
GRANT NUMBER TF0B4427

Sierra Leone Safety Nets Project Single-Donor Trust Fund (TF073545)

Grant Agreement

(Third Additional Financing for Sierra Leone Social Safety Net Project)

between

REPUBLIC OF SIERRA LEONE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of Sierra Leone Safety Nets Project (AF3)
Single-Donor Trust Fund) (TF073545)

TF GRANT NUMBER TF0B4427

GRANT AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF SIERRA LEONE (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Bank”), acting as administrator of Sierra Leone Safety Nets Project (AF3) Single-Donor Trust Fund (TF073545). 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 to this Agreement.

Article II The Project

- 2.01. The Recipient declares its commitment to the objective of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out 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 four million four hundred fifteen thousand six hundred Euros (EUR 4,415,600) (“Grant”) to assist in financing Parts 1, 2(c) and 3(e) of 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
Effectiveness; Termination

- 4.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the following condition has been satisfied, namely, that the Recipient has updated the Project Implementation Manual (including the Emergency Response Manual), in form and substance satisfactory to the Bank.
- 4.02. Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 4.03. *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

Article V
Recipient's Representative; Addresses

- 5.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the minister responsible for finance.
- 5.02. For purposes of Section 7.01 of the Standard Conditions: the Recipient's address is:
- (a) the Recipient's address is:
- Ministry of Finance
Treasury Building, George Street
Freetown, Sierra Leone; and

(b) the Recipient's Electronic Address is:

E-mail: minister@mof.gov.sl

5.03. For purposes of Section 7.01 of the Standard Conditions: the Bank's address is:

(a) 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 SIERRA LEONE

By



Authorized Representative

Hon. Jacob Jusu Saffa

Name: _____

Title: _____
Minister of Finance

Date: _____
13-Jan-2021

**INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of Sierra Leone Social Safety Nets
Project (AF3) – Single Donor Trust Fund (TF073545))**

By



Authorized Representative

Gayle Martin

Name: _____

Title: _____
Country Manager

Date: _____
20-Dec-2020

SCHEDULE 1

Project Description

The objective of the Project is to establish the key building blocks for a basic national safety net system and to provide income support to extremely poor households in Sierra Leone.

The Project consists of the Original Project as modified below:

Part 1: Development of Systems for Implementation of Social Safety Net Interventions

Establishing and operationalizing, and thereafter expanding and strengthening, key building blocks of a basic national safety net system, the said key building blocks to include: (a) tools for a three stage common targeting system consisting of: (i) geographical areas below the district level; (ii) community-based identification of potentially eligible households; and (iii) verification of households eligibility through proxy means testing; (b) a registry of Beneficiaries; (c) an integrated management information system, including, among others, supply and installation of appropriate information and communications technology, hardware, software, internet connectivity, local area networks and mobile technology support; (d) a payment system; (e) appropriate grievance redress mechanisms (GRM) and anti-corruption measures; and (f) assessment of the efficiency and effectiveness of the GRM system .

Part 2: Cash Transfers to Extremely Poor Households and Emergency Response

- (a) Piloting and thereafter scaling up the implementation of a Cash Transfer Program, including *inter alia* provision of income support, in the form of Cash Transfers, to Beneficiaries.
- (b) Scaling-up the provision of Cash Transfers to Beneficiaries in response to an Eligible Crisis or Emergency, as needed.
- (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.

Part 3: Project Management and Capacity Building

- (a) Strengthening the capacity of NaCSA for day to day coordination, implementation and management (including, among others, fiduciary aspects, carrying out of audits, designing and implementing an information education and communications strategy and reporting) of Project activities and results, all through the provision of technical

advisory services, Training, Operating Costs, non-consulting services and acquisition of goods for the purpose.

- (b) Strengthening the technical and management capacities of sector ministries, institutions, agencies and Local Councils at central and local levels for coordination of national safety net interventions, all through provision of technical advisory services, Training, Operating Costs, non-consulting services and acquisition of goods for the purpose.
- (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.

SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. National Social Protection Inter-Agency Forum

The Recipient shall designate, at all times during the implementation of the Project, the National Social Protection Inter-Agency Forum, with a composition, mandate, terms of reference and resources satisfactory to the Bank, to be responsible for, *inter alia*, overall coordination of the implementation of Project activities and provision of strategic and policy guidance on matters relating to the Project.

2. National Social Protection Secretariat

The Recipient shall maintain, at all times during the implementation of the Project, the National Social Protection Secretariat, with a composition, mandate, terms of reference and resources satisfactory to the Bank, to be responsible *for inter alia*, coordination of the activities under Part 1 of the Project and of the social protection sector.

3. NaCSA Board

(a) Without limitation upon the provisions of paragraph 1 immediately above, the Recipient shall designate, at all times during the implementation of the Project, the NaCSA Board, to be responsible for, *inter alia*, overseeing day to day coordination, implementation, reporting and communication of Project activities and results. To this end, the Recipient shall take all actions including the provision of funding, maintenance of personnel (all with qualifications, experience and terms of reference satisfactory to the Bank) and other resources satisfactory to the Bank, to enable said NaCSA Board to perform said functions.

(b) Without limitation upon the provisions of sub-paragraph (a) of this paragraph, the NaCSA Board shall be responsible for, *inter alia*: (i) approving annual work plans and budgets; (ii) the Project's fiduciary aspects (financial management and procurement); (iii) approving periodic progress and financial reports for onward transmission to the Bank; (iv) supervising Project activities; and (v) liaising with other stakeholders on issues related to Project implementation.

4. Other arrangements

- (a) The Recipient shall maintain, at all times during the implementation of the Project: (i) a consultant for NaCSA's internal audit service; and (ii) two assistant internal auditors, all with qualifications, experience and terms of reference satisfactory to the Bank.
- (b) To facilitate the carrying out of external audits of the Project, the Recipient shall maintain, at all times during the implementation of the Project, an external auditor with qualifications, experience and terms of reference satisfactory to the Bank.

B. Implementation Arrangements

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 Bank. Said Project Implementation Manual (PIM), 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 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 Bank 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 Bank ("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 Bank.

2. Annual Work Plan and Budget

- (a) The Recipient shall prepare and furnish to the Bank not later than December 15 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 sources of financing.
- (b) Each such proposed work plan and budget shall specify any Training activities that may be required under the Project, including: (i) the type of Training; (ii) the purpose of the Training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the Training; (v) the location and duration of the Training; and (vi) the cost of the Training.
- (c) The Recipient shall afford the Bank 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 Bank (“Annual Work Plan and Budget”).
- (d) The Recipient shall not make or allow to be made any change to the approved Annual Work Plan and Budget without the Bank’s prior approval in writing.

C. Cash Transfer Program

1. Procedures and Eligibility Criteria

No proposed Beneficiary under the Cash Transfer Program shall be eligible to receive a Cash Transfer under said Cash Transfer Program, unless the Recipient shall have determined, on the basis of an appraisal conducted in accordance with guidelines acceptable to the Bank and elaborated in the PIM, that the Beneficiary satisfies the following requirements, and such further requirements as are elaborated in said PIM:

- (a) the Beneficiary: (i) has been pre-selected on the basis of a targeting system consisting of, *inter alia*: (A) a geographical targeting mechanism which has identified the Districts eligible to participate in the Cash Transfer Program; (B) a community targeting mechanism which has identified extremely poor or vulnerable households in said Districts (“potential Beneficiary”); and (C) a proxy means test which has verified said potential Beneficiary’s eligibility; and (ii) is enrolled in a registry of Beneficiaries;
- (b) the Beneficiary shall have, as part of the enrollment in said registry of Beneficiaries, received training on the Cash Transfer Program’s operations and requirements, including, *inter alia*, applicable Beneficiary conditionalities, if any; and
- (c) the Recipient shall have confirmed Beneficiary’s compliance with said conditionalities, if any.

2. Terms and Conditions of Cash Transfer Program

- (a) The Recipient shall, prior to the commencement of the Cash Transfer Program in any given District, retain in accordance with the provisions of Procurement Plan, one or more Payment Agencies, with terms of reference, qualifications and experience satisfactory to the Bank, to assist the Recipient in administering payments under the Cash Transfer Program in said District.
- (b) The Recipient shall monitor and evaluate, under terms of reference satisfactory to the Bank, the implementation of the Cash Transfer Program, so as to ensure that payments made under the Cash Transfer Program are made exclusively to Beneficiaries for productive purposes consistent with the objective of the Project.

D. Emergency Response Cash Transfers

- 1. The Recipient shall, throughout the implementation of the Emergency Response Part, maintain the institutional structures and arrangements established in accordance with the ER Manual, with adequate staff and resources satisfactory to the Bank.
- 2. The Recipient shall undertake Cash Transfers under the Emergency Response Part unless and until the following conditions have been met in respect of said Cash Transfers, namely that the Recipient has determined that an Eligible Crisis or Emergency has occurred in accordance with the ER Manual and the Bank has agreed with such determination and notified the Recipient thereof.

E. Project Grievance Mechanism

The Recipient shall maintain, throughout Project implementation, and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

Section II. Project Monitoring, Reporting and Evaluation

A. Documents; Records

In addition, and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

- (a) all records evidencing expenditures under the Project are retained for seven years and six months after the Closing Date, such records to include:
 - (i) this Agreement, all addenda thereof, and any amendments thereto;
 - (ii) the Recipient's financial and narrative progress reports submitted to the Bank;
 - (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records;
 - (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and
 - (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and
- (b) the representatives of the Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor.

B. Project Reports

The Recipient shall ensure that each Project Report is furnished to the Bank not later than forty-five (45) days after the end of each six calendar months, covering the six calendar months.

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 (EUR)) | Percentage of Expenditures to be Financed (inclusive of Taxes) |
|--|---|---|
| (1) Cash Transfer Program under Part 2(c) of the Project | 4,155,600 | 100% |
| (2) Consultants' services for Cash Transfer Program for the Districts under Part 1 of the Project | 231,000 | Such percentage of the Annual Expenditures as the Association may determine for each Fiscal Year and communicate to the Recipient |
| (3) Consultants' services for Cash Transfer Program for the Districts under Part 3(e) of the Project | 29,000 | 100% |
| TOTAL AMOUNT | 4,415,600.00 | |

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 June 30, 2023

APPENDIX

Definitions

1. “Annual Work Plan and Budget” means the annual work plan and budget approved by the Bank and adopted by the Recipient in accordance with the provisions of Section I.B.2 of Schedule 2 to this Agreement.
2. “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.
3. “Beneficiary” means a household which is eligible to receive a Cash Transfer under the Cash Transfer Program and is duly registered for the purpose; and “Beneficiaries” mean, collectively, two or more such households.
4. “Cash Transfer” means the cash payment to be made to a Beneficiary under the Cash Transfer Program, and “Cash Transfers” mean, collectively, two or more such cash payments.
5. “Cash Transfer Program” means the program referred to in Section I.C of Schedule 2 to this Agreement.
6. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
7. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
8. “District” means an administrative subdivision of the Recipient established pursuant to the Provinces Act, Chapter 60 of the laws of the Recipient.
9. “Financing Agreement” means the Amended and Restated Financing Agreement for a Social Safety Net Project between the Recipient and the International Development Association dated September 18, 2015 (Grant Numbers H925-SL and D0920-SL), as amended to the date of this Agreement.
10. “Local Council” means a council established and operating pursuant to Section 2 of the Local Government Act and any successor thereto, and “Local Councils” means, collectively, two or more said councils.
11. “Local Government Act” means the Act Number 1 of 2004 of the laws of the Recipient, as amended from time to time.

12. “NaCSA” means the Recipient’s National Commission for Social Action established and operating pursuant to Section 3 of the National Commission for Social Action Act Number 13 of 2001, of the laws of the Recipient, and any successor thereto.
13. “NaCSA Board” means NaCSA’s Board of Directors established and operating pursuant to Section 4 of the National Commission for Social Action Act Number 13 of 2001, of the laws of the Recipient, and any successor thereto.
14. “National Social Protection Inter-Agency Forum” means the Recipient’s forum referred to in Section I.A.1 of Schedule 2 to this Agreement.
15. “Original Grant” means the grants provided under the Financing Agreement.
16. “Original Project” means the Project described in Schedule 1 to the Financing Agreement.
17. “Payment Agencies” means competitively selected financial institutions, including, *inter alia*, banks, microfinance institutions and mobile phone companies, said financial institutions duly established and operating under the Recipient’s laws and regulations, for the purpose of making Cash Transfers to Beneficiaries under the Cash Transfer Program.
18. “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.
19. “Project Implementation Manual” or “PIM” means the Recipient’s manual referred to in Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written agreement of the Bank.
20. “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.
21. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Bank Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019.