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MDTF GRANT NUMBER: TF017201

Grant Agreement

(Public Financial Management Improvement & Consolidation Project)

between

REPUBLIC OF SIERRA LEONE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

(acting as administrator of MDTF for Public Financial
Management Improvement & Consolidation Project)

Dated

July 25

, 2014

A blue rectangular stamp, tilted slightly to the right. The text inside is arranged in two lines: "PARLIAMENT LIB." on the top line and "TOWER HILL FREETOWN" on the bottom line.



MDTF GRANT NUMBER: TF017201

Public Financial Management Improvement & Consolidation Project

GRANT AGREEMENT

AGREEMENT dated July 25, 2014 entered into between:

REPUBLIC OF SIERRA LEONE ("Recipient"); and

INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of MDTF for Public Financial Management Improvement & Consolidation Project.

The Recipient and the World Bank hereby agree as follows:

**Article I
Standard Conditions; Definitions**

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012 ("Standard Conditions"), 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 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 the Project through the Ministry of Finance and Economic Development in accordance with the provisions of Article II of the Standard Conditions.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.



make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

- 5.02. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 5.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient's Representative; Addresses

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

- 6.02. The Recipient's Address is:

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

Facsimile: 232 22 228 472

- 6.03. The Association's Address is:

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

Article III
The 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 four million six hundred United States Dollars (\$ 4,600,000) ("Grant") to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors 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
Additional Remedies

- 4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions is that the World Bank has determined after the Effective Date that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

Article V
Effectiveness; Termination

- 5.01 This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.
- (a) The execution and delivery of this Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary governmental and corporate action.
- (b) the Financing Agreement dated January 17, 2014, between the Recipient and the Association, providing a credit in support of the Project ("Financing Agreement"), has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to

Cable:
INDEVAS
Washington, D.C.

Telex:
248423 (MCI)

Facsimile:
1-202-477-6391

AGREED at Freetown, Sierra Leone, as of
the day and year first above written.

REPUBLIC OF SIERRA LEONE

By



Authorized Representative

Name:

Kairafa Mamba

Title:

Minister

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of MDTF for Public Financial
Management Improvement & Consolidation Project

By



Authorized Representative

Name:

FRANCIS ATO BROWN

Title:

COUNTRY MANAGER

SCHEDULE 1

Project Description

The objective of the Project is to improve budget planning and credibility, financial control, accountability and oversight in government finances in the Recipient's territory.

The Project consists of the following parts:

Part 1. Enhancing Budget Planning and Credibility

Carrying out of a program of actions designed to improve overall budget planning, build capacity for managing contingent liabilities, and strengthen systems and procedures for budget formulation, in particular:

- (a) Strengthening budgetary and macro-fiscal planning and forecasting, through, *inter alia*: (i) strengthening the institutional and technical capacities of: (A) the Economic Policy Research Unit for modeling, including, among others, forecasting of mineral resource revenues; and (B) the Macro-Fiscal Steering Group for forecasting and updating macroeconomic/fiscal indicators (e.g. national accounts, revenue, monetary and external sector variables), with a view to improving planning of the medium term budget; and (ii) strengthening the capacity of MoFED for carrying out of economic surveys.
- (b) Supporting operationalization of the Public Investment Management Unit with a view to improving the public investment management function.
- (c) Developing a framework for effective management and reporting of fiscal risks.
- (d) Strengthening the framework and formulation for medium term budgeting, including, *inter alia*: (i) migration to a GFS2001 compliant budget classification; (ii) recalibrating the Budget Bureau's classification systems; (iii) developing and implementing training program for MDAs and Local Councils; and (iv) facilitating the reconfiguration of the budget module.

Part 2. Financial Control, Accountability and Oversight

Carrying out of a program of actions designed to strengthen financial control, improve accountability systems and practices and enhance independent and public oversight in the management and use of public finances, in particular:

- (a) Strengthening financial systems, controls, accounting and reporting, in particular:
- (i) Implementation of IFMIS with a view to improving budget preparation and execution, cash management and financial reporting, including: (A) rolling out of IFMIS to remaining MDAs and to on-budget donor funded projects; (B) the development and implementation of a disaster recovery plan for the IFMIS; (C) establishment of the IFMIS interface with other government systems, including, among others, Bank of Sierra Leone, the debt management system (CS-DRMS), and customs and tax systems (ASYCUDA & DTIS); (D) communication and change management; (E) establishment of a business continuity strategy and disaster recovery site; and (F) establishment of a data center.
 - (ii) Improving accounting and reporting functions (including collection of revenues and public expenditures incurred) to ensure consistency with national and international accounting standards, laws and regulations, in particular: (A) establishment of a TSA; (B) implementation of a document management system; (C) implementation of an electronic funds transfer system; (D) strengthening compliance with IPSAS; (E) undertaking a comprehensive review of budgeting and accounting procedures; (F) defining business processes in the roll-out of IFMIS; and (G) improving accuracy of government's financial statements.
 - (iii) Developing an effective, independent and objective internal audit function, through, *inter alia*: (A) carrying out of internal audit needs assessment and developing risk-based internal audit; (B) developing standard operating procedures manual and templates; (C) rolling out the internal audit function to all MDAs; (D) designing and implementing a training program for internal auditors in MDAs; (E) designing and implementing certification courses on internal audit; (F) supporting internal audit committees; (G) carrying out an audit of the MoE's payroll; and (H) carrying out an audit of the Civil Service payroll.
- (b) Strengthening fiscal control and cash, debt and aid management, in particular:
- (i) Supporting implementation of the TSA (*to the extent not covered under Part (a)(ii)(A) above*), through, *inter alia*: (A) undertaking a comprehensive review of the legal framework as appropriate;

- (B) designing and implementing a strategy for establishing said TSA; and (C) preparation of appropriate plans for incorporating donor funded projects, banking payments and payment processes for TSA sub-accounts through IFMIS.
- (ii) Strengthening the debt management function, through, *inter alia*: (A) provision of technical advisory services for preparation of a regulatory framework for medium term domestic bond issuance, updating of the debt sustainability analysis, and preparation of a strategy for public debt management including a training curricula; and (B) provision of associated training to PDMD staff.
 - (iii) Strengthening the aid management function in MoFED, through, *inter alia*: (A) provision of training on data collection; (B) enhancement of the development assistance database; (C) establishment of a monitoring and evaluation system; and (D) facilitating field-based data collection.
 - (iv) Strengthening the capacity of the Multilateral Projects Division ("MPD") for identifying, designing, appraising and reviewing of projects at completion, through, *inter alia*: (A) developing a procedures manual; (B) supporting data collection; and (C) improving management of said MPD's database.
- (c) Strengthening public procurement and contract management functions, in particular:
- (i) Enhancing the institutional capacity of the public procurement function, through, *inter alia*: (A) designing and implementing a procurement capacity building strategy for delivery of appropriate training; (B) implementing a procurement training program for stakeholders, including, practitioners, the private sector, internal auditors and civil society organizations; (C) designing a freely accessible website/online portal for advertising contracts and publishing NPPA's review reports; and (D) establishing and operationalizing a procurement directorate in the MoFED.
 - (ii) Strengthening contract management systems.
- (d) Strengthening the Recipient's external audit function and systems, in particular: (i) development of a comprehensive training program for auditors in collaboration with the University of Sierra Leone; (ii) supporting professional training and certification of Audit Service Sierra

Leone's ("ASSL") staff; (iii) supporting operationalization of the ASSL; and (iv) design and implementation of audit management information systems.

- (e) Strengthening the Recipient's legislative's and public oversight over PFM, in particular:
 - (i) Strengthening the operational capacity and effectiveness of the Public Accounts Committee, the Public Finance Committee, and the Transparency and Accountability Committee, respectively.
 - (ii) Developing the analytical and dissemination capacities of non-state actors ("NSAs") for advocacy with a view to promoting transparency and external accountability over PFM; through, *inter alia*: (A) strengthening the institutional and technical capacity of the NSA Secretariat for coordination of NSA activities; (B) enhancing the technical and institutional capacities of NSAs for advocacy; (C) facilitating access to PFM documents and reports; and (D) provision of sub-grants to NSAs ("NSA Sub-Grants") for Subprojects designed to promote social accountability in PFM.

Part 3. Supporting the Strengthening of Revenue Mobilization and Administration Systems

Carrying out of a program of actions designed to strengthen revenue policy and oversight of revenue collection, improve the efficiency and integrity of revenue administration, increase domestic revenue, and integrate revenue systems with the overall PFM system, in particular:

- (a) (i) Strengthening the RTPU's capacity for monitoring implementation of tax legislation and policy, through, *inter alia*: (A) provision of technical advisory services for: (aa) improving the efficiency of RTPU; (bb) developing an operational manual for said RTPU; and (cc) developing tax policies and tax reform measures (including exemptions and duty waivers); and (B) provision of specialized training to RTPU staff; and (ii) strengthening the capacity of the CED for consolidating customs and excise regulations.
- (b) Strengthening tax and non-tax revenue administration systems and improving the efficiency and connectivity between revenue systems and PFM systems, including, among others: (i) acquisition and installation of a robust off-the-shelf tax administration system; (ii) acquisition and installation of ASYCUDA World; (iii) support initial establishment of a resource revenues unit; and (iv) strengthening the technical capacity of

said unit's staff, all through the provision of technical advisory services, non-consulting services, training, operating costs and acquisition of goods for the purpose.

Part 4. Strengthening Local Governance, Financial Management and Accountability Systems

Carrying out of a program of actions designed to improve Local Councils financial management systems and to strengthen associated accountability and oversight institutions all with a view to enhancing service delivery, in particular:

- (a) Strengthening the capacity of Local Councils for medium term budgeting, including, *inter alia*, harmonization of budget classification.
- (b) Strengthening Local Councils' budget execution, accounting and reporting systems; in particular: (i) facilitating compliance of financial reports with IPSAS, including among others, development and implementation of an appropriate strategy for IPSAS compliance; (ii) enhancing PETRA functions with a view to improving said Local Councils timely recording and reporting of financial transactions; (iii) establishing a uniform cadastral system across said Local Councils with a view to enhancing revenue mobilization; (iv) enhancing the capacity of said Local Councils for revenue collection and accounting; and (v) reinforcing internal audit practices in said Local Councils.
- (c) Strengthening public procurement systems in Local Councils.
- (d) Strengthening Local Councils' oversight and transparency systems and practices through, *inter alia*: (i) facilitating disclosure of PFM information; (ii) designing and implementing citizen friendly templates for Local Councils' budgets; (iii) organizing annual town hall meetings on PFM matters; and (iv) implementing public expenditure tracking surveys.

Part 5. PFM Reform Coordination and Project Management

- (a) Strengthening the capacity of the Project Management Unit for Project implementation, coordination and oversight, including, *inter alia*, fiduciary (procurement and financial management) aspects, monitoring and evaluation and reporting arrangements.
- (b) Strengthening the capacity of the PFMR Directorate for, among others, monitoring and evaluating overall PFM reforms.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. The provisions of Section 1 of Schedule 2 to the Financing Agreement (and related definitions) are hereby incorporated by reference in this Section and shall apply to this Agreement, *mutatis mutandis*, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement, subject, however, to the following qualifications:

1. references to "Association" shall be construed as references to the World Bank, acting as administrator of the MDTF for Public Financial Management Improvement & Consolidation Project; and
2. references to "Credit" and "Financing" shall be construed as references to the Grant provided for under this Agreement.

B. Donor Visibility and Visit

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors' support for the Project.
2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, take all measures required on its part to enable the representatives of the Donors to visit any part of the Recipient's territory for purposes related to the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.
2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

4. Other Review(s); Project Management Unit

Without limitation upon the provisions of paragraph 3 immediately above, the Recipient shall undertake quarterly reviews of the PMU's financial management activities under terms and conditions satisfactory to the World Bank, and furnish said reviews' findings to the World Bank not later than sixty (60) days after the end of the period to which said quarterly review(s) relates.

5. Part 2 (d) of the Project; Audit Service Sierra Leone

Without limitation upon the provisions of paragraph 4 immediately above, in order to assist the Audit Service Sierra Leone in preparing an audit of its Financial Statements for Part 2(d) of the Project, in each Fiscal Year, the Recipient shall, appoint an External Auditor, in accordance with the provisions of Section III of this Schedule. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Procurement and Consultant Guidelines.** All goods, non-consulting-services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in;

- (a) Section I of the Procurement Guidelines in the case of goods and non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consultants' services; and
 - (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").
2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding methods described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.
- B. Particular Methods of Procurement of Goods and Non-consulting Services**
1. **International Competitive Bidding:** Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Non-consulting Services:** The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) Shopping; (b) Direct Contracting; and (c) National Competitive Bidding, subject to the following additional provisions acceptable to the World Bank:

- (a) Bidding documents acceptable to the World Bank shall be used;
- (b) Eligibility to participate in a procurement process and to be awarded a World Bank-financed contract shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the World Bank for reasons other than those provided in Section I of the Procurement Guidelines. Foreign bidders shall be allowed to participate in NCB procedures, and foreign bidders shall not be obligated to partner with local bidders in order to participate in a procurement process;
- (c) Bidding shall not be restricted to pre-registered firms, and foreign bidders shall not be required to be registered with local authorities as a prerequisite for submitting bids;

- (d) No margins of preference of any sort (e.g., on the basis of bidder nationality, origin of goods, services or labor, and/or preferential programs) shall be applied in the bid evaluation;
- (e) Joint venture or consortium partners shall be jointly and severally liable for their obligations. Bidders shall be given at least thirty (30) days from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later, to prepare and submit bids. Bids shall be submitted in a single envelope;
- (f) An extension of bid validity, if justified by exceptional circumstances, may be requested in writing from all bidders before the original bid validity expiration date, provided that such extension shall cover only the minimum period required to complete the evaluation and award a contract, but not to exceed thirty (30) days. No further extensions shall be requested without the prior written concurrence of the World Bank;
- (g) All bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited without the World Bank's prior written concurrence;
- (h) Qualification criteria shall be applied on a pass or fail basis;
- (i) Bidders shall be given at least twenty-eight (28) days from the receipt of notification of award to submit performance securities;
- (j) In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the World Bank's policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the Procurement Guidelines; and
- (k) In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the World Bank's policy with respect to inspection and audit of accounts, records and other documents relating to the submission of bids and contract performance.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection:** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services:** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in

the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; (g) Single-source procedures for the Selection of Individual Consultants and (h) Established Private or Commercial Practices which have been found acceptable to the World Bank.

D. Review by the World Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Section IV. 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; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, consultants' services, Training and Operating Costs under Parts 1; 2 (a), (b), (c) and (e) (i), (ii) (A), (B) (C) and (iii); 3; 4 and 5 of the Project	4,340,000	Such percentage of Annual Work Plan Expenditures as the World Bank may determine for each Fiscal Year and communicate to the Recipient
(2) NSA Sub-Grants under		Such percentage of Annual

Part 2 (e)(ii)(D) of the Project	53,000	Work Plan Expenditures as the World Bank may determine for each Fiscal Year and communicate to the Recipient
(3) Goods, non-consulting services, consultants' services, Training and Operating Costs under Part 2(d) of the Project	205,000	Such percentage of Annual Work Plan Expenditures as the World Bank may determine for each Fiscal Year and communicate to the Recipient
TOTAL AMOUNT	4,600,000	

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 date of this Agreement.
2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is March 31, 2018.

APPENDIX

Definitions

1. "African Development Bank" means the African regional development bank.
2. "Annual Work Plan and Budget" means the program of activities agreed each year between the Recipient and the World Bank for inclusion in the Project and financing in accordance with Section I.B.2 of Schedule 2 to the Financing 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.
3. "Annual Work Plan Expenditures" means the Annual Work Plan Expenditures referred to in Section I.B.2 (e) of Schedule 2 to the Financing Agreement.
4. "Anti-Corruption Guidelines" means 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.
5. "ASYCUDA" means an earlier version of the Automated System for Customs Data issued by the United Nations Conference for Trade and Development.
6. "ASYCUDA World" means the latest version of the Automated System for Customs Data issued by the United Nations Conference for Trade and Development.
7. "Audit Service Sierra Leone" or "ASSL" means the Recipient's Audit Service established and operating pursuant to Part II of the Audit Service Act Number 1 of 1998 of the laws of the Recipient, as amended to date.
8. "Bank of Sierra Leone" means the central bank of the Recipient established and operating pursuant to the Bank of Sierra Leone Act Number 3 of 2000 of the laws of the Recipient, as amended to date.
9. "Budget Bureau" means the unit within MoFED responsible for preparation of the national budget.
10. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
11. "CED" means the customs and excise division within the National Revenue Authority, established and operating pursuant to the National Revenue Authority Act Number 11 of 2002 as amended to date.

12. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011.
13. "CS-DRMS" means the Commonwealth Secretariat Debt Recording and Management System.
14. "DTIS" means the Recipient's Domestic Tax Information System.
15. "Economic Policy Research Unit" means the unit within MoFED responsible for macro-economic fiscal policy.
16. "External Auditor" means the auditor appointed by Parliament in accordance with the provisions of Section 16 of the Audit Service Act Number 1 of 1998 of the laws of the Recipient, as amended to date.
17. "Fiscal Year" means the Recipient's fiscal year commencing January 1 and ending December 31 of each year.
18. "Financing Agreement" means the Agreement dated January 17, 2014 entered into between the Republic of Sierra Leone and the International Development Association for Public Financial Management Improvement and Consolidation Project (Cr.No.5350-SL).
19. "GFS2001" means the Government Finance Statistics Manual 2001, an internationally recognized statistical reporting framework aimed at helping national authorities to strengthen their capacity to formulate fiscal policy and monitor fiscal developments and developed by the International Monetary Fund.
20. "IFMIS" means the integrated financial management information system.
21. "IPSAS" means International Public Sector Accounting Standards.
22. "Local Council" or "LC" means a local council established and operating pursuant to the Local Government Act Number 1 of 2004 of the laws of the Recipient, as amended from time to time, and any successor thereto, and "Local Councils" or "LCs" means, collectively, all such Local Councils.
23. "Macro-Fiscal Steering Group" means the macro-fiscal steering group within MoFED.
24. "MDAs" means the Recipient's ministries, departments and agencies, and "MDA" means any such individual MDA.
25. "MoE" means the Recipient's Ministry of Education or any successor thereto.

26. "MoFED" means the Recipient's Ministry of Finance and Economic Development, or any successor thereto.
27. "Multi-lateral Projects Division" or "MPD" means the division within MoFED responsible for coordinating donor funded projects.
28. "NPPA" means the National Public Procurement Authority established and operating pursuant to Section 3 of the Public Procurement Act.
29. "NSA" means a non-state actor established and operating under the laws of the Recipient as a not-for-profit legal entity, and "NSAs" means, collectively, two or more such non-state actors.
30. "NSA Grant Agreement" means the agreement referred to in Section I.D.2 of Schedule 2 to the Financing Agreement.
31. "NSA Sub-Grant" means a sub-grant made to a NSA under Part 2(e)(ii)(D) of the Project.
32. "NSA Secretariat" means the secretariat within MoFED responsible for coordinating non-state actors' activities.
33. "Parliament" means the Recipient's parliament established and operating pursuant to Chapter VI of the Constitution of the Recipient Act Number 6 of 1991 of the laws of the Recipient, as amended to date.
34. "PDMD" means the Public Debt Management Division within MoFED.
35. "PETRA" means the internationally recognized integrated software solutions package.
36. "PFM" means Public Financial Management.
37. "PFMR Directorate" means the directorate within MoFED responsible for coordinating PFM reforms in the Recipient's territory.
38. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011.
39. "Procurement Plan" means the Recipient's procurement plan for the Project, dated October 9, 2013, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

40. "Program" means the document of the Recipient entitled *Public Financial Management Reform Strategy 2014-17* dated June 2013.
41. "Project Management Unit" means the Recipient's unit referred to in Section I.A.1 (b) of Schedule 2 to the Financing Agreement.
42. "Public Accounts Committee" means the committee established and operating in Parliament pursuant to Section 93 of the Constitution of the Recipient Act Number 6 of 1991 of the laws of the Recipient, as amended to date.
43. "Public Finance Committee" means the Committee established and operating in Parliament pursuant to Section 93 of the Constitution of the Recipient Act Number 6 of 1991 of the laws of the Recipient, as amended to date.
44. "Public Investment Management Unit" means the public investment management unit within MoFED.
45. "Public Procurement Act" means the Public Procurement Act Number 14 of 2004 of the laws of the Recipient, as amended to date.
46. "RTPU" means the revenue and tax policy unit within MoFED.
47. "Subproject" means a specific development project carried out or to be carried out by a NSA under Part 2(e)(ii)(D) of the Project and financed or to be financed out of the proceeds of the Financing through a NSA Sub-Grant; and "Subprojects" means, collectively, two or more such subprojects.
48. "Training" means the costs associated with training, workshops, seminars and conferences based on an Annual Work Plan and Budget approved by the World Bank pursuant to Section I.B.2 of Schedule 2 to the Financing Agreement, for reasonable expenditures (other than expenditures for consultants' services), including: (i) travel, room, board and *per diem* expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses.
49. "Transparency and Accountability Committee" means the Committee established and operating in Parliament pursuant to Section 93 of the Constitution of the Recipient Act Number 6 of 1991 of the laws of the Recipient, as amended to date.
50. "TSA" means Treasury Single Account.
51. "University of Sierra Leone" means the university established and operating pursuant to Section 3 of the Universities Act Number 1 of 2005 of the laws of the Recipient as amended to date, or any successor thereto.

52. "Operating Costs" means the incremental expenses incurred on account of Project implementation, based on an Annual Work Plan and Budget approved by the World Bank pursuant to Section I.B.2 of Schedule 2 to the Financing 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.

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