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**CREDIT NUMBER 7037-LR**  
**GRANT NUMBER D9690-LR**

# **Financing Agreement**

**(Investment, Finance and Trade Project)**

**between**

**REPUBLIC OF LIBERIA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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**CREDIT NUMBER 7037-LR  
GRANT NUMBER D9690-LR**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF LIBERIA ("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 grant and a credit, which are deemed as Concessional Financing for purposes of the General Conditions (collectively, "Financing") in the following amounts:
  - (a) an amount equivalent to fourteen million three hundred thousand Special Drawing Rights (SDR 14,300,000) ("Grant"); and
  - (b) an amount equivalent to fourteen million three hundred thousand Special Drawing Rights (SDR 14,300,000) ("Credit").
- 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 The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.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 Payment Dates are April 15 and October 15 in each year.

587

- 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.

### **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 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, the Recipient through MoCI has:
- (a) prepared and adopted a Project Operations Manual in form and substance satisfactory to the Association; and
  - (b) established a Project Implementation Unit comprising a project coordinator, financial management specialist, procurement specialist, SME specialist, financial sector specialist, social safeguard specialist and environmental specialist, all with experience, terms of reference and resources satisfactory to the Association.
- 4.02. The Effectiveness Deadline is the date ninety (90) 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 (20) years after the Signature Date.

### **ARTICLE V— REPRESENTATIVE; ADDRESSES**

- 5.01. The Recipient's Representative is its minister for finance and development planning.
- 5.02. For purposes of Section 11.01 of the General Conditions:
- (a) the Recipient's address is:

Ministry of Finance and Development Planning  
P.O. Box 10-9016  
1000 Monrovia 10; and

(b) the Recipient's Electronic Address is: dtweah@mfdp.gov.ir

Facsimile: (231) 22-60-75

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

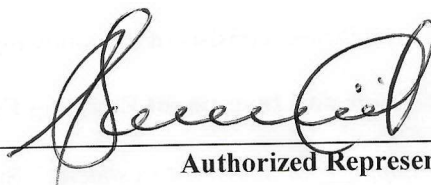
(b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

**REPUBLIC OF LIBERIA**

By



Authorized Representative

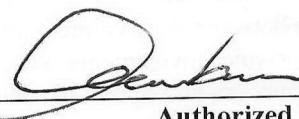
Name: Samuel D. Tweah, Jr

Title: Minister

Date: April 4, 2022

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

By



Authorized Representative

Name: Khwima Althara

Title: Country Manager

Date: April 4, 2022

## SCHEDULE 1

### Project Description

The objectives of the Project are to improve the investment climate, expand sustainable access to finance and increase the efficiency of trade in the Recipient's territory.

The Project consists of the following parts:

#### Part 1: Trade and Investment Enabling Environment

1. *Support for Private Investment:* Supporting the Recipient's program for attracting and retaining large private investments and ensuring investments in the infrastructure and PPP space, are supported through climate-friendly and resilient solutions, including through: (a) operationalization of the LSEZA by preparing key documents including the LSEZ Operations Manual, the draft regulations; zone feasibility studies, ESIA studies, zone/investor demand forecasts and carrying out related capacity building; (b) assisting the National Investment Commission (NIC) to carry out financial and economic analysis of investments including: (i) preparing an investment policy; (ii) building NIC's capacity to attract investors, (iii) establishing an investor grievance mechanism; and (iv) strengthening NIC's capacity to carry out the investment coordination work with other agencies; (c) supporting the IMCC, NBC and the EPA through conducting of strategic reviews and providing them capacity building and training; (d) supporting the Business Climate Working Group and its secretariat to conduct a regulatory review of needed near-term business climate reforms and supervising work across related donor and other projects; and (e) facilitating dialogue between the Recipient and the private sector on business investment including on green and low-carbon private investments via development of industry guidelines and action plans that increase competitiveness and optimized energy use.
2. *Support for Automated Business Licensing:* Supporting the Recipient's effort to make the Liberia Business Registry (LBR), an effective and efficient "one stop shop" business registration by: (a) upgrading its existing ICT system to one that is "cloud based" and decentralized; (b) procuring needed good and services to upgrade the IT system to international standards including on-line registration, processes for obtaining business, trade, and public interest licenses; and (c) strengthening the capacity of LBR through preparation of essential legal documents including draft amendments to the law and implementing regulations, a business plan which covers sources of revenue and nature of expenditures, and providing ongoing capacity building for LBR staff.
3. *Support for the National Single Window for Trade:* Supporting the establishment of the National Single Window for Trade (NSW) through: (a) provision of technical advisory services to assess the best option for the Recipient's NSW to electronically handle the full range of trade transactions for all stakeholders in a 'one-stop shop' platform including: (i) needed operational, governance and financial model including fee structure and revenue sharing options; (ii) functional and technical architecture model; and (iii) capacity building and change management plan; (b) designing, purchasing, developing needed software and deployment/rolling out the Recipient's NSW; and (c) upgrading, maintaining and evaluating the NSW.

## **Part 2: SME Access to Markets and Finance**

Upgrading the skills of eligible SMEs to improve their competitiveness and access to finance and climate co-benefits at a firm level through:

1. *SME Access to Markets*: Strengthening the capacity of SMEs with high potential to contribute to job creation and productivity through: (a) training to enable them to produce the required specifications of buyers in selected supply chains; (b) providing them with technical advisory services to offer them information on the markets, trends and requirements and facilitating them to establish relationships with buyers to facilitate formal relationship on emerging sales opportunities; and (c) screening and identifying SMEs' climate risks, and in particular, identifying climate change adaptation or mitigation-potential supply chains, and developing relevant action plans to be implemented by large buyers and their suppliers.
2. *SME Lending Scheme*: Improving access to finance through capacity building of selected financial institutions to better serve underserved SME through: (a) provision of loans (Sub-Loans) to: (i) SMEs to implement Subprojects; and (ii) micro-enterprises to implement Micro-projects; and (b) strengthening the capacity of CBL and PFIs in implementing the SME Lending Scheme through training and advisory services.

## **Part 3: Digital Financial Services Infrastructure**

1. Supporting the Recipient's digital financial inclusion program through: (a) designing, purchasing, and deploying or implementing a National Electronic Payment Switch (NEPS); (b) provision of technical assistance to operationalize, manage, supervise, and increase usage of the NEPS; and (c) maintaining and upgrading of the NEPS and related infrastructure.
2. Establishment and operationalization of a modern credit reference system covering individuals and firms through: (a) preparation of a competitive tendering process for recommended upgrades and adjustment of the system including the development and implementation of the system deployment plans, and user acceptance testing and fixes; (b) rolling out an effective credit reference system and data analytics solution; (c) building the capacity and promoting awareness of stakeholders; and (d) implementing the remaining phases of the current credit enhancement project, including upgrading and adjusting the credit reference system, and integrating functionality to track movable collateral.

## **Part 4: Project Implementation M&E and CERC**

1. Carrying out Project management activities including: (a) the provision of support for strengthening the structures for coordination and management of the Project; (b) implementing financial management and procurement requirements of the Project; and (c) monitoring and evaluation, all through the provision of technical assistance and Operating Costs required for that purpose.
2. Providing immediate response to an Eligible Crisis or Emergency, as needed.

## Project Execution

### **Section I. Implementation Arrangements**

#### **A. Institutional Arrangements**

##### 1. *Ministry of Commerce and Industry*

The Recipient shall: (i) carry out the Project through the Ministry of Commerce and Industry (MoCI) with assistance from the Technical Implementing Ministries and Agencies (TIMA); and (ii) ensure throughout the implementation of the Project, the MoCI has resources and personnel in a Project Implementation Unit required to enable the MoCI to perform its functions under the Project.

##### 2. *Project Implementation Unit ("PIU")*

(a) Without limitation upon the provisions of paragraph 1 of this Section I.A, the Recipient shall: (i) establish a Project Implementation Unit ("PIU") responsible for the day-to-day operation of the Project and comprising a project coordinator, an accountant, procurement specialist, environmental safeguards specialist, social safeguards specialists, financial sector specialist, and SME specialist to manage the SME scheme; and (ii) ensure that no later than ninety (90) days from the Effective Date, recruit and thereafter maintain throughout the implementation of the Project, a monitoring and evaluation specialist, communications specialist and climate co-benefits specialist, all with experience and under terms of reference satisfactory to the Association to support the PIU.

(b) The PIU shall be responsible for day-to-day management of the project which include: (i) business management comprising marketing, communications, contract management, staff operations; (ii) supporting and coordinating with the PFMU on accounting activities; and (iii) organization of regular meetings with Project Steering Committee and the Private Sector Working Group, working collaboratively with technical partner agencies and other agencies under the project to ensure consistent and regular flow of information between internal and external audiences.

##### 3. *Project Financial Management Unit (PFMU)*

(a) The Recipient maintain, at all times during the implementation of the Project, the Project Financial Management Unit (PFMU) within the MFDP with a composition, mandate, and resources satisfactory to the Association.

(b) Without limitation upon the provisions of the paragraphs directly above, the Recipient shall ensure that the Project Financial Management Unit shall in coordination with the accounting officer within the PIU, shall be responsible for, *inter alia*: (i) the day-to-day financial management, including disbursement and accounting aspects of the project; (ii) financial reporting; (iii) preparing the quarterly interim financial reports to be submitted to the Association forty-five (45) days after the end of each fiscal calendar quarter; and (iv) laying down internal control procedures and processes to ensure that transactions are approved by appropriate personnel.



4. *Project Steering Committee (PSC)*

- (a) The Recipient shall not later than thirty (30) days from the Effective Date establish and thereafter maintain throughout the implementation of the Project, the PSC comprising representatives from MoCI, MFDP, CBL, and the private sector; and (ii) ensure that the PSC has resources and personnel required to enable it to perform its functions under the Project.
- (b) The PSC shall be co-chaired by the Minister of MoCI and the Governor of CBL or their designees and shall: (i) be responsible for the PIU oversight; (ii) convening at a minimum, biannual project review meetings to assess project results, discuss key issues, and agree on key milestones over the following six months; (iii) coordinating policy actions among public institutions to maximize investment for jobs; (iv) providing guidance and support to the program management team and PIU; (v) acting as a first-stage grievance committee for all safeguard-related complaints; and (vi) acting as the main focal point for interaction with development partners and other stakeholders on behalf of the Project.

5. *Project Technical Committee*

- (a) The Recipient shall not later than thirty (30) days from the Effective Date, establish and thereafter maintain throughout the implementation of the Project, a PTC comprising representatives from the TIMA and ensure that the PTC has resources and personnel required to enable it to perform its functions under the Project.
- (b) The PTC shall be chaired by the MoCI and shall be responsible for the technical and strategic guidance on the Project.

**B. Implementation Arrangements**

1. Project Operations Manual

- (a) The Recipient through MoCI shall:
  - (i) prepare and carry out the Project in accordance with the Project Operations Manual (PoM); and
  - (ii) ensure that the PoM is not amended, suspended, repealed, or abrogated without the prior written approval of the Association; and
- (b) In the event of any conflict between the provisions of the PoM and this Agreement, the provisions of this Agreement shall prevail.

2. SME Lending Scheme

- 1. In implementing Part 2.2 (a) of the Project, the Recipient in collaboration with CBL, shall:
  - (a) make loans to competitively selected eligible Participating Financial Institutions (PFIs) for on-lending to eligible SMEs and eligible microbusinesses in accordance with detailed criteria set forth

in the *SME Lending Manual* and satisfactory to the Association, including the PFIs': (i) experience in financing SMEs or the microbusiness sector; (ii) an appropriate license and at least two years of operation, (iii) good standing with CBL; (iv) a track record lending to SMEs; (v) capital adequacy; (vi) possession of risk management systems, (vii) a recent clean external audit report and a robust internal audit system; (viii) an indicative pipeline of potential loans to SMEs that fulfills project goal; (ix) compliance with environmental and social requirements and satisfactory internal environmental and social management systems; (x) acceptable sub-loan conditions; (xi) acceptable eligibility criteria for SMEs; and (xii) adequate information management systems to manage the loan portfolio; and (b) enter into an agreement (PFI Funding Agreement) with eligible PFIs on terms and conditions approved by the Association, which shall include obtaining rights adequate to protect its interests and those of the Association, including the right for the PFIs to use the Financing to make Sub-loans to eligible SMEs and microbusinesses (Beneficiaries) to implement Subprojects and Microprojects in accordance with eligibility criteria and procedures acceptable to the Association, which shall be detailed in the *SME Lending Manual*, and exclude those that would be deemed as posing significant environmental and social risks.

2. Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate, or waive any PFI Funding Agreement or any of its provisions.
3. The PFI shall make each Sub-loan under a Sub-loan Agreement with the respective Beneficiary on terms and conditions approved by the Association, which shall include the following:
  - (a) The Sub-loan shall be: (i) denominated and repayable in USD or LRD; (ii) charged interest on the principal amount withdrawn and outstanding from time to time at the rate determined by the PFI to be the market rate, and no lower than the most recent savings rate published by the CBL or another low-risk reference interest rate mutually agreed upon by the PIU and the Association; and (iii) repayable over a period not exceeding three years from the date of the Sub-loan Agreement, inclusive of a grace period not exceeding one year, unless mutually agreed upon by the Recipient and the Association.
  - (b) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-loan, or declare to be immediately due and payable or obtain a refund of all or any part of the amount of the Sub-loan then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Sub-loan Agreement; and (ii) require each Beneficiary to: (A) carry out its Sub-project or Micro-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works and services to be financed out of the Sub-loan in accordance with the provisions of this Agreement; (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 Sub-project and the achievement of its objectives; (E) (1) 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 Sub-project/Microproject; and (2) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (F) enable the Recipient and the Association to inspect the Sub-project or Micro-project, its operation and any relevant records and documents; and (G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

4. The Recipient shall ensure that each PFI exercises its rights under each Sub-loan Agreement in such manner as to protect the interests of the Recipient, CBL and the Association and to accomplish the purposes of the Credit.

**C. Environmental and Social Standards.**

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended, or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

- (b) the Association is promptly notified 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, including, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

**D. Contingency Emergency Response under Part 4.2 of the Project**

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4.2 of the Project ("Contingent Emergency Response Part"), the Recipient shall ensure that:
- (a) a manual ("CERC Manual") is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
  - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association.
  - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
  - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Association.

3. The Recipient shall ensure that:
- (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
  - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

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

The Recipient shall furnish to the Association each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.

**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: (a) finance Eligible Expenditures; and (b) repay the Preparation Advance; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<b>Category</b>	<b>Amount of the Credit (expressed in SDR)</b>	<b>Amount of the Grant (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consulting services, Training and Operating Costs for the Project under Parts, 1, 2 (except 2.2 (a)), 3 and 4 (except 4.2) of the Project	11,287,705	12,155,000	48% from the Credit and 52% from the Grant
(2) Sub-Loans under Part 2.2 (a) of the Project	2,145,000	2,145,000	50% from the Credit and 50% from the Grant

(3) CERC under Part 4.2 of the Project	0		
(4) Preparation Advance	867,295	0	Amount payable pursuant to Section 2.07 (a) of the General Conditions
<b>TOTAL AMOUNT</b>	14,300,000	14,300,000	

**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; and
  - b) under Category 2 unless and until the Recipient has: (i) prepared an *SME Lending Manual* in form and substance satisfactory to the Association; and (ii) competitively selected two single retail PFIs, one responsible for microbusinesses and the other for SME lending with: (A) experience and under terms of reference satisfactory to the Association; and (B) environmental and social management systems satisfactory to the Association.
2. The Closing Date is April 30, 2027.

**Section IV. Other Undertakings**

The Recipient shall not later than six (6) months from the Effective Date, conduct an assessment of the environmental and social capacity of the PFIs, SMEs, TIMAs and other project beneficiaries; and develop and implement a training/capacity building plan satisfactory to the Association to address the identified capacity gaps.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each April 15 and October 15, commencing April 15, 2028 to and including October 15, 2059.	<b>1.5625%</b>

\* 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. “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.
2. “Beneficiary” means an SME or Micro-enterprise selected in accordance with criteria in either the Project Operations Manual or the SME Lending Manual to implement a Subproject or a Micro-project.
3. “Business Climate Working Group” means the inter-agency working group on business climate reforms in the Ministry of Finance and Development Planning (MFDP).
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated January 13, 2022, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
6. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
7. “EPA” or “Environmental Protection Agency” means the Recipient’s institution responsible for sustainable management of the environment and its natural resources; established and operating pursuant to the Environmental Protection Agency Act, 2003 or its successor.
8. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021 and January 1, 2022).



9. "IMCC" or "Inter-Ministerial Concession Committee" means a committee established by the Recipient to review all concessions established under Section 80 and 81 (process of Specific Concession Award Process) of the Public Procurement Act of 2005 (amended and restated on September 16, 2010), or its successor.
10. "Liberia Business Registry" or "LBR" means the Recipient's agency responsible for business registration and licensing, or its successor.
11. "LSEZ" or "Liberia Special Economic Zone" means an area to be established by the Recipient for the purpose of providing economic incentives to investors and zone operators to conduct commercial activities.
12. "LSEZA" or "Liberia Special Economic Zone Authority" means the Recipient's agency responsible for SEZ development, established pursuant to the *Liberia Special Economic Zone Act dated October 9, 2017*, or its successor.
13. "Micro-Project" means eligible investments for Micro-enterprises to be financed from the proceeds of Sub-loans under Part 2.2 (a) (ii) of the Project.
14. "MoCI" means the Recipient's Ministry of Commerce and Industry or its successor.
15. "MFD" means the Recipient's Ministry of Finance and Development Planning or its successor.
16. "National Bureau of Concessions" or "NBC" means the Recipient's entity responsible for monitoring large investments post-commissioning established and operating pursuant to *An Act to Establish the National Bureau of Concessions, 2011* or its successor.
17. "National Investment Commission" or "NIC" means the Recipient's agency responsible for investment policy and promotion, established and operating pursuant to the *Liberia Investment Promotion Act, 1979* (as amended) or its successor.
18. "National Single Window for Trade" or "NSW" means the Recipient's electronic trade platform for improving trade efficiency by linking the Recipient's key stakeholders to private sector trading companies.
19. "Operating Costs" means the incremental operating expenditures incurred by the Recipient on account of the Project implementation, management, monitoring and evaluation, including salaries of contractual staff (excluding salaries of officials of the Recipient's civil service), office maintenance and office repairs, as well as expenditures for materials and supplies, communication costs, support for information systems, translation costs, bank charges and travel and *per diem* costs of the Project staff and other reasonable expenditures directly associated with implementation of the Project activities, all based on an annual budget acceptable to the Association.
20. "Participating Financial Institutions" or "PFIs" means legally registered and supervised financial institution selected in accordance with criteria in the SME Lending Manual.
21. "PFI Funding Agreement" means the Agreement to be entered into between the Recipient and an eligible PFI and referred to in Section B.2.1 (b) of Schedule 2 to this Agreement.

22. "Project Implementation Unit" or "PIU" means the Recipient's unit referred to in Section 1.A.2 of Schedule 2 to this Agreement.
23. "PFMU" or "Project Financial Management Unit" means the Recipient's unit at MFDP responsible for Project and financial management referred to in Section 1.A.3 of Schedule 2 to this Agreement.
24. "Preparation Advance" means advance referred to in Section 2.07 (a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association and on behalf of the Recipient on September 9, 2021.
25. "Private Sector Working Group" means a group comprising private sector and public sector officials established by MOCI for advancing public-private dialogue within the Recipient's territory.
26. "Project Operations Manual" or "PoM" means the manual referred to in Section I.B.1 of Schedule 2 of this Agreement, to be prepared by the Recipient satisfactory to the Association, describing and setting forth procedures for implementation of the Project and institutional arrangements, consistent with the provisions of this Agreement and with applicable laws and regulations and including, *inter alia*, timetables of actions required to be carried out under the Project, the respective roles and responsibilities of the agencies involved in the implementation of the Project, staffing, the fiduciary, technical and operational aspects and procedures for implementation of the Project, including the financial management procedures (budgeting, accounting and internal control, disbursement and flow of funds, financial reporting, annual reports, internal and external audit arrangements procedures and including the Project specific chart of accounts), procurement procedures, monitoring and evaluation of other fiduciary and administrative arrangements and necessary terms of reference, as the same may be amended from time to time by agreement with the Association's written concurrence.
27. "Project Steering Committee" means the committee referred to in Section 1.A.4 of Schedule 2 to this Agreement.
28. "Project Technical Committee" means the committee referred to in Section 1.A.5 of Schedule 2 to this Agreement.
29. "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.
30. "Small Business Administration" or "SBA" means the Recipient's agency under MoCI responsible for the implementation of the national policy on MSME development, established and operating pursuant to the *Small Business Administration Act, 2014*, or its successor.
31. "SMEs" means Small and Medium Enterprises.
32. "SME Lending Scheme" means the Recipient's program for lending to SMEs and referred to in Section I.B.2 of Schedule 2 to this Agreement.
33. "SME Lending Manual" means the manual to be prepared by the Recipient satisfactory to the Association and referred to in Section 1. B.2.1(a) of Schedule 2 to this Agreement, describing and setting forth detailed

procedures for selection of the PFIs, implementation of the Sub-loans, the role of CBL in the SME Lending Scheme, as the same may be amended from time to time with the Association's prior written concurrence.

34. "Sub-loan" means the loan made available by a PFI to an eligible Beneficiary from the proceeds of the Financing to finance the cost of a Subproject under Part 2.3 of the Project.
35. "Sub-loan Agreement" means the agreement entered between a PFI and a Beneficiary and referred to in Section 1.B.2.2 of Schedule 2 to this Agreement.
36. "Subproject" means an investment selected in accordance with criteria in the SME Lending Manual and to be financed from the proceeds of the Financing under Part 2.2 (a) (i) of the Project.
37. "Training" means the training provided under the Project, including seminars, workshops, knowledge sharing activities and study tours, and covers the following costs associated with such activity: travel and subsistence expenditures and other travel-related allowances for training participants such as *per diems* and reasonable accommodation costs, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation, all based on periodic budgets acceptable to the Association (but excluding costs of consulting services).
38. "Technical Implementing Ministries and Agencies" means CBL, EPA, IMCC, LBR, LSEZA, MoCI, MFDP, LRA NBC, NIC and SBA.