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PARLIAMENT LIBRARY
TOWER HILL FREETOWN

CREDIT NUMBER 5333-SL

Financing Agreement

(Energy Sector Utility Reform Project)

between

REPUBLIC OF SIERRA LEONE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated *January 17*, 2014

PARLIAMENT LIBRARY
TOWER HILL FREETOWN

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CREDIT NUMBER 5333-SL

FINANCING AGREEMENT

AGREEMENT dated January 17, 2014, entered into between the REPUBLIC OF SIERRA LEONE ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to twenty-six million one hundred thousand Special Drawing Rights (SDR 26,100,000) (variously, "Credit" and "Financing") to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are March 15 and September 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollar.



ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project and the Program. To this end, the Recipient shall carry out Part 3 of the Project through the Ministry of Energy and shall cause Parts 1 and 2 of the Project to be carried out by a national electricity distribution utility, upon establishment thereof, pursuant to the provisions of Section 5.01(a) of this Agreement ("Project Implementing Entity"), all in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely, that, as a result of events which have occurred after the date of this Agreement, a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Recipient has established and put into operation a functional national electricity distribution utility with a mandate, powers and prerogatives, and under terms and conditions, all acceptable to the Association;
 - (b) the Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity; and
 - (c) the Recipient has adopted the Project Implementation Manual in accordance with the provisions of Section I.C.1 of Schedule 2 to this Agreement.
- 5.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Agreement has been duly executed and delivered by the Recipient and the Project Implementing Entity.
- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.