

1 February 2013

Mr Minister,

Re: REPUBLIC OF SIERRA LEONE: IFAD Loan No. 619-SL, Loan No. 619-A-SL, DSF-8074-SL
Rehabilitation and Community-Based Poverty Reduction Project
Amendment to the Restated Project Financing Agreement

1. We refer to the Project Loan Agreement dated 20 February 2004, between the Republic of Sierra Leone (hereinafter referred to as "the Borrower") and the International Fund for Agricultural Development (hereinafter referred to as "IFAD" or "the Fund") for the execution of the Rehabilitation and Community-Based Poverty Reduction Project ("the Project"), as restated on 26 January 2011 and amended on 1 August 2012.

2. We are pleased to inform you that on the 3rd of December 2012 the Executive Board of IFAD approved a supplementary loan on highly concessional terms and a supplementary grant, each in an amount of four million two hundred thousand and fifteen special drawing rights (SDR 4.215 million), to the Republic of Sierra Leone for the purpose of contributing to the achievement of the overall Project goal.

3. Therefore, the Financing Agreement is hereby amended as follows:

(a) The reference to Financing Agreement shall read: IFAD Loan No. 619-SL, Loan No. 619-A-SL, Loan No. 619-B-SL, DSF-8074-SL, DSF-8074-A-SL;

(b) The Preamble, paragraph 2 (A) is amended to read as follows:

"WHEREAS (A) the Borrower has requested a Loan, a Supplementary Loan, an Additional Supplementary Loan, a Supplementary Grant and an Additional Supplementary Grant (the "Financing") from the Fund for the purpose of financing the project described in Schedule 1 to this Agreement (the "Project");";

(c) Article I, Section 1.02 (b), the definition of "District" shall be deleted in its entirety;

The Honourable
Minister for Finance and
Economic Development
of the Republic of Sierra Leone
Freetown

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LOWER MITE DEPARTMENT
OBTAINMENT SERVICE

(b) After the Special Accounts have been duly opened, upon the Borrower request, the Fund shall make one or more withdrawals of up to USD 500 000 from the Loan Account and up to USD 1 500 000 each from the Supplementary Loan Account and the Supplementary Grant Account and up to USD 1 000 000 each from the Additional Supplementary Loan Account and the Additional

"SECTION 2.03. Special Accounts. (a) The Borrower shall open and thereafter maintain in the Freetown branch of the Bank of Sierra Leone, or another bank proposed by the Borrower and accepted by the Fund, three Special Accounts denominated in United States dollars for the purpose of financing the Project. Special Account A will receive funds from the Loan. Special Account B will receive funds from the Supplementary Loan and Supplementary Grant. Special Account C will receive funds from the Additional Supplementary Loan and Additional Supplementary Grant. Special Accounts A, B and C will be protected against set-off, seizure or attachment on terms and conditions proposed by the Borrower and accepted by the Fund.

(f) Article II, Section 2.03, paragraph (a) and (b) are amended to read as follows:

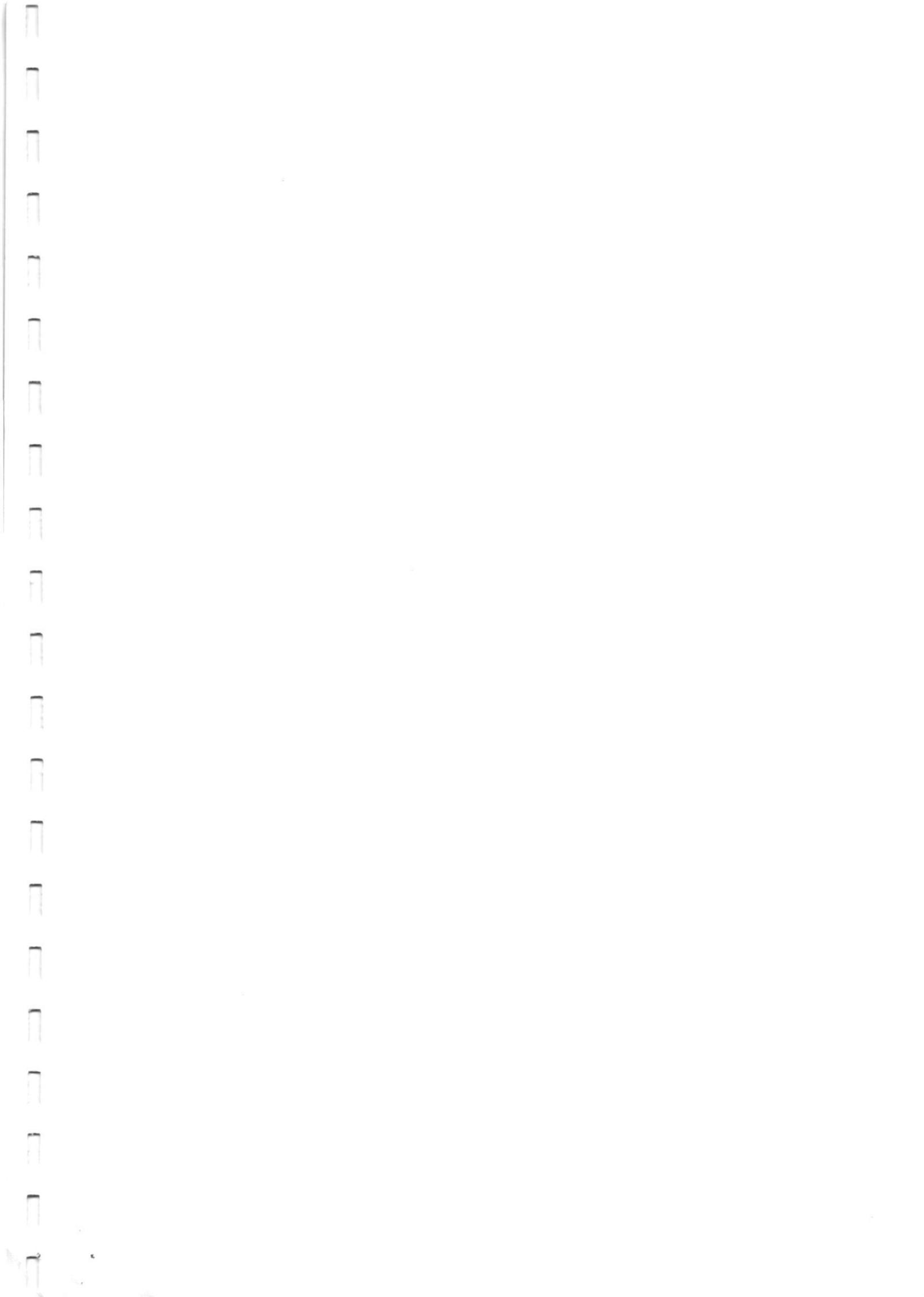
(b) The Fund shall also open a Supplementary Grant Account (the "Supplementary Grant Account") and an Additional Supplementary Grant (the "Additional Supplementary Grant Account") in the name of the Borrower and credit the amount of the Supplementary Grant and the Additional Supplementary Grant thereto. The Borrower may request withdrawals from the Supplementary Grant Account and the Additional Supplementary Grant from time to time between the Effective Date and the Financing Closing Date in various currencies in respect of Eligible Expenditures and otherwise in accordance with Schedule 2 (Allocation and Withdrawal of Financing Proceeds) hereof, and Article IV (Loan Account and Withdrawals) and Section 6.02 (Currencies for Withdrawals) of the General Conditions.;

"SECTION 2.02. Accounts and Withdrawals. (a) The Fund shall open a Loan Account, a Supplementary Loan Account and an Additional Supplementary Loan Account in the name of the Borrower and credit the principal amount of the Loan, the Supplementary Loan and the Additional Supplementary Loan thereto. The Borrower may request withdrawals from the Loan, Supplementary Loan and Additional Supplementary Loan Accounts from time to time between the Effective Date and the Financing Closing Date in various currencies in respect of Eligible Expenditures and otherwise in accordance with Schedule 2 (Allocation and Withdrawal of Financing Proceeds) hereof, and Article IV (Loan Account and Withdrawals) and Section 6.02 (Currencies for Withdrawals) of the General Conditions.

(e) Article II, Section 2.02, paragraph (a) and (b) are amended to read as follows:

"SECTION 2.01. The Financing. The Fund agrees to extend a Financing to the Borrower composed of: Loan in the principal amount of five million nine hundred thousand Special Drawing Rights (SDR 5 900 000) (the "Loan"), a Supplementary Loan in the principal amount of seven million fifty thousand Special Drawing Rights (SDR 7 050 000) (the "Supplementary Loan"), an Additional Supplementary Loan in the principal amount of four million two hundred fifteen thousand Special Drawing Rights (SDR 4 215 000), a Supplementary Grant of seven million fifty thousand Special Drawing Rights (SDR 7 050 000) (the "Supplementary Grant") and an Additional Supplementary Grant in the principal amount of four million two hundred fifteen thousand Special Drawing Rights (SDR 4 215 000) for the purpose of financing the Project.;"

(d) Article II, Section 2.01 is amended to read as follows:



Supplementary Grant Account. Withdrawals from the Supplementary Loan Account, Additional Supplementary Loan Account, Supplementary Grant Account and Additional Supplementary Grant Account will be made based on a ratio of 50%. The Fund shall replenish the Special Accounts from time to time upon request, in accordance with Section 4.08 of the General Conditions (Special Account), in such minimum amounts as the Fund may specify by notice to the Borrower.”;

- (g) Article II, Section 2.05 is amended to read as follows,

“Section 2.05. Service Charge. The Borrower shall pay to the Fund a service charge at the rate of 0.75% per annum on the amount of the Loan, the Supplementary Loan and the Additional Supplementary Loan outstanding from time to time, payable semi-annually on each 1 March and 1 September in the Loan Service Payment Currency.”;

- (h) Article II, Section 2.06, a new paragraph (c) is added to read as follows:

“(c) The Borrower shall repay the outstanding principal amount of the Additional Supplementary Loan in sixty (60) equal semi-annual instalments of SDR 70 250 (seventy thousand two hundred and fifty Special Drawing Rights), payable on each 1 March and each 1 September, commencing on 1 March 2023 and ending on 1 September 2052 in the Loan Service Payment Currency of United States Dollars.”

- (i) Article III, Section 3.05, paragraph (b) is amended to read as follows:

“(b) Without limiting the generality of paragraph (a) above, the Borrower shall make available to the Lead Project Agency during the Project Implementation Period counterpart funds from its own resources in the amount of approximately USD 3.6 million equivalent for Project operations, in accordance with its customary national procedures for development assistance. For such purpose, the Borrower shall deposit counterpart funds in an initial amount of USD 100 000 into the Project Account B and thereafter replenish this Project Account by depositing the counterpart funds called for in the AWPB for the relevant Project Year semi-annually in advance.”;

- (j) All references in Sections 5.01; 6.01; 6.02; 6.04; to “Loan, the Supplementary Loan, and the Supplementary Grant” shall refer to “Loan, the Supplementary Loan, the Additional Supplementary Loan, the Supplementary Grant and the Additional Supplementary Grant”;

- (k) Article V, Section 5.02 (b) (i) is amended to read as follows:

“...(i) a separate opinion on the certified statements of expenditure and the operation of the Special Accounts;...”;

- (l) Article VI, Section 6.03 is amended to read as follows:

“SECTION 6.03. Acceleration. The Fund may declare the outstanding principal amount of the Loan, the Supplementary Loan and the Additional Supplementary Loan, together with all accrued and unpaid service charge thereon, immediately due and payable in accordance with Section 12.05 of the General Conditions, upon the occurrence of any of the events set forth therein.”;

- (m) All references in the Section 8.05; Schedule 3A, paragraph 4; and Schedule 4, paragraph 1 to “Loan, the Supplementary Loan, and the Supplementary Grant” shall refer to “Financing”;



(n) All references in the Schedule 4, paragraphs 8 and 12 to "Loan" shall refer to "Financing";

(o) Schedule 1, paragraph 1 is amended to read as follows:

"1. Project Area. The Project shall be carried out in all of the districts of the Borrower's territory (the "Project Area").";

(p) Schedule 2 is renamed as Schedule 2A, the word "Financing" is replaced by "Loan, Supplementary Loan and Supplementary Grant" and a new Schedule 2B is added as per Annex A to this letter;

(q) Schedule 4, Part E, paragraph 12 is amended to read as follows:

"12. All bidding documents and contracts for provision of goods, works and services financed by the Financing shall include provisions requiring bidders, suppliers, contractors, sub-contractors and consultants to:"

4. Except as expressly modified hereby, the Financing Agreement remains unmodified and in full force and effect.

5. If this proposal is acceptable to you, we have the honour to request that you countersign the six copies of this letter and return three copies to the Fund, thereby constituting a formal agreement between the Republic of Sierra Leone and the Fund which shall become effective upon ratification as of the day of receipt of the instrument of ratification by the Fund.

Accept, Mr Minister, the assurances of my highest consideration.



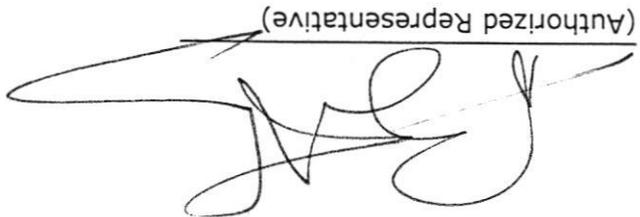
Idesbald de Willebois

Director

West and Central Africa Division

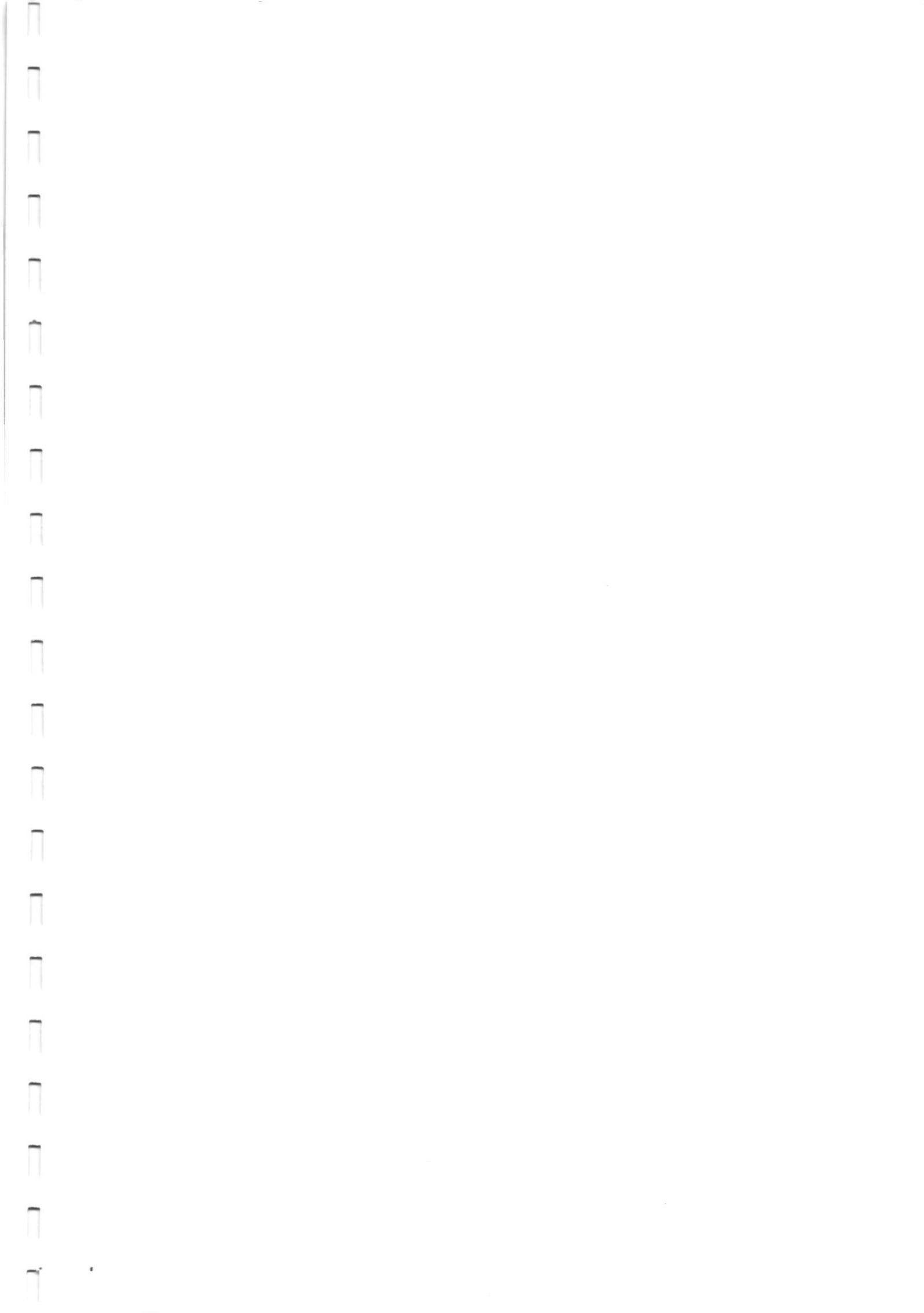
CONFIRMED:

REPUBLIC OF SIERRA LEONE



(Authorized Representative)

Signed in Freetown, Republic of Sierra Leone on 12-03-13 (date)



SCHEDULE 2 B

Allocation and Withdrawal of Additional Supplementary Loan and Additional Supplementary Grant Proceeds

1. *Allocation of Additional Supplementary Loan and Additional Supplementary Grant Proceeds.* The Table below sets forth the Categories of Eligible Expenditures to be financed by the Additional Supplementary Loan and the Additional Supplementary Grant, the allocation of the amounts of the Additional Supplementary Loan and Additional Supplementary Grant to each Category and the percentages of expenditures for items to be financed in each Category:

| Category | Additional Supplementary Loan (Expressed in SDR) | Additional Supplementary Grant (Expressed in SDR) | % of Eligible Expenditures to be Financed net of taxes, government and beneficiary contribution |
|--------------------------------|--|---|---|
| I. Civil Works | 3 503 000 | 3 503 000 | 100% |
| II. Vehicles and Equipment | 399 000 | 399 000 | 100% |
| III. Farm Inputs | 0 | 0 | |
| IV. Studies and Training | 88 000 | 88 000 | 100% |
| V. Technical Assistance | 89 000 | 89 000 | 100% |
| VI. Community Development Fund | 0 | 0 | |
| VII. Salaries and Allowances | 0 | 0 | |
| VIII. Operating Costs | 136 000 | 136 000 | 100% |
| TOTAL | 4 215 000 | 4 215 000 | |

2. *Certain Definitions.* The definitions of Schedule 2A are applied in their entirety to this Schedule 2B.

3. *Minimum Withdrawal Amounts.* Withdrawals from the Additional Supplementary Loan and Additional Supplementary Grant Accounts shall be made in amounts no less than USD 20 000 or its equivalent, or such other amount as the Fund may designate from time to time.

4. *Statements of Expenditure.* Withdrawals from the Additional Supplementary Loan and Additional Supplementary Grant Accounts may be made against certified statements of expenditures in respect of Eligible Expenditures in such amounts as the Fund may designate



from time to time by notice to the Borrower. The records evidencing such expenditures need not be submitted to the Fund, but shall be retained by the Borrower for inspection by the representatives of the Fund in accordance with Sections 4.07 (Statements of Expenditure) and 10.03 (Visits, Inspections and Enquiries) of the General Conditions.



Copy for information:
The Honourable
Minister of Agriculture and Food Security
of the Republic of Sierra Leone
Freetown

