



**GRANT NUMBER D9740-SL**

# **Financing Agreement**

**(Productive Social Safety Nets and Youth Employment Project)**

**between**

**REPUBLIC OF SIERRA LEONE**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**



**GRANT NUMBER D9740-SL**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF SIERRA LEONE (“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, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to twenty eight million six hundred thousand Special Drawing Rights (SDR 28,600,000) (“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 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 Payment Dates are February 15 and August 15 in each year.
- 2.05. The Payment Currency is Dollar.

### **ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objective 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 Condition of Effectiveness consists of the following, namely, that the Recipient has prepared and adopted a Project Implementation Manual in form and substance satisfactory to the Association; and
- 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 responsible for finance.
- 5.02. For purposes of Section 11.01 of the General Conditions:
- (a) the Recipient's address is:
- Ministry of Finance  
Treasury Building  
George Street  
Freetown, Sierra Leone; and
- (b) the Recipient's Electronic Address is:
- E-mail: [fsecretary@mof.gov.sl](mailto:fsecretary@mof.gov.sl)
- 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) or  
64145 (MCI)

1-202-477-6391

AGREED as of the Signature Date.

**REPUBLIC OF SIERRA LEONE**

**By**



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

Hon. Dennis K. Vandi

**Name:** \_\_\_\_\_

MINISTER

**Title:** \_\_\_\_\_

29-Mar-2022

**Date:** \_\_\_\_\_

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**



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

Abdu Muwonge

**Name:** \_\_\_\_\_

Country Manager

**Title:** \_\_\_\_\_

22-Mar-2022

**Date:** \_\_\_\_\_

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to improve access to social safety nets and income generating opportunities for targeted Beneficiaries.

The Project consists of the following parts:

#### **Part A. SSN Cash Transfers and Provision of Economic Inclusion Support**

Provision of Cash Transfers to eligible Beneficiaries, and carrying out a program of economic inclusion related services, in particular:

1. Carrying out a program of Cash Transfers, and inclusion program to eligible Beneficiaries, including:
  - (a) scaling up the implementation of Cash Transfer Program including, provision of income support for the extreme poor households in the form of Cash Transfers to eligible Beneficiaries;
  - (b) scaling up the provision of Cash Transfers for the vulnerable poor targeting the inclusion of persons with disabilities Beneficiaries;
  - (c) carrying out behavior change communication campaigns, including dissemination of information related to program rights and responsibilities, and key health and education materials, including COVID-19 messaging in delivery of payments to the eligible Beneficiaries and prevention of Gender Based Violence (GBV) and Sexual Exploitation and Abuse (SEA)/Sexual Harassment (SH); and
  - (d) carrying out targeted measures to address the program risk of gender-based violence (GBV), sexual exploitation and abuse, and sexual harassment (SEA/H) to targeted women and girls Beneficiaries in Cash Transfer and LIPWP Program, including women and girls with disabilities: (i) implementing arrangements for secure transfer of cash; (ii) encouraging the inclusion of women leaders and women groups in preparation and implementation of Project activities and related engagements at the community level; (iii) disseminating behavioral change messages and dialogues focused, among other measures, on the benefits of women's participation and promotion of resource sharing to reduce the risk of household conflict; and (iv) conducting post distribution monitoring on GBV concerns, and referral services, through the Project grievance redress mechanism (GRM).

2. Piloting a program of activities for economic inclusion to deliver an integrated livelihood package to extreme poor households (Beneficiaries), including:
  - (a) provision of a start-up capital grant (“Start-Up Grant”) to Beneficiaries to fund an approved existing or a start-up small-scale income generating activity (“Start-Up Proposal”); and
  - (b) provision of technical advisory services to build the capacity of the Beneficiaries, and targeted accompanying measures to improve business outcomes, including: (i) provision of training and mentoring to said Beneficiaries; (ii) conducting behavior change communication campaigns; and (iii) establishing linkages to existing government and non-government supported program in agriculture sector, and markets for the agricultural produce.
3. Scaling up social safety nets program emergency cushion Cash Transfers to Beneficiaries in response to an Eligible Crisis or Emergency.

**Part B. Productive Labor-Intensive Public Works and Life Skills Support for Youth**

Carrying out a community-driven participatory program of activities (Labor-intensive Public Works Program or LIPWP Subprojects) to engage youth in rural and urban areas in productive public works, and life skills training, in particular:

1. Provision of short-term employment opportunities to youth in rural areas under LIPWP Subprojects, through the provision of sustainable cash for work, and carrying out associated activities, including:
  - (a) facilitating arrangements under agreements between local chiefs/community leaders and youth groups to grant access to identified community land for agricultural purposes; and
  - (b) provision of technical advisory services to build the capacity of the youth and establishing linkages to existing government and non-government supported program in agriculture sector, and markets for the agricultural produce.
2. Provision of short-term employment opportunities to youth in urban areas under green public works LIPWP Subprojects and carrying out associated activities.

**Part C. Employment and Entrepreneurship Support for Youth**

1. Supporting existing or new youth group-owned small-scale entrepreneurship in urban areas, including:

- (a) provision of business grants to eligible Beneficiaries to fund a qualifying responsive and bankable business proposal (“Y-Business Proposal”); and
  - (b) provision of technical advisory services to conduct Beneficiary identification and selection, training, mentoring and coaching activities for Beneficiaries on business development and management, pre-employment readiness, and psychosocial training.
2. Establishing an information technology (IT) platform to enhance youth employability and empowerment, including:
- (a) facilitating youth and stakeholder consultations on the development of the platform; (b) developing, testing and deploying the IT platform using accessibility standards for persons with disabilities; (c) developing a policy on the use of the IT platform; (d) conducting outreach and mass engagement on the IT platform; (e) developing and uploading initial job-related and other relevant content; (f) Provision of new and refresher training courses on the use of the IT to staff of NAYCOM and MoYA staff, and relevant MDAs; (g) establishing a dedicated team, including a software administrator, statistician, and database analyst, to manage the portal; (h) developing branding and communication strategies and implementation plans to promote access to, and the use of, the youth IT platform; and (i) implementing national and regional sensitization activities to inform stakeholders and potential users about the youth IT platform and its use.

**Part D. Systems Development, Institutional Strengthening and Project Management Support**

Strengthening the delivery systems, and institutional capacity for Project management, implementation, and coordination, in particular:

- 1. Strengthening the existing delivery systems including: (a) data intake and registration systems, electronic systems for registration, attendance verification, electronic payment, and Management Information System (MIS); (b) developing a robust monitoring and evaluation system; (c) conducting impact evaluation of the Project and associated studies, and Beneficiary feedback surveys; (d) facilitating full operationalization of the social registry; (e) strengthening of the payment mechanism; (f) provision of technical advisory services for planning of disaster and risk financing; (g) carrying out the required policy, and social protection coordination activities, and (h) enhancing the GRM, citizen engagement and community outreach, all through provision of technical advisory services, operating costs, and acquisition of goods and equipment.
- 2. Enhancing the institutional capacity for Project management, implementation, and coordination, including:



- (a) strengthening the capacity of NaCSA, MoYA, NaYCOM, ACC, and relevant MDAs involved in Project implementation, all through the provision of technical advisory services, training, operating costs, and acquisition of goods; and
- (b) strengthening technical and management capacity of NaCSA for day-to-day management, implementation and coordination of Project activities, including: (a) overall Project supervision and monitoring; (b) monitoring and evaluation; (c) fiduciary aspects (*i.e.*, procurement and financial management), carrying out of audits, (d) management of Cash Transfer and LIPWP Programs, including conducting verification of targeting, enrollment, and payment of Cash Transfers; (e) ESCP; and (f) attendance of approved internal and external knowledge sharing events, all through the provision of technical advisory services, training, operating costs, non-consulting services and acquisition of goods and equipment.

**Part E. Contingent Emergency Response Component**

Providing immediate response to an Eligible Crisis or Emergency, as needed.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

##### 1. National Social Protection Inter-Agency Forum

The Recipient shall maintain, throughout Project implementation, the National Social Protection Inter-Agency Forum as the Project steering committee, with a composition, mandate, terms of reference and resources satisfactory to the Association, to be responsible for, *inter alia*: (a) overall coordination of the implementation of Project activities and provision of strategic and policy guidance on matters relating to the Project; (b) approving annual work plans and budgets; and (c) approving periodic progress and financial reports for onward transmission to the Association.

##### 2. National Social Protection Secretariat

The Recipient shall maintain, throughout Project implementation, the National Social Protection Secretariat, with a composition, mandate, terms of reference and resources satisfactory to the Association, to be responsible for coordination of the Project activities, and of the social protection sector.

##### 3. National Commission for Social Action (NaCSA), and NaCSA Board

(a) The Recipient shall maintain, throughout Project implementation, the NaCSA, with a composition, mandate, terms of reference and resources satisfactory to the Association, and ensure that said NaCSA is staffed with adequate personnel, all with qualifications, experience, and terms of reference satisfactory to the Association, to enable NaCSA to perform its role and functions under the Project.

(b) Without limitation upon the provisions of sub-paragraph (a) immediately above, the Recipient shall designate, at all times during the implementation of the Project, the NaCSA to be responsible for management, implementation and coordination of the Project activities including: (i) overseeing day to day coordination, implementation, reporting and communication of Project activities and results; (ii) the Project's fiduciary aspects (financial management and procurement); (iii) supervising Project activities; (iv) liaising and coordination with the relevant MDAs and other stakeholders, including Ministry of Youth Affairs (MoYA), National Youth Commission (NAYCOM), Local Councils, and in particular with the Anti-Corruption Commission (ACC)

in respect of corruption, fraud and grievance redress measures, all in form and substance satisfactory to the Association.

- (c) Without limitation upon the provisions of sub-paragraphs (a) and (b) of this paragraph, the Recipient shall designate NaCSA Board with the responsibility for, *inter alia*: (i) approving annual work plans and budgets; and (ii) approving periodic progress and financial reports approval by the National Social Protection Inter-Agency Forum, for onward transmission to the Association.
- (d) The Recipient shall, not later than ninety (90) days after the Effective Date, recruit to the NACSA, an environmental specialist and a social specialist, all with terms of reference, qualifications, and experience, satisfactory to the Association.

**B. Implementation Arrangements**

1. Project Implementation Manual (including Emergency Response Manual)

- (a) The Recipient shall carry out the Project in accordance with the Project Implementation Manual, satisfactory to the Association. Said Project Implementation Manual, consisting of: (i) a manual providing details of arrangements and procedures for the implementation of the Project, including: (A) capacity building activities for sustained achievement of the Project's objective; (B) procurement, financial management (including audit) and disbursement arrangements; (C) institutional administration, coordination and day-to-day execution of Project activities; (D) monitoring, evaluation, reporting, information, education and communication arrangements of Project activities; and (E) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project; (ii) detailed policies and procedures for Cash Transfer Program; (iii) the modalities for handling personal data (*i.e.*, updating personal data collection and processing) in accordance with good international practice; and (iv) an Emergency Response Manual ("ER Manual") setting forth detailed arrangements for the implementation of the emergency response Cash Transfers under Parts A.3 and E of the Project ("Emergency Response Part") including: (A) any additional institutional structures or arrangements for coordinating and implementing the Emergency Response Part; (B) financial management arrangements for the Emergency Response Part; and (C) any other arrangements necessary to ensure proper coordination and implementation of the Emergency Response Part.
- (b) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on said Project implementation

manual, and thereafter, shall adopt such Project implementation manual, as shall have been approved by the Association (“Project Implementation Manual”).

- (c) The Recipient shall ensure that the Project is carried out in accordance with the Project Implementation Manual; provided, however, that in case of any conflict between the provisions of the Project Implementation Manual, on the one hand, and those of this Agreement, on the other, the provisions of this Agreement shall prevail.
- (d) The Recipient shall not amend or waive any provisions of the Project Implementation Manual without the prior written agreement of the Association.

2. Annual Work Plan and Budget

- (a) The Recipient shall prepare and furnish to the Association not later than November 30 of each Fiscal Year during the implementation of the Project, a work plan and budget containing all activities proposed to be included in the Project during the following Fiscal Year, and a proposed financing plan for expenditures required for such activities, setting forth the proposed sources of financing.
- (b) Each such proposed work plan and budget shall specify any Training activities that may be required under the Project, including: (i) the type of Training; (ii) the purpose of the Training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the Training; (v) the location and duration of the Training; and (vi) the cost of the Training.
- (c) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on each such proposed work plan and budget and thereafter ensure that the Project is implemented with due diligence during said following Fiscal Year in accordance with such work plan and budget as shall have been approved by the Association (“Annual Work Plan and Budget”).
- (d) The Recipient shall not make or allow to be made any change to the approved Annual Work Plan and Budget without the Association’s prior approval in writing.

**C. Cash Transfer Program**

1. Procedures and Eligibility Criteria

No proposed Beneficiary under the Cash Transfer Program shall be eligible to receive a Cash Transfer under said Cash Transfer Program, unless the Recipient

shall have determined, on the basis of an appraisal conducted in accordance with guidelines acceptable to the Association and elaborated in the PIM, that the Beneficiary satisfies the following requirements, and such further requirements as are elaborated in said PIM:

- (a) the Beneficiary: (i) has been pre-selected on the basis of a targeting system consisting of, *inter alia*: (A) a geographical targeting mechanism which has identified the Districts eligible to participate in the Cash Transfer Program; (B) a community targeting mechanism which has identified extremely poor or vulnerable households in said Districts (“potential Beneficiary”); and (C) a proxy means test which has verified said potential Beneficiary’s eligibility, or additional verification steps based on program type and eligibility as described in the PIM; and (ii) is enrolled in a registry of Beneficiaries;
- (b) the Beneficiary shall have, as part of the enrollment in said registry of Beneficiaries, received training on the Cash Transfer Program’s operations and requirements, including, *inter alia*, applicable Beneficiary conditionalities, if any; and
- (c) the Recipient shall have confirmed Beneficiary’s compliance with said conditionalities, if any.

2. Terms and Conditions of Cash Transfer Program

- (a) The Recipient shall, prior to the commencement of the Cash Transfer Program in any given District, retain in accordance with the provisions of Procurement Plan, one or more Payment Agencies, with terms of reference, qualifications, and experience satisfactory to the Association, to assist the Recipient in administering payments under the Cash Transfer Program in said District.
- (b) The Recipient shall monitor and evaluate, under terms of reference satisfactory to the Association, the implementation of the Cash Transfer Program, to ensure that payments made under the Cash Transfer Program are made exclusively to Beneficiaries for productive purposes consistent with the objective of the Project.

**D. Labor-Intensive Public Works Program (LIPW Program)**

1. *Procedures and Eligibility Criteria*

No Subproject under the LIPWP Program shall be eligible for financing under a sustainable cash for work, or a green public works (together, “LIPWP Program), unless:

- (a) the Recipient shall have determined, based on an appraisal conducted in accordance with guidelines, acceptable to the Association, and elaborated in the Project Implementation Manual that the pertinent Subproject satisfies the requirements outlined in the PIM, and the following:
  - (i) the Subproject is initiated and is owned by a youth group eligible Beneficiary, and consists of labor-intensive activities established in the menu of LIPW activities set forth in the PIM;
  - (ii) if one or more Safeguard Instrument is required for the Subproject, said Safeguard Instrument, is (are) prepared in accordance with the ESS, disclosed and approved by the Association; and
  - (iii) the Subproject is among those that are included in the Annual Work Plan and Budget.

2. *Terms and Conditions of LIPWP Program*

The Recipient shall make each payment under an LIPWP Subproject on terms and conditions approved by the Association, which shall include those set forth in the PIM, and the following:

- (a) the Recipient shall make payments directly to participants of the sustainable cash for work, or a green public works LIPWP Subproject for work performed by them under the LIPWP Subproject (LIPWP Payments), based on information prepared in accordance with guidelines, acceptable to the Association;
- (b) except as for payments under pilot described in subparagraph (c) immediately below, the Recipient shall make the LIPWP Payments referred to in the paragraph immediately above, through the payment agents employed under terms of reference, experience and qualifications, satisfactory to the Association;
- (c) without limitation upon sub-paragraph (b) immediately above, the Recipient shall, in form and substance satisfactory to the Association, conduct on pilot basis direct payments to bank accounts and mobile money accounts of wages under LIPWP Payments to urban LIPWP Subprojects workers under Part B.2 of the Project, using either the national switch or automatic clearance house; and
- (d) the Recipient shall carry out its obligations and exercise its rights under each LIPWP Payment, in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing.

**E. Start-UP Grants under Part A.2(a) of the Project**

1. *Procedures and Eligibility Criteria*

No proposed Beneficiary shall be eligible to receive a cash benefit for small-scale start-up capital grant, unless the Recipient shall have determined, on the basis of an appraisal conducted in accordance with guidelines acceptable to the Association, and elaborated in the Project Implementation Manual, that the Beneficiary satisfies the requirement set forth in the PIM and, said Beneficiary has submitted a bankable Start-Up Proposal.

2. *Term(s) and Condition(s) of Business Grant*

The Recipient shall monitor and evaluate, under terms of reference, satisfactory to the Association, the implementation of the Start-Up Proposals under Start-Up Grants, and ensure that payments made under the Start-UP Grants are made to eligible Beneficiaries exclusively for small-scale income generating activities for the purpose of the approved Start-Up Proposals.

**F. Business Grants for Youth Employment and Entrepreneurship under Part C.1(a) of the Project**

1. *Procedures and Eligibility Criteria*

No proposed Beneficiary shall be eligible to receive a cash benefit for youth employment and entrepreneurship, unless the Recipient shall have determined, on the basis of an appraisal conducted in accordance with guidelines acceptable to the Association, and elaborated in the PIM, that the Beneficiary satisfies the requirement set forth in the PIM and, said Beneficiary has submitted a bankable Y-Business Proposal.

2. *Term(s) and Condition(s) of Business Grant*

The Recipient shall monitor and evaluate, under terms of reference, satisfactory to the Association, the implementation of the Y-Business Proposals under Business Grants and ensure that payments made under the Business Grants are made exclusively to eligible youth Beneficiaries for the purpose of the approved Business Proposals.

**G. Environmental and Social Standards.**

1. The Recipient shall, and shall cause the Project Implementing Entity to, 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. Without limitation upon the provisions of paragraph 2 above, if sixty (60) days prior to the Closing Date, the Association determines that there are measures and actions specified in the ESCP which will not be completed by the Closing Date, the Recipient shall: (a) not later than thirty (30) days before the Closing Date, prepare and present to the Association, an action plan satisfactory to the Association on the outstanding measures and actions, including a timetable and budget allocation for such measures and actions (which action plan shall be deemed to be considered an amendment of the ESCP); and (b) thereafter, carry out said action plan in accordance with its terms and in a manner acceptable to the Association.
4. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
5. The Recipient shall, and shall cause the Project Implementing Entity to, 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, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

6. The Recipient shall, and shall cause the Project Implementing Entity to, 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.

7. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

**H. Emergency Response Cash Transfer under Part A.3 of the Project; and Contingency Emergency Response Component under Part E of the Project**

1. In order to ensure the proper implementation of Parts A.3 and E of the Project (“ER Component”; and “Contingent Emergency Response”) (“ER Part” and “CERC Part”), the Recipient shall ensure that:

(a) manuals (“ER Manual” and “CERC Manual”) are prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the ER Part and the CERC Part, respectively, including: (i) any structures or institutional arrangements for coordinating and implementing the ER Part, or the CERC Part; (ii) specific activities which may be included in the ER Part, or the CERC Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the ER Part, or the CERC Part; (iv) procurement methods and procedures for the CERC 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 ER Part, or the CERC Part; and (vii) the template Emergency Action Plan(s);
- (b) the Emergency Action Plan(s) is prepared and adopted in form and substance acceptable to the Association;
  - (c) the ER Part, and the CERC Part, respectively, are carried out in accordance with the ER Manual, the CERC Manual and the Emergency Action Plan(s); provided, however, that in the event of any inconsistency between the provisions of the ER Manual, or the CERC Manual or the Emergency Action Plan(s) and this Agreement, the provisions of this Agreement shall prevail; and
  - (d) neither the ER Manual, or the CERC Manual or the Emergency Action Plan(s) 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 ER Manual, and the CERC Manual, respectively, are maintained throughout the implementation of the ER Part, and the CERC Part, with adequate staff and resources satisfactory to Association.
3. The Recipient shall ensure that:
- (a) the environmental and social instruments required for the ER Part, and the CERC Part are prepared, disclosed and adopted in accordance with the ER Manual, the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
  - (b) the ER Part, and the CERC Part, respectively, are carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Either: (a) the activities under the CERC Part shall be undertaken; or (b) the Cash Transfers under the ER Part shall be made, 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 forty-five (45) days after the end of each six calendar months, covering the six (6) calendar months.

**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 finance Eligible Expenditures 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 Grant Allocated (expressed in SDR)</b> | <b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b> |
|--|---|---|
| (1) Cash Transfers under Part A.1(a) and (b) of the Project, Start-Up Grants under Part A.2 (a) of the Project, LIPWP Subprojects under Part B of the Project, Business Grant under Part C.1(a) of the Project | 12,727,000  | 100%  |
| (2) Goods, works, non-consulting services, consulting services, Operating Costs and Training under Parts A.1(c), (d), A.2(b), C.1(b), B, C.2 and D of the Project  | 13,013,000  | 100%  |
| (3) Cash Transfers Program Emergency Expenditures under Part A.3 of the Project  | 2,860,000   | 100%  |
| (4) Emergency Expenditures under Part E of the Project   | 0   | 100%  |
| <b>TOTAL AMOUNT</b>  | <b>28,600,000</b>                                       |   |

**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; or
  - (b) for Cash Transfers Program Emergency Expenditures under Categories (3) unless:
    - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (3); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
    - (ii) the Recipient has adopted the ER Manual and Emergency Action Plan for Part A.3 of the Project, in form and substance acceptable to the Association;
  - (c) without limitation to the provisions of Section III.B.1(b) immediately above, if no Eligible Crisis or Emergency has occurred for a period of twenty four (24) months after the Effective Date, or such later date as the Association shall establish (“Midterm”), based on its assessment of the performance of the Project, the Association may, upon request of the Recipient, and as the Association may deem appropriate, reallocate not later than nine (9) months prior to Closing Date, the proceeds of the Credit allocated to Category (3) to Cash Transfers under Category (1); and
  - (d) for Emergency Expenditures under Category (4) unless:
    - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (4); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
    - (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan for Part E of the Project, in form and substance acceptable to the Association.
2. The Closing Date is June 30, 2027.

**Section IV. Specific Financial Management Covenants**

1. The Recipient shall, not later than November 30 of each Fiscal Year, prepare and submit to the Association an approved internal audit work plan, in form and substance satisfactory to the Association, said audit work plan providing for quarterly reporting and containing the specific risks identified for the Project, and the proposed internal procedures that respond to these risks to be undertaken on the Project during the following Fiscal Year.
2. The Recipient shall, prior to recognizing Cash Transfers, payments under the LIPW program, economic inclusion packages, Business Grants (separately and for each round) as Project expenditure in the required financial reporting for the Project: (a) submit to the Association a reconciliation approved by the NaCSA Commissioner between the total of payments received by eligible Beneficiaries and the total of respective payments made from the Project's bank accounts to Payment Service Providers and others, in a form and substance satisfactory to the Association; and (b) retain records that permit the identification and verification of each Beneficiary receiving any payment, ensuring that such records account for 100% of respective expenditures recorded under the Project.

## **APPENDIX**

### **Definitions**

1. “Annual Work Plan and Budget” means the annual work plan and budget approved by the Association and adopted by the Recipient in accordance with the provisions of Section I.B.2 of Schedule 2 to this Agreement.
2. “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.
3. “Beneficiary” means an eligible beneficiary of a Cash Transfer, or Start-UP Grant, or Business Grant, and the term “Beneficiaries” mean, collectively, two or more such eligible beneficiaries.
4. “Business Grant” means the business grant proposed to be made to a youth or a youth group for financing a Y-Beneficiary Proposal under Part C.1(a) of the Project.
5. “Cash Transfer” means the cash payment to be made to a Beneficiary under the Cash Transfer Program, and “Cash Transfers” mean, collectively, two or more such cash payments.
6. “Cash Transfer Program” means the program referred to in Section I.C of Schedule 2 to this Agreement.
7. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
8. “Contingent Emergency Response Component Operations Manual” and “CERC Operations Manual” each means the operations manual referred to in Section I.H of Schedule 2 to this Agreement, to be adopted by the Recipient for the CERC Part of the Project in accordance with the provisions of said Section.”
9. “CERC Part” means the contingent emergency response component under Part E of the Project.
10. “District” means an administrative subdivision of the Recipient established pursuant to the Provinces Act, Chapter 60 of the laws of the Recipient.
11. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

12. “Emergency Action Plan(s)” means the plan(s) referred to in Section I.H of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
13. “Emergency Expenditure” means any of the Eligible Expenditures set forth in the CERC Operations Manual, or the ER Manual in accordance with the provisions of Section I.H of Schedule 2 to this Agreement and required for the activities included in the CERC Part or the ER Part of the Project.
14. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated December 15, 2021, 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.
15. “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.
16. “ER Component Operations Manual” and “ER Operations Manual” each means the operations manual referred to in Section I.H of Schedule 2 to this Agreement, to be adopted by the Recipient for the ER Part of the Project in accordance with the provisions of said Section.”
17. “ER Part” means the contingent emergency response component under Part A.3 of the Project.

18. “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), with the modifications set forth in Section II of this Appendix.
19. “Local Council” means a council established and operating pursuant to Section 2 of the Local Government Act and any successor thereto, and “Local Councils” means, collectively, two or more said councils.
20. “Local Government Act” means the Act Number 1 of 2004 of the laws of the Recipient, as amended from time to time.
21. “LIPWP Payments” means a payment for work to an eligible recipient of either a sustainable cash for work, or a greenpublic works LIPW Subproject.
22. “NaCSA” means the Recipient’s National Commission for Social Action established and operating pursuant to Section 3 of the National Commission for Social Action Act Number 13 of 2001, of the laws of the Recipient, and any successor thereto.
23. “NaCSA Board” means NaCSA’s Board of Directors established and operating pursuant to Section 4 of the National Commission for Social Action Act Number 13 of 2001, of the laws of the Recipient, and any successor thereto.
24. “National Social Protection Inter-Agency Forum” means the Recipient’s platform to coordinate and provide policy and strategic guidance to the social protection sector, also acting as the Project steering committee.
25. “Operating Costs” means recurrent costs of the Project, based on Annual Work Plans approved by the Association, such term including: (i) operation and maintenance of vehicles, repairs, rental, fuel and spare parts; (ii) computer maintenance, including hardware and software, printers and photocopiers; (iii) communication costs and shipment costs (whenever these costs are not included in the cost of goods); (iv) small office supplies; (v) maintenance for office facilities; (vi) utilities and insurances; (vii) bank charges;) travel, accommodation and *per diem* costs for technical staff carrying out training, preparatory, supervisory and quality control activities, and (ix) salaries of contractual and temporary full time Project staff, but excluding salaries of the Recipient’s civil servants.
26. “Payment Agencies” means competitively selected financial institutions, including, *inter alia*, banks, microfinance institutions and mobile phone companies, said financial institutions duly established and operating under the Recipient’s laws and regulations, for the purpose of making Cash Transfers to Beneficiaries under the Cash Transfer Program.



27. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
28. “Project Implementation Manual” or “PIM” means the Recipient’s manual referred to in Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written agreement of the Association.
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. “Start-Up Proposal” means an eligible small-business bankable proposal to be implemented by an eligible Beneficiary under Part A.2(a) of the Project.
31. “Subproject” means a subproject to be implemented under the LIWP Program under Part B of the Project.
32. “Training” means the reasonable cost of training of persons involved in Project-supported activities, based on the Annual Work Plans approved by the Association, such term including seminars, workshops, and costs associated with such activity including travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation, acquisition and reproduction of training materials, and other costs directly related to training preparation and implementation.
33. “Y-Business Proposal” means an eligible bankable youth employment business proposal to be implemented by an eligible Beneficiary under Part C.1(a) of the Project.