

Public Disclosure Authorized

OFFICIAL DOCUMENTS

GRANT NUMBER D260-SL

Financing Agreement

(Supplemental Development Policy Financing for the
Productivity and Transparency Support Credit)

between

THE REPUBLIC OF SIERRA LEONE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

GRANT NUMBER D260-SL

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between the REPUBLIC OF SIERRA LEONE ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing supplemental financing in support of the Program (as defined in the Appendix to this Agreement). The Association has decided to provide this financing on the basis, *inter alia*, of: (i) the actions which the Recipient has already taken under the Program and which are described in Section I.A of Schedule 1 to the Original Financing Agreement (as defined in the Appendix to this Agreement); and (ii) the Recipient's maintenance of an adequate macroeconomic policy framework. The Recipient and the Association therefore 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, deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement, in an amount equivalent to seven million two hundred thousand Special Drawing Rights (SDR 7,200,000) ("Financing").
- 2.02. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.03. The Payment Dates are January 15 and July 15 in each year.
- 2.04. The Payment Currency is Dollar.
- 2.05. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Recipient shall promptly furnish to the Association such information relating to the provisions of this Article II as the Association may, from time to time, reasonably request.

ARTICLE III — PROGRAM

- 3.01. The Recipient declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions:
- (a) the Recipient and the Association shall from time to time, at the request of either party, exchange views on the Recipient's macroeconomic policy framework and the progress achieved in carrying out the Program;
 - (b) prior to each such exchange of views, the Recipient shall furnish to the Association for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Association shall reasonably request; and
 - (c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, the Recipient shall promptly inform the Association of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program, including any action specified in Section I.A of Schedule 1 to the Original Financing Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION]

- 4.01. The Additional Event of Suspension consists of the following, namely that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

ARTICLE V — EFFECTIVENESS

- 5.01. The Additional Condition of Effectiveness consists of the following, namely that the Association is satisfied with the progress achieved by the Recipient in carrying out the Program and with the adequacy of the Recipient's macroeconomic policy framework.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is minister responsible for finance.
- 6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:

Ministry of Finance and Economic Development
Treasury Building
George Street
Freetown, Sierra Leone; and

(b) the Recipient's Electronic Address is:

Facsimile: 232 22 228 472

6.03. 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

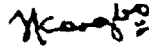
(b) the Association's Electronic Address is:

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

AGREED as of the Signature Date.

REPUBLIC OF SIERRA LEONE

By:



Momodu L. Kargbo
Minister of Finance and Economic Development

Date: 11/2/17

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Parminder P.S. Brar
Country Manager for Sierra Leone

Date: 11/2/17

SCHEDULE 1

Availability of Financing Proceeds

Section I. Availability of Financing Proceeds

- A. General.** The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of this Section and such additional instructions as the Association may specify by notice to the Recipient.
- B. Allocation of Financing Amounts.** The Financing is allocated in a single withdrawal tranche, from which the Recipient may make withdrawals of the Financing proceeds. The allocation of the amounts of the Financing to this end is set out in the table below:

Allocations	Amount of the Financing Allocated (expressed in SDR)
(1) Single Withdrawal Tranche	7,200,000
TOTAL AMOUNT	7,200,000

- C. Withdrawal Tranche Release Conditions.** No withdrawal shall be made of the Single Withdrawal Tranche unless the Association is satisfied: (a) with the Program being carried out by the Recipient; and (b) with the adequacy of the Recipient's macroeconomic policy framework.
- D. Deposits of Financing Amounts.** Except as the Association may otherwise agree:
1. The Recipient shall open, prior to furnishing to the Association the request for withdrawal from the Financing Account, a dedicated foreign exchange account in the Bank of Sierra Leone (the "Dedicated Account") All withdrawals from the Financing Account shall be deposited by the Association into the Dedicated Account.
 2. The Recipient shall ensure that within two (2) days after the deposit of the amount of the Financing into the Dedicated Account, an equivalent amount in Leones is transferred into the Consolidated Fund, and such amount is accounted for in the Recipient's budget management system, in a manner acceptable to the Association.
 3. Within thirty (30) days after deposit of the amount of the Financing into the Dedicated Account, provide to the Association written certification by the Financial Secretary of the Recipient's Ministry of Finance and Economic Development of: (a) the receipt of such amount from the Financing Account into the Dedicated Account, and (b) receipt of an equivalent amount in Leones from the Dedicated Account into the Consolidated Fund, including the number of said

accounts, the dates of receipt and the exchange rate applied to translate the currency of the deposit into Leones.

E. Audits. The Recipient shall:

1. Provide to the Association, within one month after submission to Parliament as required by the Public Financial Management Act 2016, the Auditor-General's annual report and audited accounts of the Consolidated Fund for Fiscal Year 2017.
2. Ensure that the annual financial statements of the Bank of Sierra Leone, as audited in accordance with international standards on audits promulgated by the International Federation of Accountants, are made publicly available through posting on the public website of the Bank of Sierra Leone.
3. Have the Dedicated Account audited at the request of the Association by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards and with terms of reference acceptable to the Association; and furnish to the Association as soon as available, but in any case not later than six months after the Financing is deposited into the Dedicated Account pursuant to paragraph D.1 above, a certified copy of the report of such audit, of such scope and in such detail as the Association shall reasonably request.
4. Furnish to the Association such other information concerning the said accounts and their audit as the Association shall reasonably request.

F. Closing Date. The Closing Date is June 30, 2018.

APPENDIX

Definitions

1. "Consolidated Fund" means the account for the Consolidate Fund as defined in the Recipient's Public Financial Management Act 2016, and described in Article 46 thereof.
2. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Development Policy Financing", dated July 14, 2017.
3. "Original Financing Agreement" means the Financing Agreement dated July 7, 2017 between the Recipient and the Association in respect of the Program (Credit Number 6112-SL; Grant Number D218-SL).
4. "Program" means the program of actions, objectives and policies designed to achieve sustainable and inclusive economic development set forth or referred to in the letter dated May 30, 2017, from the Recipient to the Association declaring the Recipient's commitment to the execution of the Program, and requesting assistance from the Association in support of the Program during its execution.
5. "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.
6. "Single Withdrawal Tranche" means the amount of the Financing allocated to the category entitled "Single Withdrawal Tranche" in the table set forth in Part B of Section II of Schedule 1 to this Agreement.