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**GRANT NUMBER H478 - LR**

# **Financing Agreement**

**(Urban and Rural Infrastructure Rehabilitation Project)**

**between**

**REPUBLIC OF LIBERIA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated June 25, 2009**

Public Disclosure Authorized



**GRANT NUMBER H478 - LR**

**FINANCING AGREEMENT**

AGREEMENT, dated June 25, 2009, entered into between the REPUBLIC OF LIBERIA (“Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

WHEREAS (A) the Recipient, having satisfied itself as to the feasibility and priority of the project described in Schedule 1 to this Agreement (the Project), has requested the Association to assist in the financing of the Project;

(B) The Association together with various donors established the Liberia Reconstruction Trust Fund (“LRTF”) on April 21, 2008 to support the Recipient in improving its basic infrastructure in order to: (i) create an enabling environment for incremental economic growth; (ii) allow access to basic services, and (iii) build the capacity for planning and managing development projects in the Recipient’s territory;

(C) The Recipient intends to receive a grant from the LRTF in an amount of nine million two hundred thousand Dollars (US\$ 9,200,000) to assist in financing the Project on the terms and conditions set forth in an agreement to be entered into between the Recipient and the Association, acting as administrator of the LRTF;

(D) The Recipient hereby confirms its support for, and its commitment to, the objectives of the Project to be financed, and to this end, hereby undertakes to take all necessary and expedient action to carry out its obligations set forth in this Agreement;

WHEREAS the Association has agreed, on the basis, *inter alia*, of the foregoing, to extend a grant to the Recipient upon the terms and conditions set forth in this agreement;

NOW THEREFORE, 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 the Financing 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 twenty-nine million five hundred thousand Special Drawing Rights (SDR 29,500,000) (variously, “Grant” and “Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement. The Recipient’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is its Minister of Finance.
- 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 June 30 and December 31 in each year.
- 2.05. The Payment Currency is Dollar.

## **ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through MPW, with the assistance of MOF, in accordance with the provisions of Article IV of the General Conditions, the provisions of the Operational Manual, the MOU, and the provisions of 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- REMEDIES OF THE ASSOCIATION**

- 4.01 The Co-financing Deadline for the effectiveness of the Co-financing Agreement is June 1, 2009.

**ARTICLE V — EFFECTIVENESS; TERMINATION**

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

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Recipient's Representative is the Minister of Finance.
- 6.02. The Recipient's Address is:

Minister of Finance  
Ministry of Finance  
Broad Street  
1000 Monrovia 10  
Republic of Liberia

e-mail: [communications@mofliberia.org](mailto:communications@mofliberia.org)

- 6.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS  
Washington, D.C.

248423 (MCI) or  
64145 (MCI)

1-202-477-6391

AGREED at the Monrovia, 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 support the Recipient's efforts to improve road access in the city of Monrovia and targeted rural areas, as well as to improve the institutional capacity for the management of the Recipient's roads sector.

The Project consists of the following parts:

#### **Infrastructure Investment**

##### **Part A: Rehabilitation of Monrovia City Streets**

1. Rehabilitation of twenty-four (24) kilometers of major streets in the city of Monrovia including its center streets network and repair of sidewalks.
2. Provision of technical assistance to MPW for the implementation of Part A.1 of the Project, including: (a) supervision of works during the construction period and for twelve (12) months following the conclusion of construction activities; (b) approval of construction drawings; and (c) approval of completed works for purposes of payment for services rendered.

##### **Part B: Construction of Cotton Tree-Bokay Town Road Section**

1. Construction of the Cotton Tree-Bokay Town road approximately fifteen (15) kilometers.
2. Construction of a bridge in the city of Bokay Town with approaches of approximately twenty-five (25) meters.
3. Provision of technical assistance to MPW for the implementation of Part B.1 and B.2 of the Project, including: (a) supervision of works during the construction period and for twelve (12) months following the conclusion of construction activities; (b) approval of construction drawings; and (c) approval of completed works for purposes of payment for services rendered.

**Part C: Construction of Caldwell Bridge and approaches**

1. Construction of a new bridge of approximately one hundred twenty (120) meters in the city of Monrovia to replace the dilapidated Caldwell Bridge and the construction of two new alignments for the bridge approaches, each of approximately five hundred (500) meters long.
2. Provision of technical assistance to MPW for the implementation of Part C.1 of the Project, including: (a) review of proposed solutions for the replacement of the Caldwell Bridge; (b) preparation of detailed designs and bidding documents; (c) supervision of works during the construction period and for twelve (12) months following the conclusion of the construction; and (d) approval of construction drawings.

**Part D: Rehabilitation of Pleebo-Barclayville Road**

Emergency improvement of the Pleebo-Barclayville Road, including: (a) clearing the right of way; (b) bush clearing; and (c) leveling of formation course, and re-graveling the road with basic improvement of drainage and reinforcing broken culverts.

**Part E: Rural Road Maintenance**

Maintenance of approximately six hundred forty one (641) kilometers of diverse roads throughout the Recipient's territory with the assistance of the United Nations Liberia Office engineering contingents.

**Part F: Rehabilitation of the Vai Town Bridge and Tucker Bridge Convergence Road Intersection**

1. Provision of technical assistance for purposes of developing a study to find solutions to reduce the traffic congestion at the Vai Town Bridge and Tucker Bridge convergence intersection road.
2. Construction of the Vai Town Bridge and Tucker Bridge convergence intersection road following the recommendations of the study referred to in Part F.1 of the Project.



**Part G: New Fuel Unloading Facility in the Port of Monrovia**

1. Construction of a new fuel unloading facility to replace the existing dilapidated facility in the Port of Monrovia.
2. Provision of technical assistance to MPW for: (a) the design of plans for the construction of the new fuel unloading facility referred to in Part G.1 of the Project; and (b) supervision of works under Part G.1 of the Project.

**Program Management and Institutional Support**

**Part H: Management, Monitoring and Evaluation of Project Implementation**

Provision of support for overall Project coordination, evaluation, supervision and implementation including, *inter alia*:

1. Provision of technical assistance, Training and Operating Costs for the establishment of the IIU.
2. Provision of Training to MPW staff to enhance their administrative and technical capacities.
3. Financing of Operating Costs for the PFMU for the implementation of the Project.
4. Provision of technical assistance, Training and equipment to MPW to enhance its capacity to manage the Recipient's feeder road network.
5. Provision of technical assistance and Training to MPW to develop a framework to enable a Recipient's roads authority entity.
6. Provision of technical assistance, Training and goods to EPA for the strengthening of its administrative and technical capacities.
7. Resettlement of Affected Persons in connection with the carrying out of Part C of the Project.

8. Carrying out environmental and social assessments in connection with the implementation of the Project.
9. The carrying out of audits for the Project.
10. The implementation of a program to monitor and evaluate the carrying out of the Project.

## SCHEDULE 2

### Project Execution

#### Section I. Institutional and Other Arrangements

##### A. Special Implementation Unit

1. Composition. The Recipient shall maintain the SIU, until the establishment of the IIU, which will replace the SIU, adequately staffed with professionals hired under terms of reference, qualifications, and experience that are satisfactory to the Association, including a Project coordinator, a procurement specialist, a road's engineer, a transport economist, an environmental specialist, and a social scientist.
2. Role. Until the establishment of the IIU, the SIU shall be responsible for day to day implementation 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 and Budget 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 consolidated Interim Un-audited Financial Reports incorporating financial management information submitted by the PFMU for this purpose; (d) carrying out of procurement; and (e) monitoring and evaluation of Project implementation.

##### B. Project Financial Management Unit

1. Composition. The Recipient shall maintain the PFMU adequately staffed with professionals hired under terms of reference, qualifications and experience that are satisfactory to the Association, including a manager, an accountant, and an internal auditor.
2. Role. PFMU shall be responsible for carrying out the financial management under the Project. 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.

**C. Environmental and Social Safeguards**

The Recipient shall:

- (a) Carry out an environmental and social assessment of the Project, and prepare the EMP and a RAP, as the case may be, that are satisfactory to the Association, within three (3) months of the Effective Date.
- (b) Disclose the: (i) environmental and social assessment results, (ii) EMP; and (iii) RAP, referred to in paragraph C (a) of this Section in a manner that shall be agreed with the Association, within four (4) months of the Effective Date.
- (c) The Recipient shall, prior to initiating the implementation of Parts A, B, C, D, E, F, and G of the Project, provide evidence to the Association, in form and substance satisfactory to the Association, demonstrating that the Recipient has complied with the provisions of the EMP and RAP.
- (d) Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce the provisions of the EMP, and/or the RAP.
- (e) In case of any conflict between the terms of the EMP, the RAP, and those of this Agreement, the terms of this Agreement shall prevail.

**D. Annual Work and Budget Plan**

The Recipient shall ensure that: (a) an Annual Work and Budget Plan is prepared within one (1) month of the Effective Date for the first year of the Project implementation, for the approval of the Association, and on or about the anniversary date of the submission of the said first report for subsequent years of Project implementation; and (b) the Project is implemented in accordance with such Annual Work and Budget Plans.

**E. Anti-Corruption**

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

**F. Operational Manual**

- (a) Without limitation upon the provisions of Section 4.01 of the General Conditions, the Recipient shall carry out the Project in accordance with a manual (the Operational Manual), in form and substance acceptable to the Association, said manual to include, *inter alia*: (i) an institutional implementation plan of MPW for the management of the Project (including, *inter alia*, allocation of responsibilities among staff, yearly planning of activities and budget and time allocation for those activities); (ii) financial management and accounting procedures annexes; (iii) detailed arrangements for the overall carrying out of the Project (including, *inter alia*, the procurement, environmental and social guidelines to be followed during Project implementation by the Recipient; (iv) the guidelines for the preparation of Annual Work and Budget Plans; (v) internal control systems to be followed by the SIU, PFMU, and IIU during Project implementation; (vi) detailed guidelines and procedures for the implementation of the EMP and RAP in connection with the carrying out of the Project; and (vii) the guidelines for Project monitoring and evaluation.
- (b) Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce the Operational Manual or any provision thereof.
- (c) In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

**G. Procurement Audits**

- (a) The Recipient shall cause the Project's external auditors, referred to in paragraph B.1 (c) of Section II of Schedule 2 to this Agreement, to perform an annual audit during Project implementation, under terms of reference satisfactory to the Association, of the procurement for all goods, works, consultants' services, Operating Costs and Performance Payments required for

the Project. Each such audit of the Project's procurement shall cover the period of one (1) calendar year, commencing with the calendar year in which the first withdrawal under the Project Preparation Advance was made.

- (b) The audit report for each such period shall: (i) be furnished to the Association not later than ninety (90) days after the end of each such period; and (b) include action plans to improve performance and/or correct any shortcomings and/or deficiencies.

#### **H. Mid-Term Review**

No later than April 1, 2011, or such later date as may be agreed upon by the Recipient and the Association, the Recipient and the Association shall carry out a mid-term review of the Project, covering the progress achieved in the implementation of the Project. The Recipient shall prepare, under terms of reference satisfactory to the Association, and shall furnish to the Association approximately three months prior to the beginning of such mid-term review of the Project, a report integrating the results of the monitoring and evaluation activities performed pursuant to this Agreement, on the progress achieved in the carrying out of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective of the Project during the period following such date.

### **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 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 (1) calendar year commencing from the Effective Date and shall be furnished to the Association not later than one (1) 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) Rehabilitation of the urban roads of Monrovia (24 km) by February 1, 2011 and Cotton-Tree—Bokey Town (15 km) by June 30, 2011.
  - (ii) Average travel time between Cotton Tree and Bokay Town reduced to thirteen (13) minutes.
  - (iii) Construction of the new Caldwell Bridge by December 31, 2013.
  - (iv) Rehabilitation of the rural Pleebo-Barclayville (67 km) road by June 30, 2011.
  - (v) Average travel time between Pleebo and Barclayville reduced to seventy-three (73) minutes.
  - (vi) Maintain previously repaired rural roads (641 km) until June 30, 2011.
  - (vii) Construction of a fuel unloading facility by December 31, 2011.
  - (viii) IIU has organization structure and mandate in accordance with a framework agreed between the Recipient and the Association by July 31, 2010.
  - (ix) Action plan for the implementation policy for sustainable funding for road maintenance formally agreed between the Recipient and the Association by June 30, 2012.
  - (x) Legal and administrative framework for the establishment of the Recipient's road authority entity by April 1, 2011.
2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than December 31, 2014.

**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.
  - (b) 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 Program 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.
  - (c) maintain independent auditors to carry out financial audits pursuant to Section 4.09 (b) of the General Conditions.
  - (d) ensure that the Project is implemented in accordance with the Operational 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 to the Association not later than forty-five (45) days after the end of each semester, 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 (1) fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Financing was made. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

### **Section III. Procurement**

#### **A. General**



1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Schedule.
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 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:

<b>Procurement Method</b>
(a) Limited International Bidding
(b) National Competitive Bidding
(c) Shopping
(d) Direct Contracting
(e) Procurement from United Nations Agencies

**C. Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection (QCBS). The short list of consultants estimated to cost less than \$50,000 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.

<b>Procurement Method</b>
(f) Least Cost Selection
(g) Fixed Budget Selection
(c) Selection Based on Consultant Qualifications
(d) Single Source Selection
(e) Individual Consultants

**D. Review by the Association of Procurement Decisions**

1. Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) for Goods: (i) Contracts estimated to cost \$500,000 per contract or more; (ii) NCB contracts specified in the procurement plan and over \$50,000; and (iii) all contracts awarded on direct-contracting basis or for procurement from United Nations agencies; (b) for Works: (i) Contracts estimated to cost \$3,000,000 per contract or more; (ii) NCB contracts identified in the procurement plan and over \$100,000; and (iii) all contracts awarded on direct-contracting basis or for procurement from United Nations agencies; (c) for Consulting Services: (i) All contracts for hiring firm estimated to cost \$100,000 per contract or more; (ii) for all contracts awarded on CQS basis, qualifications of shortlisted consultants; (iii) Qualifications of proposed pool of consultants, if the pools are used for hiring firms or contracts above US\$50,000 for hiring individuals; (iv) All TORs for hiring firms and individuals; and (v) all contracts for hiring firms and individuals on sole-source basis.
2. 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, this Section, and such additional instructions as the Association shall 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 Association and as made applicable to this Agreement pursuant to such instructions) to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
  
2. (a) The following table specifies the Eligible Expenditures that may be financed out of the proceeds of the Grant, the allocations of the amounts of the Grant for each Category of the Project, and the percentage of expenditures to be financed:

<u>Category</u>	<b>Amount of the Grant Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (Inclusive of Taxes)</b>
(1) Goods, Works , and Consultant’s Services under Parts A, B.2, B.3, C, D, E, F and G of the Project	20,600,000	100%
(2) Goods, Works, and Consultant’s Services under Part B.1 of the Project	400,000	6%
(3) Goods, Works, Consultant’s Services, Training and Operating Costs under Part H of the Project	2,400,000	100%
(4) Preparation Advance	2,400,000	Amount payable pursuant to Section 2.07 of the General Conditions
(5) Unallocated		

	3,700,000	
<b>TOTAL</b>	<b>29,500,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawals shall be made:
  - (a) for payments made prior to the date of this Agreement;
  - (b) under Category 1, unless the Recipient had issued and adopted the Operational Manual, including financial management, accounting procedures, procurement, and disbursement annexes, in form and substance satisfactory to the Association; and
  - (c) without limitation to the provisions of paragraph B.1 (b) of this Section, no more than the equivalent of five million Dollars (US\$5,000,000), can be disbursed from the Grant Account until the condition referred to in paragraph B.1 (b) of this section has been complied with by the Recipient in terms and conditions acceptable to the Association.
2. The Closing Date is June 30, 2014.

**Section V. Other Undertakings**

**A. Establishment of the Infrastructure Implementation Unit**

The Recipient shall, not later than twelve (12) months following the Effective Date, establish the IIU with a structure, functions and staffing acceptable to the Association.

**B. Memorandum of Understanding**

The Recipient shall, not later than twelve (12) months following the Effective Date, enter into a memorandum of understanding with MPW and MOF in form and substance satisfactory to the Association, including, *inter alia*, allocation of responsibilities for Project implementation, obligations to provide technical support for the Project, as well as obligations to monitor and evaluate the technical implementation of the Project.

**C. Staff for the Special Implementation Unit**

The Recipient shall: (a) not later than three (3) months following the Effective Date, hire within the SIU a social scientist with qualifications and experience, and pursuant to terms of reference, satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to this Agreement; and (b) not later than one (1) month following the Effective Date, hire within the SIU a senior procurement specialist with qualifications and experience, and pursuant to terms of reference, satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to this Agreement;

**D. Project Auditors**

The Recipient shall, not later than six (6) months following the Effective Date, hire the external auditors for the Project referred to in paragraph B.1 (c) of Section II of Schedule 2 to this Agreement with qualifications and experience, and pursuant to terms of reference, satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to this Agreement.

## APPENDIX

### Section I. Definitions

1. “Affected Persons” means persons who, on account of an involuntary taking of land under the Project, had or would have their: (a) standard of living adversely affected; or (b) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (c) access to productive assets adversely affected, temporarily or permanently; or (d) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently; and “Affected Person” means any of the Affected Persons.
2. “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.
3. “Annual Work and Budget Plan” means a plan prepared and presented to the Association by the Recipient pursuant to paragraph D of Section 1 of Schedule 2 to this Agreement.
4. “Category” means a category set forth in the table in paragraph A.2 of Section IV of Schedule 2 to this Agreement.
5. “Co-financier” means the Liberia Reconstruction Trust Fund, referred to in paragraph 10 of the Appendix to the General Conditions.
6. “Co-financing” means an amount of nine million two hundred thousand Dollars (US\$9,200,000), to be provided by the Co-financier to assist in the financing of the Project.

7. “Co-financing Agreement” means the agreement to be entered into between the Recipient and the Co-financier providing for the Co-financing.
8. “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.
9. “Environmental Management Plan” and the acronym “EMP” mean a plan, approved by the Association for the Project, to be prepared by the Recipient after carrying out the environmental and social assessment of the areas of Project, referred to in paragraph C(a) of Section I of Schedule 2 to this Agreement, proposing appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental and resettlement 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.
10. “EPA” means the Recipient’s Environmental Protection Agency.
11. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
12. “Infrastructure Implementation Unit” or “IIU” means the unit established within MPW with a composition and role described in paragraphs A.1 and A.2 of Section I of Schedule 2 to this Agreement.
13. “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 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.
14. “Memorandum of Understanding” or “MOU” is the agreement referred to in paragraph B of Section V of Schedule 2 to this Agreement, to be entered into between MPW and MOF setting out the respective obligations of the parties with respect to Project implementation activities, including the financial management and, procurement arrangements.
15. “MOF” means the Recipient’s Ministry of Finance.

16. “MPW” means the Recipient’s Ministry of Public Works.
17. “Operating Costs” means reasonable recurrent Project expenditures, based on an annual budget previously approved by the Association, that would not have been incurred by the Recipient absent the Project, including: (a) office equipment and supplies; (b) office utilities and reasonable communications expenses; (c) office rental expenses; (d) Project’s vehicles maintenance costs, fuel and spare parts; (e) travel expenses and per diems for official Project staff (excluding salaries of Recipient’s civil servants); and (f) operation and maintenance of office equipment, financed with the proceeds of the Financing, all needed for the implementation and supervision of the Project.
18. “Operational Manual” means the manual referred to in paragraph F of Section I of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes and schedules to the Operational Manual.
19. “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 October 9, 2008 and on behalf of the Recipient on October 24, 2008.
20. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
21. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated March 2, 2009 and 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.
22. “Project Financial Management Unit” and the acronym “PFMU” mean the Project Financial Management Unit established within the Recipient’s Ministry of Finance with a composition and role described in paragraphs B.5 and B.6 of Section I of Schedule 2 to this Agreement.
23. “Resettlement Action Plan” means a plan, approved by the Association for Part C of the Project, to be prepared by the Recipient after carrying out an environmental and social assessment pursuant to paragraph C (a) of Section I of Schedule 2 to this Agreement, for land acquisition, resettlement and compensation of Affected Persons in connection with Part C of the Project, as the same may be amended from time to time with the agreement of the Association.



24. “Special Implementation Unit” and the acronym “SIU” means the unit established within MPW with a composition and role described in paragraphs A.1 and A.2 of Section I of Schedule 2 to this Agreement.
25. “Training” means reasonable expenditures, based on an annual budget previously approved by the Association, (other than those for consultants’ services) incurred by the Recipient, to finance transportation costs and per diem of trainers and trainees, workshops, rental of training facilities and acquisition of training equipment and material needed for the implementation and supervision 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 2.07 is modified to read as follows:

“Section 2.07. *Refinancing Preparation Advance*

If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Association or the Bank (“Preparation Advance”), the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Financing Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Association shall pay the amount so withdrawn to itself or the Bank, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.”

2. Paragraph (1) of Section 6.02 is modified to read as follows:

“Section 6.02. *Suspension by the Association*

... (1) *Ineligibility*. The Association or the Bank has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by the Association or the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Association or the Bank, as a result of a determination by the Association or the Bank that the

Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Association or the Bank.”

3. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

“‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”