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EXECUTION VERSION

NUMBER G2420-SL

COOPERATION AGREEMENT

(SIERRA LEONE - WESTERN AREA POWER GENERATION PROJECT)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY

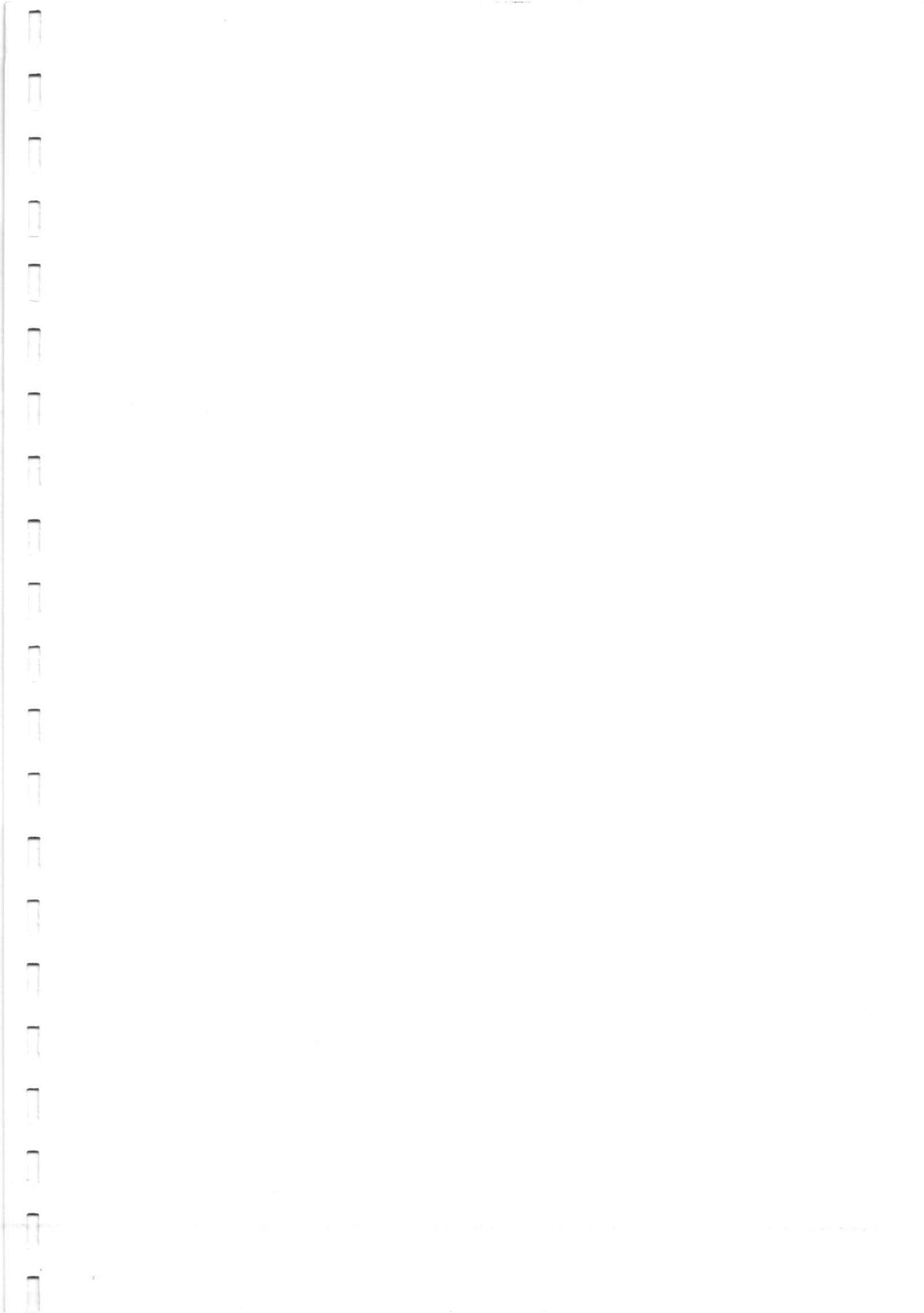
Dated January 23 2017



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COOPERATION AGREEMENT

This COOPERATION AGREEMENT ("*Agreement*") dated January 25, 2017 is between:

- (1) **ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY**, the body corporate established under the National Electricity Act, 2011 and having its registered office at 5A High Broad Street, Murray Town, Freetown, Sierra Leone ("*EDSA*"); and
- (2) **INTERNATIONAL DEVELOPMENT ASSOCIATION**, an international organization having its headquarters at 1818 H Street N.W., Washington, DC 20433, United States of America ("*IDA*").

WHEREAS:

- (A) CECA SL Generation Limited, a company organized and existing under the laws of the Republic of Sierra Leone (the "*Company*") and CEC Africa (Sierra Leone) Limited, a company incorporated under the laws of the Republic of Mauritius (as shareholder), *on the one hand*; and the Government of the Republic of Sierra Leone ("*SL*"), acting by the Ministry of Finance and Economic Development and the Ministry of Energy and EDSA, *on the other*; have entered (or will) into a power purchase agreement (the "*PPA*"), pursuant to which the Company has agreed *inter alia*, to finance, develop, and sell, and make available to EDSA for delivery electric power capacity and output generated from a new heavy fuel oil/diesel-fired power plant with Contracted Capacity of 57MW for phase 1 (the "*Project*"), as more fully described in Schedule 1 to the PPA;
- (B) SL and EDSA (together, the "*Obligors*") are jointly and severally liable for the obligations of EDSA under the PPA;
- (C) Payments by the Obligors to the Company under the PPA are to be secured in part by a letter of credit ("*LC*") issued by Societe Generale ("*LC Bank*") in favor of the Company and any advance made by the LC Bank to the Company pursuant to the LC are to be reimbursed by the Obligors to the LC Bank in accordance with the terms of a reimbursement and credit agreement to be entered into on or around the date hereof between the Obligors and the LC Bank ("*Reimbursement and Credit Agreement*");
- (D) Pursuant to a guarantee agreement entered into on or around the date hereof between IDA and the LC Bank ("*Guarantee Agreement*"), IDA agrees, on the terms and conditions set out therein, to guarantee to the LC Bank the repayment of certain principal (and interest) amounts payable by the Obligors under the Reimbursement and Credit Agreement ("*Guarantee*");
- (E) Pursuant to an indemnity agreement entered into on or around the date hereof between SL and IDA in respect of the Guarantee ("*Indemnity Agreement*"), SL agrees to fully indemnify IDA for all loss, damage, costs, charges and expenses incurred by IDA in connection with any payment made by IDA under Guarantee Agreement; and
- (F) In consideration of IDA undertaking its obligations under the Guarantee Agreement for the benefit of the Company, and in connection with SL entering into the Indemnity Agreements, EDSA has agreed to undertake the obligations set out in this Agreement.



IT IS AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Except as otherwise indicated, the following terms shall have the following meanings in this Agreement.

“Acts of Insolvency” means in respect of EDSA, (i) the inability of EDSA generally to pay its obligations as they come due, (ii) winding-up (excluding a solvent winding up for the purposes of a corporate restructuring), dissolution, administration or liquidation, (iii) the making by it of any arrangement or composition with its creditors (excluding a solvent winding up for the purposes of a corporate restructuring), (iv) the taking of possession by an encumbrance of, or the appointment of a liquidator (other than in respect of a solvent liquidation), a receiver, administrative receiver, compulsory manager or similar officer over, the whole or any material part of its property or assets, or (v) the commencement in respect of EDSA of any procedure analogous with any of the above procedures that is not stayed within sixty (60) days; provided that, a circumstance, event or act will not be considered an Act of Insolvency of EDSA if it involves a limited recourse obligation of EDSA to a third party other than an obligation under the loan agreements, notes, indentures, security agreements, guarantees and other agreements, documents and instruments relating to the financing (including any refinancing) of the Project, as the same may be amended from time to time, unless it causes any of the circumstances, events or acts listed in (i)-(iii) or (v)-(vi).

“Agreement” has the meaning provided in the preamble.

“Applicable Law” means all laws, codes, treaties, ordinances, decrees, statutes, rules, guidelines and regulations of the SL, including any agencies thereof, or any state, local, municipal, regional, or any other duly constituted governmental body, instrumentality, agency in SL, each having jurisdiction and lawful authority over EDSA in the performance of its obligations under the PPA. Any reference to an Applicable Law shall include: (i) all duly constituted statutory and regulatory action on the part of SL, including any agencies thereof, or any state, local, municipal, regional, or any other duly constituted governmental body, instrumentality, agency in SL gazetted or circulated by public notice by any such government or governmental agency charged by the relevant authority to consolidate, amend or replace such Applicable Law and shall include all rules and regulations duly promulgated or waived thereunder; and (ii) Applicable Law setting standards concerning environmental, social, labour, health and safety or security risks or imposing liability for the breach thereof.

“Authorisation” means any applicable approval, consent, exemption (including waiver), licence, order or permit of or duly issued by or from any Relevant Authority required for the due performance by EDSA or the Company of any covenant or obligation under the Relevant Project Documents.

“Company” has the meaning provided in recital (A).

“Effective Date” has the meaning provided in Clause 9.1 (*Effective Date and Termination*).

“Guarantee” has the meaning provided in recital (D).

“Guarantee Agreement” has the meaning provided in recital (D).

“IDA” has the meaning provided in the preamble.



“**IDA Agreements**” means this Agreement, the Guarantee Agreement, the Indemnity Agreement and the Project Agreement.

“**Indemnity Agreement**” has the meaning provided in recital (E).

“**LC**” has the meaning provided in recital (C).

“**LC Bank**” has the meaning provided in recital (C).

“**EDSA**” has the meaning provided in the preamble.

“**Person**” means any individual, corporation, partnership, joint venture, trust, unincorporated organization, Relevant Authority, or other legal entity.

“**PPA**” has the meaning provided in recital (A).

“**Project**” has the meaning provided in recital (A).

“**Project Agreement**” means the project agreement entered into on or around the date hereof between the Company and IDA in respect of the Guarantee.

“**Obligors**” has the meaning provided in recital (B).

“**Reimbursement and Credit Agreement**” has the meaning provided in recital (C).

“**Relevant Authority**” means any department, authority, instrumentality, agency or any other relevant entity within SL from which an Authorization is to be obtained from time to time and any authority, body or other person within SL having jurisdiction under Applicable Law with respect to the Company, EDSA or the Project.

“**Relevant Project Documents**” means the PPA as well as any other document between EDSA and the Company in respect of (or otherwise related to) the Guarantee.

“**Sector Policy Letter**” means the letter dated June 1, 2016 signed by the Honorable Minister of Energy, Henry O. Macauley, and the Honorable Minister of Finance and Economic Development, Momodu L. Kargbo, of the Government of the Republic of Sierra Leone addressed to the Country Director for IDA, Mr. Kerali, with reference “*Letter from the Government of Sierra Leone Policy to Ensure Financial and Operational Sustainability in the Electricity Sector.*”

“**SL**” has the meaning provided in recital (A).

“**Transaction Document**” means the Relevant Project Documents, the IDA Agreements, the Reimbursement and Credit Agreement and the LC.

1.2 Interpretation

(a) Unless otherwise specified, any reference herein to the preamble, a recital, a Schedule or Clause is to the preamble, a recital, or a schedule to, or clause of, this Agreement.



(b) Headings in this Agreement are inserted for convenience of reference only and shall be ignored in construing this Agreement.

(c) All schedules to this Agreement are an integral part of this Agreement with the same force and effect as if they were fully set out herein; and references to this Agreement shall include references to both this Agreement and the schedules.

(d) Words importing the singular include the plural and *vice versa*.

(e) References to the words "include" and "including" shall be construed as inclusive without limitation.

(f) References in this Agreement to any document are references to such document as originally executed and, if amended, supplemented or replaced, to such document as amended, supplemented or replaced from time to time (*provided* that where consent is required to amend, supplement or replace, such consent has been obtained), and shall include any document that amends, supplements or replaces it.

2. REPRESENTATIONS AND WARRANTIES

EDSA hereby represents and warrants to IDA, as of the date of this Agreement and as of the Effective Date, as follows:

2.1 EDSA is duly incorporated and validly existing under Applicable Law.

2.2 EDSA has full power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party, and to perform its obligations thereunder.

2.3 The execution, delivery and performance by EDSA of this Agreement and the other Transaction Documents to which it is a party:

(a) has been duly authorized by all requisite action on the part of EDSA, and no other proceedings on the part of EDSA or any other Person are necessary for such authorizations; and

(b) will not violate: (i) Applicable Law or any applicable order of any Relevant Authority; or (ii) any provision of the constitutional documents of EDSA.

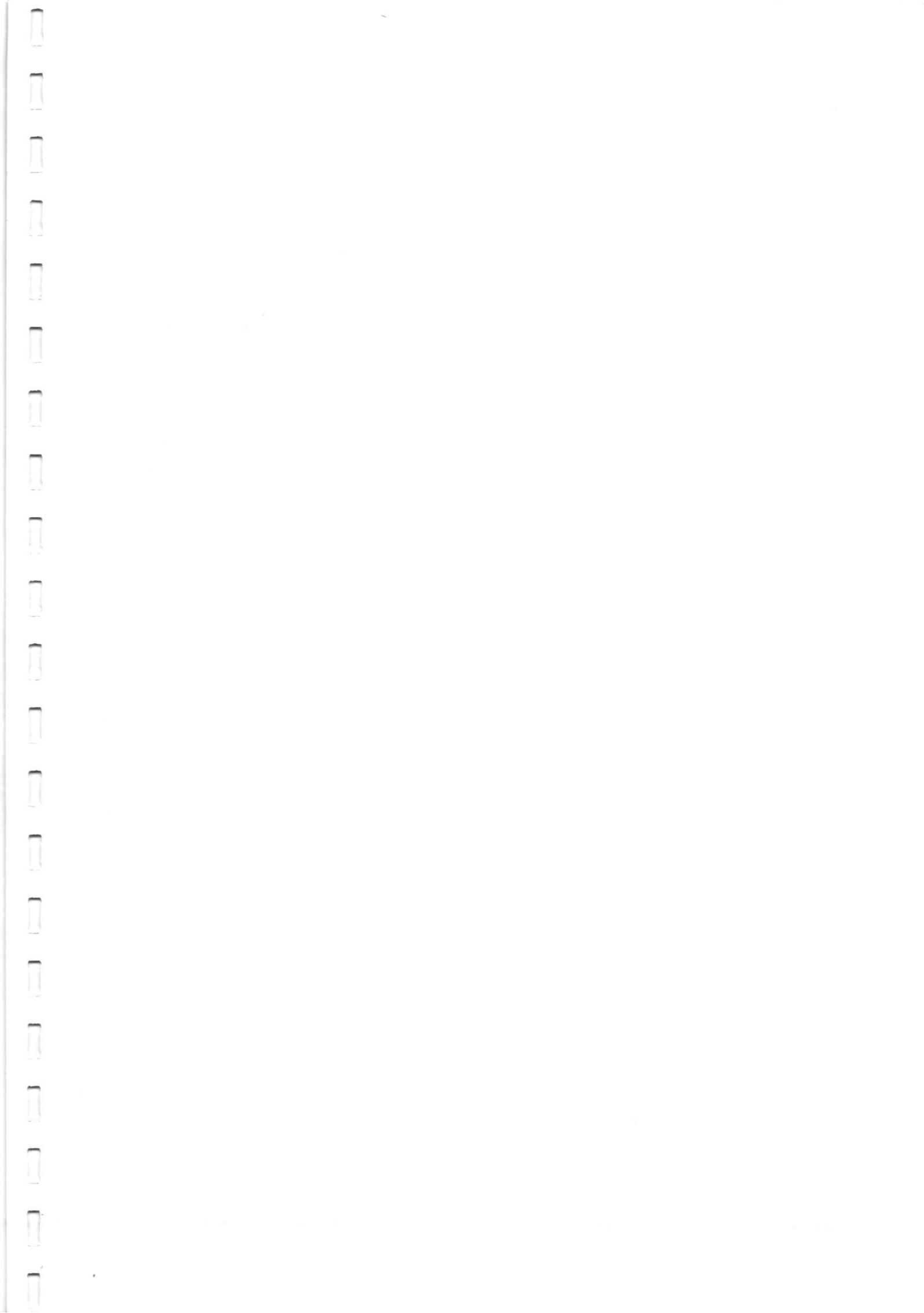
2.4 This Agreement and the other Transaction Documents to which it is a party has been duly executed and delivered by EDSA and constitute legal, valid and binding obligations of EDSA, enforceable against it in accordance with their terms, subject to Applicable Law.

3. COVENANTS

EDSA hereby covenants to IDA as follows:

3.1 EDSA shall comply with all of its obligations under the Transaction Documents to which it is a party.

3.2 EDSA shall conduct its business in compliance with all Applicable Laws in all material respects.



3.3 Subject to, and in accordance with the provisions of the Relevant Project Documents: (i) EDSA shall take all actions necessary on its part to enable the Company to perform all of its obligations under the Relevant Project Documents and the Project Agreement; and (ii) EDSA shall not take any action that would prevent or interfere with the Company's performance of its obligations under the Transaction Documents to which the Company is a party.

3.4 EDSA shall promptly notify IDA of: (i) any proposed changes to any Relevant Project Document; and (ii) any proposed privatization, dissolution, change in control or change in ownership structure of EDSA.

3.5 EDSA shall obtain the written consent of IDA prior to agreeing to any amendment, transfer, assignment or termination of, waiver, consent or settlement or compromise of any claim under, or any other change to, any Transaction Document to which it is a party that would or could, in the reasonable opinion of IDA, materially affect the rights or obligations of IDA under any Transaction Document (including any transfer, assignment, novation, abrogation, granting of security or other disposition of any rights or obligations under such Transaction Document). IDA shall use its reasonable endeavors to promptly approve or reject (in writing) EDSA's written consent request upon receipt thereof.

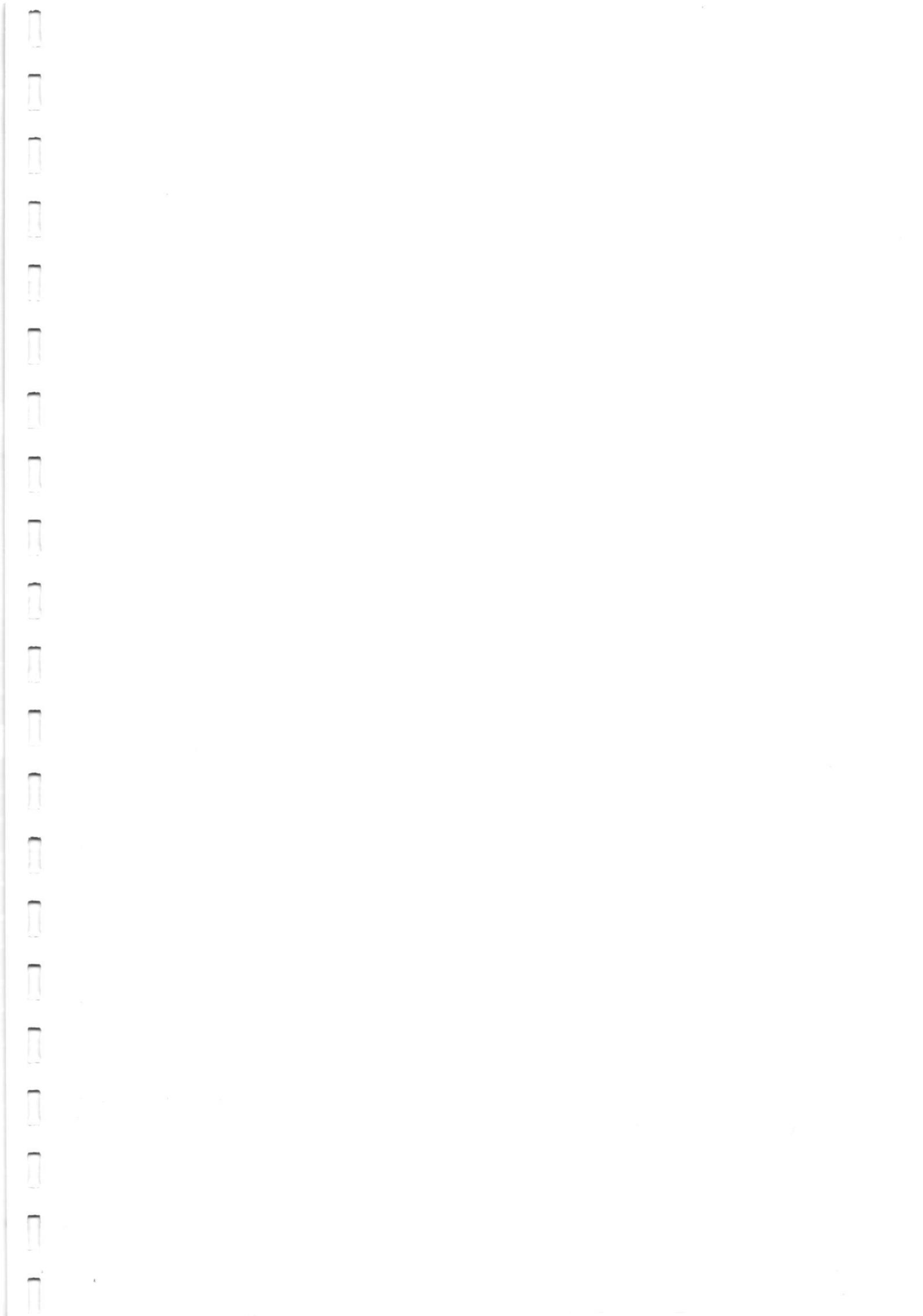
3.6 EDSA shall furnish to IDA: (i) as soon as possible following the end of each financial year, certified copies of its audited financial statements for such year, prepared by independent auditors; and (ii) promptly, upon written request by IDA, all financial, technical, environmental social and other information as IDA may from time to time reasonably request, including, but not limited to, any progress or status report of the Project, records and related information pertaining to the Project made available by the Company under the PPA, invoices or notices received from the Company under the PPA, payments made by EDSA to the Company under the PPA, any notice of default given by EDSA under the PPA and any other information made available to EDSA under any Relevant Project Document.

3.7 EDSA shall keep records pertaining to all Relevant Project Documents, including, without limitation, invoices received from the Company under the PPA, payments made by EDSA to the Company under the PPA, notice of any default given by EDSA under the PPA, and any other information made available to EDSA under any Relevant Project Document.

3.8 EDSA shall, upon reasonable notice and at no charge, afford IDA and its representatives, during normal business hours, access to the managers and senior staff of EDSA as well as any other staff having knowledge of matters with respect to which IDA seeks information.

3.9 At least thirty (30) days prior to the delivery of any Termination Notice (as defined in the PPA), EDSA shall: (i) notify IDA in writing of its intent to terminate the PPA, specifying the date on which it proposes to terminate the PPA and the reasons and; (ii) upon delivery of such notice, shall promptly consult, in good faith, with IDA regarding the same and afford the IDA with reasonable time to exchange views with EDSA, prior to delivery of such Termination Notice.

3.10 EDSA shall cooperate fully with IDA to assure that the purposes of the Guarantees and the objectives of the Project will be accomplished. To that end, EDSA shall, from time to time, at the request of IDA, exchange views on the Project, the Guarantee, and the performance of its obligations under the Transaction Documents to which EDSA is a party, and furnish to IDA all such information related to such matters as IDA shall reasonably request, and promptly inform IDA of any condition which interferes with, or threatens to interfere with, such matters.



3.11 EDSA shall promptly reimburse the LC Bank pursuant to the Reimbursement and Credit Agreement for any payment made by the LC Bank to the Company under the LC in accordance with the provisions of the Reimbursement and Credit Agreement.

3.12 EDSA shall notify IDA immediately upon any occurrence, circumstance or event, or any combination thereof, which, with the lapse of time, the giving of notice or both, would constitute any Act of Insolvency in respect of EDSA.

3.13 EDSA shall:

(a) act in a manner consistent with the terms of, or achievement of the objectives expressed in, the Sector Policy Letter;

(b) keep IDA informed on the progress of any actions or measures set out in the Sector Policy Letter, and discuss and agree with IDA any remedial measures to be taken in the event of delay or failure to comply with, or achieve the objective of, the Sector Policy Letter;

(c) consult with IDA prior to taking any action that is contrary to, or otherwise inconsistent with, the terms and overall objectives of the Sector Policy Letter, if such action would or could materially affect the Project or the rights or obligations of IDA under the Guarantee Agreement or any Transaction Documents; and

(d) upon request, promptly provide IDA with all information necessary, in the reasonable opinion of IDA, for IDA's review of EDSA's performance of its obligations under this Agreement, including in respect of the Sector Policy Letter.

4. NOTICES

Any notice, request, document, application, consent, approval, or waiver (hereinafter referred to generally as "**Notice**") required or permitted to be given or made under this Agreement shall be in writing in the English language. Such Notice shall be deemed to have been duly given or made when it shall be delivered by hand or by mail or facsimile to the party to which it is required or permitted to be given or made at the following address or at such other address as the party shall have designated by Notice to the party giving fifteen (15) days' written Notice.

(a) For IDA:

Address: The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: Senior Director, Energy and Extractives Global Practice
Facsimile: + 1 202 522 3436

with a copy to:

Address: The World Bank
1818 H Street, N.W.



Washington, D.C. 20433
United States of America

Attention: Practice Manager, Guarantees (Financial Solutions)
Energy and Extractives Global Practice
Facsimile: +1 202 522 0761
E-mail: guarantees@worldbank.org

(b) For EDSA:

Address: 5A High Broad Street
Murray Town
Freetown
Sierra Leone

Attention: General Manager

5. SEVERABILITY OF PROVISIONS

If any provision of this Agreement is or becomes prohibited, illegal, invalid, or unenforceable in any jurisdiction, such prohibition, illegality, invalidity, or unenforceability shall not affect or impair the legality, validity, or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision in any other jurisdiction.

6. AMENDMENT AND NON-WAIVER

6.1 Amendment

No provision of this Agreement may be amended, modified or supplemented except in a written agreement executed by authorized signatories of each of IDA and EDSA.

6.2 Non-waiver

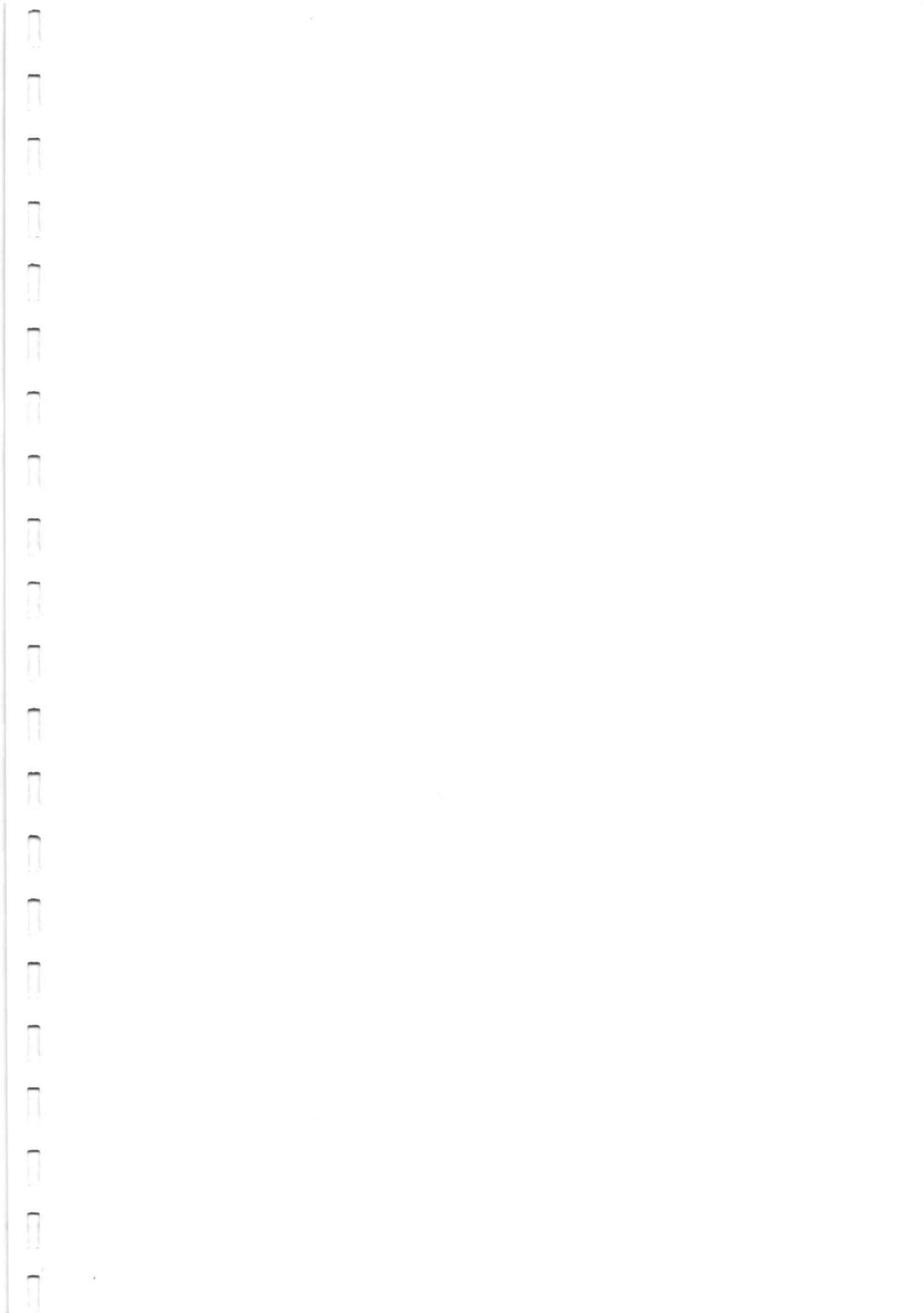
Neither party shall be deemed to have waived any of its rights under this Agreement unless expressly so stated in a notice by a party waiving such a right to the other party.

7. SEPARATE CONTRACTUAL RIGHTS

Save as may be expressly provided herein, nothing in this Agreement shall limit or restrict the rights of IDA or EDSA pursuant to any other agreement.

8. ENFORCEABILITY; ARBITRATION

(a) Section 7.01 (*Enforceability*) and Section 7.03 (*Arbitration*) of the International Development Association's "*General Conditions for Credits and Grants*", dated July 31, 2010, with the modifications set forth in Clause 8(b) (the "*General Conditions*") are incorporated in, and constitute an integral part of, this Agreement.



(b) The General Conditions, unless the context requires otherwise, shall be modified as follows:

(i) The terms "*Recipient*" wherever used in the General Conditions means EDSA.

(ii) The terms "*Legal Agreements*", "*Financing Agreement*" and "*Financing Agreements*" wherever used in the General Conditions means this Agreement.

(iii) The term "*Member Country*" wherever used in the General Conditions means SL.

9. EFFECTIVE DATE AND TERMINATION

9.1 This Agreement shall come into force and effect on the date on which the Indemnity Agreement comes into force and effect ("*Effective Date*").

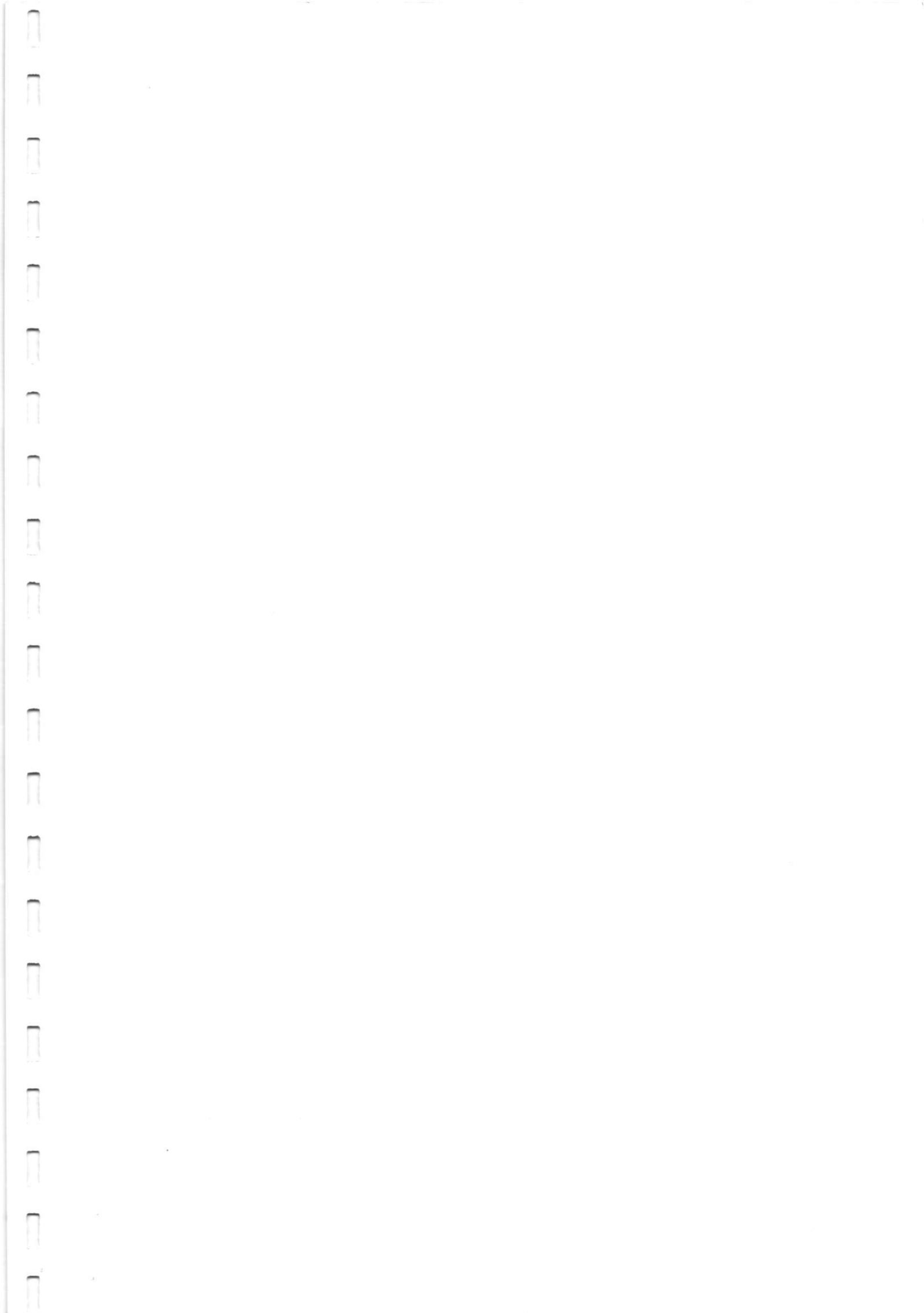
9.2 This Agreement shall terminate upon the last to occur of: (i) expiration or other termination of the Guarantee Agreement; and (ii) reimbursement in full under the Indemnity Agreement by SL to IDA of all payments made by IDA under the Guarantee Agreement on or before such expiration or termination; *provided* that the provisions of Clause 4 (*Notices*) and Clause 8 (*Enforceability; Arbitration*) shall survive any termination of this Agreement.

10. COUNTERPARTS

This Agreement may be executed in separate counterparts and by each party separately on a separate counterpart, and each counterpart, when so executed and delivered, shall be an original, effective for purposes of binding the parties to this Agreement. Such counterparts shall together constitute one and the same instrument.

11. NO ASSIGNMENT OR OTHER ACTIONS

EDSA shall not assign, transfer, cede, amend, suspend, abrogate, terminate, encumber or waive any of its rights, interests, covenants or obligations (in whole or in part) under this Agreement without IDA's prior written consent.



IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be duly executed by their duly authorized representatives on the date first above written.

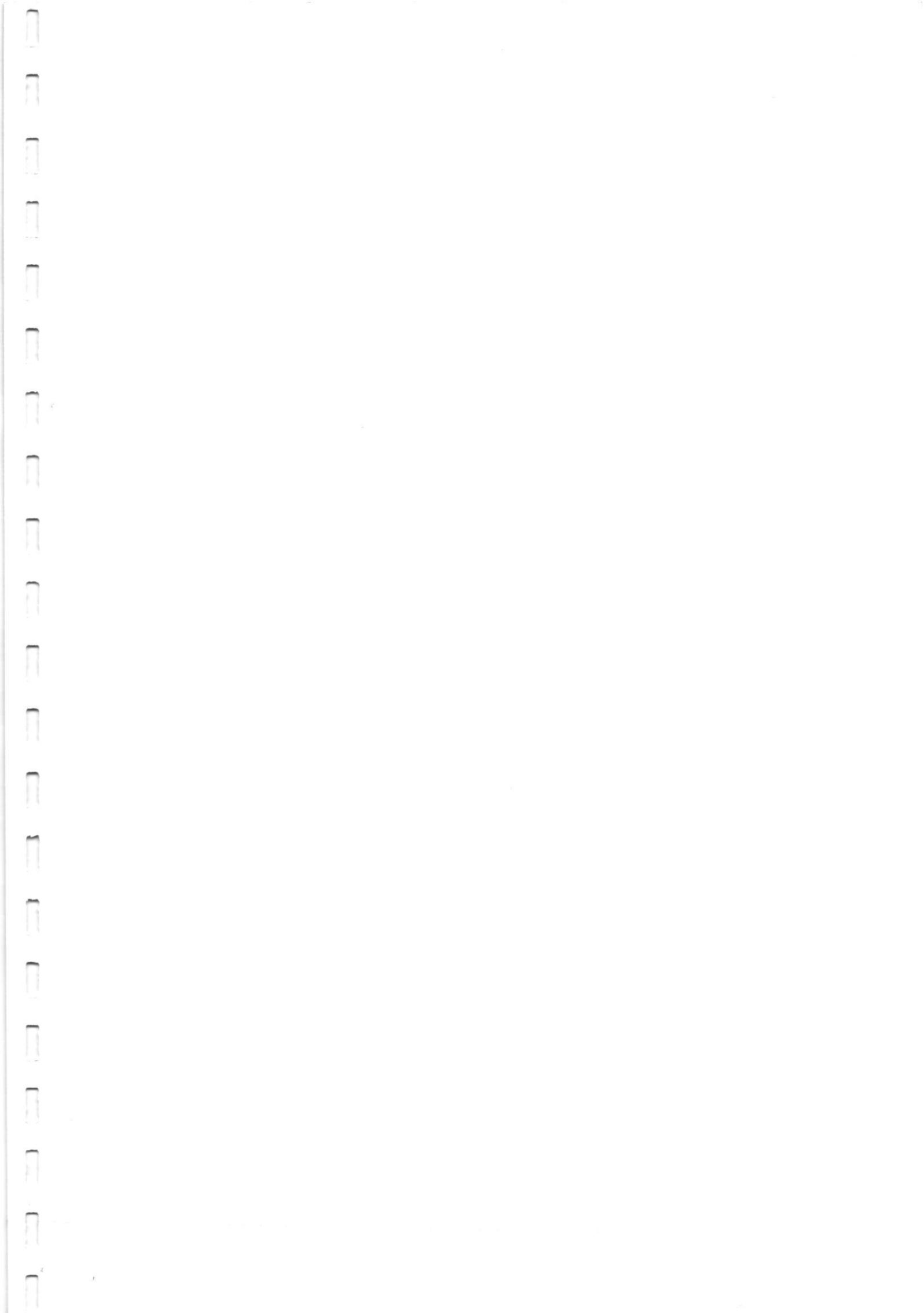
INTERNATIONAL DEVELOPMENT ASSOCIATION

By: Henry Kerali
Authorized Representative

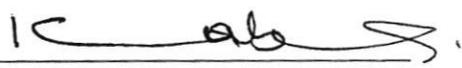
Name (printed): Henry Kerali

Title: Country Director for Sierra Leone





**ELECTRICITY DISTRIBUTION AND SUPPLY
AUTHORITY**

By: 
Authorized Representative

Name (printed): PROF. KABINGH KORONIA

Title: CHAIRMAN, EDSA



