoFED") 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 — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
  - (a) as a result of events which have occurred after the date of this Agreement, a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out; and
  - (b) the AfDB has exercised any remedies under the Co-financing Agreement, or agreed with the Recipient on any actions, that could materially and adversely affect the ability of the Recipient to: (i) perform its obligations under this Agreement; and/or (ii) successfully carry out the Project.

### ARTICLE IV — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consist of the following:
  - (a) The Recipient has revised and adopted the Project Implementation Manual in accordance with paragraph B.1 of Schedule 2 to this Agreement.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.03. For purposes of Section 8.05(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 date of this Agreement.

### ARTICLE V — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is its minister responsible for finance.

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6.02. The Recipient's Address is:

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

Facsimile: 232 22 228 472

6.03. 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

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AGREED at FREETOWN, SIERRA LEONE, as of the day and year first above written.

REPUBLIC OF SIERRA LEONE

By:



\_\_\_\_\_  
Authorized Representative

Name: MAHMOOD L. KARGBO

Title: MINISTER

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:



\_\_\_\_\_  
Authorized Representative

Name: P. BRAR

Title: COUNTRY MANAGER

## SCHEDULE 1

### Project Description

The objective of the Project is to improve the public financial management system and accountability in the use of government finance.

The Project consists of the following parts:

#### **Part 1. Strengthening Budget, Financial, Procurement and Taxation Systems**

Carrying out of a program of actions designed to improve the Recipient's overall budget planning at the national and local levels, and strengthen systems and procedures for accounting, reporting, public procurement and revenue management, in particular:

- (a) ***Budget Planning, Credibility and Framework Formulation.*** Strengthening budgetary planning at the national and local levels, through, *inter alia*:
- (i) Strengthening the institutional and technical capacities of the Budget Bureau on: (A) the GRP v7 budget execution processes and functions to generate budget reports for management reporting and end-user reporting; planning, implementation, and monitoring of activity-based budgeting; and (B) new planning and execution modules of IFMIS performance budgeting software.
  - (ii) Strengthening the framework and formulation for medium term budgeting, including, *inter alia*: (A) migration to a GFS2014 compliant budget classification; (B) recalibrating the Budget Bureau's classification systems; developing and implementing a training program for MDAs and Local Councils; (C) facilitating the reconfiguration of the budget module; and (D) integration of budget planning and execution in an integrated IFMIS.
  - (iii) Strengthening budgetary planning through: (A) configuration, testing, and quality review of the GRP v7 appropriations and budget modules; (B) integration of GRP contract management sub-module with appropriations, budgeting, and other general ledger functionalities; (C) introduction of contract management and management of multi-year commitment control and arrears; and (D) decentralization of budget execution processes by MDAs in enhancing timelines and effectiveness in budget execution.

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(ii) Improving accounting and reporting functions (including collection of revenues and public expenditures incurred) to ensure consistency with national and international accounting standards, laws and regulations, in particular: (A) enhancement and further adoption of TSA; (B) implementation of an electronic document management system; (C) implementation of an electronic funds transfer system; (D) strengthening compliance with IPSAS; (E) undertaking a comprehensive review of budgeting and accounting procedures; (F) defining business processes in the roll-out of IFMIS; and (G) improving accuracy of governments' financial statements.

(i) Implementation of IFMIS with a view to improving budget preparation and execution, cash management and financial reporting, including: (A) procurement of updated Version 7 of IFMIS; (B) rolling out of IFMIS to remaining MDAs, as well as local councils and on-budget donor funded projects; (C) development and implementation of a disaster recovery plan for the IFMIS; (D) establishment of the IFMIS interface with other government systems, including, among others, Bank of Sierra Leone, the debt management system (CS-DRMS), and customs and tax systems (ASYCUDA World and ITAS); (E) communication and change management; (F) establishment of a business continuity strategy and disaster recovery site; (G) development of comprehensive training strategy for technical and support staff; and (H) establishment of a data center, all through the provision of technical advisory services, non-consulting services, training, operating costs and acquisition of goods for the purpose.

(b) *IFMIS/Accounting and Reporting Systems. Strengthening financial systems, controls, accounting and reporting, in particular:*

(iv) Strengthening the capacity of Local Councils for medium term budgeting, including, *inter alia*, harmonization of budget classification, all through the provision of technical advisory services and training; and strengthening Local Councils' budget execution, in particular: (A) development of migration plans for the new (central) budget classification; (B) development of MTEF budgeting for local government; and (C) assessment of budgets against performance and capacity building pertaining to budget through, provision of technical advisory services, training, non-consulting services, financing of operating costs and acquisition of goods for the purpose.

- (iii) Strengthen financial management capacity of local councils through: (A) upgrade of PETRA software to perform "Procure to Pay" functions, including commitment control; (B) revamp existing PETRA infrastructure; (C) scaling up of cadastral system for enhanced revenue mobilization; (D) development of property cadaster management manual and provision of training to valuers, chief administrators, and Valuation Committee members; (E) provision of training to build the capacity of local councils in the collection and accounting for revenues; (F) training in the use of the citizens' budget template; (G) training in collection and accounting for revenue and mid-term expenditure reviews; and (H) training in use of IFMIS for use as financial management system, including to generate budget execution reports.
  
- (c) **Public and Electronic Procurement System.** Strengthening public procurement and contract management functions, in particular:
  - (i) Establishment of a centralized public and electronic procurement (e-procurement) system for use by all MDAs, including a centralized view of all suppliers registered or blacklisted for all classes (goods, consultancies and services covering manufactures and suppliers); online advertising of bidding opportunities; online shortlisting, comments, and corrections and approvals; online submission of bids; online sealing of virtual tender box; online bid opening, evaluation, and approvals; issuance of purchase/work orders online; contract award publications; and data collection and dissemination.
  
  - (ii) Enhancing the institutional capacity of the public procurement function, through, *inter alia*: (A) designing and implementing a procurement capacity building strategy for delivery of appropriate training; (B) implementing a procurement training program for stakeholders, including, practitioners, the private sector, internal auditors and civil society organizations; (C) development and adoption of a strategy for provision of the training to MDAs in the use of the e-procurement system, including a comprehensive training calendar; (D) designing a freely accessible website/online portal for advertising contracts and publishing NPPA's review reports; and (E) operationalizing the procurement directorate in MoFED, all through the provision of technical advisory services, non-consulting services, training, operating costs and the acquisition of goods for the purpose.

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(i) Developing an effective, independent, and objective internal audit function, through, *inter alia*: (A) carrying out of internal audit needs assessment and developing risk-based internal audit; (B) developing standard operating procedures manual and templates; (C) rolling out the internal audit function to all MDAs; (D) designing and implementing a training program for internal auditors in MDAs, including on computer assisted audit techniques; (E) designing and implementing certification courses on internal audit; (F) providing professional training and certification to MoFED internal staff and internal auditors across MDAs; (G) strengthening internal audit committees, including through training on role and functions of committees; (H) carrying out an audit of the MoE's payroll; and (I) carrying out an audit of the Civil Service payroll, all through the provision

(a) *Strengthening Audit and Oversight*. Strengthening financial control, improving accountability systems and practices, and enhancing independent and public oversight in the management and use of public finances, in particular:  
 Carrying out a program of activities designed to strengthen the Recipient's PFM audit and oversight and accountability systems, in particular:

**Part 2. Improving PFM Oversight and Accountability Systems**

(d) *Revenue Management Systems and Reform of Legal Framework*. Strengthening tax and customs administration systems and improving the efficiency and connectivity between revenue systems (ITAS, ASYCUDA World, and reconciliation systems) and PFM systems, including, among others: (A) acquisition and installation of a robust off-the-shelf tax administration system that interfaces with IFMIS; (B) acquisition and installation of ASYCUDA World; (C) supporting initial establishment of a resource revenues unit; (D) provision of support for reforms to existing application laws associated with ITAS to support changes to business process and tax administration procedures; and (E) strengthening the technical capacity of NRA staff to effectively manage implemented systems and acquisition of infrastructure for the purpose.

(iii) Strengthening contract management systems, including holding an open contracting assessment and establishment of open data module within e-Procurement system to publish structured open data on each of the contracting processes, all through provision of technical advisory services, non-consulting services, training, operating costs and acquisition of goods for the purpose.

of technical advisory services, non-consulting services, training and acquisition of goods for the purpose.

- (ii) Strengthening the Recipient's external audit function and systems, in particular: (A) development of a comprehensive training program for auditors in collaboration with the University of Sierra Leone; (B) supporting professional training and certification of Audit Service Sierra Leone's ("ASSL") staff; (C) supporting operationalization of the ASSL; and (D) design and implementation of audit management information systems, all through the provision of technical advisory services, non-consulting services, training, operating costs and acquisition of goods.
- (iii) Strengthening the Recipient's legislative's and public oversight over PFM, in particular: the operational capacity and effectiveness of the Public Accounts Committee, the Public Finance Committee, and the Transparency and Accountability Committee, respectively, all through the provision of technical advisory services, non-consulting services, training, operating costs and acquisition of goods for the purpose.

(b) ***Open/Big Data and NSA***

Enhancing the Recipient's accountability and oversight of resource expenditure, service delivery, and PFM through:

- (i) *Open and Big Data Application.* Integrating open data, Big Data, and beneficiary feedback into PFM processes and service delivery operations. This will be done through: (A) designing, piloting, and scaling up uses of Big Data for enhanced service delivery; (B) service delivery surveys and quality feedback mechanisms; (C) enhanced grievance redress mechanisms (GRMs) in service delivery operations of key sectors, including education, health, land, and water; and (D) implementation of OIRA recommendations, including: piloting the use of open data applications for improved government efficiency, support to Government's Open Data Portal, developing sectoral data dashboards, incentivizing the public disclosure of existing government datasets, sensitization campaigns around open data, and introducing a provision for open data by default.
- (ii) *Access to Information.* Ensuring full and effective implementation of the Right to Access Information (RAI) Act, including: (A) identifying and training RAI officers in MDAs; (B) promoting

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proactive disclosure of information; (C) popularizing the RAI Act; (D) engaging in demand-side data and information trainings; (E) piloting and scaling up records management good practices within MDAs and related activities to improve data retention; and (F) harmonizing digital records management and related regulations with the RAI Act.

- (iii) *Support to Non-State Actors.* Developing the analytical and dissemination capacities of non-state actors (“NSAs”) for advocacy with a view to promoting transparency and external accountability over PFM, through, *inter alia*: (A) strengthening the institutional and technical capacity of the NSA Secretariat for coordination of NSA activities; (B) enhancing the technical and institutional capacities of NSAs for advocacy, oversight, and accountability; (C) facilitating access to and understanding of PFM documents and reports and citizen participation in budget discussions; and (D) provision of sub-grants to NSAs (“NSA Sub-Grants”) including journalists and media outlets for Subprojects designed to promote social accountability in PFM.

**Part 3. PFM Reform Coordination and Project Management**

- (a) Strengthening the capacity of the Project Management Unit for Project implementation, coordination and oversight, including, *inter alia*, fiduciary (procurement and financial management) aspects, monitoring and evaluation and reporting arrangements, all through provision technical advisory services, non-consulting services, training, Operating Costs and acquisition of goods for the purpose.
- (b) Strengthening the capacity of the PFMR Directorate for, among others, monitoring and evaluating overall PFM reforms, all through the provision of technical advisory services, non-consulting services, training, Operating Costs and acquisition of goods for the purpose.

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## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### 1. Ministry of Finance and Economic Development ("MoFED")

(a) The Recipient shall designate, at all times during the implementation of the Project, the MoFED to be responsible for prompt and efficient oversight and implementation of activities under the Project, and shall take all actions including the provision of funding, personnel and other resources necessary to enable said MoFED to implement said Project.

##### (b) Project Management Unit

(i) Without limitation upon the provisions of paragraph (A) immediately above, the Recipient shall maintain, at all times during the implementation of the Project, a Project Management Unit, within MoFED, with a composition (including, *inter alia*, a Project manager, a senior international procurement specialist, two local procurement specialists, a financial management specialist and a monitoring and evaluation specialist), mandate, terms of reference and resources satisfactory to the Association.

(ii) The Project Management Unit shall be responsible for ensuring prompt and efficient day to day coordination, implementation, management and communication of Project activities and results, including: (A) fiduciary elements of Project implementation (financial management and procurement); (B) preparing the proposed annual work plan and budget; (C) ensuring the implementation of the Annual Work Plan and Budget; (D) preparing and consolidating periodic progress reports; (E) monitoring and evaluation of Project activities; (F) liaising with other stakeholders on issues related to Project implementation; and (G) providing administrative support to implementing agencies, all in accordance with the Project Implementation Manual.

##### 2. PFM Reforms Steering Committee

Without limitation upon the provisions of paragraph 1 immediately above, the Recipient shall maintain, at all times during the implementation of the Project, the PFM Reforms Steering Committee, with a composition, mandate, terms of reference and resources satisfactory to the Association, to be responsible for, *inter*

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*alia*, providing strategic oversight and policy guidance on matters relating to the Project.

3. **PFM Technical Management Committee**

Without limitation upon the provisions of paragraphs 1 and 2 immediately above, the Recipient shall maintain, at all times during the implementation of the Project, a PFM Technical Management Committee, with a composition, mandate, terms of reference and resources satisfactory to the Association, to be responsible for providing quality assurance on technical aspects of the Project. The PFM Technical Management Committee shall be responsible for: (a) reviewing and endorsing for subsequent approval by the PFM Reforms Steering Committee, the Project's proposed annual work plan and budget and ensuring its consistency with the Project Implementation Manual; (b) reviewing the periodic Project reports and financial reports referred to in Section II of this Schedule 2 prior to transmission to the PFM Reforms Steering Committee; (c) facilitating coordination of Project activities and removal of any obstacle(s) to the implementation of the Project; and (d) monitoring and evaluating impacts of Project activities.

4. **IFMIS Project Management Implementation Coordination Team**

Without limitation upon the provisions of paragraphs 1, 2 and 3 immediately above, the Recipient shall maintain, at all times during the implementation of the Project, an IFMIS Project Management Implementation Coordination Team, with a composition, mandate, terms of reference and resources satisfactory to the Association, to be responsible for, *inter alia*, day to day implementation, coordination and management of activities under Part 1(b)(i) of the Project. To this end, the Recipient shall, through MoFED, not later than two (2) months after the Effective Date, appoint in accordance with the provisions of Section III of this Schedule 2, and thereafter maintain at all times during Project implementation, an IFMIS project manager, with qualifications, experience and terms of reference satisfactory to the Association.

5. **Audit Service of Sierra Leone**

Without limitation upon the provisions of paragraphs 1, 2, 3 and 4 immediately above, the Recipient shall designate, at all times during the implementation of the Project, the Audit Service of Sierra Leone, with a composition, mandate, terms of reference and resources satisfactory to the Association, to be responsible for audit of the Project, subject to the provisions of Section II.B.5 below.

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**B. Implementation Arrangements**

**1. Project Implementation Manual; NSA Sub-Grants Manual**

- (a) The Recipient shall update and thereafter maintain, throughout project implementation, the Project Implementation Manual, in accordance with terms of reference acceptable to the Association, which it shall furnish to the Association for review before adopting and which shall include provisions on the following matters: (i) arrangements on financial management, setting forth the detailed policies and procedures for financial management under the Project; (ii) procurement management procedures; (iii) institutional administration, coordination and day to day execution of Project activities; (iv) monitoring and evaluation; (v) reporting; (vi) information, education and communication of Project activities; and (vii) such other technical and organizational arrangements and procedures as shall be required for the Project.
- (b) The Recipient shall maintain, throughout project implementation, the NSA Sub-Grant Manual.
- (c) The Recipient shall ensure that the Project is carried out in accordance with the Project Implementation Manual and the NSA Sub-Grants Manual, respectively; provided, however, that in case of any conflict between the provisions of the Project Implementation Manual and the NSA Sub-Grants Manual, respectively, and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Project Implementation Manual and the NSA Sub-Grants Manual, respectively.

**2. Annual Work Plan and Budget**

- (a) The Recipient shall prepare and furnish to the Association not later than November 30 of each Fiscal Year during the implementation of the Project, a work plan and budget containing all activities proposed to be included in the Project during the following Fiscal Year, and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing.
- (b) Each such proposed work plan and budget shall specify any training activities that may be required under the Project, including: (i) the type of training; (ii) the purpose of the training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the training; (v) the location and duration of the training; and (vi) the cost of the training.

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- (c) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on each such proposed work plan and budget and thereafter ensure that the Project is implemented with due diligence during said following Fiscal Year in accordance with such work plan and budget as shall have been approved by the Association ("Annual Work Plan and Budget").
- (d) The Recipient shall not make or allow to be made any change to the approved Annual Work Plan and Budget without prior approval in writing by the Association.
- (e) The Association shall, on the basis of the Annual Work Plan and Budget, determine the list of expenditures to be financed out of the combined proceeds of the Financing ("Annual Work Plan Expenditures") and the percentage of the Annual Work Plan Expenditures which may be financed out of the proceeds of the Financing.

**C. Anti-Corruption**

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

**D. Subprojects under Part 2(b)(iii)(D) of the Project; NSA Sub-Grants**

- 1. *Eligibility.* In order to ensure the proper implementation of Part 2(b)(iii)(D) of the Project, the Recipient shall, through the NSA Secretariat, make NSA Sub-Grants to NSAs for Subprojects in accordance with eligibility criteria and procedures acceptable to the Association, which shall include, *inter alia*, the following:
  - (a) the Recipient, through the NSA Secretariat, has determined on the basis of an appraisal carried out in accordance with guidelines acceptable to the Association, and elaborated in the NSA Sub-Grants Manual, that:
    - (i) the proposed NSA; (A) is a legal entity, with the organization, management, technical capacity and financial resources necessary to carry out the proposed Subproject; and (B) has prepared a satisfactory financing plan and budget, and a satisfactory implementation plan for the proposed Subproject; and
    - (ii) the proposed Subproject is technically feasible, and financially and economically sound; and
  - (b) the: (i) aggregate amount of all NSA Sub-Grants made in a given Fiscal Year to NSAs shall not exceed the limit set out in the Annual Work Plan and Budget; and (ii) maximum amount of each NSA Grant for a

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Subproject shall not exceed 100 percent of the total estimated cost of the Subproject minus the amount of other funds allocated to finance such cost.

2. **NSA Grant Agreement**

- (a) The Recipient shall make each NSA Grant to a NSA under a Grant Agreement on terms and conditions satisfactory to the Association, as further described in the NSA Sub-Grants Manual, which shall include the following:
- (i) the amount of the NSA Grant shall not exceed the total estimated cost of the Subproject; and the proceeds of the NSA Grant shall be made available to a NSA on non-reimbursable grant terms;
  - (ii) a description of the Subproject and the applicable rates for the services included thereunder;
  - (iii) the NSA shall be required to: (A) carry out the Subproject with due diligence and efficiency and in accordance with sound technical, financial, administrative, and environmental practices; (B) ensure that the resources required for the Subproject are provided promptly as needed; (C) procure goods, non-consulting services, services and other Eligible Expenditures required for the Subproject in accordance with Section III of this Schedule; (D) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the Association, the progress of the Subproject and the achievement of its objectives; and (E)(i) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Subproject; and (ii) at the request of the Association or the Recipient, have such records audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the records as so audited to the Recipient and the Association;
  - (iv) the NSA shall be required to carry out the Subproject in accordance with the provisions of the Anti-Corruption Guidelines;
  - (v) the NSA shall be required to carry out the Subproject in accordance with the provisions of the NSA Sub-Grants Manual;

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1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

**B. Financial Management, Financial Reports and Audits**

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than one month after the end of the period covered by such report.

**A. Project Reports**

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

(b) The Recipient shall exercise its rights under the NSA Grant Agreement in such manner as to protect its interests and those of the Association (including, the right to suspend or terminate the right of the NSA to use the proceeds of the NSA Sub-Grant, or obtain a refund of all or any part of the amount of the NSA Sub-Grant then withdrawn, upon the NSA's failure to perform any of its obligations under the NSA Grant Agreement) and to accomplish the purposes of the NSA Sub-Grant, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

(vi) the goods, non-consulting services, consultants' services and other Eligible Expenditures to be financed out of the proceeds of the NSA Grant shall be used exclusively for the Subproject; and

(vii) the Recipient shall have the right to: (A) inspect by itself, or jointly with the Association, if the Association shall so request, the goods and sites included in the Subproject, the operations thereof, and any relevant records and documents; (B) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation, and financial condition of the NSA; and (C) suspend or terminate the right of the NSA to use the proceeds of the NSA Sub-Grant, or obtain a refund of all or any part of the amount of the NSA Sub-Grant then withdrawn, as the case may be, upon failure by the NSA to perform any of its obligations under the NSA Grant Agreement; and

2. The Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each 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 Association not later than six months after the end of such period.

4. **Other Review(s); Project Management Unit**

Without limitation upon the provisions of paragraph 3 immediately above, the Recipient shall undertake quarterly reviews of the PMU's financial management activities under terms and conditions satisfactory to the Association, and furnish said reviews' findings to the Association not later than sixty (60) days after the end of the period to which said quarterly review(s) relates.

5. **Audit Service Sierra Leone**

Without limitation upon the provisions of paragraph 4 immediately above, in order to assist the Audit Service Sierra Leone in preparing an audit of its Financial Statements for Part 2(a)(ii) of the Project, in each Fiscal Year during Project implementation, starting with Fiscal Year 2017, the Recipient shall, no later than six (6) months after the Effective Date, appoint an External Auditor, in accordance with the provisions of Section III of this Schedule. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

**Section III. Procurement**

All goods, works, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations and the provisions of the Procurement Plan.

**Section IV. Withdrawal of the Proceeds of the Financing**

**A. General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "Disbursement Guidelines for Investment Project Financing" dated February 2017, as revised from time to time by the Association and as made applicable to

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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 Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1)(a) Goods, non-consulting services, consultants' services, Training and Operating Costs under Parts 1, 2(b)(i), (b)(ii), (b)(iii)(A) (b)(iii)(B) and (b)(iii)(C).	7,000,000	Such percentage of Annual Work Plan Expenditures as the Association may determine for each Fiscal Year and communicate to the Recipient
(2)(a) NSA Sub-Grants under Part 2(b)(iii)(D) of the Project	300,000	Such percentage of Annual Work Plan Expenditures as the Association may determine for each Fiscal Year and communicate to the Recipient
<b>TOTAL AMOUNT</b>	<b>7,300,000</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.
2. The Closing Date is March 31, 2020.

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**SCHEDULE 3**  
**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each September 15 and March 15, commencing September 15, 2023 to and including March 15, 2055	1.5625%

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**APPENDIX**

**Section I. Definitions**

1. "African Development Bank" means the African regional development bank.
2. "Annual Work Plan and Budget" means the program of activities agreed each year between the Recipient and the Association for inclusion in the Project and financing in accordance with Section I.B.2 of Schedule 2 to this Agreement during the following Fiscal Year, as the same may be revised from time to time, all in accordance with the provisions of the said Section.
3. "Annual Work Plan Expenditures" means the Annual Work Plan Expenditures referred to in Section I.B.2(e) of Schedule 2 to this Agreement.
4. "Anti-Corruption Commission" means the Recipient's commission established and operating pursuant to the Anti-Corruption Act Number 12 of 2008, of the laws of the Recipient.
5. "Anti-Corruption Guidelines" means 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.
6. "ASYCUDA++" means an earlier version of the Automated System for Customs Data issued by the United Nations Conference for Trade and Development.
7. "ASYCUDA World" means the latest version of the Automated System for Customs Data issued by the United Nations Conference for Trade and Development.
8. "Audit Service Sierra Leone" or "ASSL" means the Recipient's Audit Service established and operating pursuant to Part II of the Audit Service Act (2014) of the laws of the Recipient, as amended to date.
9. "Bank of Sierra Leone" means the central bank of the Recipient established and operating pursuant to the Bank of Sierra Leone Act Number 3 of 2000 of the laws of the Recipient, as amended to date.
10. "Big Data" means any voluminous amount of structured, semi-structured and unstructured data that has the potential to be mined for information.
11. "Budget Bureau" means the unit within MoFED responsible for preparation of the national budget.

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12. "Category" means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
13. "Co-financier" means the following financier, other than the Association, who intends to provide financing to the Project, namely, the African Development Bank.
14. "Co-financing" means, for purposes of paragraph 11 of the Appendix to the General Conditions, an aggregate amount of not less than three million five hundred thousand Dollars (\$3,500,000), to be provided by the Co-financier to assist in financing the Project.
15. "Co-financing Agreement" means the agreement entered into between the Recipient and AfDB providing for the Co-financing for the Project.
16. "CS-DRMS" means the Commonwealth Secretariat Debt Recording and Management System.
17. "DTIS" means the Recipient's Domestic Tax Information System.
18. "Economic Policy Research Unit" means the unit within MoFED responsible for macro-economic fiscal policy.
19. "External Auditor" means the auditor appointed by Parliament in accordance with the provisions of Section 16 of the Audit Service Act Number 1 of 1998 of the laws of the Recipient, as amended to date.
20. "Fiscal Year" means the Recipient's fiscal year commencing January 1 and ending December 31 of each year.
21. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010.
22. "GFS2014" means the Government Financial Statistics Manual (2014) issued by the International Monetary Fund- providing a framework designed to produce statistics that enable policy makers and analysts to study developments in the financial operations and financial position of government.
23. "GFS2001" means the Government Finance Statistics Manual 2001, an internationally recognized statistical reporting framework aimed at helping national authorities to strengthen their capacity to formulate fiscal policy and monitor fiscal developments and developed by the International Monetary Fund.
24. "GRP v7" means the Government Resource Planning Version 7 of FreeBalance Solution.

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25. "IFMIS" means the Recipient's integrated financial management information system.
26. "IFMIS Project Management Implementation Coordination Team" means the Recipient's committee referred to in Section I.A.4 of Schedule 2 to this Agreement.
27. "IPSAS" means International Public Sector Accounting Standards.
28. "ITAS" means the Recipient's Integrated Taxation Administration System.
29. "Local Council" or "LC" means a local council established and operating pursuant to the Local Government Act Number 1 of 2004 of the laws of the Recipient, as amended from time to time, and any successor thereto, and "Local Councils" or "LCs" means, collectively, all such Local Councils.
30. "Macro-Fiscal Steering Group" means the macro-fiscal steering group within MoFED.
31. "MDAs" means the Recipient's ministries, departments and agencies, and "MDA" means any such individual MDA.
32. "MoE" means the Recipient's Ministry of Education, or any successor thereto.
33. "MoFED" means the Recipient's Ministry of Finance and Economic Development, or any successor thereto.
34. "Multi-lateral Projects Division" or "MPD" means the division within MoFED responsible for coordinating donor funded projects.
35. "NPPA" means the National Public Procurement Authority established and operating pursuant to Section 3 of the Public Procurement Act.
36. "NRA" means the National Revenue Authority.
37. "NSA" means a non-state actor established and operating under the laws of the Recipient as a not-for-profit legal entity, and "NSAs" means, collectively, two or more such non-state actors.
38. "NSA Grant Agreement" means the agreement referred to in Section I.D.2 of Schedule 2 to this Agreement.
39. "NSA Sub-Grant" means a sub-grant made to a NSA under Part 2(b)(iii)(D) of the Project.
40. "NSA Sub-Grant Manual" means the manual dated August 12, 2016, for the provision of NSA Sub-Grants for Subprojects under Part 2(b)(iii)(D) of the Project

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41. "NSA Secretariat" means the secretariat within MoFED responsible for coordinating non-state actors' activities.
42. "ODRA" means the World Bank's Open Data Readiness Assessment diagnostic and action plan.
43. "Operating Costs" means the incremental expenses incurred on account of Project implementation, based on an Annual Work Plan and Budget approved by the Association pursuant to Section I.B.2 of Schedule 2 to this Agreement, on account of office equipment and supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, rental, consumables, accommodation, travel and *per diem*, excluding the salaries of the Recipient's civil servants.
44. "Original Financing Agreement" means the financing agreement for a Public Financial Management Improvement and Consolidation Project between the Recipient and the Association, dated January 17, 2014, as amended to the date of this Agreement (Credit No. 5350-SL).
45. "Original Project" means the Project described in Schedule 1 to the Original Financing Agreement.
46. "Parliament" means the Recipient's parliament established and operating pursuant to Chapter VI of the Constitution of the Recipient Act Number 6 of 1991 of the laws of the Recipient, as amended to date.
47. "PDMD" means the Public Debt Management Division within MoFED.
48. "PETRA" means the internationally recognized integrated software solutions package.
49. "PFM" means Public Financial Management.
50. "PFM Reforms Steering Committee" means the Recipient's committee referred to in Section I.A.2 of Schedule 2 to this Agreement.
51. "PFM Technical Management Committee" means the Recipient's committee referred to in Section I.A.3 of Schedule 2 to this Agreement.
52. "PFMR Directorate" means the directorate within MoFED responsible for coordinating PFM reforms in the Recipient's territory.
53. "Procurement Plan" means the Recipient's procurement plan for the Project, dated May 3, 2017 and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Bank.



54. "Procurement Regulations" means the "World Bank Procurement Regulations for Borrowers under Investment Project Financing", dated July 1, 2016.
55. "Program" means the document of the Recipient entitled *Public Financial Management Reform Strategy 2014-17* dated June 2013.
56. "Project Implementation Manual" means the manual, in form and substance satisfactory to the Association, referred to in Section I.B.1 of Schedule 2 to this Agreement; as such manual may be amended from time to time with written agreement of the Association.
57. "Project Management Unit" means the Recipient's unit referred to in Section I.A.1(b) of Schedule 2 to this Agreement.
58. "Project Steering Committee" means the Recipient's committee referred to in Section I.A.2 of Schedule 2 to this Agreement.
59. "Public Accounts Committee" means the committee established and operating in Parliament pursuant to Section 93 of the Constitution of the Recipient Act Number 6 of 1991 of the laws of the Recipient, as amended to date.
60. "Public Finance Committee" means the Committee established and operating in Parliament pursuant to Section 93 of the Constitution of the Recipient Act Number 6 of 1991 of the laws of the Recipient, as amended to date.
61. "Public Investment Management Unit" means the public investment management unit within MoFED.
62. "Public Procurement Act" means the Public Procurement Act Number 14 of 2004 of the laws of the Recipient, as amended to date.
63. "RAI" means Right to Access Information.
64. "Subproject" means a specific development project carried out or to be carried out by a NSA under Part 2(b)(iii)(D) of the Project and financed or to be financed out of the proceeds of the Financing through a NSA Sub-Grant; and "Subprojects" means, collectively, two or more such subprojects.
65. "Training" means the costs associated with training, workshops, seminars and conferences based on an Annual Work Plan and Budget approved by the Association pursuant to Section I.B.2 of Schedule 2 to this Agreement, for reasonable expenditures (other than expenditures for consultants' services), including: (i) local and international travel, room, board and *per diem* expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (ii) course fees; (iii) training facility rentals; and

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(iv) training material preparation, acquisition, reproduction and distribution expenses.

66. "Transparency and Accountability Committee" means the Committee established and operating in Parliament pursuant to Section 93 of the Constitution of the Recipient Act Number 6 of 1991 of the laws of the Recipient, as amended to date.
67. "TSA" means Treasury Single Account.
68. "University of Sierra Leone" means the university established and operating pursuant to Section 3 of the Universities Act Number 1 of 2005 of the laws of the Recipient as amended to date, or any successor thereto.
69. "Valuation Committee" means the committee responsible for managing the policy aspect of property cadastre for each Local Council.

## **Section II. Amendments to the Original Financing Agreement**

The Original Financing Agreement is amended as follows:

1. **Project Description.** The Project description in Schedule 1 is amended and restated to read as follows:

The objective of the Project is to improve the public financial management system and accountability in the use of government finance.

The Project consists of the following parts:

### **Part 1. Strengthening Budget, Financial, Procurement and Taxation Systems**

Carrying out of a program of actions designed to improve the Recipient's overall budget planning at the national and local levels, and strengthen systems and procedures for accounting, reporting, public procurement and revenue management, in particular:

- (a) ***Budget Planning, Credibility and Framework Formulation.*** Strengthening budgetary planning at the national and local levels, through, *inter alia*:
  - (i) Strengthening the institutional and technical capacities of the Budget Bureau on: (A) the GRP v7 budget execution processes and functions to generate budget reports for management reporting and end-user reporting; planning, implementation, and monitoring of activity-based budgeting; and (B) new planning and execution modules of IFMIS performance budgeting software.

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- (ii) Strengthening the framework and formulation for medium term budgeting, including, *inter alia*: (A) migration to a GFS2014 compliant budget classification; (B) recalibrating the Budget Bureau's classification systems; developing and implementing a training program for MDAs and Local Councils; (C) facilitating the reconfiguration of the budget module; and (D) integration of budget planning and execution in an integrated IFMIS.
  - (iii) Strengthening budgetary planning through: (A) configuration, testing, and quality review of the GRP v7 appropriations and budget modules; (B) integration of GRP contract management sub-module with appropriations, budgeting, and other general ledger functionalities; (C) introduction of contract management and management of multi-year commitment control and arrears; and (D) decentralization of budget execution processes by MDAs in enhancing timelines and effectiveness in budget execution.
  - (iv) Strengthening the capacity of Local Councils for medium term budgeting, including, *inter alia*, harmonization of budget classification, all through the provision of technical advisory services and training; and strengthening Local Councils' budget execution, in particular: (A) development of migration plans for the new (central) budget classification, (B) development of MTEF budgeting for local government, and (C) assessment of budgets against performance and capacity building pertaining to budget through, provision of technical advisory services, training, non-consulting services, financing of operating costs and acquisition of goods for the purpose.
- (b) ***IFMIS/Accounting and Reporting Systems.*** Strengthening financial systems, controls, accounting and reporting, in particular:
- (i) Implementation of IFMIS with a view to improving budget preparation and execution, cash management and financial reporting, including: (A) procurement of updated Version 7 of IFMIS (B) rolling out of IFMIS to remaining MDAs, as well as local councils and on-budget donor funded projects; (C) development and implementation of a disaster recovery plan for the IFMIS; (D) establishment of the IFMIS interface with other government systems, including, among others, Bank of Sierra Leone, the debt management system (CS-DRMS), and customs and tax systems (ASYCUDA World and ITAS); (E) communication and change management; (F) establishment of a business continuity strategy and disaster recovery site; (G) development of comprehensive training strategy for technical

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and support staff; and (H) establishment of a data center, all through the provision of technical advisory services, non-consulting services, training, operating costs and acquisition of goods for the purpose.

- (ii) Improving accounting and reporting functions (including collection of revenues and public expenditures incurred) to ensure consistency with national and international accounting standards, laws and regulations, in particular: (A) enhancement and further adoption of TSA; (B) implementation of an electronic document management system; (C) implementation of an electronic funds transfer system; (D) strengthening compliance with IPSAS; (E) undertaking a comprehensive review of budgeting and accounting procedures; (F) defining business processes in the roll-out of IFMIS; and (G) improving accuracy of government's financial statements.
  - (iii) Strengthen financial management capacity of local councils through: (A) upgrade of PETRA software to perform "Procure to Pay" functions, including commitment control; (B) revamp existing PETRA infrastructure; (C) scaling up of cadastral system for enhanced revenue mobilization; (D) development of property cadaster management manual and provision of training to valuers, chief administrators, and Valuation Committee members; (E) provision of training to build the capacity of local councils in the collection and accounting for revenues; (F) training in the use of the citizens' budget template; (G) training in collection and accounting for revenue and mid-term expenditure reviews; and (H) training in use of IFMIS for use as financial management system, including to generate budget execution reports.
- (c) **Public and Electronic Procurement System.** Strengthening public procurement and contract management functions, in particular:
- (i) Establishment of a centralized public and electronic procurement (e-procurement) system for use by all MDAs, including a centralized view of all suppliers registered or blacklisted for all classes (goods, consultancies and services covering manufactures and suppliers); online advertising of bidding opportunities; online shortlisting, comments, and corrections and approvals; online submission of bids; online sealing of virtual tender box; online bid opening, evaluation, and approvals; issuance of purchase/work orders online; contract award publications; and data collection and dissemination.

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- (ii) Enhancing the institutional capacity of the public procurement function, through, *inter alia*: (A) designing and implementing a procurement capacity building strategy for delivery of appropriate training; (B) implementing a procurement training program for stakeholders, including, practitioners, the private sector, internal auditors and civil society organizations; (C) development and adoption of a strategy for provision of the training to MDAs in the use of the e-procurement system, including a comprehensive training calendar; (D) designing a freely accessible website/online portal for advertising contracts and publishing NPPA's review reports; and (E) operationalizing the procurement directorate in MoFED, all through the provision of technical advisory services, non-consulting services, training, operating costs and the acquisition of goods for the purpose.
- (iii) Strengthening contract management systems, including holding an open contracting assessment and establishment of open data module within e-Procurement system to publish structured open data on each of the contracting processes, all through provision of technical advisory services, non-consulting services, training, operating costs and acquisition of goods for the purpose.
- (d) ***Revenue Management Systems and Reform of Legal Framework.*** Strengthening tax and customs administration systems and improving the efficiency and connectivity between revenue systems (ITAS, ASYCUDA World, and reconciliation systems) and PFM systems, including, among others: (i) acquisition and installation of a robust off-the-shelf tax administration system that interfaces with IFMIS; (ii) acquisition and installation of ASYCUDA World; (iii) supporting initial establishment of a resource revenues unit; (iv) provision of support for reforms to existing application laws associated with ITAS to support changes to business process and tax administration procedures; and (v) strengthening the technical capacity of NRA staff to effectively manage implemented systems and acquisition of infrastructure for the purpose.

## **Part 2. Improving PFM Oversight and Accountability Systems**

Carrying out a program of activities designed to strengthen the Recipient's PFM audit and oversight and accountability systems, in particular:

- (a) ***Strengthening Audit and Oversight.*** Strengthening financial control, improving accountability systems and practices, and enhancing independent and public oversight in the management and use of public finances, in particular:

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- (i) Developing an effective, independent, and objective internal audit function, through, *inter alia*: (A) carrying out of internal audit needs assessment and developing risk-based internal audit; (B) developing standard operating procedures manual and templates; (C) rolling out the internal audit function to all MDAs; (D) designing and implementing a training program for internal auditors in MDAs, including on computer assisted audit techniques; (E) designing and implementing certification courses on internal audit; (F) providing professional training and certification to MoFED internal audit staff and internal auditors across MDAs; (G) strengthening internal audit committees, including through training on role and functions of committees; (H) carrying out an audit of the MoE's payroll; and (I) carrying out an audit of the Civil Service payroll, all through the provision of technical advisory services, non-consulting services, training and acquisition of goods for the purpose.
  - (ii) Strengthening the Recipient's external audit function and systems, in particular: (A) development of a comprehensive training program for auditors in collaboration with the University of Sierra Leone; (B) supporting professional training and certification of Audit Service Sierra Leone's ("ASSL") staff; (C) supporting operationalization of the ASSL; and (D) design and implementation of audit management information systems, all through the provision of technical advisory services, non-consulting services, training, operating costs and acquisition of goods.
  - (iii) Strengthening the Recipient's legislative's and public oversight over PFM, in particular: the operational capacity and effectiveness of the Public Accounts Committee, the Public Finance Committee, and the Transparency and Accountability Committee, respectively, all through the provision of technical advisory services, non-consulting services, training, operating costs and acquisition of goods for the purpose.
- (b) **Open/Big Data and NSA**
- Enhancing the Recipient's accountability and oversight of resource expenditure, service delivery, and PFM through:
- (i) *Open and Big Data Application*. Integrating open data, Big Data, and beneficiary feedback into PFM processes and service delivery operations. This will be done through: (A) designing, piloting, and scaling up uses of Big Data for enhanced service delivery;

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(B) service delivery surveys and quality feedback mechanisms; (C) enhanced grievance redress mechanisms (GRMs) in service delivery operations of key sectors, including education, health, land, and water; and (D) implementation of ODRA recommendations, including: piloting the use of open data applications for improved government efficiency, support to Government's Open Data Portal, developing sectoral data dashboards, incentivizing the public disclosure of existing government datasets, sensitization campaigns around open data, and introducing a provision for open data by default.

- (ii) *Access to Information.* Ensuring full and effective implementation of the Right to Access Information (RAI) Act, including: (A) identifying and training RAI officers in MDAs; (B) promoting proactive disclosure of information; (C) popularizing the RAI Act; (D) engaging in demand-side data and information trainings; (E) piloting and scaling up records management good practices within MDAs and related activities to improve data retention; and (F) harmonizing digital records management and related regulations with the RAI Act.
- (iii) *Support to Non-State Actors.* Developing the analytical and dissemination capacities of non-state actors ("NSAs") for advocacy with a view to promoting transparency and external accountability over PFM, through, *inter alia*: (A) strengthening the institutional and technical capacity of the NSA Secretariat for coordination of NSA activities; (B) enhancing the technical and institutional capacities of NSAs for advocacy, oversight, and accountability; (C) facilitating access to and understanding of PFM documents and reports and citizen participation in budget discussions; and (D) provision of sub-grants to NSAs ("NSA Sub-Grants") including journalists and media outlets for Subprojects designed to promote social accountability in PFM.

### Part 3. PFM Reform Coordination and Project Management

- 1. (a) Strengthening the capacity of the Project Management Unit for Project implementation, coordination and oversight, including, *inter alia*, fiduciary (procurement and financial management) aspects, monitoring and evaluation and reporting arrangements, all through provision technical advisory services, non-consulting services, training, Operating Costs and acquisition of goods for the purpose.
- (b) Strengthening the capacity of the PFMR Directorate for, among others, monitoring and evaluating overall PFM reforms, all through the provision

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of technical advisory services, non-consulting services, training, Operating Costs and acquisition of goods for the purpose.

2. **Implementation Arrangements**

- (a) The reference to Part 2(a)(i) of the Project in Section I.A.4 of Schedule 2 is replaced by a reference to Part 1(b)(i).
- (b) The reference to Part 2(d) of the Project in Section I.A.5 of Schedule 2 is replaced by a reference to Part 2(a)(ii).
- (c) The references to Part 2(e)(ii)(D) of the Project in Section I.A.5 and Section I.D of Schedule 2 is replaced by a reference to Part 2(b)(iii)(D).
- (d) The references to Part 2(d) of the Project in Section II.B.5 of Schedule 2 is replaced by a reference to Part 2(a)(ii).

3. **Withdrawals of the Proceeds of the Financing.** Section IV.A.2 is amended to read as follows:

The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, non-consulting services, consultants' services, Training and Operating Costs under Parts 1, 2(a)(i) and (iii), (b)(i), (ii) and (iii)(A), (B) and (C), and 3 of the Project	7,400,000	Such percentage of Annual Work Plan Expenditures as the Association may determine for each Fiscal Year and communicate to the Recipient
(2) NSA Sub-Grants under Part 2(b)(iii)(D) of the Project	90,000	Such percentage of Annual Work Plan Expenditures as the Association may determine for each Fiscal Year and communicate to the Recipient

(3) Goods, non-consulting services, consultants' services, Training and Operating Costs under Part 2(a)(ii) of the Project	410,000	Such percentage of Annual Work Plan Expenditures as the Association may determine for each Fiscal Year and communicate to the Recipient
<b>TOTAL AMOUNT</b>	7,900,000	

4. **Closing Date.** Section IV.B.2 is amended to read as follows:

"2. The Closing Date is March 31, 2020."

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