

20-Dec-2020

_____, 2020

Hon. Jacob Jusu Saffa
Minister for Finance
Ministry of Finance
Treasury Building
George Street
Freetown
Sierra Leone

Honourable Minister Saffa:

**Re: Republic of Sierra Leone: Social Safety Net Project
Second Amendment to the Amended and Restated Financing
Agreement (Grant Numbers H925-SL, D0920-SL) and Amendment
to the Second Additional Financing (Grant Number D4900-SL)**

We refer to: (a) the Amended and Restated Financing Agreement dated September 18, 2015, between the Republic of Sierra Leone (“Recipient”) and the International Development Association (“Association”), as amended (“Amended and Restated Financing Agreement”); and (b) the Financing Agreement dated September 12, 2019, between the Recipient and the Association, as amended (“Second Additional Financing Agreement”), all for the above-mentioned Project (together, the Amended and Restated Financing Agreement, and the Second Additional Financing Agreement are hereinafter referred to as “Agreements”).

In connection with the Grant Agreement dated 20-Dec-2020, 2020, between the Recipient and the Association (acting as administrator of Sierra Leone Safety Nets Project (AF3) Single-Donor Trust Fund) (TF073545 providing for a third additional financing for the above-mentioned Project, the Association proposes to amend the Agreements as set forth in this letter (“Letter of Amendment”):

A. Second Amendment to the Amended and Restated Financing Agreement (Grant Numbers H925-SL and D0920-SL)

The Amended and Restated Financing Agreement shall be amended as follows:

1. Section (D) is inserted in the Preamble to the Amended and Restated Financing Agreement as follows:

“(D)” “the Recipient and the Association, acting as administrator of grant funds provided by the European Union, under the Sierra Leone Safety Nets Project (AF3) Single-Donor Trust Fund, have entered into an agreement dated October 7, 2020 herewith (“EU Grant Agreement”) for the purpose of making available to the Recipient a grant not exceeding four million four hundred fifteen thousand six hundred Euros (EUR 4,415,600.00) (“EU Grant”) to assist in financing the Project.”
2. The Project Description set forth in Schedule 1 to the Amended and Restated Financing Agreement is amended as follows:

(a) Part 2(c) is inserted as follows:

“(c)” “Scaling-up the provision of Cash Transfers to eligible Beneficiaries in response to the COVID-19 pandemic including, reducing or eliminating financial barriers to seeking and obtaining health services.”

(b) Part 3 of the Project is amended by, modifying Part 3(c) and Part (d), and inserting Part (e) as follows:

“(c)” “Strengthening monitoring and evaluation mechanisms in the sector, in particular: (i) regular monitoring activities (including field visits); and (ii) external assessments (including process evaluations and targeting assessments).

“(d)” Organizing communication campaigns on *inter alia* health, nutrition, and financial literacy for Beneficiaries.

“(e)” “Strengthening monitoring and implementation of the Emergency Cash Transfer, including conducting verification of targeting, enrollment, and payment of the COVID-19 Cash Transfers.”

2. Section I.B.1 of Schedule 2 to the Amended and Restated Financing Agreement is deleted and replaced with the following:

“1.” “Project Implementation Manual (including Emergency Response Manual)”

“(a)” “The Recipient shall carry out the Project in accordance with the Project Implementation Manual, satisfactory to the Association. Said Project Implementation Manual, consisting of: (i) a manual providing details of arrangements and procedures for the implementation of the Project, including: (A) capacity building activities for sustained achievement of the Project’s objective; (B) procurement, financial management (including audit) and disbursement arrangements; (C) institutional administration, coordination and day-to-day execution of Project activities; (D) monitoring, evaluation, reporting, information, education and communication arrangements of Project activities; and (E) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project; (ii) detailed policies and procedures for the Cash Transfer Program; (iii) the modalities for handling personal data (*i.e.*, updating personal data collection and processing) in accordance with good international practice; and (iv) an Emergency Response Manual (“ER Manual”) setting forth detailed arrangements for the implementation of the emergency response Cash Transfers under Part 2(b) and 2(c) of the Project (“Emergency Response Part”) including: (A) any additional institutional structures or arrangements for coordinating and implementing the Emergency Response Part; (B) financial management arrangements for the Emergency Response Part; and (C) any other arrangements necessary to ensure proper coordination and implementation of the Emergency Response Part.”

“(b)” “The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on said Project implementation manual, and thereafter, shall adopt such Project implementation manual, as shall have been approved by the Association (“Project Implementation Manual”).”

“(c)” “The Recipient shall ensure that the Project is carried out in accordance with the Project Implementation Manual; provided, however, that in case of any conflict between the provisions of the Project Implementation Manual, on the one hand, and those of this Agreement, on the other, the provisions of this Agreement shall prevail.”

“(d)” “The Recipient shall not amend or waive any provisions of the Project Implementation Manual without the prior written agreement of the Association.”

3. The table set forth in Section IV.A.2 of Schedule 2 to the Amended and Restated Financing Agreement is amended as set forth in Section A of the Annex to this Letter of Amendment.

4. The Appendix to the Amended and Restated Financing Agreement is modified by: (i) deleting paragraph (8), and (ii) inserting, respectively, new paragraphs (8), (9) and (10) as set forth below. Accordingly, paragraph (10) through (28) are renumbered as paragraphs (11) through (30) of the Appendix to the Agreement:

“8.” “COVID” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).

“9.” “EU Grant Agreement” means the agreement entered into between the Recipient and the Association, acting as administrator of grant funds provided by the European Union, under the Sierra Leone Safety Nets Project (AF3) Single-Donor Trust Fund (TF073545), dated October 7, 2020, providing for a grant to the Recipient to assist the Recipient in the carrying out of activities related to the Project.

“10” “EU Grant” means the grant provided under the EU Grant Agreement.

B. Amendment to the Second Additional Financing Agreement (Grant Number D4900-SL)

The Second Additional Financing Agreement shall be amended as follows:

1. The Project Description set forth in Schedule 1 to the Second Additional Financing Agreement is amended as follows:

(a) Part 2(c) is inserted as follows:

“(c)” “Scaling-up the provision of Cash Transfers to eligible Beneficiaries in response to the COVID-19 pandemic including, reducing or eliminating financial barriers to seeking and obtaining health services.”

(b) Part 3 of the Project is amended by, modifying Part 3(c) and Part (d), and inserting Part (e) as follows:

“(c)” “Strengthening monitoring and evaluation mechanisms in the sector, in particular: (i) regular monitoring activities (including field visits); and (ii) external assessments (including process evaluations and targeting assessments).

“(d)” Organizing communication campaigns on *inter alia* health, nutrition, and financial literacy for Beneficiaries.

“(e)” “Strengthening monitoring and implementation of the Emergency Cash Transfer, including conducting verification of targeting, enrollment, and payment of the COVID-19 Cash Transfers.”

2. Section I.B.1 of Schedule 2 to the Second Additional Financing Agreement is deleted and replaced with the following:

“1.” “Project Implementation Manual (including Emergency Response Manual)”

“(a)” “The Recipient shall carry out the Project in accordance with the Project Implementation Manual, satisfactory to the Association. Said Project Implementation Manual, consisting of: (i) a manual providing details of arrangements and procedures for the implementation of the Project, including: (A) capacity building activities for sustained achievement of the Project’s objective; (B) procurement, financial management (including audit) and disbursement arrangements; (C) institutional administration, coordination and day-to-day execution of Project activities; (D) monitoring, evaluation, reporting, information, education and communication arrangements of Project activities; and (E) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project; (ii) detailed policies and procedures for the Cash Transfer Program; (iii) the modalities for handling personal data (*i.e.*, updating personal data collection and processing) in accordance with good international practice; and (iv) an Emergency Response Manual (“ER Manual”) setting forth detailed arrangements for the implementation of the emergency response Cash Transfers under Part 2(b) and 2(c) of the Project (“Emergency Response Part”) including: (A) any additional institutional structures or arrangements for coordinating and implementing the Emergency Response Part; (B) financial management arrangements for the Emergency Response Part; and (C) any other arrangements necessary to ensure proper coordination and implementation of the Emergency Response Part.”

“(b)” “The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on said Project implementation manual, and thereafter, shall adopt such Project implementation manual, as shall have been approved by the Association (“Project Implementation Manual”).”

“(c)” “The Recipient shall ensure that the Project is carried out in accordance with the Project Implementation Manual; provided, however, that in case of any conflict between the provisions of the Project Implementation Manual, on the one hand, and those of this Agreement, on the other, the provisions of this Agreement shall prevail.”

“(d)” “The Recipient shall not amend or waive any provisions of the Project Implementation Manual without the prior written agreement of the Association.”

3. The table set forth in Section III.A.2 of Schedule 2 to the Second Additional Financing Agreement is amended as set forth in Section B of the Annex to this Letter of Amendment.

5. The Appendix to the Second Additional Financing Agreement is modified by: (i) deleting paragraph (8), renumbering paragraph (9) as paragraph (8), and (ii) inserting, respectively, new paragraphs (9), (10) and (11) as set forth below. Accordingly, paragraph (11) through (28) are renumbered as paragraphs (12) through (30) of the Appendix to the Second Additional Financing Agreement:

“8.” “COVID” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).

“9.” “EU Grant Agreement” means the agreement entered into between the Recipient and the Association, acting as administrator of grant funds provided by the European Union, under the Sierra Leone Safety Nets Project (AF3) Single-Donor Trust Fund (TF073545), dated October 7, 2020, providing for a grant to the Recipient to assist the Recipient in the carrying out of activities related to the Project.

“10” “EU Grant” means the grant provided under the EU Grant Agreement.

All other provisions of the Agreements shall remain in full force and effect, except as specifically amended by this Letter of Amendment.

Please confirm your agreement to the foregoing on behalf of the Recipient by countersigning and dating the corresponding form of confirmation set forth below, and returning one fully signed original of this letter to us. Upon receipt by the Association of the countersigned copy of this Letter of Amendment, the Letter of Amendment shall become effective as of the date of countersignature.

Sincerely yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: _____



Gayle Martin
Country Manager
SIERRA LEONE

**AGREED:
REPUBLIC OF SIERRA LEONE**

By _____


Authorized Representative
Hon. Jacob Jusu Saffa

Name _____

Minister of Finance

Title _____

13-Jan-2021

Date _____

ANNEX

A. Amendment to the table set forth in Section IV.A.2 of the Amended and Restated Financing Agreement

The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

| Category | Amount of the Amended and Restated Original Grant Allocated (expressed in SDR) | Amount of the Additional Grant Allocated (expressed in SDR) | Percentage of Expenditures to be Financed (inclusive of Taxes) |
|---|---|--|---|
| (1) Goods, non-consulting services, consultants’ services, Training and Operating Costs under Parts 1 and 3 of the Project (<i>Pro Memoria</i>) | 1,016,332 | 0 | 100% |
| (2) Cash Transfer Program under Part 2 of the Project (<i>Pro Memoria</i>) | 323,680 | 0 | 100% |
| (3) Goods, non-consulting services, consultants’ services, Training and Operating Costs for the Districts under Parts 1 and 3 of the Project (<i>Pro Memoria</i>) | 460,200 | 1,188,049 | Such percentage of the Annual Expenditures as the Association may determine for each Fiscal Year and communicate to the Recipient |
| (4) Cash Transfer Program for the Districts under Part 2(a) of the Project | 2,799,788 | 5,974,306 | Such percentage of the Annual Expenditures as the Association may determine for each Fiscal Year and communicate to the Recipient |
| (5) Cash Transfer Program under Part 2(b) of the Project | 0 | 0 | |
| (6) Cash Transfer Program under Part 2(c) of the Project | 0 | 0 | |

| | | | |
|---|------------------|------------------|---|
| (7) Goods, non-consulting services, consultants' services (except for Consultants' services for cash transfers), Training and Operating Costs for the Districts under Parts 1 and 3 (except Part 3(e)) of the Project | 0 | 37,645 | Such percentage of the Annual Expenditures as the Association may determine for each Fiscal Year and communicate to the Recipient |
| TOTAL AMOUNT | 4,600,000 | 7,200,000 | |

B. Amendment to the table set forth in Section III.A.2 of the Second Additional Financing Agreement

The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

| Category | Amount of the Financing Allocated (expressed in SDR) | Percentage of Expenditures to be Financed (inclusive of Taxes) |
|--|---|--|
| (1) Goods, non-consulting services, consultants' services, Training and Operating Costs under Parts 1 and 3 of the Project (<i>Pro Memoria</i>) | 0 | 100% |
| (2) Cash Transfer Program under Part 2 of the Project (<i>Pro Memoria</i>) | 0 | 100% |
| (3) Goods, non-consulting services, consultants' services (except for consultants' services for Cash Transfers Program), Training and Operating Costs for the Districts under Parts 1 and 3 (except Part 3(e)) of the Project) | 3,240,000 | Such percentage of the Annual Expenditures as the Association may determine for each Fiscal Year and communicate to the Recipient. |
| (4) Cash Transfer Program for the Districts under Part 2(a) of the Project | 14,910,000 | Such percentage of the Annual Expenditures as the Association may determine for each Fiscal Year and communicate to the Recipient |

| | | |
|--|-------------------|---|
| (5) Cash Transfer Program under Part 2(b) of the Project | 2,840,000 | 100% |
| (6) Consultants' services for Cash Transfers Program under Part 1 of the Project | 710,000 | Such percentage of the Annual Expenditures as the Association may determine for each Fiscal Year and communicate to the Recipient |
| TOTAL AMOUNT | 21,700,000 | |