
This Administration Agreement is concluded under Indirect Management in the context of the Framework Agreement between the World Bank Group and the European Commission which sets the general conditions for this Administration Agreement. The Framework Agreement shall be applicable and form an integral part of this Administration Agreement for the Trust Fund.

1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) acknowledges that the European Commission (the “Donor”, and together with the Bank, the “Parties” and each a “Party”) agrees to provide the sum of two million six hundred ninety thousand Euros (EUR 2,690,000) (the “Contribution”) for the Liberia Integrated Public Financial Management Reform Single-Donor Trust Fund, No. TF072467 (the “Trust Fund”) in accordance with the terms of this Administration Agreement.

The estimated total budget of the Trust Fund is two million six hundred ninety thousand Euros. The indicative budget set out in Annex 5 shall be used for monitoring purpose only and shall not be binding.

2. The Contribution shall be used to finance the activities set forth in the “Liberia Integrated Public Financial Management Reform Single-Donor Trust Fund Description” attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Administration Agreement, including the “Standard Provisions” attached hereto as Annex 2 and “Governance” attached hereto as Annex 3.

Expected results of the Trust Fund and corresponding indicators (including baselines, result goals and sources of data) are set out in Annex 4.

The Implementation period shall start on the date following that on which the last of the two parties signs.

3. The Donor shall deposit the Contribution in accordance with the following schedule and in the currency specified in Section 1 above (“Contribution Currency”) into such bank account designated by the Bank (each amount deposited hereinafter referred to as an “Instalment”) upon submission of a payment request by the Bank:

(A) Promptly following countersignature – Euro 2,421,000
(B) Euro 269,000 subject to the disbursement of 70% of the preceding instalment.

The payment period of the balance shall be 60 days.

4. When making any deposit, the Donor shall instruct its bank to include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Donor for TF072467 Liberia Integrated Public Financial Management Reform Single-Donor Trust Fund, the Commission internal reference number and the date of the Administration Agreement, the name of the project for which the funds are intended, the name of the Commission department responsible for the Trust Fund and the date of the deposit (the “Deposit Instructions”). In addition, the Donor shall provide a copy of the Deposit Instructions to the Bank’s
Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to +1 (202) 614-1315.

5. Except with respect to the Deposit Instructions, any notice, request or other communication to be given or made under this Administration Agreement shall be in writing and delivered by mail, fax or e-mail to the respective Party’s address specified below or at such other address as such Party notifies in writing to the other Party from time to time:

For the Bank (the “Bank Contact”):

Ismaila B. Ceesay
Lead Financial Management Specialist
GGDOR
The World Bank
102 Yakubu Gowon Way
Asokoro, Abuja
Nigeria
Tel: +234 7035 830 640-4
Fax: +234
E-mail: iceesay@worldbank.org

For the Donor (the “Donor Contact”):

Tiina Intelmann
Ambassador/Head of Delegation
EU Delegation to Liberia
100 UN Drive, Mamba Point
Tel: +231 777757824/ +231 777757826
Fax: +231 777001062
E-mail: delegation-liberia@eeas.europa.eu

6. In the event any amounts are to be returned to the Donor under this Administration Agreement, the Bank shall transfer such amounts to the Donor unless otherwise agreed with the Bank.

7. All annexes hereto and the Framework Agreement between the World Bank Group and the European Commission constitute an integral part of this Administration Agreement, whose terms taken together shall constitute the entire agreement and understanding between the Donor and the Bank. In the event of any inconsistency, the Framework Agreement prevails over the Administration Agreement and the Administration Agreement prevails over its Annexes. Unless otherwise specified in an annex hereto, this Administration Agreement may be amended only by written amendment between the Bank and the Donor.

8. Individual procurement and grant contracts under this Administration Agreement shall be signed by the Bank no later than fifteen (15) months from the date of this Administration Agreement.

9. The following derogations from the Framework Agreement shall apply in cases of crisis, emergency and post-emergency situations: Non-Applicable

10. The measures taken to identify the EU as a source of financing shall be in accordance with Attachment 4 of the Framework Agreement.
11. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Administration Agreement and act in accordance with these terms and conditions. The Parties are requested to sign and date this Administration Agreement, and upon possession by the Bank of this fully signed Administration Agreement, this Administration Agreement shall become effective as of the date of the last signature.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By: ____________________________
Inguna Dobnaja
Country Manager for Liberia
Date: 14.12.2015

EUROPEAN COMMISSION

By: ____________________________
Name: INSELMANN
Title: Head of Delegation
Date: 15.12.15
ANNEX 1

Liberia Integrated Public Financial Management Reform Single Donor Trust Fund Description

This Annex shall be applicable to and form an integral part of the Administration Agreement for the Trust Fund between the Bank and the Donor.

1. **Objectives**

The objectives of the Trust Fund are: improved budget coverage, fiscal policy management, financial control, and oversight of government finances of Liberia. Through strengthened institutional capacity for the delivery of effective PFM and oversight, the government will be able to expand and deepen the scope reforms in support of reduced corruption and improve service delivery, particularly to vulnerable groups, thereby reducing poverty.

2. **Activities**

The activities (which may be described as “components” of activities) to be financed by the Trust Fund are:

2.1 Bank-executed activities, for which the Bank has implementation responsibility:

Providing enhanced implementation support to and oversight for the Integrated Public Financial Management Reform Project (as described in Sub-section 2.2 of this Annex), and program management and administration.

2.2 Recipient-executed activities, for which one or more Recipients (as defined in Annex 2) have implementation responsibility:

Component 1: Enhancing Budget Planning Systems, Coverage and Credibility

Establishment of effective systems and procedures for aggregated fiscal policy, management budget formulation and process and improved central and local government management, through:

(a) Macro-Fiscal Framework. Provision of training to relevant staff of the Ministry of Finance and Development Planning (MoFDP) in macroeconomic modelling, financial programming and revenue forecasting and provision of software and hardware for MFAU offices to strengthen the performance of MFAU’s functions.

(b) Fiscal Reporting and Fiscal Policy Review. Carrying out of: (i) a complete mapping of all chart of accounts (COA) elements in producing FORs; (ii) a pilot program for the reconciliation of fiscal and monetary accounts within the FORs to progressively include IFMIS data, incorporate FOR data in mid-term reviews and to publish the FORs once data adequacy is established; (iii) a plan to establish financial management and accounting standards for SOEs and allow regular reporting on SOE financial performance and potential risks to the Recipient’s fiscal position, including, inter alia, capacity building and training for SOE staff to enhance performance of their functions and the preparation of financial reporting guidelines.

(c) Enhanced Budget Frameworks. Establishment of an orderly, realistic budget process that includes all central government M&As and counties, through: (i) the development and delivery of training materials and workshops to enhance the M&As’ performance functions at central and local level; (ii) provision of
training on planning, capital project selection, and budgeting to MoFDP and M&A relevant staff; (iii) the implementation of a road-map for MTBF roll-out; (iv) pilot the preparation of FSEs by M&As and the MoFDP; and (v) carrying out of public consultations and hearings as a formal feature of the budget preparation process.

Component 2: Strengthening PFM Legal Framework, Budget Execution, Accounting Reporting

Strengthening of the Recipient’s legal public financial management framework to enhance delivery and quality of budget information and allow more informed government decision making, through:

(a) Review of PFM Legal Framework. Carrying out of a legal review and drafting of proposed revisions to key legal instruments governing public financial management, including revisions to the Recipient’s Public Financial Management Act of 2009, to provide greater consistency with international best practices and on improved legal framework for management and control of public finances.

(b) IFMIS Roll-out to M&As. Implementation of the roll-out of the IFMIS to the Recipient’s ministries and agencies, through: (i) implementation of software with interlinked budget preparation, execution and fiscal reporting modules; (ii) minor office renovations; (iii) completion of the implementation of the payroll module of said software; and (iv) establishment of e-transcript utilities to interface with county-level systems.

(c) Strengthening Financial Standards - Accounting and Reporting. (i) Development of guidelines to produce IPSAS compliant consolidated financial statements; (ii) provision of training to CAGD staff on accounting and reporting; (iii) development and design of specifications to automatically produce IPSAS compliant reports; and (iv) carrying out of a review of the current accounting and financial processes and provision of recommendations to improve identified areas to bring these processes in line with best practices.

(d) Treasury and Cash Management. Improvement of efficiency and effectiveness of the Recipient’s cash and debt management, through: (i) the preparation of a plan to establish the TSA; (ii) implementation of banking arrangements and payments processes for TSA sub-accounts; (iii) drafting of principles for donor project bank accounts to be incorporated under TSA; and (iv) establishment of a cash flow forecasting and cash management mechanism.

(e) Aid Management. Improvement of the predictability and coordination of aid flows and increase in the transparency and accountability of aid management, through: (i) the implementation of a web-based repository of aid data and aid funded programs in the aid management platform; (ii) carrying out of training of AMU staff in aid management and coordination, monitoring and evaluation, and grant negotiation; (iii) provision of hardware, software and equipment; and (iv) carrying out of minor office renovations.

(f) Debt Management. Improvement of efficiency and effectiveness of debt management, through: (i) provision of training on debt management systems to debt management staff; (ii) acquisition of periodic CS-DRMS upgrades; and (iii) implementation of a domestic debt management module as an addition to CS-DRMS.

(g) Establishment of County Treasuries. Establishment of basic financial management and fiduciary control at county level, through: (i) carrying out of minor renovations of existing county accounting offices; (ii) setting up of a treasury framework, including design and provision of simplified book-keeping and accounting tools; (iii) acquisition of basic furniture for county treasury offices; and (iv) provision of training to county treasury officers on basic county treasury accounting and reporting.
Donor Project Financial Management/Use of Country Systems. Increase the use of country financial management systems and 'aid on accounting' and 'aid on reporting', through: (i) design of budgeting, accounting, and reporting tools within IFMIS; (ii) provision of training of PFMU staff and staff in the CAGD accounting services unit on the implementation of donor-funded project accounting; and (iii) piloting of the transition from stand-alone financial arrangements for donor-funded projects to integrated financial management arrangements.

Component 3: Enhancing Transparency and Accountability

Improve of the Recipient’s public financial management transparency and accountability, through:

(a) Strengthening Public Procurement. Improve the public procurement oversight through strengthening the institutional capacity of the PPCC to deliver on its mandate, through: (i) strengthening the institutional capacity of the PPCC to enhance performance of its functions; (ii) training to PPCC staff and outreach to ministries and local government officials to improve monitoring and compliance with procurement guidelines; (iii) carrying out of south-to-south knowledge exchange activities; (iv) supporting the interface with IFMIS procurement model and the online publication of PPCC review reports.

(b) Internal Audits and Controls. Improvement of the internal control environment of M&As to ensure sufficient and timely services, through: (i) the establishment of the Recipient’s internal audit governance board and secretariat; (ii) provision of software, hardware and equipment to the governance board; (iii) carrying out of training to internal auditors across M&As; (iv) preparation and implementation of internal audit manuals; (v) the development and implementation of a risk-based audit methodology; and (vi) provision of training on specialized audit, licensing and certifications to internal auditors.

(c) External Audit. Strengthening of the oversight role of GAC and improvement of financial compliance, through: (i) carrying out of training to GAC staff on procurement audit, information system audit, revenue audit, public and environmental audit, oil and gas audit; (ii) carrying out of training and certification for GAC staff on modern audit practices; and (iii) strengthening GAC’s capacity and carrying out of minor office renovations.

(d) Legislative Oversight. Enhancement of the capacity of LBO to apply appropriate standards of public financial accountability to the executive branch, through: (i) provision of training on budget analysis to LBO staff; (ii) implementation of outreach programs for PAC and the Ways and Means Committee through south-south study tours; and (iii) provision of training to the Recipient’s legislators.

(e) Targeted capacity building in PFM processes and systems at the Ministry of Justice, Liberia National Police, Bureau for Naturalization and Immigration, and the Judiciary.

(f) Strengthening the demand side accountability under the IPFMRP’s Non-State Actor’s component

(g) Civil Society and Social Accountability. Strengthening the capacity of NSAs as critical watchdogs in ensuring transparency and accountability in the use of public finances, through: (i) the preparation and dissemination of information materials on public spending at national and local levels; (ii) support the administration of Sub-grants by NSAs under this Part D, including the recruitment of a Sub-grants Evaluation Agent; (iii) development of a grant-making program for eligible NSAs and provision of such Sub-grants to eligible NSAs to support demand-driven activities related to transparency and accountability in the use of public resources for (a) analysis and monitoring of the national and local government budgets at various stages of the budget preparation, approval and execution cycle; and (b) support for advocacy
activities and dissemination of information on all aspects of public financial management at the national and local government levels; and (iii) media training for journalists on covering government budget and spending matters and related issues.

Component 4: Program Governance and Project Management

Providing a robust project and program management function that caters to the needs of integrated coordination and monitoring of the implementation of the program, serve as the enabling component for delivery of PFM human resource capacity, and assure the appropriate sequencing of interventions across the various reform fronts. Activities to include:

(a) **Project Coordination.** Strengthening the institutional capacity of the PFM RCU and PFMU in order to fulfill their fiduciary duties under the Project, and liaise with the CSA, PFM Training Program and the PPCC.

(b) **Institutional and Capacity Building.** Strengthening of the institutional basis for public financial management reforms and build national capacity for enabling new entrants into the civil service, through: (i) provision of stipends to eligible students under the EGIRP Criteria in the public financial management and procurement courses; (ii) review of the procurement and public financial management education curriculum; (iii) provision of compensation to professional lecturers and other academic staff in public financial management and procurement courses; (iv) development of a career path for public financial management and procurement staff; (v) further implementation of the employee biometrics; and (vi) carrying out public financial management training and knowledge sharing to key staff of M&As.

(c) **Monitoring & Evaluation.** Strengthening the institutional capacity of the M&E Unit in order to carry out annual self-assessments of the Recipient’s public expenditures financial accountability.

(d) **Fiduciary Strengthening.** Strengthening the institutional capacity of the PFM RCU in order to fulfill its fiduciary responsibilities under the Project, and provide technical support to M&As.

**DEFINITIONS:** For purposes of the foregoing description, the following terms have the following meanings:

- **“AMU”** Means Aide Management Unit
- **“AWPB”** Means Annual Work Program and Project Budget
- **“CAGD”** Means Recipient’s Comptroller & Accountant General’s Department
- **“COA”** Means Chart of Accounts
- **“CS-DRMS”** Means Commonwealth Secretariat’s Debt Recording and Management System
- **“CSA”** Means Recipient’s Civil Service Agency
- **“EGIRP”** Means Economic Governance & Institutional Reform Project
- **“FOR”** Means Fiscal Operations Reports
- **“FSE”** Means Forward Spending Estimates
- **“GAC”** Means Recipient’s General Auditing Commission
- **“IFMIS”** Means Integrated Financial Management Information Systems
"IPFMRP" Means Integrated Public Financial Management Reform Project
"IPSAS" Means International Public Sector Accounting Standards
"LBO" Means Recipient’s Legislative Budget Office
"M&A" Means Ministries and Agencies
"M&E" Means Monitoring and Evaluation
"MFAU" Means Macro-Fiscal Analysis Unit
"MoF" Means Recipient’s Ministry of Finance
"MoPEA" Means Recipient’s Ministry of Planning & Economic Affairs
"MTBF" Means Medium Term Budget Framework
"NSA" Means Non-State Actors
"Operating Costs" Means the reasonable costs of incremental expenditures incurred by the Recipient in relation to the implementation of the Project, which expenditures would not have been incurred absent the Project, including, inter alia: maintenance of vehicles and equipment, fuel, office supplies, utilities, consumables, bank charges, advertising expenses, travel, per diems, accommodation, salaries of selected support staff, and salaries of consultants but excluding salaries of officials of the Recipient’s civil service
"PAC" Means Recipient’s Public Accounts Committee
"PEFA" Means Public Expenditure and Financial Accountability Assessment
"PFM" Means Public Financial Management
"PFMU" Means Project Financial Management Unit
"PPCC" Means Recipient’s Public Procurement and Concession Commission
"PSC" Means Project Steering Committee
"PTC" Means PFM Technical Committee
"RCU" Means Reform Coordination Unit
"SOE" Means Statement of Expenditure
"Stipends" Means the reasonable stipend of approximately one hundred Dollars (US$100) per eligible student under the EGIRP Criteria, and/or any other amount agreed from time to time by the Recipient with the Association, to be paid on a monthly basis to students attending the PFM Training Program, in order to partially cover the living expenses
"Sub-grant" Means a grant made or proposed to be made by the Recipient to an NSA out of the proceeds facilitated under the LIPFMRP MDTF for the purpose of financing the reasonable costs of goods or services required by the said NSA for the carrying out of a Sub-project.
"TSA" Means Treasury Single Account
3. **Eligible Expenditures**

3.1 For Bank-executed activities, the Trust Fund funds may be used to finance:

(a) Staff costs - No Indirect Costs  
(b) Extended Term Consultants - No Indirect Costs  
(c) Field Benefits  
(d) Consultant fees for individuals - No Indirect Costs  
(e) Consultant fees for firms  
(f) Temporary staff costs - No Indirect Costs  
(g) Contractual services  
(h) Media, workshops  
(i) Travel costs

3.2 For Recipient-executed activities, the Trust Fund may be used to finance all expense types as are permitted under relevant Bank Policies for all the components/activities listed in Section 2.2 of this Annex.

4. **Taxes**

4.1 The foregoing activities and categories of expenditures may include the financing of taxes in accordance with the Bank’s applicable policies and procedures.
Standard Provisions

This Annex shall be applicable to and form an integral part of the Administration Agreement for the Trust Fund between the Bank and the Donor, it being understood that any plural references in the annexes to Donors, Administration Agreements, Contributions and pro rata shares shall be read as singular references to the Donor, its Administration Agreement, its Contributions thereunder and the remaining uncommitted balance of the Trust Fund, respectively.

1. Administration of the Contributions

1.1 The Bank shall be responsible only for performing those functions specifically set forth in this Administration Agreement and shall not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Administration Agreement shall be considered a waiver of any privileges or immunities of the Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2 Each Donor’s Contribution (collectively, the “Contributions”) shall be administered in accordance with the Bank’s applicable policies and procedures, as the same may be amended from time to time, including its procurement, financial management, disbursement and safeguard policies, its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Bank resources to finance terrorist activity, in line with the Bank’s obligations to give effect to the relevant decisions of the Security Council taken under Chapter VII of the of Charter of the United Nations. The Donors acknowledge that this provision does not create any obligations of the Bank under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to a Donor.

2. Management of the Contributions

2.1 The funds deposited in the Trust Fund shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The funds deposited in the Trust Fund may be commingled with other trust fund assets maintained by the Bank. The Bank, in its capacity as trustee, has legal title to the funds deposited in the Trust Fund.

2.2 The currency in which the funds in the Trust Fund shall be held is United States Dollar (the “Holding Currency”).

2.3 Donors agree to deposit their Contributions in the Contribution Currency stated in their respective Administration Agreements. In the case of deposits received in a Contribution Currency other than the Holding Currency, promptly upon the receipt of such amounts and the accompanying Deposit Instructions, the Bank shall convert such amounts into the Holding Currency at the exchange rate obtained by the Bank on the date of the conversion. Where deposits prove to be insufficient to complete activities as a result of exchange rate fluctuations, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

2.4 The funds deposited in the Trust Fund may be freely exchanged by the Bank into other currencies as may facilitate their disbursement at the exchange rate obtained by the Bank on the date of the conversion.
2.5 The Bank shall invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank’s applicable policies and procedures for the investment of trust funds administered by the Bank. The Bank shall transfer all income from such investment to the Donor’s applicable donor balance account with the Bank.

3. **Trust Fund Fees and Costs**

3.1 The Bank shall deduct and retain for its own account, as a deduction from each Instalment, an amount equal to five point five percent (5.5%) per Instalment as an administrative fee for the Trust Fund.

3.3 Each Donor acknowledges and agrees that the percentage deductions for fees in this Trust Fund Fees and Costs section are estimated on the basis of anticipated Contributions. If actual Contributions significantly differ from what was originally anticipated at the time of signature of the first Administration Agreement, or if other circumstances affecting Trust Fund fees or costs change, the Bank reserves the right to request a change to the terms of this Trust Fund Fees and Costs section, which would be effectuated by amendments made to the Administration Agreements of all Donors and which would thereafter be applicable to all new Contributions that are provided either as amendments to supplement existing Administration Agreements or from new Donors under new Administration Agreements.

4. **Accounting and Financial Reporting**

4.1 The Bank shall maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and disbursements made therefrom.

4.2 The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions via the World Bank’s Trust Funds Donor Center secure website. Within six (6) months after all commitments and liabilities under the Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions shall be made available to the Donors via the World Bank’s Trust Funds Donor Center secure website.

4.3 The Bank shall provide to the Donors via the World Bank’s Trust Fund Donor Center secure website, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (i) a management assertion together with an attestation from the Bank’s external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (ii) a combined financial statement for all cash-based trust funds together with the Bank’s external auditor’s opinion thereon. The cost of the single audit shall be borne by the Bank.

4.4 If a Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank’s external auditors of the Trust Fund, the Donor and the Bank shall first consult as to whether such an external audit is necessary. The Bank and the Donor shall agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank shall arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, shall be borne by the requesting Donor.
5. **Progress Reporting**

5.1 The Bank shall provide the Donors with annual reports on the progress of activities financed by the Contributions. Within six (6) months of the End Disbursement Date (as defined below), the Bank shall furnish to the Donors a final report on the activities financed by the Trust Fund.

5.2 Any Donor may review or evaluate activities financed by the Trust Fund at any time up to six (6) months following the End Disbursement Date. The Donor and the Bank shall agree on the scope and conduct of such review or evaluation, and the Bank shall provide all relevant information within the limits of the Bank’s applicable policies and procedures. All associated costs, including any costs incurred by the Bank, shall be borne by the Donor. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund.

6. **Disbursement; Cancellation; Refund**

6.1 It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by June 30, 2017 (the “End Disbursement Date”). The Bank shall only disburse funds deposited in the Trust Fund for the purposes of this Administration Agreement (other than returns to Donors) after such date to the extent such date is changed in accordance with amendments made to the Administration Agreements of all the Donors. Following the End Disbursement Date, the Bank shall return any remaining balance of the Trust Fund to each Donor in the Holding Currency in the manner specified in its respective Administration Agreement on a pro rata basis with regard to the total funds deposited in the Trust Fund by such Donor relative to the total funds deposited in the Trust Fund by all Donors, all calculated as Holding Currency amounts.

6.2 Any Donor may cancel all or part of such Donor’s pro rata share, and the Bank may cancel all or any Donors’ pro rata shares, upon three (3) months’ prior written notice, of any Contributions (paid and not yet paid) that are not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Administration Agreement, including any Grant Agreements, prior to the receipt of such notice. In the event of a cancellation, the Bank shall return to the Donor its pro rata share in the Holding Currency specified in the Administration Agreement; unless otherwise agreed between the Bank and each such Donor.

7. **Disclosure; Dispute Resolution**

7.1 The Bank shall disclose the Administration Agreements and related information on this Trust Fund in accordance with the Bank’s Policy on Access to Information. By entering into Administration Agreements, the Donors consent to such disclosure of their respective Administration Agreements and such related information.

7.2 The Donors and the Bank shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to the Administration Agreements.

8. **Grants to Recipients**

8.1 The Bank shall, as administrator of the Trust Fund on behalf of the Donors, enter into one or more grant agreements (the “Grant Agreements”) with recipients (the “Recipients”) consistent with the purposes of this Administration Agreement and on the terms and conditions set forth in the Grant Agreements. Grant Agreements may be entered into up to the maximum amount of the Contributions that all Donors have agreed to make available under the Administration Agreements between the Bank and the Donors.
8.2 The Bank shall be responsible for the supervision of the activities financed under any Grant Agreements. Subject to the consent of any relevant Recipients, representatives of the Donors may be invited by the Bank to participate in Bank supervision missions related to the Trust Fund.

8.3 The Bank shall promptly inform the Donors of any significant modification to the terms of any Grant Agreements and of any contractual remedies that are exercised by the Bank under any Grant Agreements. To the extent practicable, the Bank shall afford the Donors the opportunity to exchange views before effecting any such modification or exercising any such remedy.
ANNEX 3

Governance

This Annex shall be applicable to and form an integral part of the Administration Agreement between the Bank and the Donor. Further details are provided in the PFM Operations Manual of the Government of Liberia that Development Partners have subscribed to.

PFM Steering Committee: The PFM Steering Committee (SC) shall be the main structure responsible for oversight over the overall PFM reform program. It will provide policy coordination and will be the forum for resolving strategic issues impeding program implementation. The SC shall also be the forum for policy dialogue with Development Partners on the PFM program. Moreover, the SC will be responsible for approving the Annual Work Program and Project Budget (AWPB). It shall meet on a quarterly basis. The SC shall have the following membership: Minister of Finance (Chair), Minister for Planning and Economic Affairs, Minister of State, Minister of Justice, Director General, Civil Service Agency, Auditor General, Executive Director of the PPCC, Chair of the PFM Project Steering Committee (PSC) and the Head of the RCU (Secretariat).

PFM Technical Committee: A PFM Technical Committee (PTC) shall be established under the project. The PTC shall be a forum for all Component Chiefs to monitor and coordinate implementation of program activities. Component Leads shall be selected by the respective beneficiary departments or agencies for each of the five components of the project. The PTC shall meet monthly. Its membership shall be as follows: Deputy Minister of Finance (Administration), Chair; all Component Chiefs and alternate leads; Leads of cross-cutting activities; IFMIS and Capacity building; and Head of the RCU (secretary).

Coordination with Development Partners: A joint Government Donor Steering Committee will meet twice annually to review the progress of implementation of PFM reforms, in general, in Liberia, as well as those supported under the Project. Core reform activities financed under the IPFMRP shall be reviewed during these meetings. A regular consultation process between the European Commission and the World Bank Group on implementation progress shall be put in place. In addition, joint donor partner implementation support missions will be carried out semi-annually to review implementation progress against key milestones and provide technical support to implementing partners.
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<tr>
<th><strong>Expected Results</strong> (logic of intervention)</th>
<th><strong>Indicators</strong></th>
<th><strong>Baselines</strong></th>
<th><strong>Result goals</strong></th>
<th><strong>Sources of data</strong></th>
<th><strong>Assumptions</strong></th>
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<td>D+</td>
<td>B</td>
<td>PEFA Sel-assessment</td>
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<td>Improved reportage/coverage of government operations</td>
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<td>Improved fiscal planning, expenditure policy and budgeting</td>
<td>Annual outturn reports</td>
<td>The annual outturn reports will be published on timely basis.</td>
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<td>Impact</td>
<td>PEFA PI-18</td>
<td>D+</td>
<td>B</td>
<td>PEFA Self-assessment</td>
<td>Effectiveness of payroll controls will be improved</td>
</tr>
<tr>
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</tr>
<tr>
<td>Outcome(s)</td>
<td>Ineffective payroll controls are in place</td>
<td>Improved effectiveness of payroll controls</td>
<td>Annual outturn reports</td>
<td>The annual outturn reports will be published on timely basis.</td>
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<tr>
<td>Output(s)</td>
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<td>Effective payroll controls</td>
</tr>
<tr>
<td>Impact</td>
<td>PEFA PI-20</td>
<td>C+</td>
<td>B</td>
<td>PEFA Self-assessment</td>
<td>Effectiveness of internal controls for non-salary expenditure will be improved</td>
</tr>
<tr>
<td>Outcome(s)</td>
<td>Ineffective payroll controls for internal non-salary expenditure</td>
<td>Improved effectiveness of internal controls for non-salary expenditure</td>
<td>Annual outturn reports</td>
<td>The annual outturn reports will be published on timely basis.</td>
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<tr>
<td>Output(s)</td>
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<td>Effective internal controls for non-salary expenditure</td>
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<tr>
<td>Impact</td>
<td>PEFA PI-25</td>
<td>D</td>
<td>C+</td>
<td>PEFA Self-assessments</td>
<td>Quality and timeliness of annual financial statements will be improved</td>
</tr>
<tr>
<td>Outcome(s)</td>
<td>Low quality and delays in preparation of annual financial statements</td>
<td>Improved quality and timeliness of annual financial statements</td>
<td>Annual outturn reports</td>
<td>The annual outturn reports will be published on timely basis.</td>
<td></td>
</tr>
<tr>
<td>Output(s)</td>
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<td></td>
<td></td>
<td></td>
<td>Timely and reliable annual financial statements</td>
</tr>
<tr>
<td><strong>Impact</strong></td>
<td>PEFA PI-26</td>
<td>D</td>
<td>C+</td>
<td>PEFA Self-assessments</td>
<td>Scope, nature and follow-up of external audit will be improved</td>
</tr>
<tr>
<td>------------</td>
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<td>-----------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Outcome(s)</strong></td>
<td>Limited scope, nature and follow-up of external audit</td>
<td>Improved scope, nature and follow-up of external audit</td>
<td>Annual outturn reports</td>
<td>The annual outturn reports will be published on timely basis.</td>
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<tr>
<td><strong>Output(s)</strong></td>
<td>Expanded scope, nature and regular follow-up on external audit</td>
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<td><strong>Impact</strong></td>
<td>PEFA PI-28</td>
<td>D</td>
<td>C+</td>
<td>PEFA Self-assessments</td>
<td>Legislative scrutiny of external audit reports will be improved</td>
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<tr>
<td><strong>Outcome(s)</strong></td>
<td>Weak legislative scrutiny of external audit reports</td>
<td>Strengthened legislative scrutiny of external audit reports</td>
<td>Annual outturn reports</td>
<td>The annual outturn reports will be published on timely basis.</td>
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<tr>
<td><strong>Output(s)</strong></td>
<td>Legislative scrutiny of external audit reports</td>
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### Indicative Budget Table

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>EU CONTRIBUTION (IN EUR)</th>
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<tbody>
<tr>
<td>Recipient Executed Activities</td>
<td>2,416,163.13</td>
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<tr>
<td>Component 1: Enhancing Budget Planning Systems, Coverage and Credibility</td>
<td>181,455.27</td>
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<tr>
<td>Component 2: Strengthening PFM Legal Framework, Budget Execution, Accounting and Reporting</td>
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<td>Component 3: Enhancing Transparency and Accountability</td>
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<tr>
<td>Component 4: Program Governance and Project Management</td>
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<td>Bank Executed Activities</td>
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<tr>
<td>Enhanced Implementation Support of Client-Executed Project Activities</td>
<td>87,739.07</td>
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<tr>
<td>Program Management and Administration</td>
<td>38,148.25</td>
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<tr>
<td>Fee Percentage (5.50%)</td>
<td>147,949.56</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,690,000.00</td>
</tr>
</tbody>
</table>