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

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



**PARLIAMENT LIBRARY
TOWER HILL FREETOWN**

10/10/75
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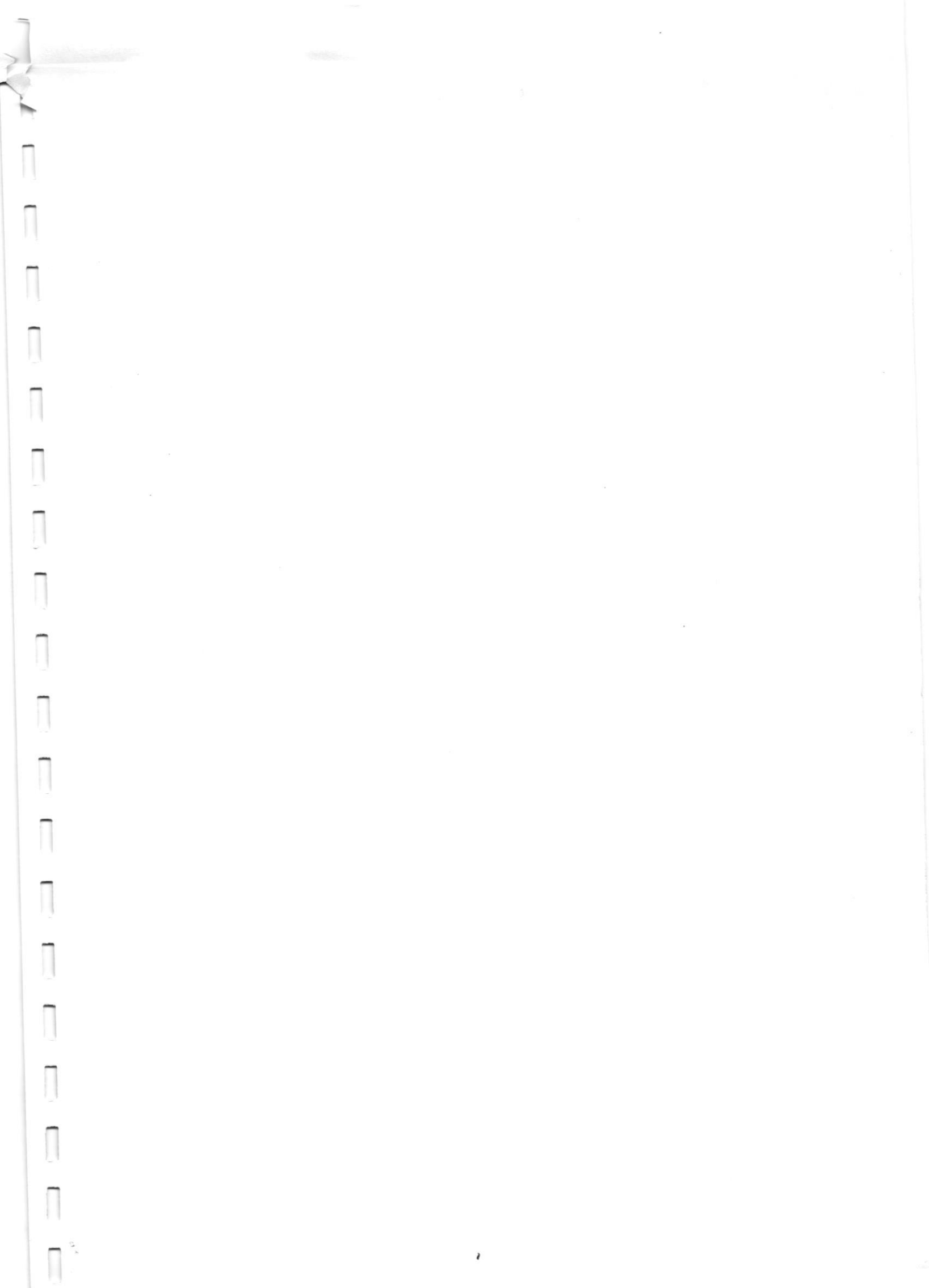
**(COTE D'IVOIRE, LIBERIA, SIERRA LEONE AND
GUINEA (CLSG) ELECTRICITY NETWORKS
INTERCONNECTION PROJECT)**

PROJECT ID No : P-Z1-F00-046
GRANT No : 2100155026069 - (SOS: 1.535)
PROJECT ID No : P-Z1-F00-054
GRANT No : 2100155026070 - (EEEOA: 0.703)
PROJECT ID No : P-Z1-F00-058
GRANT No : 2100155026071 - (SNE: 4.882)

This Protocol of Agreement (hereinafter referred to as the "Agreement") is entered into this 28TH day of NOVEMBER, 2013 between the REPUBLIC OF SIERRA LEONE, (hereinafter referred to as the "Recipient") and the AFRICAN DEVELOPMENT FUND (hereinafter referred to as the "Fund").

WHEREAS:

I. 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 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 Recipient has requested the Fund to support the implementation of the Project by providing a Grant to the Recipient in the amount specified hereunder;

7. The Recipient has declared its commitment to the execution of the Project;

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

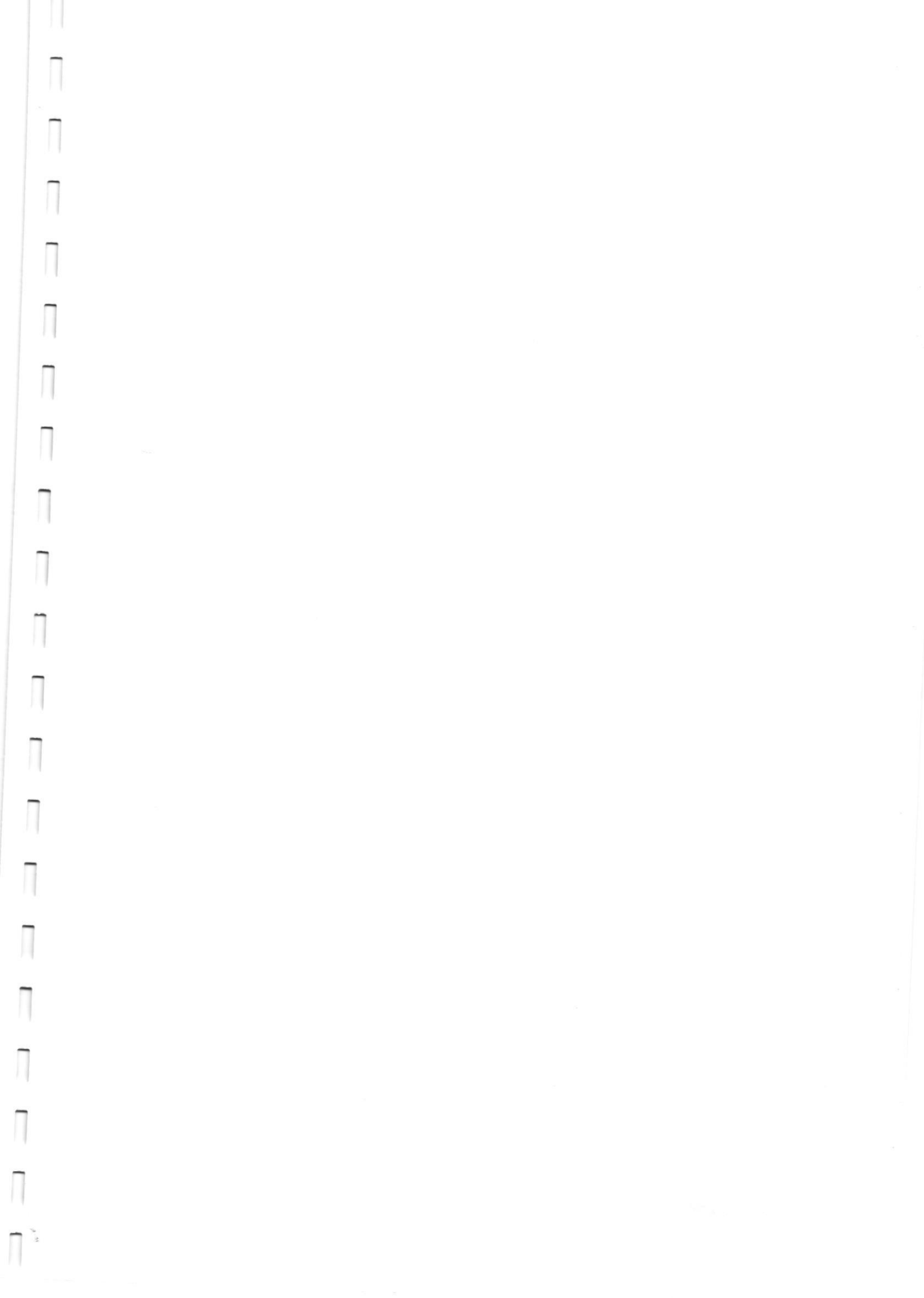
9. The Fund has agreed on the basis, *inter alia*, of the foregoing, to provide a Grant to the Recipient upon the terms and conditions hereinafter set forth.

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 Protocols of*



Agreements for Grants of the African Development Fund (hereinafter referred to as the "General Conditions"), as amended from time to time, 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 several terms defined in the General Conditions shall have the respective meanings therein set forth.

ARTICLE II

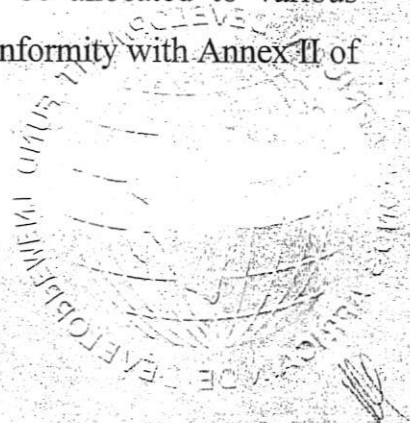
THE GRANT

Section. 2.01. Amount. The Fund agrees to provide to the Recipient, from its resources, in United States Dollars, an amount not exceeding the equivalent of Seven Million One Hundred and Twenty Thousand Units of Account (UA 7,120,000) (the "Unit of Account" being defined in Article 1(1) of the Agreement establishing the Fund).

Section 2.02. Purpose. The purpose of the Grant is to finance part of the foreign currency costs and part of the local currency costs of the Project as described in Annex I of this Agreement.

Section 2.03. Allocation. The Grant shall be allocated to various categories of expenditures of the Project in conformity with Annex II of this Agreement.

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ARTICLE III
DISBURSEMENTS AND APPLICATION OF
AMOUNTS DISBURSED

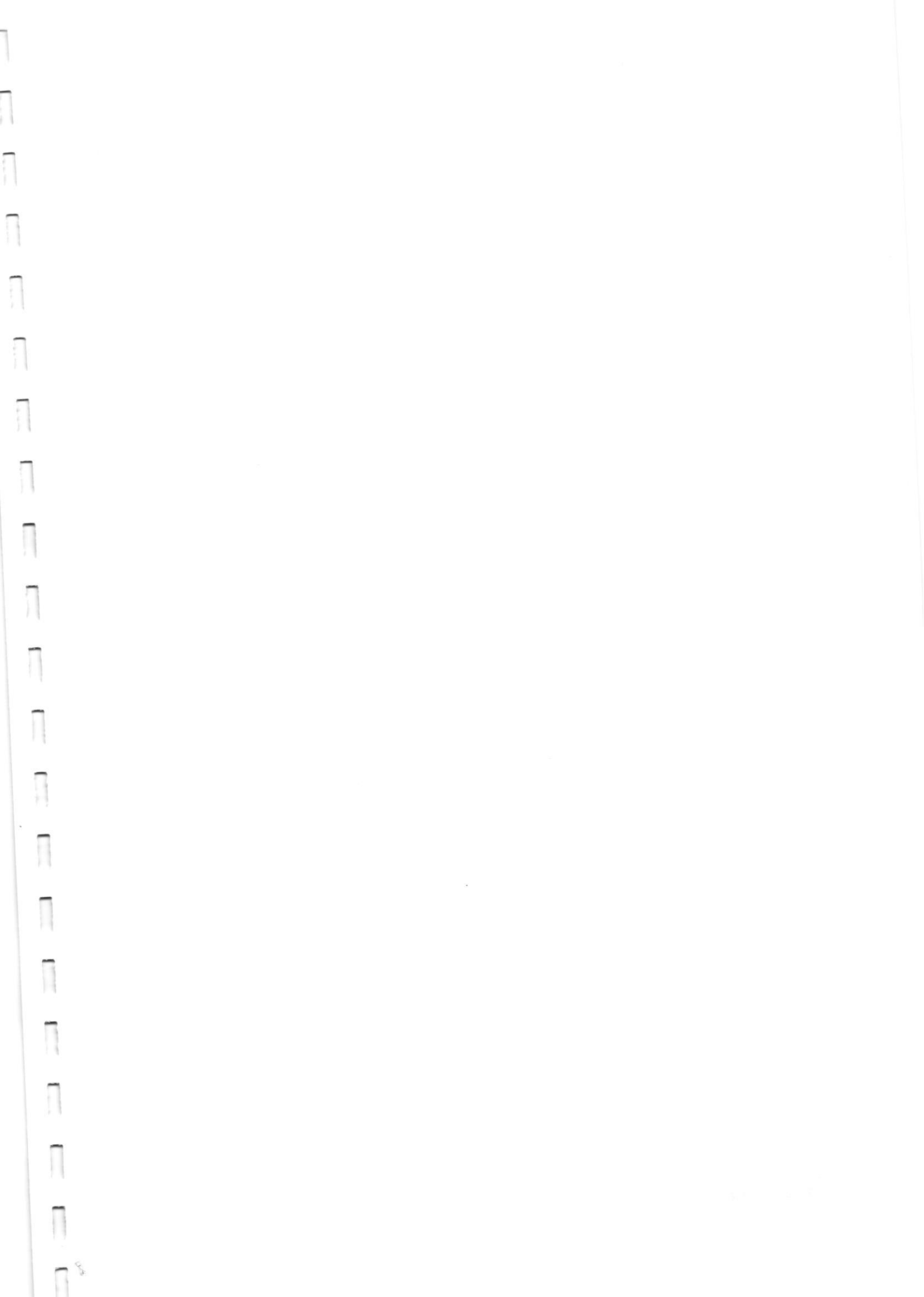
Section 3.01. Disbursements. The amount of the Grant shall be disbursed by the Fund, subject to the provisions of this Agreement and the General Conditions, for the purposes set forth in this Agreement.

Section 3.02. Deadline for Final Disbursement. The Closing Date shall be **31st December 2018** or such later date as shall be agreed upon in writing between the Borrower and the Fund for purposes of Section 5.03 (1)(g) of the General Conditions.

Section 3.03. Application of Disbursements. Amounts disbursed on account of the Grant shall be applied by the Recipient solely for the purposes for which they were disbursed.

Section 3.04. Disbursement of the Grant. The Grant shall be disbursed, as separate sub-grants to the SPC, WAPP and the NPA in accordance with the on-granting agreements entered between the Recipient, SPC, WAPP and NPA respectively and as further detailed in Article V below and the On- Granting Schedule in Annex III of the Agreement.





ARTICLE IV

CONDITIONS PRECEDENT TO ENTRY INTO FORCE

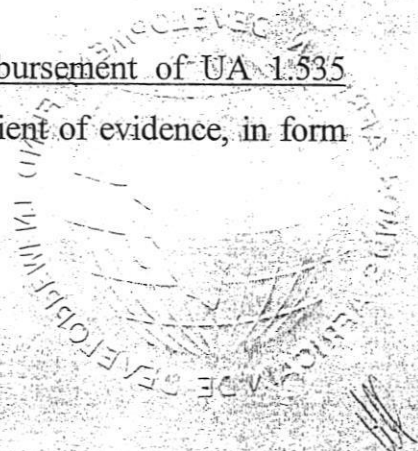
Section 4.01. Conditions Precedent to Entry into Force. This Agreement shall enter into force on the date of signature by the Recipient and the Fund.

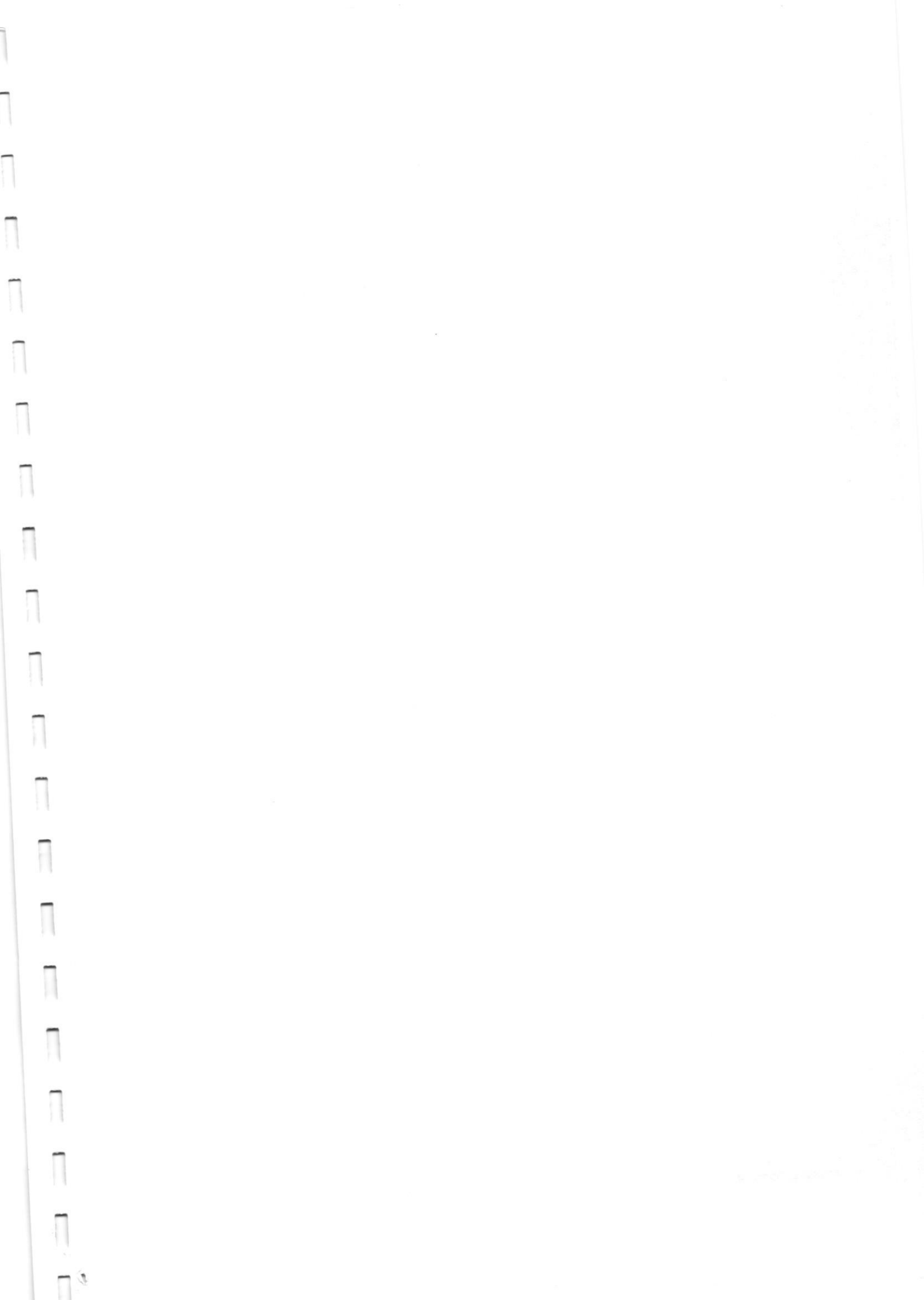
ARTICLE V

**CONDITIONS PRECEDENT TO FIRST DISBURSEMENTS
AND OTHER CONDITIONS**

Section 5.01. Conditions Precedent to First Disbursement. The obligations of the Fund to make the first disbursement of the Grant shall be conditional upon the entry into force of this Agreement in accordance with Section 4.01 above and the submission by the Recipient of evidence, in form and substance satisfactory to the Fund, of the fulfilment of the conditions stipulated in the subsequent clauses. For avoidance of doubt, the Grant shall be disbursed as sub-grants, as stipulated in Section 3.04 above and the fulfilment of conditions precedent to disbursement of each sub-grant shall be considered separately.

Section 5.02. Conditions Precedent to Disbursement of UA 1.535 Million to the SPC. Submission by the recipient of evidence, in form and substance satisfactory to the Fund, of:





- a) Signing an on-granting agreement for the utilization of UA 1.535 Million to the SPC upon terms and conditions acceptable to the Fund, to finance part of 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 5.03. Conditions Precedent to Disbursement of UA 4.882 Million to the NPA. Submission by the recipient of evidence, in form and substance satisfactory to the Fund, of:

- a) Signing an on-granting agreement for the utilization of UA 4.882 to the NPA upon terms and conditions acceptable to the Fund, to finance part of the rural electrification component; and
- b) Evidence of the opening of a Special Account denominated in USD by the NPA, in a bank acceptable to the Fund, to receive the portion of the Grant to be on-granted to the NPA.

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