

Public Disclosure Authorized

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GRANT NUMBER H505 - LBR
GRANT NUMBER H236 – LBR
GRANT NUMBER H256 – LBR

Financing Agreement

(Additional Financing for Emergency Infrastructure Development Project and
amended and restated Financing Agreement
for Grants number H236 – LBR and H256 – LBR)

between

REPUBLIC OF LIBERIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 21, 2009

Public Disclosure Authorized



GRANT NUMBER H505 - LBR
GRANT NUMBER H236 – LBR
GRANT NUMBER H256 – LBR

FINANCING AGREEMENT

AGREEMENT dated July 21, 2009, entered into between REPUBLIC OF LIBERIA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for the Original Project and amending and restating the Original Financing Agreement, as amended (as these terms are defined in the Appendix to this Agreement).

WHEREAS (A) the Recipient and the Association entered into a financing agreement, dated August 8, 2006, as amended to the date of this Agreement, for the financing of the Emergency Infrastructure Project (Grants number H236 – LBR and H256 – LBR);

(B) the Recipient has requested the Association to provide further assistance for purposes of modifying the activities to be financed by the Original Financing by providing an additional financing in an amount equivalent to eleven million two hundred thousand Special Drawing Rights (SDR 11,200,000) and a second additional financing in an amount equivalent to five million three hundred thousand Special Drawing Rights (SDR 5,300,000);

(C) the Recipient requested that Parts C.2 and D of the Project be implemented on its behalf by the United Nations Development Programme (“Project Implementing Entity”) and accordingly the Recipient, the Association and the Project Implementing Entity entered into an agreement for the purpose of implementing Part C.2 and D of the Project (“Project 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 grant in an amount equivalent to thirty seven million one hundred thousand Special Drawing Rights (SDR 37,100,000) (“Financing”), which includes: (a) an original amount equivalent to twenty million six hundred thousand Special Drawing Rights (SDR 20,600,000) (“Initial Financing”); (b) an additional amount equivalent to eleven million two hundred thousand Special Drawing Rights (SDR 11,200,000) (“ First Additional Financing”); and (c) an additional amount equivalent to five million three hundred thousand Special Drawing Rights (SDR 5,300,000) (“ Second Additional 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 Payment Dates are March 15 and September 15 in each year.
- 2.05. The Payment Currency is United States Dollars.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall: (a) carry out Parts A, B.1, B.2, B.3, C.1, C.3 and E of the Project through the Ministry of Public Works, and Part B.4 through the Ministry of Finance; and (b) cause Parts C.2 and D of the Project to be carried out by the Project Implementing Entity, all in accordance with the provisions of Article IV of the General Conditions. Without limitation upon the provisions of Article IV of the General Conditions, the Recipient hereby requests the Association to provide the funds allocated to Parts C.2 and D of the Project directly to the Project Implementing Entity, as further set forth in paragraph A.1 of Section IV of Schedule 2 to this Agreement.
- 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 — EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.02. 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

- 5.01. The Recipient's Representative is the Minister of Finance.
- 5.02. The Recipient's Address is:

Minister of Finance
Ministry of Finance
Broad Street
1000 Monrovia 10, Liberia
Facsimile:

011-2317-7812997

- 5.03. 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 248423 (MCI) or 1-202-477-6391
Washington, D.C. 64145 (MCI)

AGREED at Monrovia, Republic of Liberia, as of the day and year first above written.

REPUBLIC OF LIBERIA

By /s/ Augustine K. Ngafuan

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Ohene Owusu Nyanin

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to provide the Recipient with emergency support to restore priority infrastructure through: (a) rehabilitation, repair and reconstruction of critical infrastructure; and (b) strengthening the capacity of the Recipient's Ministry of Public Works, the Liberia Water and Sewer Corporation, and the Monrovia City Corporation.

The Project is a modification of the Original Project and consists of the following parts:

Part A: **Emergency Rehabilitation, Repair, and Reconstruction of Critical Infrastructure**

1. Supporting the rehabilitation, repair, and reconstruction of the Recipient's primary and secondary road network, including bridges and culverts through the provision of goods, works and consultants' services.
2. Improving the Recipient's potable water supply to Monrovia, through the emergency rehabilitation of the White Plains surface water treatment plant and distribution network through the provision of goods, works and consultants' services.
3. Supporting the Recipient's emergency electricity generation for Monrovia, through the provision of fuel.

Part B: **Strengthening Institutional Capacity**

1. Strengthening the capacity of the Recipient's Ministry of Public Works, the Liberia Water and Sewer Corporation and the Monrovia City Corporation through the provision of consultants' services.
2. Supporting the Recipient's Ministry of Public Works in the re-establishment of basic management and procurement systems through the provision of consultants' services.
3. Supporting the Special Implementation Unit in the management, and monitoring and evaluation of the Project, through the provision of consultants' services, Training, goods, civil works for office rehabilitation, and financing of Operating Costs.

4. Supporting the PFMU in carrying out the financial management of the Project, through the provision of consultants' services, Training, goods, and financing of Operating Costs.

Part C: Road Rehabilitation

1. Supporting the rehabilitation of selected rural roads, bridges and culverts through the provision of goods, works and consultants' services.
2. Supporting the rehabilitation of selected rural roads, bridges and culverts through the provision of goods, works and consultants' services.
3. Carrying out of construction supervision, including periodic independent technical audits, through the provision of consultants' services.

Part D: Urban Works Rehabilitation

Carrying out of: (a) the rehabilitation and/or maintenance of urban works, including public toilets, main and secondary gravity lines in the urban sewerage network, the urban storm drainage system, the solid waste disposal system, market places and buildings; and (b) a public awareness training program on the rehabilitation program, all of the above through the provision of goods, works and consultants' services.

Part E: Port Investments

Carrying out, at the Port of Monrovia, rehabilitation and paving of: (a) the container stacking area; (b) the passage between the sheds at the southern end of the marginal wharf; (c) the passage connecting the main cargo corridor from the marginal wharf; and (d) the road from the customs house to the national port authority office blocks, all of the above through the provision of goods, works and consultants' services.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Steering Committee

1. Composition. The Recipient shall maintain, at all times during Project implementation, a Steering Committee with not more than seven members. Without limitation to the generality of the foregoing, the Steering Committee shall be chaired by MPW's Deputy Minister, Technical Services, and have representatives from, *inter alia*, the Recipient's Ministry of Transport, Ministry of Finance, Ministry of Planning, and the Liberia Water and Sewer Corporation.
2. Role. The Steering Committee shall be responsible for providing overall Project oversight and strategic policy guidance under terms of reference that are acceptable to the Association.

B. Special Implementation Unit

3. Composition. Except as otherwise provided in this Agreement, the Recipient shall maintain, at all times during Project implementation, the SIU adequately staffed with persons with terms of reference, and with qualifications and experience, that are satisfactory to the Association, including a Project coordinator, a procurement specialist, road and water engineers, a transport economist, and an environmental specialist.
4. Role. The SIU shall be responsible for day-to-day implementation of Parts A, B.1, B.2, B.3, C.1, C.3 and E of the Project. Without limitation to the generality of the foregoing, the SIU shall carry out tasks that shall include: (a) preparation of Annual Work Plans; (b) providing the PFMU with such information as shall be required to enable the PFMU to carry out financial management under the Project; (c) preparation of a consolidated Interim Un-audited Financial Report incorporating financial management information submitted by the PFMU for this purpose; (d) carrying out of procurement; and (e) monitoring and evaluation of Project implementation.

C. Project Financial Management Unit

5. Composition. Except as otherwise provided in this Agreement, the Recipient shall maintain, at all times during Project implementation, the PFMU adequately staffed with persons under terms of reference and with qualifications and experience, that are satisfactory to the Association, including a manager, an accountant, and an internal auditor.

6. **Role.** The PFMU shall be responsible for carrying out financial management under Parts A, B, C.1, C.3 and E of the Project in accordance with, *inter alia*, the Financial Management Manual. Without limitation to the generality of the foregoing, the PFMU shall carry out tasks that shall include: (a) maintenance of accounting records and preparation of financial statements; (b) preparation of the financial aspects of the Interim Un-audited Financial Reports for consolidation by the SIU; (c) processing payments on behalf of the SIU; and (d) facilitating the financial audits, pursuant to the provisions of paragraph B.3 of Section II of this Schedule 2.

D. Environmental and Social Safeguards

7. The Recipient shall carry out the Project in accordance with the provisions of the Environmental Management Plan (“EMP”) and the Resettlement Action Plan (“RAP”). Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the Association on annual basis reports in form and substance satisfactory to the Association on the status of compliance with the EMP and the RAP giving details of: (a) measures taken in furtherance of such EMP and RAP; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such EMP and RAP; and (c) remedial measures taken or required to be taken to address such conditions.

E. Annual Work Plans and Procurement Plans

8. The Recipient shall: (a) ensure that the first Annual Work Plan is prepared within two months of the Original Effective Date for Parts A, B, C.1 and C.3 of the Project for the first year of Project implementation, for the approval of the Association, and submit all subsequent Annual Work Plans for Parts A, B, C.1, C.3 and E to the Association for its approval on or about the anniversary date of the submission of the first Annual Work Plan; (b) cause the Project Implementing Entity to prepare an Annual Work Plan within five months of the Original Effective Date for Parts C.2 and D of the Project for the first year of Project implementation, for the approval of the Association, and thereafter for each subsequent year of Project implementation on or about December 15; and (c) ensure that the Project is implemented in accordance with the Annual Work Plans.

F. Technical Audits

9. The Recipient shall undertake periodic independent technical audits of the implementation of Part C of the Project under terms of reference that are acceptable to the Association and work closely with the Project Implementing Entity in the undertaking of such audits with respect to Part C.2 of the Project.

The Recipient shall implement or cause to be implemented the recommendations from such audits in such manner as shall be agreed upon with the Association.

G. Anti-Corruption

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

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare or cause to be prepared Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar year commencing from the Original Effective Date and shall be furnished to the Association not later than one month after the end of the period covered by such report.
- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
- (i) kilometers of roads repaired.
 - (ii) number of bridges and culverts repaired or constructed.
 - (iii) daily production of potable water at White Plains in million gallons per day.
 - (iv) average reduction in travel time on the Monrovia-Buchanan road.
 - (v) increase in revenue by Liberia Water and Sewer Corporation.
 - (vi) number of skilled and unskilled laborers employed (number of man-months of employment).
 - (vii) number of on-site sanitation facilities rehabilitated.
 - (viii) total volume of solid waste removed from Monrovia (metric tonnes or m³).

(ix) container stacking area and connecting roads rehabilitated by December 31, 2010.

(c) Without limitation to the generality of sub-paragraph (a) above, the Recipient shall carry out jointly with the Association, on or about twenty four (24) months after the Original Effective Date, a comprehensive mid-term review to assess the status of Project implementation. The Recipient shall not later than one (1) month before such review, prepare and furnish to the Association a report that is satisfactory to the Association in scope and detail for purposes of such review.

B. Financial Management, Financial Reports and Audits.

1. The Recipient shall:

(a) maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions. Without limitation to the generality of the foregoing, the Recipient shall:

(i) maintain an integrated accounting software system that is satisfactory to the Association; and

(ii) ensure that the Project coordinator, accountant, and procurement specialist work effectively together to ensure that all procurement and payments are effected in a timely manner and adequate records maintained to evidence such payments.

(b) prepare Interim Un-audited Financial Report formats for Parts A, B, C.1, C.3 and E of the Project for the approval of the Association within two months of the Original Effective Date to facilitate the preparation of the said reports pursuant to the provisions of paragraph B.2 of this Section II of this Schedule 2.

(c) (i) appoint an independent auditor under terms of reference that are satisfactory to the Association to carry out financial audits pursuant to Section 4.09 (b) of the General Conditions for Parts A, B, C.1, C.3 and E of the Project, within nine months of the Original Effective Date; and (ii) cause the Project Implementing Entity to carry out financial audits for Parts C.2 and D of the Project in accordance with the provisions of the Project Agreement.

(d) ensure that the Project is implemented in accordance with the Financial Management Manual, and except as the Association shall otherwise agree, shall not amend or waive any provision of the said manual, if in

the opinion of the Association the said amendment or waiver could materially or adversely affect the implementation of the Project.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish or cause to be prepared and furnished, to the Association not later than one month after the end of each calendar quarter, Interim Un-audited 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, commencing with the fiscal year in which the first withdrawal under the Project Preparation Advance was made. 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.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for Parts A, B, C.1, C.3 and E of 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 Section I of the Procurement Guidelines, and with 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 1.16 of the Procurement Guidelines.
2. **Consultants' Services.** All consultants' services required for Parts A, B, C.1, C.3 and E of 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 Sections I and IV of the Consultant Guidelines, and with 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 1.24 of the Consultant Guidelines.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works for Parts A, B, C.1, C.3 and E of the Project shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<u>Procurement Method</u>
(a) National Competitive Bidding, subject to the provisions of paragraph B.3 of this Section III
(b) Shopping
(c) Direct Contracting
(d) Procurement from United Nations Agencies (including the United Nations Office for Project Services)

3. **Exceptions to National Competitive Bidding Procedures.** The following provisions shall apply to the procurement of goods and works under National Competitive Bidding procedures: (a) foreign bidders shall be allowed to participate in National Competitive Bidding procedures; (b) 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; (c) no domestic preference shall be given for domestic bidders and for domestically manufactured goods; and (d) in accordance with paragraph 1.14 (e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that: (i) 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 (ii) 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 1.14(a)(v) of the Procurement Guidelines.

C. Particular Methods of Procurement of Consultants’ Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services for Parts A, B, C.1, C.3 and E of the Project shall be procured under contracts awarded on the basis of Quality and Cost-based Selection. A short list of consultants for contracts estimated to cost less than \$100,000 per contract may comprise entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Guidelines.
2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Single Source Selection
(b) Selection of Individual Consultants
(c) Selection Based on Consultant Qualifications
(d) Least Cost Selection

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

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 and of this Section and such additional instructions as the Association shall specify by notice to the Recipient, to (a) repay the Project Preparation Advance in accordance with Section 2.07 of the General Conditions; and (b) finance Eligible Expenditures as set forth in the table in paragraph 2 below. Without limitation to the generality of the foregoing, the Recipient hereby authorizes the Project Implementation Entity to withdraw the proceeds of the Financing from time to time allocated to Category 2 for Parts C.2 and D of the Project in accordance with the provisions

of Article II of the General Conditions, and requests the Association to carry out direct transfers of such financing to the Project Implementation Entity. To this end, the Association shall specify additional instructions for withdrawal of the proceeds of the Financing by the Project Implementing Entity for Parts C.2 and D of the Project jointly to the Recipient and the Project Implementing Entity.

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 Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<u>Category</u>	Amount of the Initial Financing Allocated (expressed in <u>SDR</u>)	Amount of the First Additional Financing Allocated (expressed in <u>SDR</u>)	Amount of the Second Additional Financing Allocated (expressed in <u>SDR</u>)	Percentage of Expenditures to be Financed (Inclusive of Taxes)
(1) Works, Goods, Consultants’ Services, Training and Operating Costs for Parts A, B, C.1, C.3 and E*	18,770,000	200,000	5,300,000	100%
(2) Works, Goods, Consultants’ Services, Training and Operating Costs for Parts C.2 and D	-	9,749,000	-	100%
(3) Refund of Project Preparation Advance	420,000	-	-	Amount payable pursuant to Section 2.07 of the General Conditions
(4) UNDP Management Fees	-	772,000	-	
(5) Unallocated	1,410,000	479,000	-	
TOTAL AMOUNT	20,600,000	11,200,000	5,300,000	

* Works, Goods, Consultants' Services, Training and Operating Costs for Part E apply only with respect to the Second Additional Financing.

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 the Original Financing Agreement.
2. The Closing Date is June 30, 2011.

APPENDIX**Section I. Definitions**

1. “Agreement Amending the Original Financing Agreement” means the agreement amending the Original Financing Agreement between the Recipient and the Association, dated October 26, 2006 (Grant number H256 – LBR).
2. “Annual Work Plan” means a plan describing the activities to be implemented under the Project, by the Recipient or Project Implementing Entity as the case may be, together with a timetable and budget for implementation of such activities, in accordance with paragraph E.8 of Section I of Schedule 2 to this Agreement, prepared by the SIU (as defined hereafter) pursuant to paragraph B.4 of Section I of Schedule 2 to this Agreement, and acceptable to the Association.
3. “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.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006, provided that for contracts, under the Original Project and included in the Procurement Plan approved by the Association, for which requests for expressions of interest were issued prior to the date of this Agreement the term “Consultant Guidelines” shall mean the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004.
6. “Environmental Management Plan” means collectively: (a) a plan approved by the Association for Parts A, C and E of the Project (Roads EMP); and b) a plan approved by the Association for Part D of the Project (Urban Works EMP), both prepared by the Recipient and proposing appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental impacts, offset them, reduce them to acceptable levels or enhance positive impacts, as the same may be amended from time to time with the agreement of the Association.
7. “Financial Management Manual” means the manual dated November 2007, acceptable to the Association and prepared by the Recipient, describing financial management arrangements for the Project, as such manual may be amended from time to time with the prior written agreement of the Association.

8. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006), with the modifications set forth in Section II of this Appendix.
9. “Interim Un-audited Financial Report” means the report referred to in paragraph B.2 of Section II of Schedule 2 to this Agreement, and which for the respective Parts of the Project to be implemented by the Recipient: (a) sets forth the sources and uses of funds for the Project, both cumulatively and for the period covered by said report, showing funds provided under the designated account, and explains variances between the actual and planned uses of such funds; (b) describes physical progress in Project implementation, both cumulatively and for the period covered by said report, and explains variances between the actual and planned Project implementation; and (c) sets forth the status of procurement under the Project, as at the end of the period covered by the said report; and for the respective Parts of the Project to be implemented by the Project Implementing Entity sets out items (a) – (c) and an additional item (d) six months expenditure forecasts for purposes of report-based disbursements
10. “Liberia Water and Sewer Corporation” means the corporation established by the Recipient to manage water and sewerage services within its territory.
11. “Ministry of Finance” or “MOF” means the Recipient’s ministry responsible for finance and any successor thereto.
12. “Ministry of Public Works” or “MPW” means the Recipient’s ministry responsible for public works and any successor thereto.
13. “Monrovia City Corporation” means the corporation established by the Recipient to administer the affairs of the City of Monrovia.
14. “Operating Costs” means the incremental expenditures incurred by the SIU and PFMU as a result of Project implementation, management and monitoring, including bank charges, communication costs, utilities, office equipment, travel costs and allowances, vehicle and office equipment maintenance, office supplies, and salaries of SIU and PFMU contractual staff, but excluding the salaries of the Recipient’s civil servants.
15. “Original Effective Date” means the date October 31, 2006 when the Original Financing Agreement became effective according to Section 8.01 of the General Conditions.
16. “Original Financing Agreement” means the financing agreement for Emergency Infrastructure Project between the Recipient and the Association, dated August 8, 2006 (Grant number H236 – LBR).

17. “Original Project” means the project described in the Original Financing Agreement, as amended to the date of this Agreement.
18. “Project Financial Management Unit” or “PFMU” means the Project Financial Management Unit established within MOF with a composition and role described in paragraphs C.5 and C.6 of Section I of Schedule 2 to this Agreement. Section I of Schedule 2 to this Agreement.
19. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006, provided that for contracts, under the Original Project and included in the Procurement Plan approved by the Association, for which invitations to bid were issued prior to the date of this Agreement the term “Procurement Guidelines” shall mean the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004.
20. “Procurement Plan” means the procurement plan for the Project, referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
21. “Project Implementing Entity” means the United Nations Development Programme.
22. “Project Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on June 8, 2006, and on behalf of the Recipient on June 12, 2006.
23. “Resettlement Action Plan” means collectively: (a) a plan approved by the Association for Parts A and C of the Project (Roads RAP); and (b) a plan approved by the Association for Part D of the Project (Urban Works RAP), both prepared by the Recipient and setting forth principles and procedures governing land acquisition, resettlement and compensation, as well as reporting and monitoring arrangements to ensure compliance with the said plan, as the same may be amended from time to time with the agreement of the Association.
24. “Special Implementation Unit” or “SIU” means the unit established within MPW with a composition and role described in paragraphs B.3 and B.4 of Section I of Schedule 2 to this Agreement.
25. “Steering Committee” means the committee with a composition and role described in paragraphs A.1 and A.2 of Section I of Schedule 2 to this Agreement.

26. “Training” means the costs associated with the training and workshop participation under the Project, consisting of travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to course or workshop preparation and implementation.
27. “UNDP Management Fee” means the fee provided to the Project Implementing Entity for the institutional recovery of indirect Project support costs incurred on account of implementation of its Respective Parts of the Project.

Section II. Modifications to the General Conditions

The modifications to the General Conditions for Credits and Grants of the Association, dated July 1, 2005 (as amended through October 15, 2006) are as follows:

1. Section 3.01 (b) of the General Conditions is amended to read as follows:

“The Commitment Charge shall accrue from a date sixty days after the date of the Original Financing Agreement, or the Agreement Amending the Original Financing Agreement or the Financing Agreement, as the case may be, to the respective dates on which the Initial Financing (as defined in the Financing Agreement), the First Additional Financing (as defined in the Financing Agreement), or the Second Additional Financing (as defined in the Financing Agreement) as the case may be, are withdrawn by the Recipient from the Financing Account or cancelled. The Commitment Charge shall accrue at the rate set as of the June 30 immediately preceding the accrual date and at such other rate as may be set from time to time pursuant to this Section. The rate set as of June 30 in each year shall be applied from the next Payment Date in that year. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date. The Commitment Charge shall be computed on the basis of a 360-day year of twelve 30-day months.”
2. Section 4.05 of the General Conditions is amended to read as follows:

“The Recipient shall take all action to acquire as and when needed all land and rights in respect of land as shall be required for carrying out of the Project and shall promptly furnish to the Association, upon its request, evidence satisfactory to the Association that such land and rights in respect of land are available for purposes related to the Project.”
3. Section 4.07 of the General Conditions is amended to read as follows:

“The Recipient shall retain all records (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures under the parts of the Project it is

implementing until at least the later of: (i) one year after the Association has received the audited Financial Statements covering the period during the last withdrawal from the Financing Account was made; and (ii) two years after the Closing Date. The Project Implementing Entity shall retain until one year after the end of the fiscal year in which the last withdrawal from the Financing Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures, and furnish to the Association any other relevant information concerning such records as the Association shall have requested.”

4. Sections 8.01 (a) and 8.02 (a) of the General Conditions shall not apply to the Project Implementing Entity.
5. Definition 39 in the Appendix to the General Conditions is amended to read as follows:

“Project Agreement” means the agreement among the Recipient, the Association and the Project Implementation Entity relating to the implementation of Parts C.2 and D of the Project, as such agreement may be amended from time to time. “Project Agreement” includes these General Conditions as applied to the Project Agreement, and all appendices, schedules, and agreements supplemental to the Project Agreement.”