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TOWER HILL FREETOWN

SLIDF GRANT NUMBER: TF013246

Sierra Leone
Infrastructure Development Fund
Grant Agreement
(Energy Access Project)

Between

REPUBLIC OF SIERRA LEONE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

(acting as administrator of the Sierra Leone Infrastructure Development Fund)

Dated, 20th JUNE, 2013



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Dated 20th JUNE , 2013



SLIDF GRANT NUMBER TF013246

**SIERRA LEONE INFRASTRUCTURE DEVELOPMENT FUND
GRANT AGREEMENT**

AGREEMENT dated JUNE 20TH, 2013, entered into between REPUBLIC OF SIERRA LEONE ("Recipient"); and INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of the Sierra Leone Infrastructure Development Fund.

The Recipient and the World Bank hereby agree as follows:

**Article I
Standard Conditions; Definitions**

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012 ("Standard Conditions"), 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 Standard Conditions or in the Appendix to this Agreement.

**Article II
The Project**

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 III
The Grant**

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to sixteen million Dollars (\$16,000,000) ("Grant") to assist in financing the Project.



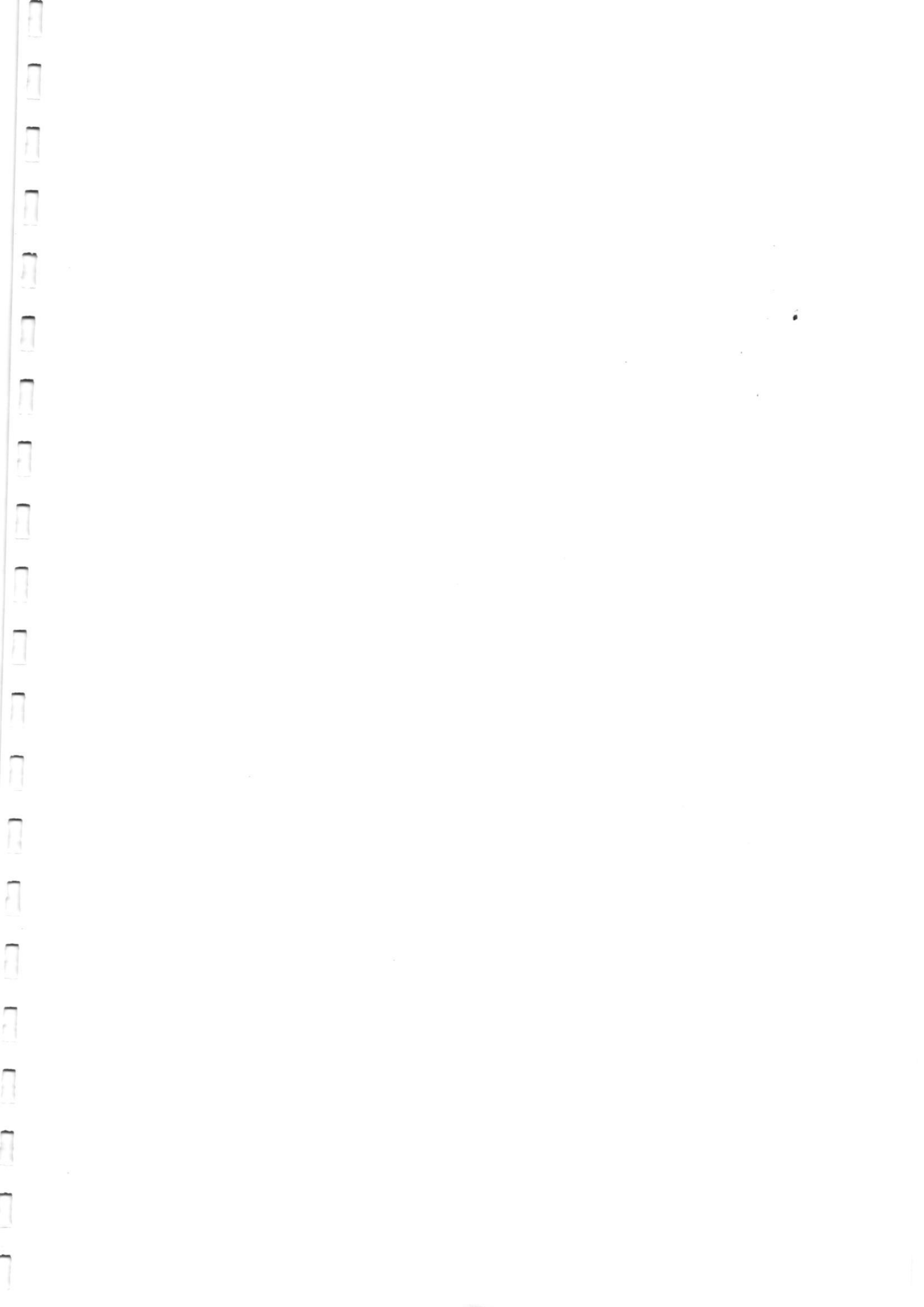
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donor(s) to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor(s) under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

**Article IV
Additional Remedies**

- 4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following, namely, that the World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

**Article V
Effectiveness; Termination**

- 5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:
- (a) the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action;
 - (b) the Recipient has prepared and adopted, a Project Implementation Manual (including an updated financial procedures manual), in accordance with the provisions of Section I.B.1 of Schedule 2 to this Agreement; and
 - (c) the Recipient has appointed to the PMU, the general Project coordinator, the procurement specialist, the financial management specialist, the supervising engineer for improvement of electricity supply in urban areas and the Project coordinator for rural electrification, all with qualifications, experience and terms of reference acceptable to the World Bank.



- 5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing the following matter, namely, that, on behalf of the Recipient, this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.
- 5.03. 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 5.01 ("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.
- 5.04. *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 ninety (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 VI
Recipient's Representative; Addresses

- 6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its minister responsible for finance.
- 6.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance and Economic Development
Treasury Building
George Street
Freetown, Sierra Leone

Facsimile: 232 22 229 060



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

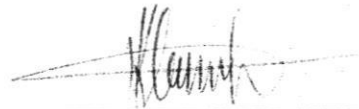
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

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

AGREED at FREETOWN, SIERRA LEONE, JUNE 20TH, 2013, as of the day and year first above written.

REPUBLIC OF SIERRA LEONE

By



Authorized Representative

Name: Kaijala Marah

Title: MINISTER

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of the Sierra Leone Infrastructure
Development Fund)

By



Authorized Representative

Name: FRANCIS ATO BROWN

Title: COUNTRY MANAGER.





SCHEDULE 1**Project Description**

The objectives of the Project are to: (a) reduce losses in electricity supply in Freetown Capital Western Area; (b) improve commercial performance of the National Power Authority; and (c) increase access to electricity in selected rural areas.

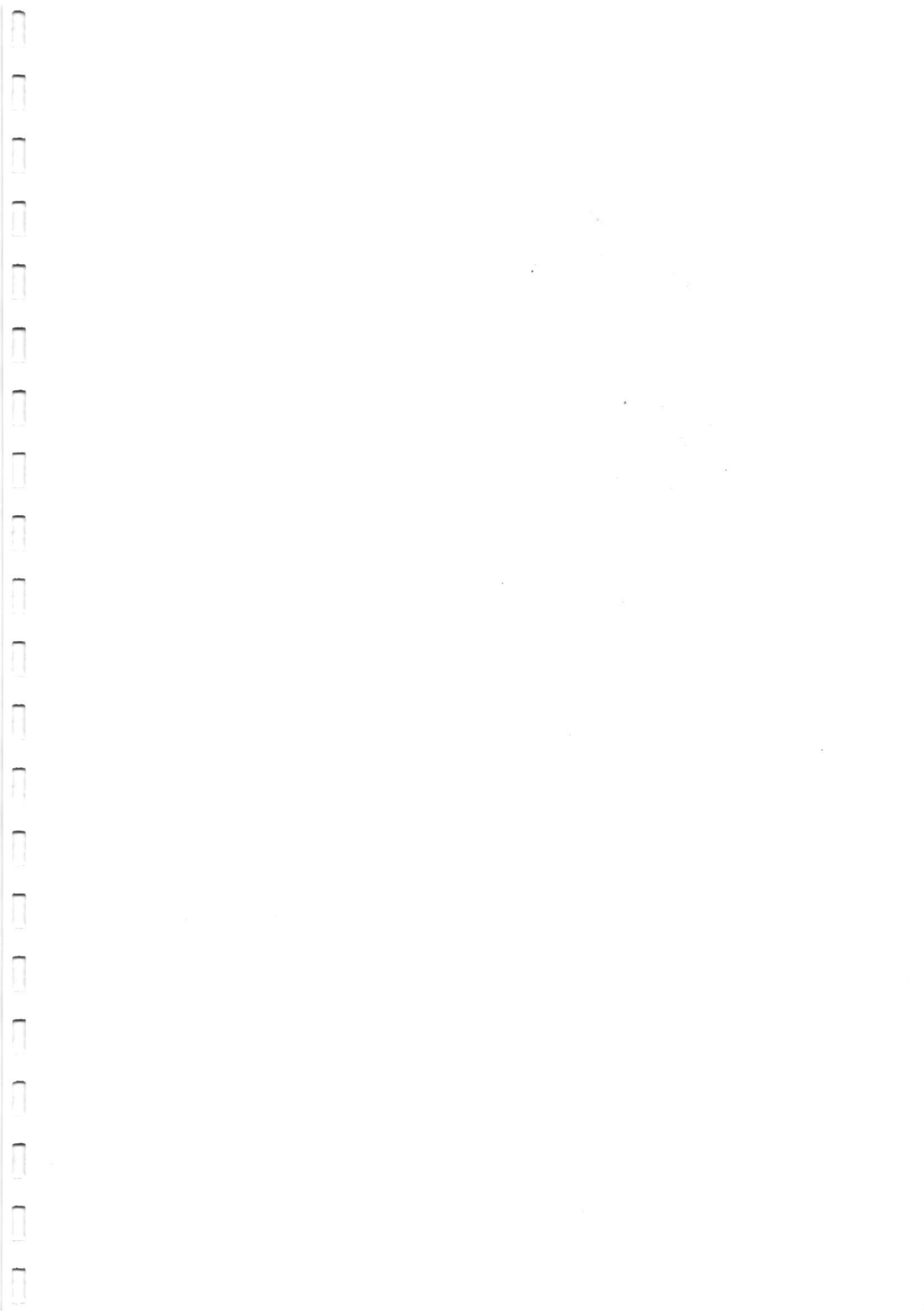
The Project consists of the following parts:

Part 1: Rehabilitation of Primary Distribution Network, Loss Reduction and Improvement of National Power Authority's Operational and Commercial Performance

Carrying out of a program designed to strengthen the power distribution infrastructure in the Freetown area and to upgrade critical components of the distribution network, said program to consist of: (a) supply and installation of a 161/33kV transformer at the Freetown substation; (b) rehabilitation and strengthening of critical components of said network, in particular, the 33kV line from Blackhall Road to Wellington substations, the 33/11kV transformer at the Wellington substation and related equipment at the Wellington, Blackhall Road and Wilberforce substations; (c) supply and installation of approximately 20,000 pre-payment meters and associated management and vending systems to improve metering and revenue management; (d) supply and installation of statistical metering at strategic points in said network (including appropriate data collection and reporting systems) to facilitate assessment of losses; (e) supply and installation of an appropriate business information system (including modules for billing, financial management, management information and logistics) to improve utility management; (f) strengthen the institutional, technical and operational capacity of the National Power Authority with a view to improving its operational and commercial performance; and (g) provision of training, operating costs and goods required for the purpose.

Part 2: Rural Electrification

Implementation of a pilot program for the supply and installation of photovoltaic systems in selected public buildings (including clinics and schools) situated in priority rural villages, and provision of training, operating costs and goods required for the purpose.



Part 3. Project Implementation Management

Strengthening the institutional and technical capacity of the PMU for Project implementation and oversight including procurement and financial management, monitoring and evaluation and reporting, all through the provision of technical advisory services, training, operating costs and goods.

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SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. Project Oversight Committee

- (a) The Recipient shall establish and maintain, the Project Oversight Committee ("POC"), at all times during the implementation of the Project, with a composition, mandate and resources satisfactory to the World Bank, for the purpose of ensuring prompt and efficient oversight and overall coordination of implementation of the Project.
- (b) Without limitation upon the provisions of sub-paragraph (a) of this paragraph 1, the POC shall be responsible for, *inter alia*: (i) providing strategic and policy guidance on the implementation of the Project; (ii) reviewing and endorsing for subsequent approval by the World Bank, the Annual Work Plan and Budget and ensuring its consistency with this Agreement; (iii) reviewing progress made towards achieving the Project's objective; (iv) facilitating coordination of Project activities and removal of any obstacle(s) to the implementation of the Project; and (v) monitoring and evaluating impacts of Project activities.

2. Project Management Unit

- (a) Without limitation upon the provisions of paragraph 1 of this Section I.A, the Recipient shall designate, at all times during the implementation of the Project, the Project Management Unit ("PMU"), to be responsible for day to day execution, coordination and management (including procurement, financial management, environmental and social safeguards, monitoring and evaluation, supervision, reporting and communication aspects) of Project activities, in accordance with the provisions of this Agreement.
- (b) The Recipient shall take all actions, including the provision of funding, personnel, and other resources satisfactory to the World Bank, to enable the PMU to perform said functions. To this end, the Recipient shall:
 - (i) not later than two (2) months after the Effective Date, appoint in accordance with the provisions of Section III of this Schedule 2, and thereafter maintain at all times during Project implementation, within the PMU, an environmental and social development specialist, whose terms of reference, qualifications and experience shall be satisfactory to the World Bank; and



- (ii) not later than four (4) months after the Effective Date, appoint in accordance with the provisions of Section III of this Schedule 2, and thereafter maintain at all times during Project implementation, within the PMU, a financial management assistant and a procurement assistant, all with terms of reference, qualifications and experience satisfactory to the World Bank.

B. Implementation Arrangements

1. Project Implementation Manual

- (a) The Recipient shall prepare, under terms of reference acceptable to the World Bank and furnish to the World Bank for review, a Project implementation manual, which shall include provisions on the following matters: (i) capacity building activities for sustained achievement of the Project's objectives; (ii) financial management and disbursement; (iii) procurement; (iv) institutional administration, coordination and day to day execution of Project activities; (v) monitoring and evaluation, reporting, information, education and communication of Project activities; and (vi) such other technical and organizational arrangements and procedures as shall be required for the Project.
- (b) The Recipient shall afford the World Bank a reasonable opportunity to exchange views with the Recipient on said Project implementation manual, and thereafter, shall adopt such Project implementation manual, as shall have been approved by the World Bank ("Project Implementation Manual").
- (c) The Recipient shall ensure that the Project is carried out in accordance with the Project Implementation Manual; provided, however, that in case of any conflict between the provisions of the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) Except as the World Bank shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Project Implementation Manual.

2. Annual Work Plan and Budget

- (a) The Recipient shall prepare and furnish to the World Bank not later than October 1, of each Fiscal Year during the implementation of the Project, a work plan and budget containing all activities proposed to be included in the Project during the following Fiscal Year and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing.



- (b) Each such proposed work plan and budget shall specify any training activities that may be required under the Project, including: (i) the type of training; (ii) the purpose of the training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the training; (v) the location and duration of the training; and (vi) the cost of the training.
- (c) The Recipient shall afford the World Bank a reasonable opportunity to exchange views with the Recipient on each such proposed work plan and budget and thereafter ensure that the Project is implemented with due diligence during said following Fiscal Year in accordance with such work plan and budget as shall have been approved by the World Bank ("Annual Work Plan and Budget").
- (d) The Recipient shall not make or allow to be made any change to the approved Annual Work Plan and Budget without prior approval in writing by the World Bank.

C. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

- 1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Safeguard Instruments.
- 2. The Recipient shall ensure that all measures required for carrying out the recommendations of said Safeguard Instruments are taken in a timely manner.
- 3. Without limitation upon its other reporting obligations under this agreement and under Section 2.06 of the Standard Conditions, the Recipient shall include in the Project Reports referred to in Section II.A of this Schedule, adequate information on the implementation of said Safeguard Instruments, giving details of: (a) measures taken in furtherance of said Safeguard Instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of said Safeguard Instruments; and (c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of said Safeguard Instruments.

E. Donor Visibility and Visit

- 1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor(s) support for the Project.



2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, enable the representatives of the Donor(s) to visit any part of the Recipient's territory for purposes related to the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. 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 six (6) months, 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.
2. 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 (6) months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. 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 (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one (1) Fiscal Year. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.
4. *Financial Management Covenants*
 - (a) The Recipient shall, not later than six (6) months after the Effective Date, appoint in accordance with the provisions of Section III of this Schedule 2, and thereafter maintain at all times during Project implementation, an external auditor for the Project, with terms of reference, qualifications and experience satisfactory to the World Bank.



- (b) To facilitate the proper maintenance of its financial management system referred to in Part B.1 of this Section II, the Recipient shall, not later than four (4) months after the Effective Date, acquire in accordance with the provisions of Section III of Schedule 2 to this Agreement, and install in accordance with terms of reference satisfactory to the World Bank, appropriate accounting systems (including software acceptable to the World Bank).

Section III. Procurement

A. General

1. **Procurement and Consultant Guidelines.** All goods, works, 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:
 - (a) Section I of the Procurement Guidelines, in the case of goods, works and non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consultants' services; and
 - (b) the provisions of this Section III, as the same shall be elaborated in the Procurement Plan.
2. **Definitions.** The capitalized terms used below in 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.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding (*subject to the additional provisions in paragraph 3 below*); (b) Shopping; and (c) Direct Contracting.



3. **Additional National Competitive Bidding (NCB) Procedures.** The procedures to be followed for NCB shall be those set forth in the Recipient's Public Procurement Act ("the Act"), subject to the following additional procedures (i.e. exceptions to the Act):
- (a) Procuring entities shall use appropriate standard bidding documents acceptable to the World Bank.
 - (b) The eligibility of bidders shall be as defined under Section I of the Procurement Guidelines. Accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the World Bank for reasons other than those provided in Section I of the Procurement Guidelines.
 - (c) No restrictions to the eligibility to participate in bidding for contracts shall be placed on the basis of nationality of the bidder and/or the origin of goods other than those imposed by primary boycotts.
 - (d) Foreign bidders shall be allowed to participate in NCB procedures.
 - (e) No domestic preference shall be given for domestic bidders and/or for domestically manufactured goods.
 - (f) Bidding shall not be restricted to pre-registered firms, and foreign bidders shall not be required to be registered with local authorities as a prerequisite for submitting bids.
 - (g) Foreign firms shall not be required to associate with a local partner in order to bid as a joint venture and joint venture or consortium partners shall be jointly and severally liable for their obligations.
 - (h) Government-owned enterprises shall be eligible to participate in bidding only if they can establish that they are legally and financially autonomous, operate under commercial law and are not dependent agencies of the Recipient or Sub-Recipient. Such enterprises shall be subject to the same bid and performance security requirements as other bidders.
 - (i) Subject to these provisions, procurement shall be carried out in accordance with the "open competitive bidding" procedures set forth in the Act.
 - (j) Bidders shall be given at least thirty (30) days from the date of the invitation to bid or the date of availability of bidding documents, whichever is later, to prepare and submit bids.



- (k) Bids shall be submitted in a single envelope.
- (l) An extension of bid validity, if justified by exceptional circumstances, may be requested in writing from all bidders before the expiration date and for a minimum period required to complete the evaluation or award a contract, but not to exceed thirty (30) days. No further extensions shall be requested without the prior concurrence of the World Bank.
- (m) All bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited without the World Bank's prior concurrence.
- (n) Qualification criteria shall be applied on a pass or fail basis.
- (o) Bidders shall be given at least twenty-eight (28) days from the receipt of notification of award to submit performance securities.
- (p) Each bidding document and contract financed out of the proceeds of the Grant shall include provisions on matters pertaining to fraud and corruption as defined in paragraph 1.16(a) of the Procurement Guidelines. The World Bank will sanction a firm or an individual, at any time, in accordance with prevailing World Bank sanctions procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded a World Bank-financed contract; and (ii) to be a nominated sub-contractor, consultant, supplier, or service provider of an otherwise eligible firm being awarded a World Bank-financed contract.
- (q) In accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Grant shall provide that bidders, suppliers and contractors, and their sub-contractors, agents, personnel, consultants, service providers, or suppliers, shall permit the World Bank to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the World Bank. Acts intended to materially impede the exercise of the World Bank's inspection and audit rights provided for in paragraph 1.16(e) of the Procurement Guidelines constitute an obstructive practice as defined in paragraph 1.16(a)(v)(bb) of the Procurement Guidelines.
- (r) The World Bank may recognize, if requested by the Recipient, exclusion from participation as a result of debarment under the national system, provided that the debarment is for offenses involving fraud, corruption or similar misconduct, and further provided that the World Bank confirms



that the particular debarment procedure afforded due process and the debarment decision is final.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. 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.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of 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 table in paragraph 2 below.



2. The following 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, works, non-consulting services, consultants' services, Training and Operating Costs under Part 1 of the Project	12,200,000	100%
(2) Goods, works, non-consulting services, consultants' services, Training and Operating Costs under Part 2 of the Project	1,460,000	100%
(3) Goods, non-consulting services, consultants' services, Training and Operating Costs under Part 3 of the Project	1,225,000	100%
(4) Compensation under RAP	77,000	100%
(5) Unallocated	1,038,000	100%
TOTAL AMOUNT	16,000,000	

For the purpose of this paragraph A.2:

1. the term "Training" means the reasonable costs associated with the training, workshop and study tour participation of personnel involved in Project activities, as specified in the Annual Work Plan and Budget, said costs to consist of travel and subsistence for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course, workshop or study tour preparation and implementation (but excluding costs of consulting services); and

