

Annex 2 — MOU-Joint Financial Management Arrangements (MOU-JFMA)

MEMORANDUM OF UNDERTANDING ¹

FOR

Joint Financial Management Arrangements

SIERRA LEONE: The Joint Program of work and financing under

The **National Health Sector Program ...[exact name and abbreviation here and throughout the document?? E.g. NHSP]²**

This Memorandum of Understanding documents the **Joint Financial Management Arrangement** made between

The **Government of Sierra Leone** (hereinafter referred to as "GoSL")

and

The Development Partners, signatory to this memorandum of understanding (hereinafter referred to as the "Signatory Partners" or "Program Partners"), who support the health sector by providing financing for the implementation of the **National Health Sector Program**.

GoSL and the Partner Signatories together are hereinafter referred to as "**the Signatories**".

1. WHEREAS GoSL has requested the support of the Signatory Partners to contribute towards the funding of the next three-year slice of the Sierra Leone ... [National Health Sector Program .NHSP -- **insert the exact name of the 5 year program**] covering the period of ... [year ? – to year ??] described in the "Joint Program of Work and financing" (**hereinafter referred to as the "JPWF"**) which is considered as the 3-year health sector's Medium Term Expenditure framework and is related to the provision of ... [Describe the program briefly...e.g.: provision of essential health services, health systems strengthening and support to the achievement of MDG etc..] in the form of inputs to the program or to specific areas within the program, and to performance-based financing ;
2. WHEREAS GoSL has committed itself to provide an agreed level of funding for the implementation of the [NHSP] and has already or intends to enter into financing agreements with the Signatory Partners to assist in financing the [NHSP], on the terms and conditions **set or to be set** forth

¹ This document is a draft that needs to be modified and filled for each country. Highlighted areas and annotations are to help DPs and Government to complete this MOU for signing. In principle the substance should not be changed without consultation with IHP+ core team and the main participating DPs.

² Please insert the exact name and reference and then correct the abbreviation throughout the document -- e.g. NHSP.

separately in an agreement/arrangement to be entered into between GOSL and each of the Partner Signatories [and other donors who are not yet signatories?];

3. WHEREAS the signatories have committed themselves to the principles of harmonization in the spirit of the *Paris Declaration on Aid Effectiveness and Accra Agenda for Action*, and to the principles of harmonization as reflected in the [.. compact... .. ??] (hereinafter referred to as the "??Statement of Intent"???) and the IHP National Compact as reflected in this Memorandum of Understanding for the Joint Financial Management Arrangement (hereinafter referred to as the "MOU-JFMA") and strive to reach the highest degree of alignment with the budgetary and accountability system and legislation of Sierra Leone so as to enhance efficient implementation and to reduce the administrative burden on GoSL;
4. WHEREAS respect for equal rights and inclusiveness, evidence-based programming, the rule of law and good governance form the basis of the co-operation and constitute essential elements of this MOU-JFMA;
5. NOW THEREFORE, the Signatories to this MOU-JFMA have come to the following understanding:

I. Objectives of the [NHSP] and Scope of the MOU-JFMA

6. The support for [the name of the program.....] is anticipated to be a follow-on of the support to the [current National Health Sector Program ???...] and builds on its strengths while the Signatories are keen to address more explicitly the challenges facing the sector, such as governance, access, and equity. At the same time, the support will remain focused on working towards achieving the [???... Millennium Development Goals], especially those where progress towards the targets needs to improve. Consistent with the stated government's [???...insert appropriate language regarding the program and maybe free health case eg: Health Sector Program goals and objectives, the proposed objective of the support is to assist the GoSL in improving the equitable delivery of health care services, specifically by increasing access to essential health care services and their utilization by the underserved and the poor [check against goals and objectives of the NHSP.]]
7. This MOU-JFMA sets forth the provisions, processes, and procedures for all forms of the signatories' support to the [NHSP] and serves as a co-ordination framework for consultation among the Signatories for JPWF monitoring and decision-making, joint reviews of performance, commonly accepted procedures by the signatories on financial management and administration, including disbursement, accounting, procurement, reporting and audits applicable to the signatories, as well as arrangements and procedures specific for the disbursement and flow of funds for the Pooling and non-pooling partners and for in-kind contributions. This MOU-JFMA is however not an international treaty.

II. COVERAGE OF SUPPRTS, CONTRIBUTIONS, AND DISBURSEMENT

Coverage of supports and Contributions

8. The Program Partners intend to provide support for the next three years of the NHSP as described in the **JPWF**. The following four methods for financial support are available to all program partners and are not mutually exclusive. A Program Partner may choose to support the program using more than one of the methods after discussing with the other program partners and agreement with GoSL:
- a. **Pooling of funds** inside the country -- among a group of the like-minded program partners (hereinafter called the “**pooling Partners**”). This is the GoSL’s preferred option for receiving the financial support and for managing a single designated account for the funds received from the pooling partners;
 - b. **Parallel financing** – some program partners may wish to have individual segregated designated account(s) for their funds. The program partners who prefer this option (hereinafter called “**non-pooling partners**”), may require attribution and choose specific items or areas for financing and require specific reports on those activities;
 - c. **In-kind contribution** -- some program partners may choose to deliver or appoint a third party to procure and deliver the drugs and medical supplies. This is possible as long as: (i) the planning and is part of and according to the overall annual program and plans agreed among the signatories, (ii) only previously identified and planned drugs and medical supplies are delivered, (iii) the program partner and or the agent provides adequate and timely invoice pricing, quantities and packaging information, and cost information, and (iv) the resources provided under this method are reported along with the funds received and expenditures made from the program partners. This option may not be considered as being part of the pooling;
 - d. **Performance-based financing** – program partners will be able to finance or continue to finance performance, outputs, and outcomes, rather than inputs. This is possible as long as the funds provided under this method are also reported along with the other funds received from program partners in support of the program. This option may be considered as being part of the pooling as long as the funds paid for performance are deposited into the pooled account. Alternatively, these funds can be deposited into the GoSL counterpart account and form a portion of the GoSL contribution to the program.³
9. The “Pooling Partners” may choose to form sub-groups by agreeing among themselves to create baskets of funds for different purposes/activities within the program. In this case each basket will have a segregated designated account and will be separate from the other accounts.⁴
10. The non-pooling partners support will apply to specific pre-identified activities. The supported activities, inputs, outputs, or results will be clearly identified and agreed upfront with the government and with the Pooling partners. The joint annual discussions and planning can be the forum for agreement on the specific activities thus covered.
11. The Pooling partners’ support will apply to the part of the **[NHSP]** that is not financed by non-pooling donors or by direct contributions provided by other national or international agencies or organizations including bilateral and multilateral donors, technical agencies, INGOs or NGOs that

³ Consider this seriously but carefully about the LCs share.

⁴ Can move under JFMA among pooling partners.

are not signatories of this MOU.

12. GoSL is facilitating maximum participation and support from all potential development partners and is making the fund flow and management as flexible and transparent as possible by the following arrangements:
 - a. A “Pass-through” account at the Bank of Sierra Leone (BoSL) through which the Donors funds will transit in order to be recorded in government accounts and be immediately deposited into the relevant designated account that the program partner has chosen and in the currency chosen by the program partner(s);
 - b. Arrangements at the BoSL are in place to ensure that incoming funds are automatically and without delay pass through the transit account and reach the designated accounts within 4 working days and with full information regarding the source of fund and other information provided by the disbursing program partner;
 - c. Accounts at commercial banks suggested by the GoSL and agreed by the donor(s) in the agreed currency to receive funds from the pass-through account(s) ; and
 - d. Accounts at commercial banks in Leone to receive proceeds of funds converted by the program management for local expenditures.
13. The performance of the “pass-through” account will be monitored and in case of delays in transfer within the agreed 4 working days, new arrangements will be put in place so that the program partners proceed with direct deposits to the designated commercial banks, in which case the relevant program partner will simultaneously provide the needed information regarding the transfer to the GoSL.
14. The financial support will take the form of release of advances for liquidity in the system for [NHSP] by Signatory Partners to be adjusted periodically and ex-post on the basis of the actual execution of the [NHSP] and full documentation of eligible expenditures.
15. The financial commitments of the Signatory Partners will be confirmed separately in bilateral agreements/arrangements to be concluded between GoSL and each of the program partners. In addition, as JPWF is a three-year programme, GoSL welcomes an indicative contribution number from all program partners for the entire three-year period.
16. The program partners will establish bilateral agreements/arrangements with GoSL that are compatible with the spirit and provisions of this MOU-JFMA and will refrain, as far as possible, from setting conditions in the bilateral agreements/arrangements that contradict or diverge from the spirit of this MOU-JFMA. In case of any inconsistency or contradiction between the provisions and conditions of this MOU-JFMA and any of the bilateral agreements/arrangements, the provisions of the bilateral agreements/arrangements will prevail. Insofar as specific agreements on specific items made in bilateral agreements/arrangements should deviate from the MOU-JFMA, the program partner(s) concerned will inform the other signatory Partners thereof by providing a copy of the bilateral agreement/arrangements to the other Signatory Partners and specify the deviations and how to resolve them in case of inconsistency with this MOU-JFMA.
17. The Signatory Partners will base their actual support on the progress attained in the implementation of the [NHSP]. Progress will be measured through the common procedures for monitoring and reporting as described in sections ##(IX) and ##(X) (refer to Annex ??? ... - Schedule of Monitoring and Reporting).
18. Individual program partners will refrain from making additional unilateral demands on the GoSL for additional reporting above what has been stated in this MOU and bi-lateral agreement and any

changes in monitoring and reporting procedures will not be made without prior consultations among Program Partners and between Partners and GoSL including all users of the information within the GoSL.

II. Representatives

19. In matters pertaining to the implementation of this MOU-JFMA, GoSL will be represented by the Ministry of Finance and Economic Development ("MoFED"). The responsibility for the implementation of the NHSP and JPWF not affecting the overall responsibilities of GoSL or the MoFED will lie with the Ministry of Health and Sanitation ("MoHS")/Department of [add names.... ("DO...").⁵

20. In matters pertaining to the implementation of the MOU-JFMA, the representative of each Program/signatory Partner will be as identified in their respective bilateral agreements/arrangements or through separate letter.

III. Responsibilities of GoSL

21. GoSL will make all possible efforts to facilitate the successful implementation of the NHSP and JPWF, and will:

- a. have the overall responsibility for the planning, administration, procurement, financial management and implementation of the NHSP;
- b. establish a Foreign Currency Account (FCA) in United States Dollars in the name of GoSL at the Bank of Sierra Leone (BoSL) and as many necessary sub-accounts as necessary and requested by the signatory partners that may require such sub-accounts. The FCA will be utilised exclusively as a "Pass Through Account" for the NHSP to which the signatory Partners will disburse proceeds of their credits/grants and from which funds will be automatically deposited within [4 working days] into the relevant "Designated" bank accounts for the program opened in commercial banks, as agreed by the disbursing partner and the GoSL;
- c. Monitor and ensure that funds received are promptly transferred from the FCA account to the destination accounts in the commercial banks and share the information regarding the amounts, currency, and dates received and remitted with the signatory partners;
- d. ensure that all bank accounts for the NHSP are opened and kept in accordance with GoSL regulations and funds are exclusively used for the purpose of the NHSP according to the mutually agreed Annual Work Plan and Budget to be agreed once a year by all signatories and that the balances are verifiable at all times and available for the use by the NHSP;

⁵ Permanent Secretary or a department for technical aspects and DFR for administrative and finance matters.

- e. ensures that an integrated financial management and administration unit (MoHS-IPAU) is in place at the MoHS and fully functional with adequate number of full time qualified staff, tools and support systems, office furniture and supplies, and that a full financial management manual for the NHSP is produced and endorsed by the signatories, and available to the concerned staff at all levels for proper and consistent execution of transactions, accounting and reporting, and for internal and external audit;
- f. ensures that any in-kind contribution in support of the NHSP is fully recorded [in the CHANNEL system] and accounted for throughout the system until they reach the consumers, allocation and distribution plans are produced on time and reports show the delivery to the final service delivery units, and audit trails are maintained for the internal and external auditors verification;
- g. ensure that the records and accounts for the NHSP are kept according to the agreed accounting standards in the single accounting system in place at MoHS- IPAU (— namely the IFMIS and PETRA financials),⁶ and should comply with the Financial Procedures described in this MOU-JFMA and the Financial Management Manual which is part and parcel of this MOU-JFMA;
- h. maintain all financial management systems adequately to reflect the transactions, resources (in cash and in-kind), expenditures, and assets under the NHSP and ensure that GoSL is able to produce timely, relevant and reliable financial information for planning and implementation of the NHSP and for financial accountability;
- i. further monitor NHSP's progress towards its objectives and allows the signatories to evaluate compliance with agreed procedures and use of resources;
- j. provide sufficient qualified personnel and release all financial and other resources that are required over and above the funding from the Program Partners for the successful implementation of the NHSP; and
- k. promptly inform the Program Partners of any condition which interferes or threatens to interfere with the successful implementation of the NHSP and call for a meeting to consult with the Program Partners on remedial actions to be taken; and
- l. ensure that resources are efficiently channelled to the end users (such as, Local councils, district health offices, PHUs,, etc.)⁷ on a timely basis.

22. GoSL will convene and make adequate arrangements and provide documentation as stated hereinafter for joint consultations and reviews (refer to Annex 1 - Schedule of Monitoring and Reporting).

⁶ This is the preferred option but if it is not in place, we should not delay and can have a single off-the-shelf system in place as transitional measure (undesirable though).

⁷ Please put the full and accurate names

IV. Responsibilities of the Signatory Partners

23. The signatory partners will make available to Sierra Leone funds to be deposited into the **NHSP** Designated accounts through FCA to be used exclusively to finance **the NHSP**;
24. On an annual basis, the Program Partners will review and agree on the Annual Work Plan and Budget ("AWPB") for the JPWF and, subject **to paragraph ## (29)**, will commit their contributions.
25. The Program Partners will ensure timely release of their commitments to the FCA in accordance with the provisions of **Section ## (VII) below**, the bilateral agreements/arrangements, and the conditions stated under paragraph ## (29) of this MOU-JFMA.
26. The Program partners do not bear any responsibility and/or liability to any third party with regard to the implementation of the **NHSP**.
27. For the in-kind contributions, the relevant Program Partners and their agents will ensure that full information is provided to the GoSL on time for proper accounting, tracking, and reporting.

V. Meetings and Structure

28. The Signatories will conduct Joint meetings four times a year including a Joint Annual Review ("JAR") in **month of ??? (March) and three Joint Consultative Meeting ("JCM") in June, September, and December.**
29. The JAR will serve as the annual review meeting, during which the Signatories will discuss overall progress for the previous financial year based on reports as mentioned in paragraph ## and ### below. It will also include Development Partners of the sector, that are not signatories to this MOU-JFMA, for joint review of the AWPB for the next financial year, the audit report of the previous financial year, and findings of any studies commissioned by the Development Partners.
30. The signatory partners, MOFED [BB, LGFD, ..., name relevant departments],⁸ , MoHS- /DO., Ministry of , and the Office of the Auditor General (ASSL)⁹ will be represented at the JAR and AWPB meetings. Representatives of the Association of INGOs ??, and other key stakeholders,¹⁰ to be jointly agreed during the preparation of the term of reference (ToR) for the Meetings referred to in paragraph ## (28), shall be invited to participate in the meetings. MoHS in consultation with the Signatory partners will be responsible for the agenda during the **[March]** meetings. MoHS will coordinate the meeting and the **[Minister?? Or PS]** of MoHS will chair the JAP meeting, and the outcome will be presented in an Aide-Memoire.

⁸ Please add all relevant departments

⁹ Please add all relevant MDAs and agencies, including representation from LCs

¹⁰ Please complete

31. The discussions and decisions in the meetings will be based on the following documents, which will be submitted by MoHS to the Signatory partners in accordance with the deadlines set forth in Sections ## and ## below, but no later than two weeks ahead of the meeting:
- a. **JAR**: The annual audit report of the **NHSP** for the preceding year as certified by the Auditor General, the AWPB for the forthcoming year, the interim financial report for the second financial trimester of the running financial year and the progress report on the implementation of the National Action Plan and any other agreed studies, surveys, or action plans. Unaudited annual financial statements, annual performance report, interim financial monitoring report for the first financial trimester, and a consolidated report of the previous financial year showing program outcomes, all as described in Section ## of this MOU-JFMA;
 - b. **JCMs**: In addition to above specific purpose meeting, the Signatories and other Development Partners will meet three times a year and as and when necessary. MoHS will submit no later than a week ahead of the meeting, a progress report on the implementation of the National Action plan and other agreed actions such as surveys and studies..
32. The Signatories have agreed to review Section ## on Meeting Structure at the end of the first year of the JPWF implementation.

VI. Organizational Structure and Consultations

33. *The Pooling partners will designate* one of the Pooled Funding Donors as a contact or focal point (“Focal Point”) for communication and information sharing with the GoHS on matters concerning the implementation of this JFMA. The detail provisions related to his representation are in section VII.
34. The Signatories will co-operate and communicate fully and in a timely manner with each other on all matters relevant to the implementation of the NHSP and this JFMA. Signatories will share all information on financial matters and flow of funds, and in-kind contributions (including the invoice price and quantities as well as the purpose/activities), plans to carry out reviews, missions, and any other initiatives relating to the implementation of the NHSP.

VII. Pooling Mechanism and Joint Financing Agreements among the Pooling Partners

35. The Pooling partners will designate one of the Pooling partners as a contact or focal point (“Focal Point”) for communication and information sharing with the GoHS on matters concerning the implementation of this JFMA. However, the Focal Point will not have any authority to make decisions on behalf of the Pooling partners. The length of a Focal Point’s Assignment will be one year representing government’s financial year (i.e. January1, December 31 of each year). A co-Focal Point (“Co-Focal Point”) will also be designated to work closely with the Focal Point and to act when the Focal Point is absent.
36. The ToR for the Focal Point and Co-Focal Point will be prepared by the Pooling partners in consultation with MoHS and decided upon among the Pooling partners, and a copy of the ToRs will be shared with the Signatories and other Development Partners active in the health sector.

37. The selection and role of the Focal Point and Co-Focal Point, as well as any changes made during the timeframe of this JFMA, will be communicated to the MoFED and MoHS in writing by the Focal Point.
38. The pooling partners will agree among themselves so as to maintain consistency with the joint plans and objectives. The indicative funding levels of the Pooling partners for the following fiscal year will be discussed in the December JCM.
39. The Pooling partners will provide a funding commitment in the annual review meeting in [March] to be presented to the GoSL in a schedule showing the amount and time of contribution by each Pooling partner. The commitment will be subject to the Pooling partners subscribing to the AWPB and will take into account the budget and cash forecast statement of the [NHSP].

40. The disbursements by the Pooled Funding Donors to the FCA will be as follows:¹¹

- a. The Pooling partners will usually make an advance deposit into the FCA with at least their share of the first two trimesters' expenditure estimates for the financial year from which GoSL will make payments for the eligible expenditures;
 - b. GoSL will present Full Statements of Expenditures for actual expenditures incurred and paid, and related documents such as the reconciliations statements for each of the bank accounts, Financial Monitoring Reports (FMRs), the cash balance positions of all bank accounts, as well as the cash forecast for the remainder of the fiscal year, or the subsequent fiscal year, as the case maybe. These are countersigned by the Accountant General;
 - c. In the event of the cash balance position in foreign currency being more than the funds required for the next two trimesters, no transfers of funds would need to take place from the Pooled Funding Donors to the FCA;
 - d. Any outstanding advance may be liable for repayment or deduction against the advance for the following period;
 - e. There may be a final adjusted disbursement for the fiscal year on the basis of the certified third trimester FMR and the annual financial statement. This adjustment will be made in the second trimester of the following fiscal year.
 - f. The Pooling partners, as suitable to their respective funding cycle, may advance to the FCA the full amount as committed for the fiscal year or for the full program or any amount as convenient to them with the assurance that the funds so transferred will be closely monitored, tracked and reported by the FMRs.
41. The MoHS is responsible for forwarding the relevant financial reports, as certified by the PS-MoHS , and for submitting the request for disbursement in writing in accordance with the provisions of

¹¹ Section C and B mixed and need to be sorted out during negotiations.

this JFMA to the Focal Point.

42. The Focal Point in consultation with Pooling Partners will have 15 calendar days, upon receipt of the request for disbursement from MoHS, to review the request and the reports; and clarify any outstanding issues including validity of cash forecasts for the following two trimesters with the MoFED, ..., ..., and MoHS.

In the event of there being 'no objection' the Focal Point will advise the Pooling Partners to deposit additional funds to the FCA, as required, to meet their share of the agreed funding, which should take place no later than 30 calendar days after the receipt of GoSL's formal request.

43. The pooling partners, upon acceptance of expenditures, will replenish the advance by disbursing the agreed estimated amount into the FCA, after the completion of the above steps.
44. In the event of there being issues which are not possible to clarify within the 15 calendar days period indicated in Paragraph ## (42) above, the above process will be suspended until outstanding issues are resolved. GoSL and the Pooling Partners will make their best endeavours to resolve any such issues as quickly as possible.
45. Following confirmation from NRB, MOHP will immediately acknowledge receipt of the foreign currency funds, in writing, to the concerned agency and a copy to the Focal Point.
46. The FCA will be a non-interest bearing account. No fees and commissions will be charged for the operation of the account without prior agreement of the Signatories.
47. The exchange rate at which funds from the FCA will be converted into Nepalese rupees will be the official buying rate of the NRB on the date of conversion.
48. The FCA will be used only for the purpose of reimbursing the amount to GoSL's consolidated fund following the certification of actual expenditures. There will be no direct expenditure on the procurement of imported goods and services from the FCA. The procurement of such items will take place in accordance with Section ## (VIII) below. Upon MOHP requests, foreign exchange currency payments will be promptly facilitated by GON, as per GON regulations.

VIII. Procurement¹²

49. GoSL undertakes to effect all procurement of works, goods and services for the NHSP with the assistance of a technical procurement agency/consortium, the ToRs for which will be agreed upon between the MoHS and the Pooling Partners. GoSL will be responsible for the contracts to be signed.

¹² This section is only indicative and the partners need to agree or each donor to specify which rules apply for their procurement.

50. All procurements requiring National Competitive Bidding (NCB) will be performed in accordance with generally accepted principles and good procurement practices and in conformity with GoSL's Public Procurement Act ...?? and Public Procurement Regulations ..??? with the exceptions outlined in footnote 1.¹³ The "Guidelines for Procurement under IBRD Loans and IDA Credits" published by IDA in May 2004, as amended in October 2006 ("Guidelines") will be applied for all procurements requiring International Competitive Bidding (ICB)¹⁴.
51. As an annex to the AWPB, MoHS will provide the Pooling Partners for their review a consolidated draft annual procurement plan ("Procurement Plan"), which will include on-going contracts rolling into the following year, and a Procurement Plan for the following fiscal year prepared based on the agreed AWPB.
52. The Consolidated Procurement Plan includes all procurements of goods, services and works to be financed under the sector program and procured pursuant to International Competitive Bidding (ICB) and other procurement methods.
53. During implementation of the Procurement Plan, MoHS will provide the Pooled Funding Donors with fiscal year trimester along with the Implementation Progress Reports (in April, August, and December) procurement monitoring reports concerning progress in implementation of the Procurement Plan and identifying any contracts that were not included in the previous Procurement Plan.
54. In each of the procurement monitoring reports, MoHS will also provide information to the Pooled Funding Donors concerning awarded contracts, appointment of consultants, and any material modifications to the terms and conditions of such contracts after their award.
55. MoHS will, upon request, furnish the Pooled Funding Donors with all relevant information on its procurement practices and actions taken, and provide access to all related records and

¹³ Please insert the right references

¹⁴ Given proposed changes to the Procurement Act, guidelines for National Competitive Bidding (NCB), should be subject to the following additional procedures: (i) only the model bidding documents for National Competitive Bidding agreed with the International Development Association (Association), as amended from time to time, including qualification criteria, shall be used; (ii) bid documents shall be made available, by mail or in person, to all who pay the required fee; (iii) there shall not be any restrictions, such as registration/licensing requirements, for purchase of bid documents and bidding by foreign bidders, and no preference of any kind shall be given to any bidders in the bidding process when competing with the foreign bidders, state owned enterprises, or small scale enterprises; (iv) if a registration process is required, a foreign bidder declared as the lowest evaluated responsive bidder shall be given a reasonable opportunity of registering, without let or hindrance; (v) rebidding shall not be carried out without the prior concurrence of the Association; (vi) invitations to re-bid shall be advertised in at least one (1) national newspaper with a wide circulation, at least thirty (30) days prior to the deadline for submission of bids; (vii) except in cases of force majeure and/or situations beyond the control of the Recipient, extension of bid validity shall not be allowed without the prior concurrence of the Association: (a) for the first request of extension if it is longer than four (4) weeks; and (b) for all subsequent requests for extension irrespective of the period; and (viii) award of contracts for civil works will need to be strictly based on qualifications and be subject to review by the Association irrespective of thresholds defined in the Law or Regulations

documents.

IX. Reporting

56. The following set of progress reports will be accepted by the Pooling Partners as “Implementation Progress Reports (IPRs)” of which FMRs will be formed, as the basis of accountability for disbursement to the FCA by the signatory partners, each trimester. These reports will be produced by MoHS and submitted to the Focal Point copied to all Signatory Partners within 45 calendar days as of the end of each trimester:
- a. A report certified by the MoHS Permanent Secretary for each trimester including information on the sources and uses of funds, transfers to and from the FCA in accordance with the format provided in Annex # to this JFMA and with a copy of the bank statement(s) for the accounts from the BoSL and commercial banks.
 - b. One consolidated financial report for allocations and expenditures for the health sector, comparing actual and budgeted figures for the trimester and cumulatively for the fiscal year to date, in accordance with the format provided in Annex # to this JFMA.
 - c. Annual outputs-and-outcome based physical progress report in **NHSP** implementation.
 - d. A cash forecast statement for the following two trimesters accounting for the current balance in the FCA and in all commercial banks.
 - e. An update on the consolidated Procurement Plan for goods, services and works.
 - f. Procurement monitoring reports concerning progress in implementation of the Procurement Plan and identifying any contracts that were not included in the previous Procurement Plan.
57. The following financial statements will be produced by MoHS and submitted to the Program Partners on an annual basis: the third trimester FMR, which will serve as the un-audited annual financial statement for the health sector, to be certified by the Accountant General by **15 March** of the following fiscal year.
58. The financial reporting will compare actual expenditures for actual activities for the current reporting period with the budget for the same period, and in the same currency and with exchange rates used for conversions.
59. The following program performance reports will be produced by MoHS and submitted to the program partners on an annual basis: (a) consolidated output-based progress report for the previous fiscal year relating to **NHSP** expenditure and outputs in accordance with the output monitoring report of the FMRs by June 30 of the following year; and (b) consolidated annual progress report by June 30 on outcomes and processes for the previous fiscal year in the format decided upon among the Signatories.

60. The Signatories have agreed to review this Section IX of this JFMA at the end of the first year of JPWF implementation.

X. Monitoring and Evaluation

61. As part of the preparation for the meetings in ??? and ???, the JFMA Signatories will jointly conduct an external technical review of past performance and future financial needs. The ToR for the technical review will be drawn up and consultants identified by the Signatories. The costs of the technical review will be borne by the Pooling Partners.

62. The Signatories, in consultation with other Development Partners (DPs) will develop an evaluation mechanism and reporting prior to the first JCM. This evaluation mechanism and reports will be the basis on which the Signatories and other DPs will evaluate the impacts of the program both at mid-term and closing stages of the program.

63. The Signatories will jointly conduct a mid-term review of **NHSP** progress in (i) meeting programme outcomes, (ii) legislative or financial actions, (iii) the use of program funds, and (iv) capacity development measures. The Pooling partners will elaborate the ToRs of the review to be discussed at a semi-annual meeting. The Focal Point will coordinate and manage the review process including the contracting of any external technical assistance for the review. The cost of the review will be charged to the Pooled Designated account. The Signatories will rely upon the Performance Audit to be carried out under the responsibility of the Auditor General, as stated in paragraph ## of this JFMA, and GoSL will ensure that the Performance Audit Report is discussed at the [**Public Accounts Committee (PAC)**¹⁵] of the Parliament to ensure parliamentary oversight on findings and recommendations for improving program implementation.

64. The Signatories will jointly conduct an external evaluation during the last year of **NHSP**. The Pooling partners will prepare ToRs for the evaluation to be agreed at the second to the last semi-annual meeting of the **NHSP**. The Focal Point will coordinate and manage the evaluation process. The cost of the evaluation will be borne by the Pooling partners.

65. The pooling partners will designate agree among themselves and carry-out detailed fiduciary review covering both the financial management and procurement on a bi-annual basis as part of ensuring fiduciary controls and arrangements. The Focal Point will closely coordinate with the Signatories while such a review is underway and will share the findings of the review.

66. The program partners will, to the extent possible, refrain from initiating unilateral reviews/evaluations of the NHSP. However, in case a Program partner is required to conduct a review/evaluation, the program partner will in a timely manner consult with the other Signatories.

¹⁵ Please insert the right references

XI. Audit

67. With respect to the NHSP, MoHS will submit to the GoSL copied to the Program partners an annual audit report of the health sector for each fiscal year as so audited by an independent audit firm, acceptable to the signatories, and under the responsibility and supervision of the auditor general, no later than 15 July of the following fiscal year. The audit report will include the audit of the FCA, all designated accounts in foreign and local currency accounts. In case the report could not be finalized by the stated time frame, an additional 90 calendar days grace period may be provided to submit the final audited accounts. Such audit shall be carried out in accordance with auditing standards, prevailing statutes, and additional terms of reference if required, agreed between the Auditor General of the GoSL and the Pooling partners. MoHS will also submit the related sections of **NHSP** in the Auditor General's regular Annual Report as soon as available.
68. A performance audit will be carried out once every two years, under the supervision of the auditor general, or earlier, at its discretion, with the support of appropriately qualified auditors contracted under its authority. The Signatories may also request public expenditure tracking survey (PETS) studies to be carried out by the **Accountant General**, or at its discretion, with the support of appropriately qualified consultants under its authority. GoSL will provide adequate resources for such a purpose. The selection of the auditors and/or consultants and timing for such audit or expenditure tracking will be done in close collaboration with the program partners. The Signatories and the Auditor General will jointly agree on the ToRs in case of financial and Performance Audits and with Accountant General in case of PETS. Based on the outcome of such audits, the program partners may convey to GoSL any corrective measures they consider needed to be undertaken.
69. The program partners will to the extent possible refrain from initiating unilateral audits of the NHSP. However, in case a program partner is required to conduct such an audit or review, this program partner will consult with the other Signatories and the auditor general in a timely manner before such undertaking. GoSL will offer all reasonable support to facilitate such audits/inspections. The cost of this audit/inspection will be covered by the program partner initiating such audit or review through separate arrangements.

XII. Non-Compliance

70. In case of non-compliance with the provisions of this JFMA and/or violation of the essential elements mentioned in this JFMA, the program partners reserve the right to partially or fully suspend further disbursements to the **NHSP** and/or to reclaim all or part of the funds already transferred. Such non-compliance includes *inter alia* that:
- a. substantial deviations from AWPB or any other annual sector operational and financial plans or in case misprocurement is declared;
 - b. **NHSP** implementation does not comply with the conditions of this JFMA;
 - c. the National Health Sector Program departs from its agreed objectives, **..., ..., [** log frame

and the Policy Reform Milestone matrices].¹⁶

- d. the suspension is warranted by a fundamental change in circumstances compared to those which existed at the start of the NHSP, and
- e. any case of fraud or corruption is observed or reported and the GoSL fails to take appropriate action as spelled out in Section XIII.

71. If a program partner has the intention to suspend disbursements, reclaim funds or terminate its support for reasons of non-compliance, the program partner will call for a meeting with the other Signatories to seek a mutually acceptable solution and to reach a joint position on the remedial measures required as far as possible. In case a program partner decides to suspend disbursement, notification to this effect will be provided by the concerned program partner to other Signatories.

72. The Suspension shall cease as soon as the event/events which gave rise to suspension have ceased to exist. Notification to this effect will be provided by the concerned program partner to other Signatories.

XIII. Corruption

73. The Signatories will promptly inform the each other in case of any incidence of inappropriate use of funds or corruption as investigated by responsible anti-corruption bodies.

74. The Signatories will co-operate on preventing corruption within and through NHSP, and will require that the MoHS', and its related Agencies, and Local Councils' staff and consultants under projects or programmes financed by signatories refrain from offering third parties, or seeking, accepting or being promised by third parties, for themselves or for any other party, any gift, remuneration, compensation or benefit of any kind whatsoever, which could be interpreted as an illegal or corrupt practice.

75. The Signatories will invoke the remedy clause of suspension of disbursements as described in Section XII of this JFMA if the GoSL fails to act in a timely manner with a satisfactory resolution on the reported cases of corruption allegations. The Signatories reserve this right, consistent with their commitment to good governance, accountability, and transparency.

XIV. Other Provisions

76. The Signatories will, in the light of the commitments referred to in paragraph ## (39) determine their share of funding for the coming fiscal year for the total [NHSP].

¹⁶ Please put the relevant references for SL

77. Changes within the year of commitments or schedule of disbursements by the Signatories or additional commitments from other Development Partners, that are becoming signatories to this JFMA or moving from non-pooling partner to become a pooling-partner or visa versa, will be discussed and the necessary funding adjustments will be agreed upon between the Signatories.

XV. Modification, Accession, Withdrawal

78. Any modification or amendment of/to the provisions of this JFMA will only be effective if decided in writing by all Signatories.

79. The Signatories welcome the accession to this JFMA by other External Development Partners (EDPs) who wish to support the NHSP.

80. Upon an EDP's written expression of intent and acceptance of the provisions and conditions of this JFMA, the Signatories may accept in writing the accession of the EDP. An addendum will be prepared and attached to the JFMA, to allow the EDP to become a Signatory to the JFMA.

81. In case a Pooling partner intends to withdraw/terminate its support, or become a non-pooling partner, the Pooling partner will call for a meeting to inform the other Signatories on its decision and to consult on the consequences for the NHSP. Each Pooling partner reserves the right to withdraw/terminate its support to the NHSP by giving the other Signatories three months written notice.

XVI. Dispute Settlement

82. If any dispute arises between the Signatories as to the interpretation, application or performance of this JFMA, the Signatories will consult with each other in order to reach an amicable solution.

XVII Entering into Effect

83. This JFMA comes into effect on the date of signature by GoSL and the individual program Partner and will remain in effect until all obligations under this JFMA have been completed.

GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE

By _____

Name _____

Date _____

The Government of A ... REPRESENTED BY the A ... AGENCY ...(ABREVIATION)

By _____

Name _____

Date _____

Department for International Development ("**DFID**")

By _____

Name _____

Date _____

The Global Alliance for Vaccines and Immunization (GAVI)

By _____

Name _____

Date _____

The Global Fund

By _____

Name _____

Date _____

United Nations Children's Fund (UNICEF)

By _____

Name _____

Date _____

United Nations Population Fund (UNFPA)

By _____

Name _____

Date _____

The World Bank

By _____

Name _____

Date _____

The World Health Organization (WHO)

By _____

Name _____

Date _____