

LOA

311

Negotiated on 22nd November, 2016

Subject to Board Approval

**LOAN AGREEMENT
BETWEEN
THE REPUBLIC OF SIERRA LEONE
AND
THE AFRICAN DEVELOPMENT FUND**

**(REHABILITATION AND EXTENSION OF THE BO-KENEMA
DISTRIBUTION SYSTEM)**

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BETWEEN
THE REPUBLIC OF SIERRA LEONE
AND
THE AFRICAN DEVELOPMENT FUND**

**(REHABILITATION AND EXTENSION OF THE BO-KENEMA DISTRIBUTION
SYSTEM)**

PROGRAMME ID No. :

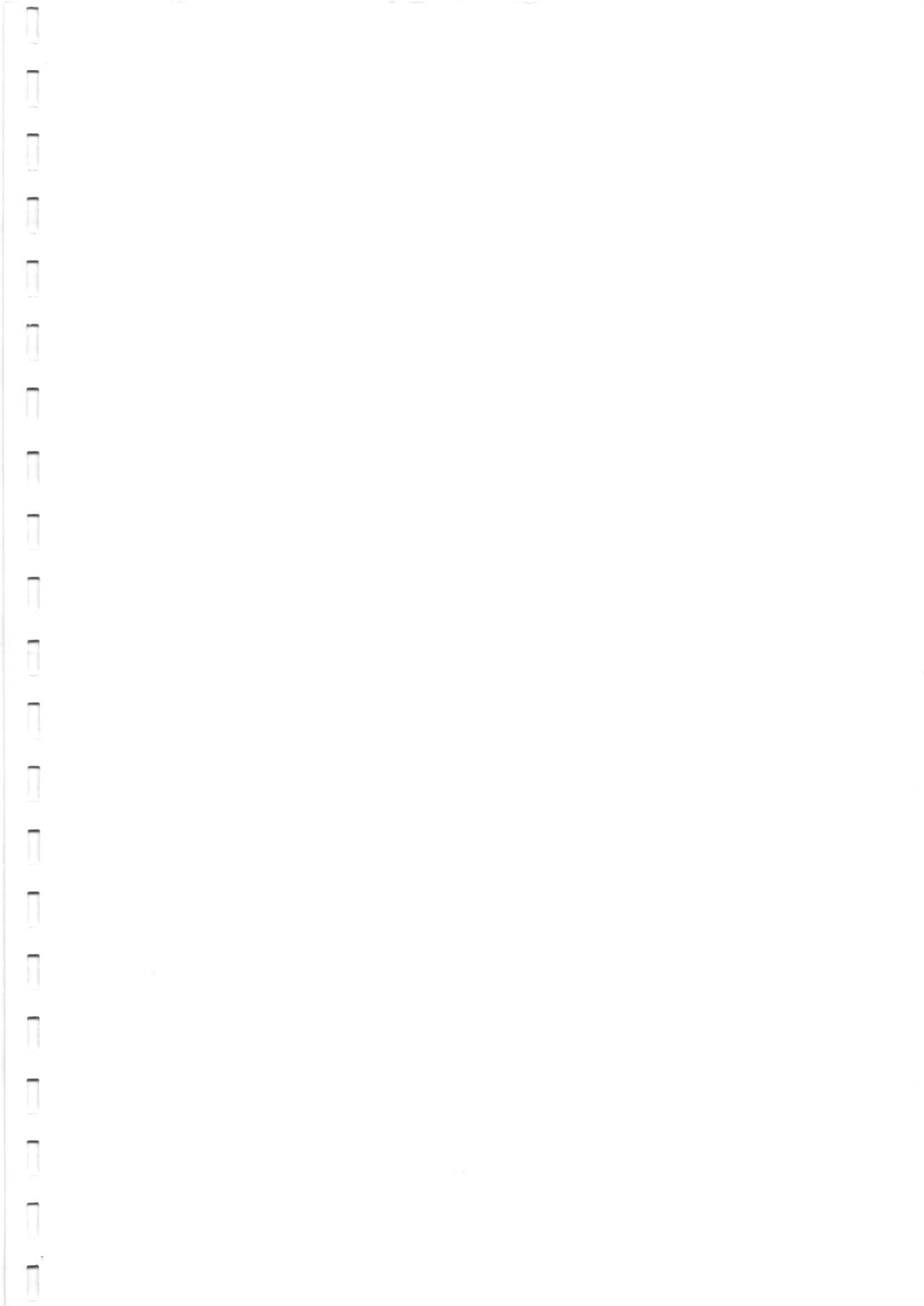
LOAN No. :

This LOAN AGREEMENT (hereinafter called the "Agreement") is entered into this _____ day of _____ 2016 between THE REPUBLIC OF SIERRA LEONE (the "BORROWER") and the AFRICAN DEVELOPMENT FUND (the "FUND"). The Borrower and the Fund shall collectively hereinafter be referred to as the "PARTIES".

1. WHEREAS the Borrower has requested the Fund to support the implementation of the Rehabilitation and Extension of the Bo – Kenema Distribution System Project (hereinafter the "Project") as set out in Annex 1, by providing a Loan to it in the amount specified hereunder;
2. WHEREAS the Borrower has declared its commitment to the execution of the Project;
3. WHEREAS the Ministry of Energy shall be the Executing Agency and the Electricity Distribution and Supply Authority shall be the Implementing Agency for the Project; and

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4. WHEREAS the Fund has agreed on the basis, *inter alia*, of the foregoing to provide a Loan to the Borrower upon the terms and conditions hereinafter set forth;

NOW THEREFORE the PARTIES hereto hereby agree as follows:

ARTICLE I

GENERAL CONDITIONS-DEFINITIONS

Section 1.01. General Conditions. The Parties to this Agreement accept all the provisions of the *General Conditions Applicable to the African Development Fund Loan Agreements and Guarantee Agreements (Sovereign entities)*, (as amended from time to time), (hereinafter called the "*General Conditions*") with the same force and effect as if they were fully set forth herein.

Section 1.02. Definitions. Whenever used in this Agreement, unless the context otherwise requires, the terms defined in the *General Conditions* shall have the meanings therein set forth.

ARTICLE II

THE LOAN

Section 2.01. Amount. The Fund agrees to lend to the Borrower, from the resources of the Fund in various convertible currencies other than the currency of the Borrower, an amount not exceeding the equivalent of Four Million Six Hundred and Twenty-One

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Thousand Units of Account (UA 4, 621,000) (the Unit of Account being defined in Article 1(1) of the *Agreement Establishing the Fund*).

Section 2.02. Purpose. The purpose of the Loan is to finance the Project as described in Annex I and as set out in Annex II of this Agreement.

Section 2.03. Allocation. The Loan shall be allocated to categories of eligible expenditure provided for in Annex II of this Agreement or as may be otherwise determined by the Parties to this Agreement.

Section 2.04. Currency of Disbursements. In accordance with Section 4.04 of the General Conditions:

- (a) All disbursements made by the Fund to the Borrower shall be denominated in United States Dollars;
- (b) Notwithstanding the provisions of Section 2.04 (a), in any case where the Fund shall be unable to access or procure United States Dollars for purposes of the Loan, the Fund shall notify the Borrower immediately after becoming aware of such inability and propose to the Borrower a currency of substitution which shall be either the European Euro, the British Pound Sterling or the Japanese Yen;
- (c) If within sixty (60) calendar days following such notification the Fund and the Borrower cannot agree on a currency of substitution, then the Borrower may cancel that portion of the Loan; and

