Liberia Reconstruction Trust Fund
Grant Agreement

(Urban and Rural Infrastructure Rehabilitation Project)

between

REPUBLIC OF LIBERIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of the Liberia Reconstruction Trust Fund

Dated June 25, 2009
AGREEMENT, dated June 25, 2009, entered into between the REPUBLIC OF LIBERIA ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"), acting as administrator of the Liberia Reconstruction Trust Fund ("LRTF").

WHEREAS: (A) The Association together with various donors established the LRTF on April 21, 2008 to support the Recipient in improving its basic infrastructure in order to: (i) create an enabling environment for incremental economic growth; (ii) allow access to basic services, and; (iii) build the capacity for planning and managing development projects in the Recipient’s territory;

(B) the Recipient, having satisfied itself as to the feasibility and priority of the project described in Schedule 1 to this Agreement (the Project), has requested the Association, as administrator of the LRTF, to assist in the financing of the Project with LRTF’s resources;

(C) Pursuant to a financing agreement entered into between the Recipient and the Association dated June 25, 2009 (the “IDA Financing Agreement”) for the Project, the Association granted the Recipient an amount equivalent to twenty nine million five hundred thousand Special Drawing Rights (SDR 29,500,000) for the purpose of financing the Project;

(D) the Association acting as administrator of the LRTF has agreed to make a grant (the Grant) referred to in Section 3.01 of this Agreement;

NOW THEREFORE, The Recipient and the Association 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
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 its MPW with the assistance of the MOF in accordance with the provisions of Article II of the Standard Conditions, the MOU, the Operational Manual and this Agreement.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III
The Grant

3.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, the Grant in an amount equal to nine million and two hundred thousand Dollars (US$9,200,000) 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 LRTF for which the Association receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions, the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

Article IV
Additional Remedies

4.01 The Effectiveness Deadline for this Agreement is the same as the IDA Financing Agreement.

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 of Finance.
5.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Minister of Finance
Ministry of Finance
Broad Street
1000 Monrovia 10
Republic of Liberia

e-mail: communications@mofliberia.org

5.03. The Association’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) 1-202-477-6391
Washington, D.C.
AGREED at Monrovia, Republic of Liberia, as of the day and year first above written.

REPUBLIC OF LIBERIA

By: /s/ Augustine K. Ngafuan

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of the
Liberia Reconstruction Trust Fund

By: /s/ Ohene Owusu Nyanin

Authorized Representative
The objective of the Project is to support the Recipient’s efforts to improve road access in the city of Monrovia and targeted rural areas, as well as to improve the institutional capacity for the management of the Recipient’s roads sector.

The Project consists of the following parts:

**Infrastructure Investment**

**Part A: Rehabilitation of Monrovia City Streets**

1. Rehabilitation of twenty-four (24) kilometers of major streets in the city of Monrovia including its center streets network and repair of sidewalks.

2. Provision of technical assistance to MPW for the implementation of Part A.1 of the Project, including: (a) supervision of works during the construction period and for twelve (12) months following the conclusion of construction activities; (b) approval of construction drawings; and (c) approval of completed works for purposes of payment for services rendered.

**Part B: Construction of Cotton Tree-Bokay Town Road Section**

1. Construction of the Cotton Tree-Bokay Town road of approximately fifteen (15) kilometers.

2. Construction of a bridge in the city of Bokay Town with approaches of approximately twenty-five (25) meters.

3. Provision of technical assistance to MPW for the implementation of Part B.1 and Part B.2 of the Project, including: (a) supervision of works during the construction period and for twelve (12) months following the conclusion of construction activities; (b) approval of construction drawings; and (c) approval of completed works for purposes of payment for services rendered.
Part C: **Construction of Caldwell Bridge and approaches**

1. Construction of a new bridge of approximately one hundred twenty (120) meters in the city of Monrovia to replace the dilapidated Caldwell Bridge and the construction of two new alignments for the bridge approaches, each of approximately five hundred (500) meters long.

2. Provision of technical assistance to MPW for the implementation of Part C.1 of the Project, including: (a) review of proposed solutions for the replacement of the Caldwell Bridge; (b) preparation of detailed designs and bidding documents; (c) supervision of works during the construction period and for twelve (12) months following the conclusion of the construction; and (d) approval of construction drawings.

Part D: **Rehabilitation of Pleebo-Barclayville Road**

Emergency improvement of the Pleebo-Barclayville Road, including: (a) clearing the right of way; (b) bush clearing; and (c) leveling of formation course, and re-graveling the road with basic improvement of drainage and reinforcing broken culverts.

Part E: **Rural Road Maintenance**

Maintenance of approximately six hundred forty one (641) kilometers of diverse roads throughout the Recipient’s territory with the assistance of the United Nations Liberia Office engineering contingents.

Part F: **Rehabilitation of the Vai Town Bridge and Tucker Bridge Convergence Road Intersection**

1. Provision of technical assistance for purposes of developing a study to find solutions to reduce the traffic congestion at the Vai Town Bridge and Tucker Bridge convergence intersection road.

2. Construction of the Vai Town Bridge and Tucker Bridge convergence intersection road following the recommendations of the study referred to in Part F.1 of the Project.
Part G: New Fuel Unloading Facility in the Port of Monrovia

1. Construction of a new fuel unloading facility to replace the existing dilapidated facility in the Port of Monrovia.

2. Provision of technical assistance to MPW for: (a) the design of plans for the construction of the new fuel unloading facility referred to in Part G.1 of the Project; and (b) supervision of works under Part G.1 of the Project.

Program Management and Institutional Support

Part H: Management, Monitoring and Evaluation of Project Implementation

Provision of support for overall Project coordination, evaluation, supervision and implementation including, *inter alia*:

1. Provision of technical assistance, Training and Operating Costs for the establishment of the IIU.

2. Provision of Training to MPW staff to enhance their administrative and technical capacities.

3. Financing of Operating Costs for the PFMU for the implementation of the Project.

4. Provision of technical assistance, Training and equipment to MPW to enhance its capacity to manage the Recipient’s feeder road network.

5. Provision of technical assistance and Training to MPW to develop a framework to enable a Recipient’s roads authority entity.

6. Provision of technical assistance, Training and goods to EPA for the strengthening of its administrative and technical capacities.

7. Resettlement of Affected Persons in connection with the carrying out of Part C of the Project.

8. Carrying out environmental and social assessments in connection with the implementation of the Project.
9. The carrying out of audits for the Project.

10. The implementation of a program to monitor and evaluate the carrying out of the Project.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

1. The Provisions of Section I of Schedule 2 to the IDA Financing Agreement shall apply to this Agreement, mutatis mutandis.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

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 satisfactory to the Association. Each Project Report shall cover the period of one (1) calendar year commencing from the Effective Date and shall be furnished to the Association not later than one (1) month after the end of the period covered by such report.

2. Without limitation to the generality of paragraph 1 above, the Recipient shall carry out jointly with the Association, on or about April 1, 2011 after the Effective Date, a comprehensive mid-term review to assess the status of Project implementation. The Recipient shall not later than one (1) month before such review, prepare and furnish to the Association a report that is satisfactory to the Association in scope and detail for purposes of such review.

3. For purposes of Section 2.06 (b) (ii) of the Standard Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than December 31, 2014.

B. Financial Management, Financial Reports and Audits

1. The provisions of paragraph B of Section II of Schedule 2 to the IDA Financing Agreement shall apply to this Agreement, mutatis mutandis.

Section III. Procurement

The Provisions of Section III of Schedule 2 to the IDA Financing Agreement shall apply to this Agreement, mutatis mutandis.
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 Association 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 the 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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, Works, and Consultant’s Services under Part B.1 of the Project</td>
<td>9,200,000</td>
<td>94%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>9,200,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawals shall be made in respect of payments for expenditures prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2010.
Section V. Other Undertakings

A. Establishment of the Infrastructure Implementation Unit

The Recipient shall, not later than twelve (12) months following the Effective Date, establish the IIU with a structure, functions and staffing acceptable to the Association.

B. Memorandum of Understanding

The Recipient shall, not later than twelve (12) months following the Effective Date, enter into a memorandum of understanding with MPW and MOF in form and substance satisfactory to the Association, including, *inter alia*, allocation of responsibilities for Project implementation, obligations to provide technical support for the Project, as well as obligations to monitor and evaluate the technical implementation of the Project.

C. Staff for the Special Implementation Unit

The Recipient shall: (a) not later than three (3) months following the Effective Date, hire within the SIU a social scientist with qualifications and experience, and pursuant to terms of reference, satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to the IDA Financing Agreement; and (b) not later than one (1) month following the Effective Date, hire within the SIU a senior procurement specialist with qualifications and experience, and pursuant to terms of reference, satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to the IDA Financing Agreement;

D. Project Auditors

The Recipient shall, not later than six (6) months following the Effective Date, hire the external auditors for the Project referred to in paragraph B.1 (c) of Section II of Schedule 2 to the IDA Financing Agreement with qualifications and experience, and pursuant to terms of reference, satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to the IDA Financing Agreement.
APPENDIX

Definitions

1. “Affected Persons” means persons who, on account of an involuntary taking of land under the Project, had or would have their: (a) standard of living adversely affected; or (b) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (c) access to productive assets adversely affected, temporarily or permanently; or (d) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently; and “Affected Person” means any of the Affected Persons.


3. “Annual Work and Budget Plan” means a plan prepared and presented to the Association by the Recipient pursuant to paragraph D of Section 1 of Schedule 2 to the IDA Financing Agreement.

4. “Category” means a category set forth in the table in paragraph A.2 of Section IV of Schedule 2 to this Agreement.


6. “Environmental Management Plan” and the acronym “EMP” mean a plan, approved by the Association for the Project, to be prepared by the Recipient after carrying out the environmental and social assessment of the areas of Project, referred to in paragraph C(a) of Section I of Schedule 2 to the IDA Financing Agreement, proposing appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental and resettlement impacts, offset them, reduce them to acceptable levels or enhance positive impacts, as the same may be amended from time to time with the agreement of the Association.

7. “EPA” means the Recipient’s Environmental Protection Agency.
8. “IDA Financing Agreement” means the Agreement between the Recipient and the Association dated _________________, 2009 providing for a grant in an amount equivalent to twenty nine million five hundred thousand Special Drawing Rights (SDR 29,500,000) to assist in the financing the Project.

9. “Infrastructure Implementation Unit” or “IIU” means the unit established within MPW with a composition and role described in paragraphs A.1 and A.2 of Section I of Schedule 2 to the IDA Financing Agreement.

10. “Interim Un-audited Financial Report” means the report referred to in paragraph B.2 of Section II of Schedule 2 to the IDA Financing Agreement, and which sets forth the sources and uses of funds for the Project, both cumulatively and for the period covered by said report, showing funds provided under the Designated Account, and explains variances between the actual and planned uses of such funds.

11. “Memorandum of Understanding” or “MOU” is the agreement referred to in paragraph B of Section V of Schedule 2 to the IDA Financing Agreement, to be entered into between the MPW and MOF setting out the respective obligations of the parties with respect to Project implementation activities, including the financial management and, procurement arrangements;


14. “Operational Manual” means the manual referred to in paragraphs F of Section I of Schedule 2 of the IDA Financing Agreement, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes and schedules to the Operational Manual.

15. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.

16. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated March 2, 2009 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
17. “Project Financial Management Unit” and the acronym “PFMU” mean the Project Financial Management Unit established within the Recipient’s Ministry of Finance with a composition and role described in paragraphs B.1 and B.2 of Section I of Schedule 2 to the IDA Financing Agreement.

18. “Resettlement Action Plan” means a plan, approved by the Association for Part C of the Project, to be prepared by the Recipient after carrying out an environmental and social assessment pursuant to paragraph C (a) of Section I of Schedule 2 to the IDA Financing Agreement, for land acquisition, resettlement and compensation of Affected Persons in connection with Part C of the Project, as the same may be amended from time to time with the agreement of the Association.


20. “Special Implementation Unit” and the acronym “SIU” means the unit established within MPW with a composition and role described in paragraphs A.1 and A.2 of Section I of Schedule 2 to the IDA Financing Agreement.