

The World BankINTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION1818 H Street N.W.
Washington, D.C. 20433
U.S.A.(202) 477-1234
Cable Address: INTBAFRAD
Cable Address: INDEVAS**CONFORMED COPY**

May 24, 2011

H.E. Augustine Kpehe Ngafuan
Minister of Finance
Ministry of Finance
P.O. Box 10-9013 Broad Street
Monrovia

Re: Trust Fund for Statistical Capacity Building III
Grant No. TF099092
Republic of Liberia: Strengthening National Account and Price
Statistics Project

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Liberia (“Recipient”), I am pleased to inform you that the International Development Association (“World Bank”), acting as administrator of grant funds provided under the Multi Donor Trust fund for Statistical Capacity Building, proposes to extend to the Recipient a grant in an amount not to exceed four hundred thousand United States Dollars (U.S.\$400,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”). This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date specified by the World Bank in accordance with Section 4.02 of the Annex to this Agreement ("Effective Date").

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/Ishac Diwan
Country Director for Liberia
Africa Region

AGREED:
REPUBLIC OF LIBERIA

By /s/ Augustine Kpehe Ngafuan
Authorized Representative

Name _____

Title Minister of Finance

Date: 6/15/2011

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010
- (2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006

Article I

Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated July 31, 2010 (“Standard Conditions”) constitute an integral part of this Agreement.

1.02. **Definitions.** 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 and the following term has the following meaning:

The “Liberia Institute of Statistics and Geo-Information Services” or “LISGIS” means an autonomous agency established by an the National Statistics and Geo-Information Act” known as “The Liberian Code of Laws Revised, as Amended, by Adding Thereto a New Chapter 50A” enacted by the national Transitional Legislative Assembly and approved by the Chairman of the national Transitional Government of Liberia.

Article II Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to build the capacity of the Liberia Institute of Statistics and Geo-Information Services (LISGIS) to compile the national accounts statistics and the Household Income and Expenditure Survey (HIES), with the aim of rebuilding the Recipient’s capacity in economic management. The Project consists of the following parts:

Part 1: Strengthening the National Accounts Statistics

Building LISGIS capacity in: (i) the design and implementation of survey instruments including field work organization, questionnaires, pilot testing, data quality control and coding, processing and tabulation; and (ii) the compilation of the national accounts for 2011.

Part 2: Support to the HIES

Building capacity within LISGIS to conduct the HIES with the aim of improving both poverty data and consumer price index (CPI).

Part 3: Data Management and Analysis

Strengthening LISGIS capacity in compiling, managing and analyzing survey data necessary for the compilation of the national account statistics, including provision of training required for the purpose.

Part 4: Training and Dissemination

Carrying out workshops for LISGIS staff involved in the national accounts survey, and publication and dissemination of the HIES results to key stakeholders.

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through LISGIS under the general oversight of the Ministry of Planning and Economic Affairs in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. ***Institutional and Other Arrangements***

(i) The Recipient shall make the proceeds of the Grant available to the LISGIS under a subsidiary grant agreement, in form and substance satisfactory to the World Bank, to be entered into between the Recipient and LISGIS (“Subsidiary Grant Agreement”). The Subsidiary Grant Agreement shall describe the implementation arrangements referred to in the following Section 2.04.

(ii) The Recipient shall maintain, until completion of the Project, the Project Financial Management Unit (PFMU) established within its Ministry of Finance, with staffing, mandate and resources satisfactory to the World Bank, to be responsible for managing the fiduciary aspect of the Project.

2.04 ***Subsidiary Grant Agreement.*** (a) The Recipient shall ensure that the Subsidiary Grant Agreement shall include, at all times during the implementation of the Project, provisions to the following effect:

(i) The Recipient’s obligation to provide the proceeds of the Grant to LISGIS on terms and conditions satisfactory to the World Bank;

(ii) LISGIS obligation to carry out the Project with due diligence and efficiency, in conformity with appropriate administrative, technical, environmental and social practices, under the supervision of qualified and experienced management assisted by competent staff in adequate numbers, and in accordance with the provisions of this Agreement;

(iii) LISGIS obligation to promptly inform the Recipient and the World Bank of any condition which interferes or threatens to interfere with the progress of the Project and the performance of its obligations under the Subsidiary Grant Agreement;

(iv) LISGIS obligation to procure the goods, non-consulting services and consultants' services required for the Project and to be financed out of the proceeds of the Grant, in accordance with the provisions of Section 2.07 of this Annex;

(v) LISGIS obligation to neither take nor concur in any action which would have the effect of amending, abrogating, assigning or waiving the Subsidiary Grant Agreement; and

(vi) The Recipient's obligation to prepare, in collaboration with LISGIS, and furnish to the World Bank for approval a work plan of activities to be implemented for the Project, together with a proposed budget and financing plan for such activities.

(b) The Subsidiary Grant Agreement shall include a provision stipulating that in the case of conflict between the Subsidiary Grant Agreement and this Agreement, the latter shall prevail.

2.05. ***Project Monitoring, Reporting and Evaluation.*** (a) 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 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 forty five (45) days after the end of the period covered by such report.

(b) 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.

2.06. ***Financial Management.*** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) 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 days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements 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.

2.07. ***Procurement***

(a) **General.** 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:

(i) Section I of 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 (“Procurement Guidelines”), in the case of goods and non-consulting services;

(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, 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”).

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method 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.

(c) Particular Methods of Procurement of Goods and Non-consulting Services

(i) Except as otherwise provided in sub-paragraph (ii) below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding

(ii) 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) Limited International Bidding; (B) National Competitive Bidding; (C) Shopping; and (D) Direct Contracting.

(iii) Exceptions to National Competitive Bidding Procedures. The following provisions shall apply to the procurement of goods and non consulting service under National Competitive Bidding procedures: (a) foreign bidders shall be allowed to participate in National Competitive Bidding procedures; (b) bidders shall be given at least one month to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later; (c) no domestic preference shall be given for domestic bidders and for domestically manufactured goods; and (d) in accordance with paragraph 1.14 (e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that: (i) the bidders, suppliers, contractors and subcontractors shall permit the World Bank, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the World Bank; and (ii) the deliberate and material violation by the bidder, supplier, or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.14(a)(v) of the Procurement Guidelines.

(d) Particular Methods of Procurement of Consultants’ Services

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Least Cost Selection; (C) Selection based on Consultants' Qualifications; (D) Single-source Selection of consulting firms; (E) Selection of Individual Consultants; and (F) Single-source procedures for the Selection of Individual Consultants.

(e) 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.

Article III Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) 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 following table. The 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 and consultants' services	358,250	100%
(2) Training	41,750	100%
TOTAL AMOUNT	400,000	

For the purpose of this Section, the term "Training" means the reasonable cost of the following expenditures incurred under the Project for training and workshops provided under the Project: (i) transportation costs and per diem of trainers and trainees, (ii) rental of training facilities; and (iii) preparation, acquisition, reproduction and distribution of training materials.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is September 6, 2012.

Article IV Effectiveness; Termination

4.01 This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the condition specified below has been satisfied:

The Subsidiary Agreement referred to in Section 2.03 (i) of this Annex has been executed on behalf of the Recipient and the LISGIS.

4.02. 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 4.01 (“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.

4.03 *Termination for Failure to Become Effective.* 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 V Recipient’s Representative; Addresses

5.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its minister responsible for Finance.

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

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

Facsimile: 231 226715

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

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

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