



GRANT NUMBER D8380-SL

Financing Agreement

(Accountable Governance for Basic Service Delivery Project)

between

REPUBLIC OF SIERRA LEONE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION



GRANT NUMBER D8380-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 seven million nine hundred thousand Special Drawing Rights (SDR 27,900,000) (“Grant”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Grant 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 Conditions of Effectiveness consist of the following, namely that the Recipient has:

- (a) prepared and adopted a Project Implementation Manual (“PIM”) in form and substance satisfactory to the Association; and
- (b) established a Project Management Unit (“PMU”) within its Ministry of Finance with a composition and mandate satisfactory to the Association.

4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

4.03. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty 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:

Email: fsecretary@mof.gov.sl

Facsimile: +232 22 229 060

5.03. For purposes of Section 11.01 of the General Conditions:

- (a) The Association’s address is:

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

- (b) the Association’s Electronic Address is:

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

AGREED as of the Signature Date.

REPUBLIC OF SIERRA LEONE

By



Authorized Representative

Hon. Dennis K Vandi

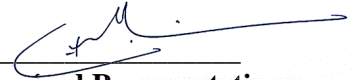
Name: _____

Title: _____
MINISTER

Date: _____
29-Jul-2021

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Gayle Martin

Name: _____

Title: _____
Country Manager

Date: _____
30-Jun-2021

SCHEDULE 1

Project Description

The objective of the Project is to improve resource management, transparency, and accountability of government systems for enabling the delivery of local development projects and basic services.

The Project consists of the following parts:

Part 1: Systems and Skills for Local Services Delivery

1. Strengthening the Recipient's key public financial management (PFM) functions to support basic service delivery at the central and local levels, including: (a) enhancing the linkages between the District Development Plans and national/sectoral planning; (b) operationalizing District Development Coordination Committees to improve the convening and coordination role of local councils in working with local level basic services stakeholders for more efficient resource allocation; (c) strengthening budget execution through: (i) streamlining and automating procedures covering budget allocation and expenditure authorization for local councils; (ii) strengthening record management system; and (iii) enhancing monitoring and support from central level; (d) providing local councils with an updated chart of accounts and an upgraded financial management system to ensure transparent local council financial reporting and timely issuance of financial statements; (e) strengthening internal control and internal audit functions through establishment, training and operationalization of Audit Committees; updating the internal audit manual for local councils; and developing training packages for internal auditors covering service delivery and other related local level matters; and (f) supporting the decentralization of the Public Investment Program (PIP) for local councils and communities through the: (i) development of guidelines, templates and related guidance for the preparation of the PIP; (ii) implementation of an automated project database for local councils; and (iii) development and implementation of initiatives to promote and facilitate the participation of private sector in public investment and capital projects across all local councils.
2. Increase transparency and accountability in government procurement systems through implementation of e-GP Procurement (e-GP) through, *inter alia*: (a) preparation and implementation of an action plan to include change management, roll-out, and adoption of e-GP in key priority sectors of education and health; (b) mainstreaming e-GP and its operationalization through increased percentage of procurement transactions in the health and education sectors using the e-GP system; (c) carrying out e-GP awareness and sensitization; (d) providing change management support, including staffing of the e-Procurement Directorate in the NPPA; and (e) providing e-GP training and capacity building.
3. Improve the capacity of key technical and fiduciary staff at local councils through, *inter alia*: (a) the development and roll-out of a comprehensive training schedule for fiduciary staff on key PFM functions in local councils and other local stakeholders; (b) provision of support to the LGSC to: (i) prepare a roadmap for improved management and capacity building of core technical staff in local councils; and (ii) develop standardized defined roles, responsibilities and reporting requirements for core local council staff positions; and (c) support improved human resource records on core local council staff profiles for informing key administrative decisions and career management.
4. Improve external oversight of local government including through: (a) strengthening the capacity of Audit Service Sierra Leone (ASSL) by: (i) implementing an audit management information

system to support a more efficient audit process; (ii) conducting performance audits in identified key areas of local service delivery and recommending areas for improvement; and (iii) developing and implementing a citizen engagement strategy for ASSL; and (b) strengthening the capacity of the Public Accounts Committee Secretariat to carry out its functions.

Part 2: Local Development Financing

1. Provision of Development Grants to District Councils: (a) to implement selected Subprojects; and (b) for meeting eligibility criteria linked to their institutional functioning.
2. Supporting a more effective system for financing local councils including through developing: (a) a renewed inter-governmental fiscal transfer system in accordance with the principles of the proposed fiscal decentralization policy; and (b) a revenue mobilization strategy at every District Council and related improvements in the relevant systems, procedures, tools, and internal controls.
3. **Contingent Emergency Response.** Provision of immediate response to an Eligible Crisis or Emergency, as needed.

Part 3: Integrated data platforms for monitoring and accountability

1. Support the improvement of the District Councils' monitoring and reporting including through, *inter alia*, the development of digitized standard operating procedures/tools, monitoring and evaluation systems, and an operational plan that focuses on standardizing the management of data flows between the National Monitoring and Evaluation Management Information System (NaMEMIS), district councils and community structures; and supporting communication and outreach interventions to promote community engagement in basic services delivery and inform local decision making.
2. Provision of support to local councils to obtain data for overseeing and protecting the distribution of key critical inputs in the health and education supply chain, including through designing and rolling-out innovative digital and offline/online data platforms, including GIS-tagging, to facilitate a more robust supply chain of: (a) textbooks; (b) teaching and learning materials; (c) drugs; and (d) medical supplies and equipment.
3. Support the demonstration effect of using data platforms for results reporting and decision-making at the local level to support the development and operationalization of the NaMEMIS including: (a) strengthening collaboration of NaMED and Directorate of Science, Technology and Innovation on their capacity to deliver simplified and automated data platforms that support monitoring and accountability; (b) linking data platforms used by local councils and ministries, departments, and agencies (MDAs) to NaMEMIS to ensure that development decisions at the local level are linked to the National Development Plan; (c) publication of regular monitoring reports to promote transparency; and (d) supporting NaMED's engagement with local councils, community groups, and beneficiaries to evaluate the usefulness and impact of data.

Part 4: Project management and implementation support

Provision of support for Project management including the costs associated with:

- (a) establishing the Project Management Unit (PMU) including the PMU's capacity for:
(i) technical, fiduciary, and safeguards; (ii) monitoring and evaluation; (iii) digital data, communication and outreach; and (iv) establishing a grievance response mechanism; and
- (b) the Ministry of Finance's collaboration with other central and local agencies participating in the Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. *Project Management Unit*

The Recipient shall:

- (a) establish and thereafter maintain at all times throughout Project implementation, a Project Management Unit (PMU) within the Ministry of Finance, to be responsible for the day-to-day implementation and coordination of the Project;
- (b) maintain within the PMU, at all times during the implementation of the Project, key staff including a Project coordinator, an environmental specialist, a social and gender specialist, a monitoring and evaluation specialist, a communication specialist and an operations specialist, all to be hired on a competitive basis, with experience, qualifications, and terms of reference satisfactory to the Association;
- (c) not later than three (3) months after the Effective Date, recruit on a competitive basis and thereafter maintain throughout implementation of the Project, a financial management specialist, a procurement specialist and a financial management officer, with experience, qualifications, and terms of reference satisfactory to the Association; and
- (d) establish and maintain throughout Project implementation, a Grants Management Team within the PMU, with functions, staffing and resources satisfactory to the Association, to be responsible for managing and coordinating the activities required under Part 2.1 of the Project and ensuring Subprojects' technical quality and compliance with safeguards and fiduciary requirements.

2. *Project Fiduciary Management Unit*

- (a) The Recipient shall maintain at all times throughout Project implementation, a Project Fiduciary Management Unit (PFMU) within the Ministry of Finance with functions, staffing and resources satisfactory to the Association.
- (b) Without limitation on the foregoing the PFMU shall be responsible for procurement, financial management, and internal audit under the Project, including: (i) preparing and reviewing procurement plans and procuring of goods, works and consultants services to be financed out of the Financing in accordance with the provisions of this Agreement; (ii) maintaining a financial management system and preparing financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Project; (iii) having such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; and (iv) preparing and submitting withdrawal applications

to the Association and operating the designated account for the Project, all in accordance with the provisions of this Agreement and of the PIM.

3. *Project Steering Committee*

- (a) The Recipient shall not later than one (1) month after the Effective Date, establish and thereafter maintain throughout Project implementation, a Project Steering Committee (PSC), responsible for overseeing the Project, approving Annual Work Plans and Budget, reviewing Project progress reports, and ensuring that Project objectives are being met.
- (b) Without limitation on the foregoing, the PSC shall be chaired by the Minister of Finance or his/her designee, and shall comprise representatives of targeted ministries, MoPED, Office of the Chief Minister NaMED, DSTI, MoLG, LoCASL and other relevant agencies in charge of executing the Project's activities..

B. Other Arrangements

1. *Project Implementation Manual (PIM)*

- (a) To facilitate the efficient implementation of the Project, the Recipient shall prepare and adopt a Project Implementation Manual (PIM) in form and substance satisfactory to the Association.
- (b) The Recipient shall carry out the Project in accordance with the PIM; provided, however, that in case of any conflict between the provisions of the PIM and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (c) The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the PIM or any of its provisions without prior approval in writing by the Association.

2. *Development Grants*

- (a). The Recipient shall provide Development Grants to eligible Beneficiaries for the implementation of eligible sub-projects in accordance with the eligibility and selection criteria and procedures acceptable to the Association and elaborated in the Grants Manual, and make no payments of any Development Grants to any Grant Beneficiary unless and until the conditions for such payment, as set out in this agreement, the Grants Manual and each respective Sub-grant Agreement, are satisfied.
- (b). The Recipient shall make each Development Grant under a Sub-grant Agreement with the respective Beneficiary on terms and conditions approved by the Association, which shall include *inter alia* the following:
 - (i) The Recipient shall obtain rights adequate to protect its interests and those of the Association;
 - (ii) The amount of the Development Grant provided to the Beneficiary, the description of the activities to be implemented by the Beneficiary and financed by such Grant ("Sub-project");

- (iii) The right of the Recipient to suspend or terminate the right of the Beneficiary to use the proceeds of the Development Grant, or obtain a refund of all or any part of the amount of the Development Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Sub-grant Agreement; and
 - (iv) The requirement that each Beneficiary shall:
 - (AA) carry out the Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; provide, promptly as needed, the resources required for the purpose;
 - (BB) procure the goods and services to be financed out of the Development Grant in accordance with the Procurement Regulations;
 - (CC) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Sub-project and the achievement of its objectives;
 - (DD) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect its operations, including the operations, resources and expenditures related to the Sub-project; and at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association, and permit the Association to make such statements as so audited available to the public, along with the Grant Agreement;
 - (EE) enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents; and
 - (FF) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.
3. The Recipient shall exercise its rights and carry out its obligations under each Sub-grant Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Grant. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Sub-grant Agreement or any of its provisions.

3. *Annual Work Plans and Budgets*

The Recipient shall:

- (a) 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 the 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 amounts and sources of financing; except for the annual work plan and budget for the Project for the first year of Project implementation, which shall be furnished no later than three (3) months after the Effective Date. Only the activities included in an annual work plan and budget expressly approved by the Association (each an “Annual Work Plan and Budget”) are eligible for financing from the proceeds of the Grant;
- (b) 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; and
- (c) not make or allow to be made any material change to the approved Annual Work Plan and Budget without prior approval in writing by the Association.

C. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 2.3 of the Project (“Contingent Emergency Response Part”), the Recipient shall ensure that:

- (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Grant amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
- (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
- (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
- (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.

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

D. Environmental and Social Standards

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. 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 deem to be considered an amendment of the ESCP); and (b) thereafter, carry out, or cause to be carried out (as the case may be), 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 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 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 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.

Section II. Project Monitoring, Reporting and Evaluation

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

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 Grant to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services Training and Operating Costs under the Project (except under	16,042,500	100%

Parts 2.1 and 2.3 of the Project)		
(2) Development Grants under Part 2.1 of the Project	11,857,500	100%
(3) Emergency Expenditure under Part 2.3 of the Project	0	100%
TOTAL AMOUNT	27,900,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date;
 - (b) under Category (2) unless and until the Recipient has prepared a Grants Manual in form and substance satisfactory to the Association; and
 - (c) under Category (3), unless and until all of the following conditions have been met in respect of said expenditures:
 - (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 CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.
2. The Closing Date is July 30, 2027.

Section IV. Other Undertakings

1. The Recipient shall, no later than two (2) months after the Effective Date, install an accounting software within the PFMU in form and substance satisfactory to the Association.
2. The Recipient shall, no later than three (3) months after the Effective Date: (a) recruit and thereafter maintain throughout the implementation of the Project an internal auditor, who will be part of the PMU staff, with qualifications, experience and terms of reference satisfactory to the association; and (b) develop an internal audit plan satisfactory to the Association.

APPENDIX

Section I. Definitions

1. “Annual Work Plan and Budget” means the annual work plan and budget to be prepared by the Recipient including a program of activities and budget proposed for inclusion in the Project during the following Fiscal Year, as described in Section I.B.3 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. “Audit Committees” means the committees established at the request of the Director of the Internal Audit Department of the Ministry of Finance under Section 76 of the Public Financial Management Act of 2016.
4. “Audit Service Sierra Leone” or “ASSL” means the Recipient’s audit service established and operating pursuant to the Audit Service Act, 1998; or its legal successor.
5. “Beneficiary” means a Rural District Council to which the Recipient has extended or intends to extend a Development Grant under a Sub-grant Agreement for the implementation of a Sub-project. “Beneficiaries” mean the plural thereof.
6. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
7. “CERC Manual” means the manual referred to in Section I.C.1(a) of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Project Implementation Manual.
8. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 2.3 of the Project to respond to an Eligible Crisis or Emergency.
9. “Development Grant” means a grant to be made available to a Beneficiary under a Sub-grant Agreement to finance the cost of any given Sub-project.
10. “Directorate of Science, Technology and Innovation” or “DSTI” means the Recipient’s agency responsible for utilizing science, technology and innovation to support the Recipient’s government in delivering on its national development plans or its successor.
11. “District Council” means the administrative units established by the Recipient at the District level in accordance with the Local Government Act, 2004.
12. “District Development Coordination Committee” means the district development coordination structure established in the Local Councils of the Districts pursuant to the National Decentralization Policy and Local Government Act 2004; and “District Development Coordination Committees” means the plural thereof.
13. “District Development Plans” means the multi-year district development plans aligned with the Recipient’s National Development Plan.

14. “e-Government Procurement” or “e-GP” means the Recipient’s transactional information procurement system for carrying out public procurement.
15. “e-Procurement Directorate” means the Recipient’s unit within the National Public Procurement Authority responsible for the regulation of eG-procurement or public procurement.
16. “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.
17. “Emergency Action Plan” means the plan referred to in Section I.C.1(b), detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency
18. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.C.1(a) of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
19. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated May 4, 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.
20. “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.
21. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020).
22. “GIS-tagging” means the method of tagging of various location using a geographic information system.
23. “Grants Management Team” means the team established within the PMU and referred to in Section I.A.1(d) of Schedule 2 to this Agreement.

24. “Grants Manual” means the manual referred to in Section I.B.2.(a) of Schedule 2 to this Agreement, including: (a) eligibility and selection criteria for Development Grant Beneficiaries; (b) eligible Sub-projects to be financed out of the Development Grants, including a negative list of excluded sub-projects; and (c) a model Sub-grant Agreement for the Development Grants; as said manual may be amended from time to time with the Association’s prior written concurrence.
25. “Local Government Service Commission” or “LGSC” means the Recipient’s commission responsible for providing regulatory, performance management and management functions to the decentralized system government, and established pursuant to the Local Government Act, No. 1 2004; or its successor.
26. “Local Council” or “LC” means a local council established and operating pursuant to the Local Government Act No. 1 of 2004 of the laws of the Recipient, as amended from time to time, and any successor thereto, and “Local Councils” or “LCs” means the plural thereof, collectively, all such Local Councils.
27. “LoCASL” means Local Councils Association of Sierra Leone.
28. “MoLG” means the Recipient’s Ministry of Local Government and Rural Development; or its legal successor.
29. “MoPED” means the Recipient’s Ministry of Planning and Economic Development; or its legal successor.
30. “NaMED” means the Recipient’s National Monitoring and Evaluation Directorate; or its legal successor.
31. “National Decentralization Policy” means the Recipient’s policy for the devolvement of central government functions to local authorities dated August 2020, as the same may be amended from time to time.
32. “National Development Plan” means the Recipient’s Medium-term National Development Plan for 2019-2023, as the same may be amended from time to time.
33. “National Monitoring and Evaluation Management Information System” or “NaMEMIS” means the Recipient’s national automated monitoring and evaluation system.
34. “National Public Procurement Authority” or “NPPA” means the Recipient’s regulatory authority responsible for public procurement, established and operating pursuant to Section 3 of the Public Procurement Act 2016 (Act No. 1); or its legal successor.
35. “Operating Costs” means the incremental expenses incurred on account of Project implementation, based on the Annual Work Plan and Budget approved by the Association pursuant to the provisions of Section I.B.3 of Schedule 2 to this Agreement, and consisting of expenditures for office supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, rental, consumables, accommodation, travel and *per diem*, and salaries of PMU Project staff, but excluding the salaries of the Recipient’s civil service.
36. “PFMU Financial Management Procedures and Control Manual” means the manual referenced in the PIM, which outlines the policies and procedures for the execution of the functions of the PFMU.

37. “Public Accounts Committee” mean the committee in the Recipient’s parliament responsible for studying public audits, established and operating pursuant to the Constitution of the Republic of Sierra Leona (Act Number 6 of 1991), or its successor.
38. “Public Accounts Committee Secretariat” means the secretariat established to support the Public Accounts Committee or its successor.
39. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
40. “Project Fiduciary Management Unit” or “PFMU” means the unit established under the Ministry of Finance and referred to in Section I.A.2 of Schedule 2 to this Agreement.
41. “Project Implementation Manual” or “PIM” means the manual referred to in Section I.B.1 of Schedule 2 to this Agreement, containing detailed arrangements and procedures for implementation of the Project, including *inter alia*: (i) disbursement and flow of funds arrangements; (ii) institutional arrangements; (iii) fiduciary arrangements, including financial management, procurement, and anti-corruption referencing the PFMU Financial Management Procedures and Control Manual and supplementing it, as required, for project unique fiduciary matters; (iv) environmental and social management systems and the Project grievance redress mechanism; (v) monitoring and evaluation, reporting and communication; and (vi) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.
42. “Project Management Unit” or “PMU” means unit established under the Ministry of Finance and referred to in Section I.A.1 of Schedule 2 to this Agreement.
43. “Project Steering Committee” or “PSC” means the committee referred to in Section I.A.3 of Schedule 2 to this Agreement.
44. “Public Investment Program” or “PIP” means all of the Recipient’s ongoing or new projects under implementation which are included in the Recipient’s present or preceding financial years’ budgets, as defined in Section 35 of the Public Financial Management Act, 2016.
45. “Public Procurement Act” means the Recipient’s law for public procurement, dated 2016 Act, No. 10, as the same may be amended from time to time.
46. “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 Grant Agreement” in the General Conditions.
47. “Sub-grant Agreement” means an agreement between the Recipient and the Beneficiary for the purpose of providing the Beneficiary with a Development Grant to carry out a Sub-project.
48. “Sub-project” means activities to be implemented by the Beneficiary and to be financed from the Development Grant, including: (a) investments in social infrastructure for health, education, water and sanitation, such as rehabilitation and/or construction of classrooms and primary care buildings; and (b) general infrastructure investments such as the rehabilitation of rural markets or the construction of community storage facilities.
49. “Training” means the training provided under the Project, including seminars, workshops,

knowledge sharing activities and study tours, and covers the following costs associated with such activity (other than those for consultants' services) travel and subsistence expenditures and other travel-related allowances for training participants such as *per diems* and reasonable accommodation costs, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation, all based on periodic budgets acceptable to the Association.