



LR - Strengthening
Governance
(11340)

The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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JUNE 12, 2012

Honorable Amara Konneh
Minister of Finance
Ministry of Finance
P.O. Box 10-9013 Broad Street
Monrovia
Republic of Liberia

Re: Republic of Liberia: State and Peace-Building Fund (SPF)
Grant No. TF011340 - Strengthening Governance—Improving
Access to Justice and Enhancing Accountability

Honorable Minister:

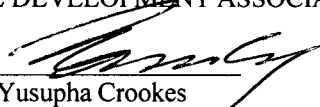
In response to the request for financial assistance made on behalf of The Republic of Liberia (“Recipient”), I am pleased to inform you that the International Development Association (“World Bank”), acting as administrator of grant funds provided under the State and Peace-Building Fund (SPF), proposes to extend to the Recipient, a grant in an amount not to exceed one million five hundred thousand United States Dollars (U.S.\$1,500,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”).

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donor. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

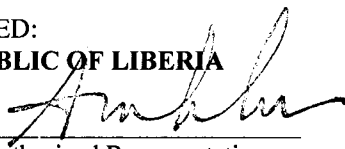
The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of countersignature.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

By 
Yusupha Crookes
Country Director for Liberia
Africa Region

AGREED:
REPUBLIC OF LIBERIA

By 
Authorized Representative
Name AMANDA M. KONNEH
Title MINISTER OF FINANCE
Date: 6-29-12

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012
- N/A (2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 (“Standard Conditions”) constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement and the following terms have the following meanings:

- (a) “LACC” or “Liberia Anticorruption Commission” means the independent commission established on August 28, 2008 in Liberia, whose mandate is to implement appropriate measures and to undertake programs geared toward investigating, prosecuting and preventing acts of corruption, including educating the public about the ills of corruption and the benefits of its eradication.
- (b) “MOF” or “Ministry of Finance” means the Recipient’s ministry responsible for finance.
- (c) “MOJ” or “Ministry of Justice” means the Recipient’s ministry responsible for justice.
- (d) “PFMU” or “Project Financial Management Unit” means the Project Financial Management Unit established within the MOF for purposes of carrying out financial management of World Bank-financed Projects being implemented in the Recipient’s territory, and referred to in paragraph 2.03 (b) of this Annex.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objectives of the Project are to increase citizen access to alternative dispute resolution by establishing a framework for the operation of an alternative dispute resolution mechanism at the local level, and to strengthen the capacity of the Recipient’s anti-corruption commission to implement corruption prevention measures, including an asset declaration system to effectively identify, trace, investigate and prosecute cases of corruption. The Project consists of the following parts:

Part 1: Alternative Dispute Resolution Mechanisms

- (a) Scoping various mechanisms through which dispute resolution is undertaken and outlining an alternative dispute resolution and grievance mechanism at the local level, including carrying out stakeholder consultations - with the aim of identifying how to better address some of the key gaps and deficiencies of the justice system in the Recipient’s territory.

- (b) Implementing a pilot of the alternative dispute resolution accountability mechanisms, including carrying out an evaluation of their effectiveness and sustainability.

Part 2: Fostering Integrity and Accountability

- (a) Providing Training on asset disclosure and financial investigations to the ACC staff.
- (b) Producing an annual survey on integrity in the public sector at the national level.

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the MOF in coordination with the ACC, in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. ***Institutional and Other Arrangements.***

The Recipient shall:

- (a) establish and thereafter maintain at all times until completion of the Project, a project steering committee (Steering Committee) to be responsible for the Project oversight and implementation. The Steering Committee shall meet every quarter and shall comprise representatives from the judiciary, the MOJ, the ACC, the bar association and the civil society; and
- (b) maintain at all times until the completion of the Project, the Project Financial Management Unit (PFMU) (or any successor as may be appropriately determined by the Recipient and acceptable to the World Bank), with a composition and resources satisfactory to the World Bank, to be responsible for carrying out the day to day financial management of the Project.

2.04. ***Project Monitoring, Reporting and Evaluation.*** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date. In order to assist the Recipient in preparing the Completion Report, the Recipient shall employ consultants in accordance with the provisions of Section 2.06 of this Agreement.

2.05. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard 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 World Bank not later than six months after the end of such period.

2.06. **Procurement**

(a) General. All goods and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the World Bank in January 2011 (“Procurement Guidelines”), in the case of goods, and non-consulting services; and

(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the World Bank in January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Goods and Non-consulting Services

(i) Except as otherwise provided in sub-paragraph (ii) below, goods, and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used: (a)

Limited International Bidding; (b) National Competitive Bidding, subject to the following additional provisions: (1) foreign bidders shall be allowed to participate in the NCB procedures; (2) bidders shall be given at least one month to submit bids from the date of the invitation to bid, or the date of availability of bidding documents, whichever is later; (3) no domestic preference shall be given for domestic bidders for goods and works; and (4) in accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Credit shall provide that: (A) the bidders, suppliers, contractors and subcontractors shall permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Association; and (B) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines; (c) Shopping and (d) Direct Contracting.

(d) Particular Methods of Procurement of Consultants' Services

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Quality-Based Selection; (B) Selection under a Fixed Budget; (C) Least-Cost Selection; (D) Selection based on Consultants' Qualifications; (E) Single-Source Selection of consulting firms; (F) Selection of Individual Consultants and (G) Single-source procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III
Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, Training and consultants' services under the Project	1,500,000	100%
TOTAL AMOUNT	1,500,000	

For the purpose of this Section "Training" means training and training-related activities under the Project, including seminars, workshops and study tours, together with all costs associated with travel and subsistence allowances for training participants, trainers' fees, rental of training facilities, preparation and reproduction of training materials and other activities reasonably incidental to the preparation and implementation of training activities, other than consultants' services.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is March 31, 2014.

Article IV Recipient's Representative; Addresses

4.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its minister at the time responsible for finance.

4.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance
P.O. Box 10-9013 Broad Street
Monrovia
Republic of Liberia
e-mail: communications@mofliberia.org

4.03. **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

INDEVAS	248423 (MCI) or	1-202-477-6391
Washington, D.C.	64145 (MCI)	