
PFMRISP GRANT NUMBER TF0B3178
GRANT NUMBER D5060-LR

*Public Financial Management Reforms for
Institutional Strengthening Project
Multi-Donor Trust Fund*
Grant Agreement
(Additional Financing for Public Financial Management Reforms
for Institutional Strengthening Project)

between

REPUBLIC OF LIBERIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

(acting as administrator of the Public Financial Management Reforms for
Institutional Strengthening Project Multi-Donor Trust Fund)

PFMRISP GRANT NUMBER TF0B3178

**PUBLIC FINANCIAL MANAGEMENT REFORMS FOR INSTITUTIONAL
STRENGTHENING PROJECT MULTI-DONOR TRUST FUND
GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF LIBERIA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Bank”), acting as administrator of the Public Financial Management Reforms for Institutional Strengthening Project Multi-Donor Trust Fund for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement).

The Recipient and the Bank hereby agree as follows:

**Article I
Standard Conditions; Definitions**

- 1.01. The Standard 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 Standard Conditions or in the Appendix this Agreement.

**Article II
The Project**

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out Parts: 1.2(a)(ii), (a)(iii) and (b); 2.1; and 2.3(b) of the Project in accordance with the provisions of Article II of the Standard Conditions and, Schedule 2 to this Agreement.

**Article III
The Grant**

- 3.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed one million nine hundred eighty-five thousand United States Dollars (\$1,985,000) (“Grant”) to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.

- 3.03. The Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the donor to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donor under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Recipient's Representative; Addresses

- 4.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its minister responsible for finance and development planning.

- 4.02. For purposes of Section 7.01 of the Standard Conditions:

- (a) the Recipient's address is:

Minister of Finance and Development Planning
Ministry of Finance and Development Planning
Broad Street
1000 Monrovia 10
Republic of Liberia; and

- (b) the Recipient's Electronic Address is:

E-mail:
dtweah@mfdp.gov.lr

- 4.03. For purposes of Section 7.01 of the Standard Conditions:

- (a) the Bank's address is:

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

- (b) the Bank's Electronic Address is:

Telex:	Facsimile:
248423 (MCI) or 64145 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF LIBERIA

By



Authorized Representative

Name: Samuel D. Tweah Jr.

Title: Minister of Finance and Development Planning

Date: 04-Sep-2020

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of the Public Financial Management
Reforms for Institutional Strengthening Project Multi-Donor
Trust Fund)

By



Authorized Representative

Name: Khwima Nthara

Title: Country Manager, Liberia

Date: 13-Aug-2020

SCHEDULE 1

Project Description

The objectives of the Project are to improve domestic revenue mobilization systems, and strengthen financial control and accountability in public finances.

The Project consists of the following parts:

Part 1: Enhancing Domestic Revenue Mobilization Sources and Systems

1. *Supporting the Recipient's efforts in improving its tax policy* including: (a) conducting analytical work on the new tax policy measures, including the Value Added Tax (VAT) regime in preparation for the replacement of the Goods and Services Tax with VAT; (b) strengthening the capacity of the Revenue and Tax Policy Division and the Liberia Revenue Authority in tax policy analysis; and (c) identification of associated IT equipment for the Revenue and Tax Policy Division all through the provision of technical advisory services and acquisition of goods.

2. *Strengthening the Recipient's capacity in tax administration and modernizing its tax administration system* including provision of technical advisory services, *inter alia*, to: (a) support: (i) a review of the internal tax system processes in preparation for the development of an integrated tax system (ITAS), (ii) the subsequent acquisition of an ITAS for the Liberia Revenue Authority, and (iii) the capacity development of select staff in ITAS management, including certification in accountancy and taxation; (b) develop the basic technological infrastructure for efficient tax administration; (c) provide training and other capacity building interventions to build staff and taxpayer skills and knowledge to manage the VAT as well as improvement of tax and customs systems interfaces with the IFMIS; (d) conduct diagnostic assessments on the Recipient's tax administration; (e) improve hardware and connectivity of existing systems such as the Local Area Network and Wide Area Network; (f) carry out the costing for, and validate the Domestic Resource Mobilization strategy; (g) develop a payment gateway which captures revenues collected from the Standard Integrated Government Tax Administration System (SIGTAS), Automated System for Customs Data (ASYCUDA) and other systems which facilitates reporting of this revenue through the Integrated Financial Management Information System (IFMIS); (h) roll-out of ASYCUDA customs system to at least five customs points; and (i) upgrading the customs and tax business offices, through the acquisition of goods.

Part 2: Stabilizing and Strengthening Performance of Financial Controls and Systems

1. *Supporting the Recipient's program to rollout IFMIS to 57 Ministries, Agencies and Commissions* to enable the Recipient to utilize IFMIS for financial and fiscal

reporting including: (a) developing an IFMIS strategy and conducting a study tour to provide lessons where the FreeBalance Version 7.0 has been successfully implemented; (b) expanding and enhancing IFMIS functionalities (including activation and use of the Budget Module, Asset and Inventory Management Module and Treasury and Cash Management Module; (c) establishing an IFMIS help desk; (d) developing and implementing IFMIS interfaces with other PFM systems, such as ASYCUDA, Integrated Tax Administration System (ITAS) and the revenue collection gateway, the aid information management system and the debt management system; (e) developing the interface between the Central Bank of Liberia and IFMIS to provide the necessary services including electronic funds transfer and automated payments; (f) promoting IFMIS connectivity; (g) providing partial support for disaster recovery of IFMIS and transition to national data center; and (h) initiating the rollout of the Electronic Document Management System;

2. *Supporting the Recipient in enhancing its Budget Framework* including *inter alia* through provision of technical advisory services for: (a) preparation of the Medium-Term Expenditure Framework (MTEF); and (b) provision of implementation and capacity building on gender responsive planning and budgeting, including through: (i) provision of training on Gender-budgeting; (ii) updating of the MTEF manual (including the incorporation of gender into economic models on which MTEFs are based); (iii) implementation of the national policy and annual work plan on gender responsive planning and budgeting; (iv) data collection disaggregated by gender in education, health, and agriculture; and (v) establishing the relevant indicators and baseline data.
3. *Supporting the Recipient's program for modernization of procurement systems in the public sector and improving the efficiency and oversight of public procurement* through provision of: (a) technical advisory services, *inter alia*, for: (i) reviewing and redesigning the existing procurement processes where applicable including the Recipient's Public Procurement Act (2010) (Procurement Act); (ii) developing a road-map for achieving an integrated e-procurement system; and (iii) conducting public awareness campaigns/outreach on any proposals to amend the Procurement Act and other potential procurement reforms; and (b) technical assistance for: (i) developing the capacity of the Recipient's Public Procurement and Concession Commission (PPCC), including provision of an Electronic Government Procurement Readiness Assessment (e-GP Readiness Assessment) and training for staff of PPCC; and (ii) facilitating the support of online publication of tenders, solicitation of bids, enhancement of vendor registration, and procurement functions.
4. *Supporting the Recipient's Open Data program* to enhance its accountability and transparency especially in the management, use and allocation of public resources including through provision of technical advisory services, *inter alia*, for: (a) collating, digitizing, and releasing existing development data to the public; (b) designing and developing an Open Data portal for the Recipient to enable

government agencies to download economic data; and (c) training Ministry of Finance and Development Planning (MFDP) officials and the broader population on budget and fiscal data to strengthen their data literacy skills.

Part 3: Improving Public-Sector Capacity for Enhanced Oversight and Accountability

1. Improve the various agencies and entities' capacity to oversee the use of public resources in particular:
 - (a) *strengthening the Recipient's Internal Audit Agency through provision of technical advisory services, inter alia, to:* (i) conduct a post-implementation review of the PENTANA internal audit and risk management software, and assist with the development of a capacity strategy based on recommendations from the review; (ii) develop and establish risk registers in the Ministries, Agencies and Commissions; (iii) support the rollout of the internal audit regulations; (iv) support professional certifications for auditors; (v) provision of training in IT audit skills; (vi) conduct professional certification training for internal auditors to become certified fraud examiners; (vii) provision of training to internal auditors on computer-assisted auditing techniques and software; and (viii) roll out of civil service management to improve the Internal Auditing Agency human resource and personnel's back office processes;
 - (b) *strengthening the Recipient's External Audit services* including: (i) provision of training to the General Auditing Commission (GAC) on best practices on forensic audits, (ii) developing a template for performance audits; and (iii) reviewing the GAC's legal framework to ensure the GAC's compliance with said legal framework;
 - (c) *strengthening the Recipient's Legislature* including: (i) provision of training and technical advisory services for strengthening the capacity of the Public Accounts Committee Secretariat to follow up on audit recommendations and conduct public hearings; and (ii) provision of training to the Public Accounts Committee Secretariat on software use for audit analyses; and
 - (d) *strengthening the capacity of civil society organizations and media institutions* to ensure transparency and accountability in the use of public finances through: (i) provision of training, including on budget matters and on the Freedom of Information Act; (ii) provision of technical support to the Non-State Actors (NSA) Secretariat; and (iii) Sub-grants to non-state actors to carry out Subprojects for ensuring transparency and accountability in the use of public finances.

2. *Promoting institutional capacity building* including: (a) provision of training and long terms advisors to the Reform Coordination Unit to support public financial management reforms; (b) conducting a public expenditure and financial accountability assessment and developing a new public financial management reform strategy and action plan; (c) professionalizing public procurement through provision of training in procurement and issuing the requisite certification and licensing; (d) establishing a graduate resource center and upgrading of teaching facilities at the University of Liberia to establish a master of business administration in public finance degree program; (e) professionalizing public procurement through the Public Procurement and Concession Commissions education in procurement, professional certification, licensing, and continuing professional development; (f) provision of technical advisory services to strengthen the Liberian Institute of Certified Public Accountants (LICPA) Secretariat and the Syllabi Integration Program; (g) facilitating Ministries, Agencies and Commissions (MACs) accountants to obtain LICPA professional accountancy training; and (h) conducting a study tour for LICPA executives on how other professional bodies are managed.

Part 4: Improving Upstream and Downstream PFM Systems in Selected Sectors

1. Strengthening the foundations for improved public financial management systems in the education and health sectors through provision of technical advisory services for, *inter alia*: (a) conducting a public expenditure tracking survey in both sectors and implementing the recommendation of the review to improve accountability and transparency in service delivery; and (b) designing, piloting and scaling up the Personnel Action Notice.
2. Implementing the Recipient's program for improving the public financial management systems in the health and education sector including: (a) promoting improved coordination in health planning and timeliness in financial reporting; (b) digitizing and consolidating all education personnel and payroll data into one single database within the CSM; (c) validating and cleaning up data to facilitate transition to the use of civil service management software; and (d) improving education service delivery through monitoring and tracking of teachers and education personnel using data collected by the county, district and the civil service.

Part 5: Project Management

Establishing and strengthening the capacity of the Project Management Unit (PMU) to carry out Project implementation activities, including: (a) the environmental and social safeguards aspects, monitoring and evaluation and reporting, change management and financing of the PMU Operating Costs; and (b) the recruitment of an IFMIS Project manager and a change management and capacity building officer.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Ministry of Finance and Development Planning

(a) The Recipient shall designate, at all times during the implementation of the Project, the MFDP to be responsible for the overall coordination and oversight of the Project.

(b) Project Management Unit

(i) Without limitation upon the provisions of paragraph (a) immediately above, the Recipient shall maintain at all times during the implementation of the Project, a Project Management Unit within MFDP with resources, terms of reference, mandate and staffing, acceptable to the Bank, including a project manager, a financial management specialist, a national procurement specialist, an IFMIS Project manager, a change management and capacity building officer, and for at least two (2) years hire and maintain an international procurement specialist all with terms of reference, experience and qualification, satisfactory to the Association.

(ii) The Project Management Unit shall be responsible for ensuring prompt and efficient day to day coordination, implementation, management and communication of Project activities and results, including: (A) monitoring and evaluation of Project activities; (B) liaising with other stakeholders on issues related to Project implementation; (C) providing administrative support to implementing agencies, all in accordance with the Project Implementation Manual; (D) preparing proposed annual work plans and budgets; (E) ensuring the implementation of the Annual Work Plan and Budget; and (F) preparing a detailed M&E Plan, all to the satisfaction of the Association.

(iii) The Project Management Unit shall work closely with the PFM Reform Coordination Unit and the Project Financial Management Unit.

2. **PFM Steering Committee**

- (a) Without limitation upon the provisions of paragraph 1 directly above, the Recipient shall maintain, at all times during the implementation of the Project, the PFM Steering Committee, with a composition, mandate, terms of reference and resources satisfactory to the Association, to be responsible for, *inter alia*: (i) providing strategic oversight and policy guidance on matters relating to the Project; (ii) resolving issues pending Project implementation; (iii) approving the Project's proposed annual work plan and budget and ensuring consistency with the Project Implementation Manual.
- (b) The PFM Steering Committee shall be chaired by the Minister for the MFDP and shall include in its membership, the Ministers of State, Minister of Justice, Director General of the Civil Service Agency, Auditor General, Executive Director of the Public Procurement and Concession Commission, Chair of the Project Technical Committee, Commissioner General of the Liberian Revenue Authority; Comptroller and Accountant General; and the Head of the PFM Reform Coordination Unit, NSA Coordinator, National Civil Society Council or their designees, and representatives of such other ministries or agencies the Recipient may deem necessary in consultation with the Association.
- (c) The PFM Steering Committee shall meet on a quarterly basis.

3. **Project Technical Committee**

- (a) Without limitation upon the provisions of the above paragraphs, the Recipient shall maintain, at all times during the implementation of the Project, a Project Technical Committee, with a composition, mandate, terms of reference and resources satisfactory to the Association, to be responsible for providing quality assurance on technical aspects of the Project and monitoring and coordinating the implementation of the Project's activities.
- (b) The Project Technical Committee shall be chaired by the Minister of Finance and Development Planning or his designee and shall include in its membership all component leads and alternate leads, including the leads of cross-cutting activities, and the heads of the PFM Reform Coordination Unit and the Project Management Unit.
- (c) The Project Technical Committee shall meet on a monthly basis.

4. **PFM Reform Coordination Unit**

Without limitation upon the provisions of above paragraphs, the Recipient shall maintain throughout the period of the Project implementation within its MFDP, the PFM Reform Coordination Unit, with mandate, composition and resources satisfactory to the Association, and supported by qualified and experienced staff in adequate numbers, to be responsible for the overall PFM program oversight and the relevant monitoring and evaluation.

5. **Project Financial Management Unit**

- (a) Without limitation upon the provisions of the paragraphs directly above, the Recipient shall maintain, at all times during the implementation of the Project, the Project Financial Management Unit, with a composition, mandate and resources satisfactory to the Association to be responsible for the day-to-day management of funds.
- (b) The Project Financial Management Unit shall be responsible for, *inter alia*: (i) the day to day management of funds and accounting; (ii) financial reporting for the Project; (iii) preparing the quarterly interim financial reports to be submitted to the Association forty-five (45) days after the end of each fiscal calendar quarter; (iv) laying down internal control procedures and processes to ensure that transactions are approved by appropriate personnel; and (v) submitting to the Association a six (6) month cash forecast as the basis for the initial disbursement.

B. Project Implementation Manual; NSA Sub-Grants Manual

- 1. The Recipient shall prepare and thereafter maintain, throughout implementation of the Project, the Project Implementation Manual, in accordance with terms of reference acceptable to the Association, which it shall furnish to the Association for review before adopting and which shall include provisions on the following matters: (i) arrangements on financial management, setting forth the detailed policies and procedures for financial management under the Project; (ii) the roles and responsibilities of stakeholders in the Project; (iii) procurement management procedures; (iv) institutional administration, coordination and day to day execution of Project activities; (v) monitoring and evaluation; (vi) reporting; (vii) information, education and communication of Project activities; (viii) DLIs and DLI Verification; (ix) Verification Protocol and (x) such other technical and organizational arrangements and procedures as shall be required for the Project.
- 2. The Recipient shall maintain, throughout project implementation, the NSA Sub-Grants Manual.

3. The Recipient shall ensure that the Project is carried out in accordance with the Project Implementation Manual and Part 3.1 (d) (iii) is carried out in accordance with the NSA Sub-Grants Manual, respectively; provided, however, that in case of any conflict between the provisions of the Project Implementation Manual and the NSA Sub-Grants Manual, respectively, and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Project Implementation Manual and the NSA Sub-Grants Manual, respectively.

C. Annual Work Plan and Budget

1. The Recipient shall prepare and furnish to the Association not later than July 1 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 amounts and sources of financing.
2. Each such proposed work plan and budget shall specify any training activities that may be required under the Project, including: (a) the type of training; (b) the purpose of the training; (c) the personnel to be trained; (d) the institution or individual who will conduct the training; (e) the location and duration of the training; and (f) the cost of the training.
3. 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”).
4. The Recipient shall not make or allow to be made any change to the approved Annual Work Plan and Budget without prior approval in writing by the Association.
5. The Association shall, on the basis of the Annual Work Plan and Budget, determine the list of expenditures to be financed out of the proceeds of the Financing (“Annual Work Plan Expenditures”) and the percentage of the Annual Work Plan Expenditures which may be financed out of the proceeds of the Financing.

D. Financing under Part 4.2 of the Project Based on Disbursement-Linked Indicators

1. The Recipient shall:
 - (a) implement Part 4.2 of the Project in accordance with the institutional, financial management and procurement arrangements set out in this Schedule 2 to this Agreement;
 - (b) throughout the period of implementation of the Project, cause the IVA to, as necessary, carry out assessments to determine whether the DLIs have been met as detailed in the PIM; and
 - (c) furnish an assessment report together with all necessary supporting documents to the Association for its review.
2.
 - (a) The amount of payments which the Recipient may request for DLI- based financing under Part 4.2 of the Project shall be determined on the basis of the maximum amount allocated by the Association to each DLI, subject to the provisions of Schedule 3, provided that such amount shall not exceed the total amount of payment for Eligible Expenditures incurred during the year covered by the DLI-based financing payment requested, excluding any amount of eligible expenditures financed from other sources of financing.
 - (b) Notwithstanding the provision of sub-paragraph (a) of this sub-section 2, all payments under the DLI-based financing shall be subject to the Association's prior written approval and shall only be eligible for financing out of the proceeds of Grant if and to the extent approved by the Association in accordance with the provisions of Section III of this Schedule 2.

E. Subprojects under Part 3.1(d)(iii) of the Project; NSA Sub-Grants

1. *Eligibility.* In order to ensure the proper implementation of Part 3.1 (d) (iii) of the Project, the Recipient shall, through the NSA Secretariat, make NSA Sub-Grants to NSAs for Subprojects in accordance with eligibility criteria and procedures acceptable to the Association, which shall include, *inter alia*, the following:
 - (a) the Recipient, through the NSA Secretariat, has determined on the basis of an appraisal carried out in accordance with guidelines acceptable to the Association, and elaborated in the NSA Sub-Grants Manual, that:
 - (i) the proposed NSA; (A) is a legal entity, with the organization, management, technical capacity and financial resources necessary to carry out the proposed Subproject; and (B) has prepared a

satisfactory financing plan and budget, and a satisfactory implementation plan for the proposed Subproject; and

- (ii) the proposed Subproject is technically feasible, and financially and economically sound; and
- (b) the: (i) aggregate amount of all NSA Sub-Grants made in a given Fiscal Year to NSAs shall not exceed the limit set out in the Annual Work Plan and Budget; and (ii) maximum amount of each NSA Grant for a Subproject shall not exceed 100 percent of the total estimated cost of the Subproject minus the amount of other funds allocated to finance such cost.

2. NSA Grant Agreement:

- (a) The Recipient shall make each NSA Grant to an NSA under a Grant Agreement on terms and conditions satisfactory to the Association, as further described in the NSA Sub-Grants Manual, which shall include the following:
 - (i) the amount of the NSA Grant shall not exceed the total estimated cost of the Subproject; and the proceeds of the NSA Grant shall be made available to a NSA on non-reimbursable grant terms;
 - (ii) a description of the Subproject and the applicable rates for the services included thereunder;
 - (iii) the NSA shall be required to: (A) carry out the Subproject with due diligence and efficiency and in accordance with sound technical, financial, administrative, and environmental practices; (B) ensure that the resources required for the Subproject are provided promptly as needed; (C) procure through the PMU goods, non-consulting services, consultants' services and other Eligible Expenditures required for the Subproject in accordance with the Procurement Regulations; (D) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the Association, the progress of the Subproject and the achievement of its objectives; and (E)(i) through the PFMU, 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 the operations, resources and expenditures related to the Subproject; and (ii) at the request of the Association or the Recipient, have such records audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards

- acceptable to the Association, and promptly furnish the records as so audited to the Recipient and the Association;
- (iv) the NSA shall be required to carry out the Subproject in accordance with the provisions of the Anti-Corruption Guidelines;
 - (v) the NSA shall be required to carry out the Subproject in accordance with the provisions of the NSA Sub-Grants Manual;
 - (vi) the goods, non-consulting services, consultants' services and other Eligible Expenditures to be financed out of the proceeds of the NSA Grant shall be used exclusively for the Subproject; and
 - (vii) the Recipient shall have the right to: (A) inspect by itself, or jointly with the Association, if the Association shall so request, the goods and sites included in the Subproject, the operations thereof, and any relevant records and documents; (B) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation, and financial condition of the NSA; and (C) suspend or terminate the right of the NSA to use the proceeds of the NSA Sub-Grant, or obtain a refund of all or any part of the amount of the NSA Sub-Grant then withdrawn, as the case may be, upon failure by the NSA to perform any of its obligations under the NSA Grant Agreement; and
- (b) The Recipient shall exercise its rights under the NSA Grant Agreement in such manner as to protect its interests and those of the Association (including, the right to suspend or terminate the right of the NSA to use the proceeds of the NSA Sub-Grant, or obtain a refund of all or any part of the amount of the NSA Sub-Grant then withdrawn, upon the NSA's failure to perform any of its obligations under the NSA Grant Agreement) and to accomplish the purposes of the NSA Sub-Grant, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall ensure that each Project Report is furnished to the Bank not later than one month after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; 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 USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(8) Goods, non-consulting services, consulting services, Training and Operating Costs under Part 1.2(a)(ii), (a)(iii), and (b) of the Project	790,000	100%
(10) Goods, non-consulting services, Training and Operating Costs under Parts 2.1 and 2.3(b)(i) of the Project	985,000	100%
(11) Goods, non-consulting services, consulting services, Training and Operating Costs under Part 5(b) of the Project	210,000	100%
TOTAL AMOUNT	1,985,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the Signature Date.
2. The Closing Date is October 31, 2024.

APPENDIX

Section I. Definitions

1. “Annual Work Plan and Budget” means the program of activities agreed each year between the Recipient and the Association for inclusion in the Project and financing in accordance with Section I.C.1 of Schedule 2 to this Agreement during the following Fiscal Year, as the same may be revised from time to time, all in accordance with the provisions of the said Section.
2. “Annual Work Plan Expenditures” means the Annual Work Plan Expenditures referred to in Section I.C.5 of Schedule 2 to this Agreement.
3. “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard 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.
4. “Asset and Inventory Management Module” means Module within the Recipients Free Balance system used to capture, track and report on assets.
5. “ASYCUDA” means Automated System for Customs Data.
6. “Baseline” means a set of data collected at the beginning of a study or before intervention has occurred.
7. “Budget Module” means Module within the Recipients Free Balance System used for Budget planning and execution.
8. “Cabinet” means the Recipient’s executive ministers for the various sectors.
9. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
10. “Central Bank of Liberia” means Recipient’s Central Bank established and operating pursuant to an Act passed on October 18,1999, designated as Central Bank of Liberia or its successor.
11. “Civil Service Agency” or “CSA” means the Recipient’s independent body responsible for recruitment and management of all civil servants established by an Act of 1972 repealing the public employment law and amending the executive law to create a Civil Service Agency.
12. “Civil Service Module” means a module within Free Balance for the management of the civil service human resources.

13. “County Facility Level” means a public hospital in a county.
14. “County Health Team” means the Recipient’s officials at the County level responsible for administering clinics and health centers within the County.
15. “Critical Fields” means the following codes established by the Recipient in the IFMIS Civil Service Module, comprising, County, district, school/office, EMIS code (for schools), employee code, name, position, level, qualification, payroll status, payroll number and salary.
16. “Domestic Resource Mobilization” means the process by which the Recipient will increase its revenue generating capacity.
17. “Education Payroll Data Clean Up” means the process by which data pertaining to number of teachers and MoE staff is reconciled with the relevant records and data maintained by Civil Service Agency.
18. “Electronic Document Management System” means an electronic software system for capturing, organizing and storing the Recipient’s government documents.
19. “Electronic Government Procurement Readiness Assessment” or “e-GP Readiness Assessment” means a high-level review of existing procurement processes to gauge PPCC’s procurement environment to determine its level of readiness to make a transition to e-GP in a sustainable manner.
20. “Fiscal Year” means the Recipient’s fiscal year commencing July 1 and ending June 30 of each year.
21. “FreeBalance Version 7.0” means a software in an integrated financial management information system used by the Recipient’s government.
22. “General Auditing Commission” means the Recipient’s supreme auditing entity established and operating pursuant to the General Auditing Commission Act, 2014, or its successor.
23. “Goods and Services Tax” means a tax levied on all goods and services in the Recipient’s territory in accordance with the Liberia Revenue Code, 2000 (as amended).
24. “Integrated Financial Management Information System” or “IFMIS” means a system supporting the automation and integration of PFM processes.
25. “Improved Personnel Management” means the Recipient’s establishment of a system which aligns all the HR databases for MoE, CSA and the respective public schools.

26. “Internal Auditing Agency” means the Recipient’s agency responsible for the internal audit functions in the public sector, established and operating pursuant to the *Internal Audit Agency Act, 2013* or its successor.
27. “IT” means information technology.
28. “ITAS” means an integrated tax administration system that automates end-to-end tax processes.
29. “IVA” means independent verification agent.
30. “Liberian Institute of Certified Public Accountants” or “LICPA” means an independent professional agency responsible for the regulation and training of accounting professionals in the Recipient’s territory, established and operating pursuant to the Liberian Institute of Certified Public Accountants Act of 2010 or its successor.
31. “Liberia Revenue Authority” means a semi-autonomous agency of the Recipient responsible for the assessing and collecting national revenue specified in the Revenue Code of Liberia or related law; established and operating pursuant to the *Liberia Revenue Authority Act, 2013* or its successor.
32. “Local Area Network” means a computer network which interconnects electronic devices within a limited area.
33. “MACS” means the Recipient’s Ministries, Agencies and Commissions.
34. “M&E” means monitoring and evaluation.
35. “M&E Plan” means a plan for carrying out monitoring and evaluation of the Project, as the same may be amended from time to time.
36. “MoE” means the Recipient’s Ministry of Education or its successor.
37. “MoE HR Database” means an information management system for storing human resources data.
38. “MFDP” means the Recipient’s Ministry of Finance and Development Planning or its successor.
39. “MoH” means the Recipient’s Ministry of Health or its successor.
40. “National Civil Society Council” means an entity responsible for coordinating civil society organizations.

41. “National ICT Strategy 2019-2024” means the Recipient’s policy on information, communication and technology dated September 10, 2018, as said policy may be amended from time to time.
42. “NSA” means a non-state actor or civil society organization.
43. “NSA Grant Agreement” means the agreement referred to in Section I.E.2 of Schedule 2 to this Agreement.
44. “NSA Sub-Grant” means a sub-grant made to a NSA under Part 3.1 (d) (iii) of the Project, in accordance with Section I.E.1 of Schedule 2 to this Agreement.
45. “NSA Sub-Grant Manual” means the manual dated October 24, 2016, for the provision of NSA Sub-Grants for Subprojects under Part 3.1 (d) (iii) of the Project and referred to in Section I.B.2 of Schedule 2 to this Agreement.
46. “NSA Secretariat” means the secretariat within the Ministry of Finance and Development Planning responsible for coordinating non-state actors’ activities.
47. “Operating Costs” means the incremental expenses incurred on account of Project implementation, based on an Annual Work Plan and Budget approved by the Association pursuant to Section I.C.1 of Schedule 2 to this Agreement, on account of office equipment and supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, rental, consumables, accommodation, travel and *per diem*, excluding the salaries of the Recipient’s civil servants and such other expenditures as may be agreed with the Association.
48. “Open Data” means data that can be freely used, re-used and redistributed in an easily accessible and machine-readable format without legal restrictions.
49. “Original Financing Agreement” means the financing agreement for the Project between the Recipient and the Association, dated August 28, 2019 (Grant Number D5060-LR).
50. “Original Project” means the project described in Schedule 1 of the Original Financing Agreement.
51. “Participating in Planning and Budgeting Processes” mean the process by which schools and health facilities prepare their budgets and submit them to MoH or MoE for eventual inclusion in the national budget.
52. “Payroll Files” means MoE and MoH’s human resources files which reflect the list of their employees; the respective salaries wages, bonuses, and the withheld taxes.
53. “PENTANA” means a software for conducting risk assessments in internal audits.

54. "Personnel Action Notice" means documentation to be filled out by MoE and MoH in connection with their staff regarding whether their staff are new hire or rehire, and contains details on staff salary changes, transfer, status or position change, leave of absence or termination.
55. "PFM" means public financial management.
56. "PFM Steering Committee" means the Recipient's committee referred to in Section I.A.2 of Schedule 2 to this Agreement.
57. "PFM Reform Coordination Unit" means the Recipient's unit referred to in Section I.A.4 of Schedule 2 to this Agreement.
58. "Procurement Regulations" means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.
59. "Project Financial Management Unit" or "PFMU" means the Recipient's Project financial management unit referred to in Section I.A.5 of Schedule 2 to this Agreement.
60. "Project Implementation Manual" or "PIM" means the manual, to be developed by the Recipient in form and substance satisfactory to the Association, referred to in Section I.B.1 of Schedule 2 to this Agreement; comprising: (i) arrangements on financial management, setting forth the detailed policies and procedures for financial management under the Project; (ii) the roles and responsibilities of stakeholders in the Project; (iii) procurement management procedures; (iv) institutional administration, coordination and day to day execution of Project activities; (v) the DLIs for monitoring and evaluation of Part 4.2 of the Project; (vi) monitoring and evaluation; (vii) reporting; (viii) information, education and communication of Project activities; and (ix) such other technical and organizational arrangements and procedures as shall be required for the Project as such manual may be amended from time to time with written agreement of the Association.
61. "Project Management Unit" means the Recipient's unit referred to in Section I.A.1(b) of Schedule 2 to this Agreement.
62. "Project Technical Committee" means the Recipient's committee referred to in Section I.A.3 of Schedule 2 to this Agreement.
63. "Public Procurement and Concessions Commission" means the Recipient's regulatory authority on public procurement and concessions, established and operating pursuant to the Public Procurement and Concessions Act, 2005 (as amended) or its successor.

64. “Public Accounts Committee” or “PAC” means a committee of the Recipient’s legislature responsible for reviewing public audit reports and making recommendations to the Executive for action.
65. “Public Accounts Committee Secretariat” means a unit responsible for providing technical and administrative support to the PAC.
66. “Revenue and Tax Policy Division” means a division within the MFDP fiscal affairs department responsible for revenue and tax policy.
67. “Salary” means MoE and MoH’s staff’s remuneration for employment.
68. “Signature Date” means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.
69. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019.
70. “Standard Integrated Government Tax Administration System” or “SIGTAS” means a software utilized by the Recipient for assessing and collecting revenues.
71. “Subproject” means specific activities carried out or to be carried out by an NSA under Part 3.1(d)(iii) of the Project and financed or proposed to be financed out of the proceeds of the Financing through an NSA Sub-Grant.
72. “Syllabi Integration Program” means the accounting program developed by LICPA for inclusion into the university level curricula.
73. “Training” means the costs associated with training, workshops, seminars and conferences based on an Annual Work Plan and Budget approved by the Association pursuant to Section I.C.2 of Schedule 2 to this Agreement, for reasonable expenditures (other than expenditures for consultants’ services), including: (i) local and international travel, room, board and *per diem* expenditures incurred by trainers and trainees in connection with the training and by non-consultant training facilitators; (ii) course fees; (iii) training facility rentals; (iv) training material preparation, acquisition, reproduction and distribution expenses; and (v) study tour preparation and implementation.
74. “Treasury and Cash Management Module” means an IFMIS module for management of the Recipient’s treasury and cash accounts.
75. “University of Liberia” means a public university established and operating pursuant to the Liberian legislature Charter of February 15, 1951, or its successor.

- 76. “VAT” means value added tax.
- 77. “Year” or “Years” means any or all of Year 1, Year 2, Year 3, Year 4 or Year 5, as the context may require.
- 78. “Year 1” means the period starting on the Effective Date and ending on June 30, 2020.
- 79. “Year 2” means the 12-month period starting on July 1, 2020 and ending on June 30, 2021.
- 80. “Year 3” means the 12-month period starting on July 1, 2021 and ending on June 30, 2022.
- 81. “Year 4” means the 12-month period starting on July 1, 2022 and ending on June 30, 2023.
- 82. “Year 5” means the 12 months period starting on July 1, 2023 and ending on June 30, 2024.