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**NTF/FSN**  
NIGERIA TRUST FUND  
FONDS SPECIAL DU NIGERIA

**LOAN AGREEMENT**

**BETWEEN**

**THE REPUBLIC OF SIERRA LEONE**

**AND**

**THE AFRICAN DEVELOPMENT BANK**

*(Acting on behalf of the Nigeria Trust Fund)*

**(COTE D'IVOIRE, LIBERIA, SIERRA LEONE AND  
GUINEA (CLSG) ELECTRICITY NETWORKS  
INTERCONNECTION PROJECT)**



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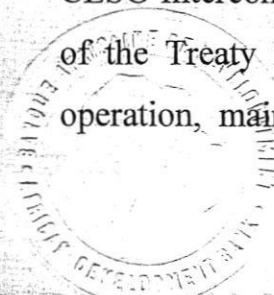
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**PROJECT ID No : P-Z1-F00-046  
LOAN No : 2200160001139 - (SOS: 6.67)**

This LOAN AGREEMENT (hereinafter referred to as the "Agreement") is entered into this 28<sup>TH</sup> day of NOVEMBER, 2013 between the REPUBLIC OF SIERRA LEONE, (hereinafter referred to as the "Borrower") and the AFRICAN DEVELOPMENT BANK (hereinafter called the "Bank"), acting on behalf of the NIGERIA TRUST FUND (hereinafter called the "NTF").

**WHEREAS:**

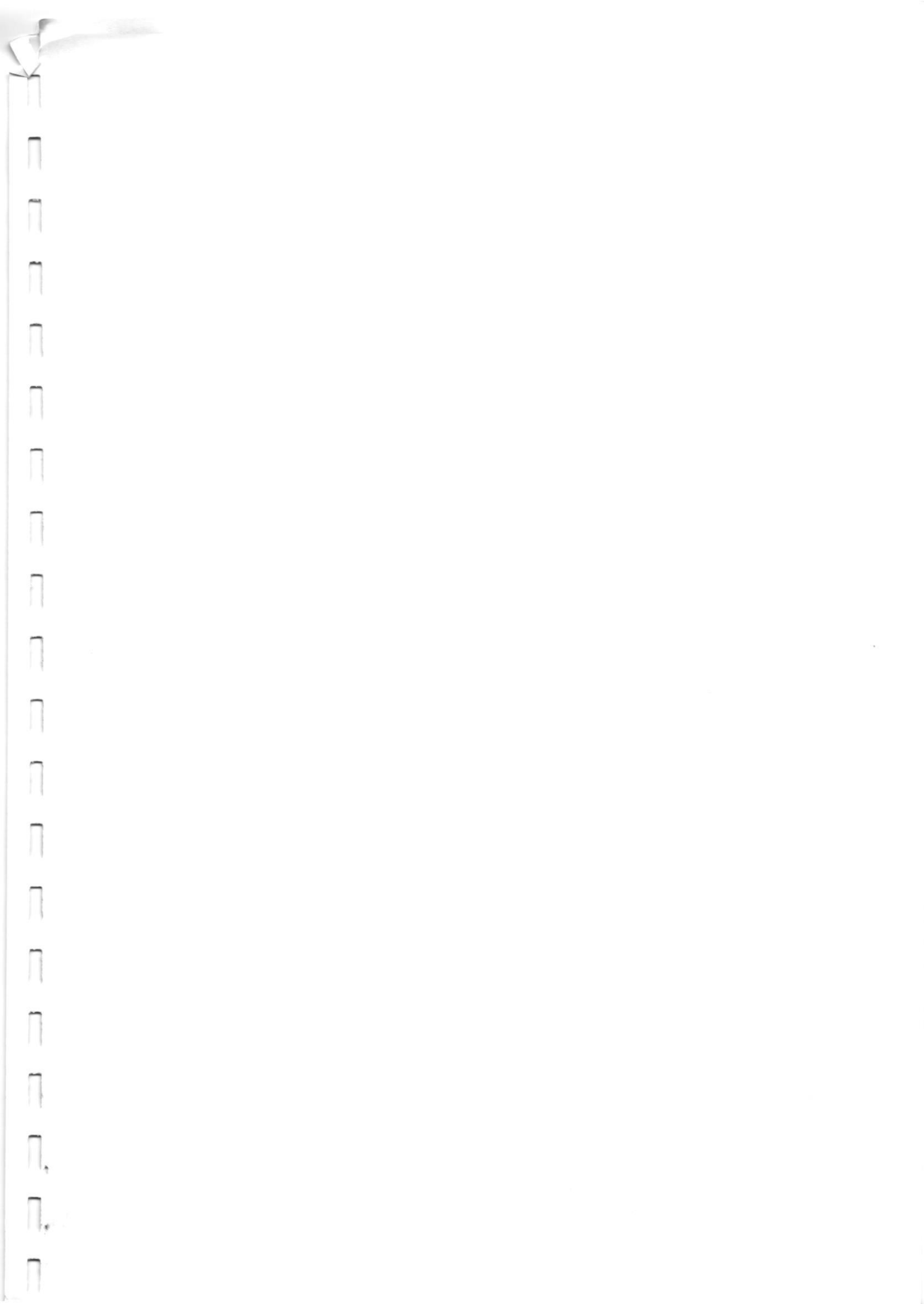
1. The Republic of Cote d'Ivoire, the Republic of Liberia, the Republic of Sierra Leone, and the Republic of Guinea (together the "CLSG Member States" ) have jointly and severally agreed to enter into a Treaty for the Construction Operation and Development of the CLSG Interconnection Line (hereinafter the "Treaty"). The purpose of the Treaty is to *inter alia* establish the financing, construction, operation, maintenance, ownership and development of the CLSG



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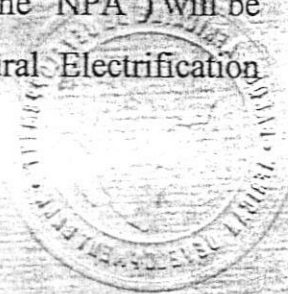
Interconnection Line amongst the CLSG Member States (hereinafter the "Project");

2. By virtue of the Treaty, the CLSG Member States have created a Special-Purpose Company (hereinafter the "SPC"), equally owned by the National Electricity Companies (hereinafter together the "NECs") of the CLSG Member States, having supranational character, to implement the Project. The SPC, titled the CLSG Regional Transmission Company, will *inter alia* finance, construct, develop, operate and maintain the CLSG high tension electricity transmission line and its substations;

3. By virtue of the Treaty, the CLSG Member States and the SPC agree to jointly and severally enter into an International Project Agreement to govern the implementation of the Project;

4. The Executing Agencies of the Project are the West African Power Pool (hereinafter the "WAPP) for the capacity building sub-component of the Project; the NECs of each of the CLSG Member States, for the rural electrification component of the Project; and the SPC for the construction and operation of the CLSG Interconnection Line.

5. The National Power Authority ( hereinafter the "NPA") will be the Executing Agency for the Sierra Leone Rural Electrification component of the Project;





6. The Bank has, by virtue of the Agreement establishing the NTF dated 26 February 1976, between the Federal Republic of Nigeria and the Bank, agreed to administer, on behalf of the Federal Republic of Nigeria, funds placed at the Bank's disposal for loans to be granted to the Bank's members for the purpose of contributing to their economic development and social progress;

7. The Borrower has requested the Bank to finance from the resources of the NTF, part of the foreign currency cost and part of the local currency cost of the Project by providing a Loan to it in the amount specified hereunder;

8. The Borrower has declared its commitment to the execution of the Project;

9. The Project is technically feasible, economically viable, socially desirable, environmentally sustainable and constitutes a suitable basis for financing under the activities of the Bank; and

10. The Bank has agreed, on behalf of the NTF, and 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 of the provisions of the *General Conditions applicable to the Loan and Guarantee Agreements of the African Development Bank*, as amended from time to time, (hereinafter referred to as the "General Conditions"), with the same force and effect as if they were fully set forth herein.

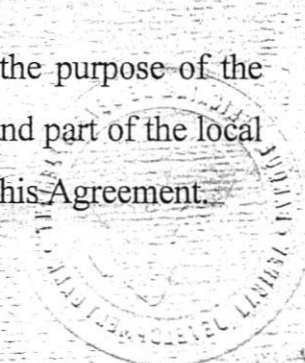
Section 1.02. Definitions. Whenever used in this Agreement, unless the context and the text otherwise require and establish, the several terms defined in the General Conditions shall have the respective meanings set forth therein.

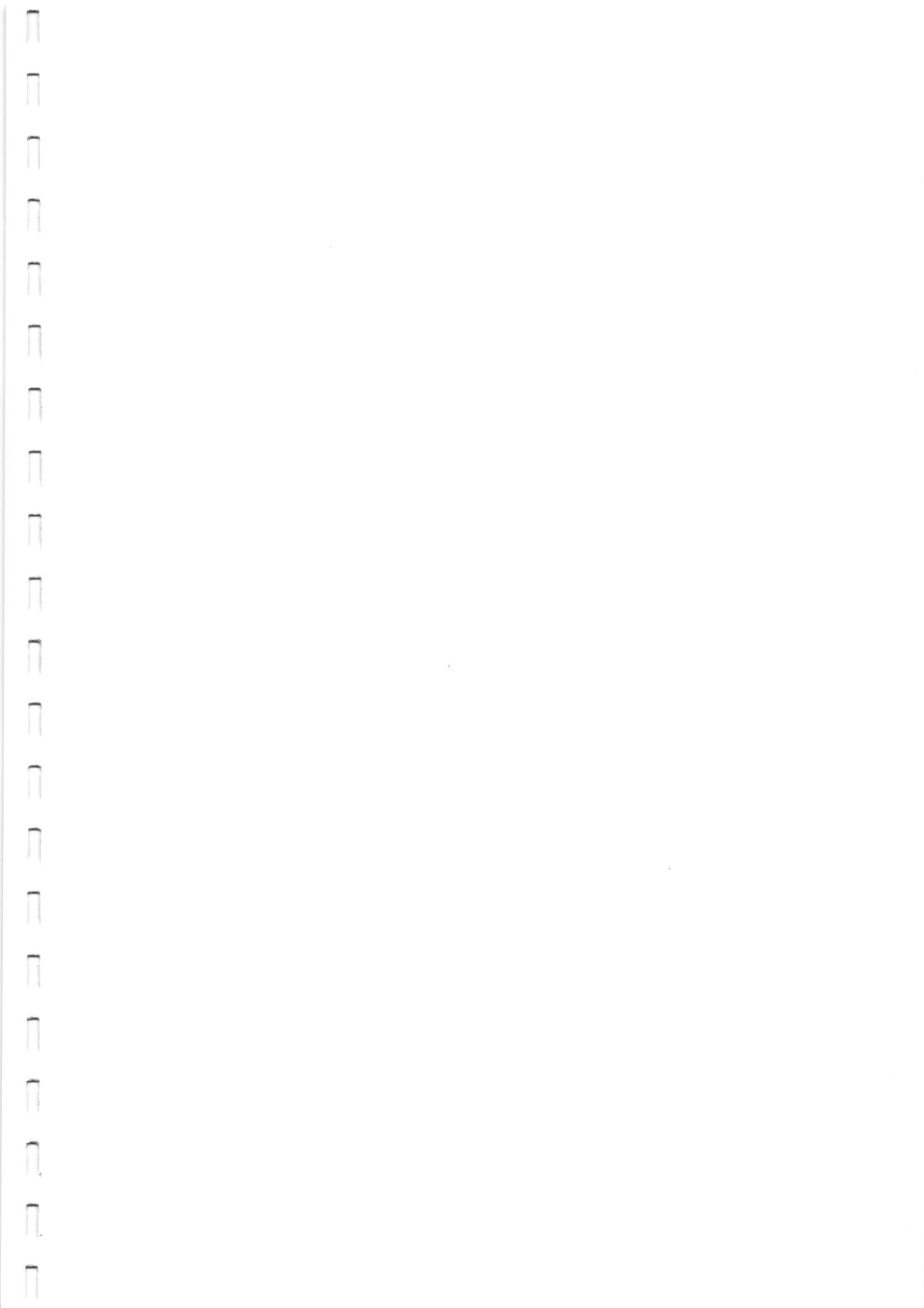
## ARTICLE II

### THE LOAN

Section. 2.01. Amount. The Bank agrees to lend to the Borrower, from the resources of the NTF, an amount not exceeding the equivalent of Six Million Six Hundred and Seventy Thousand Units of Account (UA 6,670,000).

Section 2.02. Purpose. The Borrower agrees that the purpose of the Loan is to finance part of the foreign currency cost and part of the local currency cost of the Project described in Annex I of this Agreement.





Section 2.03. Allocation. The Loan shall be allocated to the categories of expenditure in conformity with Annex II of this Agreement.

Section 2.04. Currency of Disbursements and Payments.

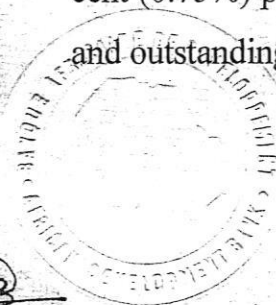
- (a) All disbursements made by the Bank to the Borrower shall be denominated in United States Dollars; and
- (b) All amounts due to the Bank pursuant to this Agreement shall be payable in United States Dollars.

### ARTICLE III

#### REPAYMENT OF THE PRINCIPAL, SERVICE CHARGE, COMMITMENT CHARGE AND DATES OF PAYMENT

Section 3.01. Repayment of the Principal. The Borrower shall repay the principal of the Loan over a period of twenty years (20 years), after a seven (7) year grace period commencing from the date of this Agreement.

Section 3.02. Service Charge. The Borrower shall pay a service charge (the "Service Charge") at the rate of three-quarters of one per cent (0.75%) per annum on the principal amount of the Loan disbursed and outstanding from time to time.





Section 3.03. Commitment Charge. The Borrower shall pay a commitment charge (the "Commitment Charge") at the rate of one half of one per cent (0.50%) per annum on the undisbursed portion of the Loan, which shall begin to accrue one hundred and twenty (120) days after the date of signature of this Agreement.

Section 3.04. Dates of Payment. The principal of the Loan shall be repaid in equal and consecutive semi-annual instalments, the first of which shall be payable on the 15<sup>th</sup> March or 15<sup>th</sup> September whichever immediately follows the expiration of the grace period referred to in Section 3.01 above. The Service Charge and the Commitment Charge shall be payable semi-annually on the same dates.

#### ARTICLE IV

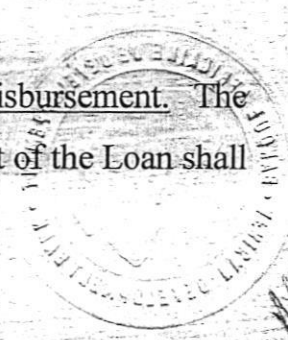
##### CONDITIONS PRECEDENT TO ENTRY INTO FORCE

Section 4.01. Conditions Precedent to Entry into Force. The entry into force of the Loan Agreement shall be subject to the fulfillment by the Borrower of the provisions of Section 12.01 of the General Conditions.

#### ARTICLE V

##### CONDITIONS PRECEDENT TO DISBURSEMENTS AND OTHER CONDITIONS

Section 5.01. Conditions Precedent to First Disbursement. The obligations of the Bank to make the first disbursement of the Loan shall





be conditional upon the entry into force of this Agreement in accordance with Section 4.01 above and the submission by the Borrower of evidence, in form and substance satisfactory to the Bank, of the fulfilment of the following conditions:

- a) Provide evidence of signing an on-lending agreement for the utilization of the proceeds of the Loan to the SPC upon terms and conditions acceptable to the Bank, for the construction, operation and maintenance of the CLSG transmission line and substations; and
- b) The State hosting the SPC Headquarters shall provide the Fund with evidence of: (i) ratification of the Treaty by the CLSG Member States; (ii) evidence that the share capital for the SPC has been paid in full; and (iii) appointment of the finance manager and accountant for the SPC, whose skills and qualifications are acceptable to the Fund.

Section 5.02. Other conditions:

- a) The Borrower shall submit to the Bank, not later than 30 June 2014, evidence of having secured financing from the EIB to finance part of the costs of the infrastructure component of the



