
CREDIT NUMBER 5277-LR

Financing Agreement

(First Poverty Reduction Support Development Policy Financing)

between

REPUBLIC OF LIBERIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated: July 22, 2013

FINANCING AGREEMENT

AGREEMENT dated July 22, 2013, entered into between REPUBLIC OF LIBERIA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Association 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 adequate macroeconomic policy framework. The Recipient and the Association therefore hereby agree as follows:


ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to six million, seven hundred thousand Special Drawing Rights (SDR 6,700,000) (variously, "Credit" and "Financing").
- 2.02. The Recipient may withdraw the proceeds of the Financing in support of the Program in accordance with Section II of Schedule 1 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are March 15 and September 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with repayment schedule set forth in Schedule 2 to this Agreement.
- 2.07. The Payment Currency is Dollars.





ARTICLE III — PROGRAM

- 3.01. The Recipient declares its commitment to the Program and its implementation. To this end:
- (a) the Recipient and the Association shall from time to time, at the request of either party, exchange views on the Recipient's macroeconomic policy framework and the progress achieved in carrying out the Program;
 - (b) prior to each such exchange of views, the Recipient shall furnish to the Association for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Association shall reasonably request; and
 - (c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, the Recipient shall promptly inform the Association of any situation that 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 I to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01 The Additional Event of Suspension consists of the following: a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.
- 4.02 The additional event of acceleration consists of the following, namely that the event specified in paragraph 4.01 of this Agreement occurs and is continuing for a period of thirty (30) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01 The Additional Condition of Effectiveness consists of the following: the Association is satisfied with the progress achieved by the Recipient in carrying out the Program and with the adequacy of the Recipient's macroeconomic policy framework.
- 5.02 The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement

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ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is its Minister responsible for finance.

6.02. The Recipient's Address is:

Minister of Finance
Ministry of Finance
P.O. Box 10-9013
Broad Street
Monrovia, Liberia

6.03. The Association's Address is:

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

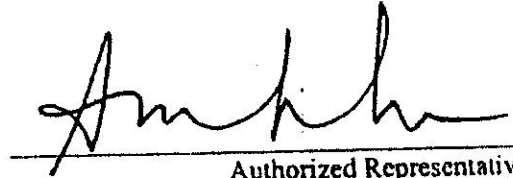
Cable Address:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423(MCI)	1-202-477-6391



AGREED at Ministry of Finance July 22, 2013 as of the day and year first
above written.

REPUBLIC OF LIBERIA

By



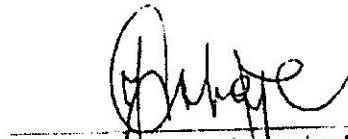
Authorized Representative

Name: Amara M. Komeh

Title: Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: INGUNA DOBRAJZA

Title: COUNTRY MANAGER

ATTESTED: 
ACTING MINISTER OF JUSTICE

SCHEDULE 1

Program Actions; Availability of Financing Proceeds

Section I. Actions under the Program

The actions taken by the Recipient under the Program include the following:

1. The Recipient has adopted anti-money laundering and anti-terrorism financing regulations to enhance transparency and accountability.
2. The Recipient has rolled out a new custom administration system (ASYCUDA) to two additional ports of Bo-Waterside and Ganta with a view to improving customs administration and enhancing service delivery.
3. The Recipient, through its MOF, has adopted integrated financial management information systems (IFMIS) in payroll processing, with a view to strengthening fiscal discipline and budget transparency.
4. The Recipient, through its MOF, has submitted the Recipient's IPSAS-based financial statements for FY 2010/2011 and FY 2011/2012 to GAC, with a view to improving internal budget controls.
5. The Recipient has adopted a policy framework for land tenure reform which clarifies land ownership rights of public land and government-owned land.

Section II. Availability of Financing Proceeds

- A. **General.** The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of this Section and such additional instructions as the Association may specify by notice to the Recipient.
- B. **Allocation of Financing Amounts.** The Financing is allocated in a single withdrawal tranche, from which the Recipient may make withdrawals of the Financing. The allocation of the amounts of the Financing to this end is set out in the table below:

Allocations	Amount of the Financing Allocated (expressed in SDR)
Single Withdrawal Tranche	6,700,000
TOTAL AMOUNT	6,700,000

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(H)

C. Withdrawal Tranche Release Conditions.

No withdrawal shall be made of the Single Withdrawal Tranche unless the Association is satisfied (a) with the Program being carried out by the Recipient, and (b) with the adequacy of the Recipient's macroeconomic policy framework.

D. Deposits of Financing Amounts. Except as the Association may otherwise agree:

1. all withdrawals from the Financing Account shall be deposited by the Association into an account designated by the Recipient and acceptable to the Association (the Deposit Account); and
2. the Recipient shall ensure that upon each deposit of an amount of the Financing into this account, an equivalent amount is accounted for in the Recipient's budget management system, in a manner acceptable to the Association.

E. Audit. The Recipient shall:

1. have the Deposit Account audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association;
2. furnish to the Association as soon as available, but in any case not later than the end of the Recipient's Fiscal Year, a certified copy of the report of such audit, of such scope and in such detail as the Association shall reasonably request, and make such report publicly available in a timely fashion and in a manner acceptable to the Association; and
3. furnish to the Association such other information concerning the Deposit Account and its audit as the Association shall reasonably request.

F. Excluded Expenditures. The Recipient undertakes that the proceeds of the Financing shall not be used to finance Excluded Expenditures. If the Association determines at any time that an amount of the Financing was used to make a payment for an Excluded Expenditure, the Recipient shall, promptly upon notice from the Association, refund an amount equal to the amount of such payment to the Association. Amounts refunded to the Association upon such request shall be cancelled.

G. Closing Date. The Closing Date is June 30, 2014.

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SCHEDULE 2

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each September 15 and March 15:	
commencing September 15, 2023, to and including March 15, 2033	1%
commencing September 15, 2033, to and including March 15, 2053	2%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.

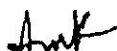


- (f) with respect to which the Association determines that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient or other recipient of the Financing proceeds, without the Recipient (or other such recipient) having taken timely and appropriate action satisfactory to the Association to address such practices when they occur.
2. "Fiscal Year" or "FY" means the fiscal year of the Recipient beginning on July 1 and ending June 30 of each year.
 3. "GAC" means the Recipient's General Auditing Commission or any successor thereto.
 4. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010 with the modifications set forth in Section II of this Appendix.
 5. "IPSAS" means the cash basis international public sector accounting standards.
 6. "MOF" means the Recipient's Ministry of Finance or any successor thereto.
 7. "Program" means the program of actions, objectives and policies designed to promote growth and achieve sustainable reductions in poverty and set forth or referred to in the letter dated May 17, 2013 from the Recipient to the Association declaring the Recipient's commitment to the execution of the Program, and requesting assistance from the Association in support of the Program during its execution.
 8. "Single Withdrawal Tranche" means the amount of the Financing allocated to the category entitled "Single Withdrawal Tranche" in the table set forth in Part B of Section II of Schedule I to this Agreement.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. The last sentence of paragraph (a) of Section 2.03 (relating to Applications for Withdrawal) is deleted in its entirety.
2. Sections 2.04 (*Designated Accounts*) and 2.05 (*Eligible Expenditures*) are deleted in their entirety, and the remaining Sections in Article II are renumbered accordingly.
3. Sections 4.01 (*Project Execution Generally*), and 4.09 (*Financial Management, Financial Statements; Audits*) are deleted in their entirety, and the remaining Sections in Article IV are renumbered accordingly.
4. Paragraph (a) of Section 4.05 (renumbered as such pursuant to paragraph 3 above and relating to *Use of Goods, Works and Services*) is deleted in its entirety.
5. Paragraph (c) of Section 4.06 (renumbered as such pursuant to paragraph 3 above) is modified to read as follows:





APPENDIX

Section 1. 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 the Association or the Bank has financed or agreed to finance, or which the Association or the Bank 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 Association 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[, and any other goods designated as environmentally hazardous by agreement between the Recipient and the Association]);
- (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

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"Section 4.06. Plans; Documents; Records

(c) The Recipient shall retain all records (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures under the Financing until two years after the Closing Date. The Recipient shall enable the Association's representatives to examine such records."

6. Section 4.07 (renumbered as such pursuant to paragraph 3 above) is modified to read as follows:

"Section 4.07. Program Monitoring and Evaluation

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

7. The following terms and definitions set forth in the Appendix 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 Financing is put in support of the Program, other than to finance expenditures excluded pursuant to the Financing 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 Financing Agreement in support of which the Financing is made." All references to "Project" throughout these General Conditions are deemed to be references to "Program".

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“AN ACT TO RATIFY THE FINANCING AGREEMENT (FIRST POVERTY REDUCTION SUPPORT DEVELOPMENT POLICY FINANCING) BETWEEN REPUBLIC OF LIBERIA AND INTERNATIONAL DEVELOPMENT ASSOCIATION”

It is enacted by the Senate and House of Representatives of the Republic of Liberia in Legislature assembled:

SECTION 1: That from and Immediately upon passage of this Act, “AN ACT TO RATIFY THE FINANCING AGREEMENT (FIRST POVERTY REDUCTION SUPPORT DEVELOPMENT POLICY FINANCING) BETWEEN REPUBLIC OF LIBERIA AND INTERNATIONAL DEVELOPMENT ASSOCIATION” as herein recited below word for word in the authentic English version be and the same is hereby ratified to give full force and effect to the provision as contained herein.

SECTION II: SHORT TITLE: That Act to ratify the financing agreement shall also be cited as “**FIRST POVERTY REDUCTION SUPPORT DEVELOPMENT POLICY FINANCING AGREEMENT**”

SECTION III: That any and all obligations, covenants, terms and conditions as contained in the above mentioned “AN ACT TO RATIFY THE FINANCING AGREEMENT (FIRST POVERTY REDUCTION SUPPORT DEVELOPMENT POLICY FINANCING) BETWEEN REPUBLIC OF LIBERIA AND INTERNATIONAL DEVELOPMENT ASSOCIATION” shall be carried into full completion unless otherwise modified, amended or repealed.

Section V: This Act shall take effect immediately upon the publication into handbills.

ANY LAW TO THE CONTRARY NOTWITHSTANDING.

2014

**THIRD SESSION OF THE FIFTY-THIRD LEGISLATURE OF
THE REPUBLIC OF LIBERIA**

SENATE'S ENGROSSED BILL NO. 14 ENTITLED:

**“AN ACT TO RATIFY THE FINANCING AGREEMENT (FIRST
POVERTY REDUCTION SUPPORT DEVELOPMENT POLICY
FINANCING) BETWEEN REPUBLIC OF LIBERIA AND
INTERNATIONAL DEVELOPMENT ASSOCIATION”**

On motion, Bill read. On motion, the Bill was adopted on its first reading and sent to Committee Room on Tuesday, July 2, 2013 @ 12:50 G.M.T.

On motion, Bill taken from the Committee Room for its second reading. On motion, under the suspension of the rule, the second reading of the Bill constituted its third and final reading and the Bill was adopted, passed into the full force of the law and ordered engrossed today, Tuesday, March 11, 2014 @ 13:45 G.M.T.

Hannah Verdier Managwoi

SECRETARY, LIBERIAN SENATE, R.L

-2014-

**THIRD SESSION OF THE FIFTY-THIRD LEGISLATURE OF
THE REPUBLIC OF LIBERIA**

**HOUSE'S ENDORSEMENT TO SENATE'S ENGROSSED BILL
NO. 14 ENTITLED:**

**"AN ACT TO RATIFY THE FINANCING AGREEMENT (FIRST POVERTY
REDUCTION SUPPORT DEVELOPMENT POLICY FINANCING) BETWEEN
REPUBLIC OF LIBERIA AND INTERNATIONAL DEVELOPMENT
ASSOCIATION"**

On motion, Bill read. On motion, the Bill was adopted on its first reading and sent to Committee on Thursday, March 20, 2014, @ 13:34 G.M.T.

On motion, the Bill was taken from Committee Room for its second reading. On motion, under the suspension of the rule, the second reading of the Bill constituted its third and final reading, and the Bill was adopted, passed into the full force of the law, and ordered engrossed today, Tuesday, April 8, 2014 @ 15:37 G.M.T.



CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.

2014

ATTESTATION

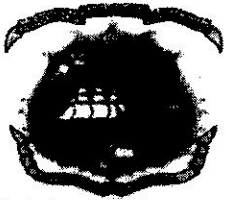
“AN ACT TO RATIFY THE FINANCING AGREEMENT (FIRST POVERTY REDUCTION SUPPORT DEVELOPMENT POLICY FINANCING) BETWEEN REPUBLIC OF LIBERIA AND INTERNATIONAL DEVELOPMENT ASSOCIATION”

VICE PRESIDENT OF THE REPUBLIC OF LIBERIA/PRESIDENT OF THE SENATE

THE SECRETARY, LIBERIAN SENATE

THE SPEAKER, HOUSE OF REPRESENTATIVES

THE CHIEF CLERK, HOUSE OF REPRESENTATIVES, R. L.



THE SECRETARY OF THE SENATE



The Liberian Senate

CAPITOL BUILDING, CAPITOL HILL, MONROVIA, LIBERIA
WEST AFRICA

E-mail: singbehlibsen@hotmail.com

2014

**THIRD SESSION OF THE FIFTY-THIRD LEGISLATURE OF
THE REPUBLIC OF LIBERIA.**

SCHEDULE OF SENATE'S ENROLLED BILL NO. 5 ENTITLED:

**"AN ACT TO RATIFY THE FINANCING AGREEMENT (FIRST POVERTY
REDUCTION SUPPORT DEVELOPMENT POLICY FINANCING) BETWEEN
REPUBLIC OF LIBERIA AND INTERNATIONAL DEVELOPMENT ASSOCIATION"**

PRESENTED TO THE PRESIDENT OF THE REPUBLIC OF LIBERIA FOR
EXECUTIVE APPROVAL.

APPROVED THIS 10th DAY OF April A.D. 2014

AT THE HOUR OF 12:40 P.M.

THE PRESIDENT OF THE REPUBLIC OF LIBERIA