

CONFORMED COPY

FPCR TF GRANT NUMBER TF092619

**Food Price Crisis Response Trust Fund
Grant Agreement**
(Food Crisis Response Development Policy Grant)

between

REPUBLIC OF SIERRA LEONE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as trustee of the Food Price Crisis Response Trust Fund

Dated August 18, 2008

GRANT AGREEMENT

AGREEMENT dated August 18, 2008, entered into between the REPUBLIC OF SIERRA LEONE (“Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“World Bank”), acting as trustee of the Food Price Crisis Response Trust Fund, for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The World Bank has decided to provide this financing on the basis, *inter alia*, of: (a) the actions which the Recipient has already taken under the Program and which are described in Section I of Schedule 1 to this Agreement; and (b) the Recipient’s maintenance of an appropriate macro-economic policy framework. The Recipient and the World Bank therefore hereby agree as follows:

ARTICLE I — STANDARD CONDITIONS; DEFINITIONS

- 1.01. The Standard Conditions (as defined in the Appendix to this Agreement) constitute an integral 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 — PROGRAM

- 2.01 The Recipient declares its commitment to the Program and its implementation. To this end:
 - (a) the Recipient and the World Bank shall from time to time, at the request of either party, exchange views on the progress achieved in carrying out the Program;
 - (b) prior to each such exchange of views, the Recipient shall furnish to the World Bank for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the World Bank shall reasonably request; and
 - (c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, the Recipient shall exchange views with the World Bank on any proposed action to be taken after the disbursement of the Grant which 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 of Schedule 1 to this Agreement.

ARTICLE III — GRANT

- 3.01 The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to three million Dollars (\$3,000,000) (“Grant”).
- 3.02 The Recipient may withdraw the proceeds of the Grant in support of the Program in accordance with Section II of Schedule 1 to this Agreement.
- 3.03. The World Bank has received eighty-five million Dollars (\$85,000,000) as a contribution to the Food Price Crisis Response Trust Fund and expects to receive an additional contribution of one hundred fifteen million Dollars (\$115,000,000) during October 2008. Until such time as the additional contribution is credited to the said trust fund, no withdrawal shall be made from the Grant Account if, as a result of such withdrawal, the total amount of the Grant withdrawn from the Grant Account would exceed the amount available to the World Bank from the resources provided to it under the said trust fund for the purposes of the Grant.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister at the time responsible for finance.

4.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Minister of Finance
Ministry of Finance
Ministerial Building
George Street
Freetown
Sierra Leone

Cable address:
MINFIN, Freetown

4.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable:	Telex:	Facsimile:
INDEVAS	248423 (MCI) or	1-202-477-6391
Washington, D.C.	64145 (MCI)	

AGREED at District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF SIERRA LEONE

By: /s/ Bockarie Stevens

Authorized Representative

**INTERNATIONAL DEVELOPMENT ASSOCIATION
Acting as Trustee of the Food Price Crisis Response
Trust Fund**

By: /s/ Michel Wormser

Authorized Representative

SCHEDULE 1

Program Actions; Availability of Grant Proceeds

Section I. Actions under the Program

The action taken by the Recipient under the Program is the following: the Recipient has reduced tariffs to mitigate the impact of rapidly rising international prices of food and fuel and has prepared an action plan, acceptable to the World Bank, to protect the provision of basic services to vulnerable groups.

Section II. Availability of Grant Proceeds

- A. General.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of this Section and such additional instructions as the World Bank may specify by notice to the Recipient.
- B. Allocation of Grant Amount.** The Grant shall be withdrawn in a single tranche. The allocation of the amount of the Grant to this end is set out in the table below:

Allocations	Amount of the Grant Allocated (expressed in USD)
Single Tranche	3,000,000
TOTAL AMOUNT	3,000,000

- C. Deposit of Grant Amount.** Except as the World Bank may otherwise agree:
1. all withdrawals from the Grant Account shall be deposited by the World Bank into an account designated by the Recipient and acceptable to the World Bank; and
 2. the Recipient shall ensure that upon the deposit of the amount of the Grant into this account, an equivalent amount is accounted for in the Recipient's budget management system, in a manner acceptable to the World Bank.
- D. Excluded Expenditures.** The Recipient undertakes that the proceeds of the Grant shall not be used to finance Excluded Expenditures. If the World Bank determines at any time that an amount of the Grant was used to make a payment for an Excluded Expenditure, the Recipient shall, promptly upon notice from the World Bank refund an amount equal to the amount of such payment to the World Bank. Amounts refunded to the World Bank upon such request shall be cancelled.
- E. Closing Date.** The Closing Date is June 30, 2009.

APPENDIX

Section I. Definitions

1. “Excluded Expenditure” means any expenditure:
- (a) for goods or services supplied under a contract which any national or international financing institution or agency other than IBRD or IDA has financed or agreed to finance, or which IBRD or IDA has financed or agreed to finance under another credit, grant or loan;
 - (b) for goods included in the following groups or sub-groups of the Standard International Trade Classification, Revision 3 (SITC, Rev.3), published by the United Nations in Statistical Papers, Series M, No. 34/Rev.3 (1986) (the SITC), or any successor groups or subgroups under future revisions to the SITC, as designated by the World Bank by notice to the Recipient:

Group	Sub-group	Description of Item
112		Alcoholic beverages
121		Tobacco, un-manufactured, tobacco refuse
122		Tobacco, manufactured (whether or not containing tobacco substitutes)
525		Radioactive and associated materials
667		Pearls, precious and semiprecious stones, unworked or worked
718	718.7	Nuclear reactors, and parts thereof; fuel elements (cartridges), non-irradiated, for nuclear reactors
728	728.43	Tobacco processing machinery
897	897.3	Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)
971		Gold, non-monetary (excluding gold ores and concentrates)

- (c) for goods intended for a military or paramilitary purpose or for luxury consumption;

- (d) for environmentally hazardous goods, the manufacture, use or import of which is prohibited under the laws of the Recipient or international agreements to which the Recipient is a party;
 - (e) on account of any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and
 - (f) with respect to which the World Bank determines that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient or other recipient of the Grant proceeds, without the Recipient (or other such recipient) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur.
2. “Program” means the program of actions, objectives and policies designed to mitigate the impact of food price increases and set forth or referred to in the letter dated July 25, 2008 from the Recipient to the World Bank declaring the Recipient’s commitment to the execution of the Program, and requesting assistance from the World Bank in support of the Program during its execution.
 3. “Single Tranche” means the amount of the Grant allocated to the category entitled “Single Tranche” in the table set forth in Part B of Section II of Schedule 1 to this Agreement.
 4. “Standard Conditions” means the “Standard Conditions for Grants Made by the World Bank Out of Various Funds”, dated July 1, 2008, with the modifications set forth in Section II of this Appendix.

Section II. Modifications to the Standard Conditions

The modifications to the “Standard Conditions for Grants Made by the World Bank Out of Various Funds”, dated July 1, 2008 are as follows:

1. Sections 2.01 (*Project Execution Generally*), and 2.07 (*Financial Management; Financial Statements; Audits*) are deleted in their entirety, and the remaining Sections in Article II are renumbered accordingly.
2. Paragraph (a) of Section 2.03 (renumbered as such pursuant to paragraph 1 above and relating to *Use of Goods, Works and Services*) is deleted in its entirety.
3. Paragraph (c) of Section 2.04 (renumbered as such pursuant to paragraph 1 above) is modified to read as follows:

“Section 2.04. *Documents; Records*

... (c) The Recipient shall retain all records (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures under the Grant

until two years after the Closing Date. The Recipient shall enable the World Bank's representatives to examine such records."

4. Section 2.05 (renumbered as such pursuant to paragraph 1 above) is modified to read as follows:

Section 2.05. *Program Monitoring and Evaluation*

... (c) The Recipient shall prepare, or cause to be prepared, and furnish to the World Bank not later than six months after the Closing Date, a report of such scope and in such detail as the World Bank shall reasonably request, on the execution of the Program, the performance by the Recipient and the World Bank of their respective obligations under the Grant Agreement and the accomplishment of the purposes of the Grant.

5. The last sentence of paragraph (c) of Section 3.04 (relating to withdrawals) is deleted in its entirety.
6. Sections 3.05 (*Designated Accounts*) and 3.06 (*Eligible Expenditures*) are deleted in their entirety, and the remaining Sections in Article III are renumbered accordingly.
7. The following terms and definitions set forth in the Appendix to the Standard Conditions are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The definition of the term "Eligible Expenditure" is modified to read as follows:

"Eligible Expenditure" means any use to which the Grant is put in support of the Program, other than to finance expenditures excluded pursuant to the Grant Agreement."

- (b) The term "Financial Statements" and its definition as set forth in the Appendix are deleted in their entirety.

- (c) The term "Project" is modified to read "Program" and its definition is modified to read as follows:

"Program" means the program referred to in the Grant Agreement in support of which the Grant is made." All references to "Project" throughout these Standard Conditions are deemed to be references to "Program".