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Government of Sierra Leone

TRANSCO

CLSGINTERCONNECTION

On Lending Agreement

between

The Republic of Sierra Leone

and

CLSG Regional Transmission Company

At Freetown, on 20 January 2015

At Abidjan, on 29 January 2015

This on-lending Agreement (hereinafter called "the On-lending Agreement") is made on the .....day of.....2014 between Government of Sierra Leone (hereinafter called "the Government") represented by the Ministry of Finance and Economic Development, of the first part, and CLSG Regional Transmission Company (hereinafter called "TRANSCO CLSG"), a Supranational Companyestablished by the CLSG Treaty and having its registered office at in Côted'Ivoire of the second part.

A By the finance contract (hereinafter called "the Finance Contract") signed on 10th December 2012 between the Government and European Investment Bank (hereinafter called "EIB"), EIB has agreed to make available to the Government a Credit in an amount equivalent to EUR 75,000,000 (seventy-five million Euros) to assist in financing the CLSG Transmission Interconnection Project (hereinafter called the "Project"); described in Schedule A to the Finance Contract;

B. Under Recital(1) and Article 6.05 of the Finance Contract, the Government agreed to cause the Project to be carried out by TRANSCO CLSG in accordance with the provisions of the Project Agreement dated 22 October 2014 between the Government, TRANSCO CLSG and EIB wherein the terms and conditions under which the Project is to be implemented by TRANSCO CLSG are set out(hereinafter the "Project Agreement");

C Under Article 6.04 of the Finance Contract, the Government has agreed to make available to TRANSCO CLSG the funds comprising the EIB Credit towards the cost of the implementation of the Project in the form of an On-lending Agreement which stipulates that the funds disbursed to the Government by EIB will be on-lent to TRANSCO CLSG on the same financial terms and conditions;

D Pursuant toArticle 1.02 of the Project Agreement between the Government, TRANSCO CLSG and EIB, TRANSCO CLSG agrees to carry out the Project in accordance with the Technical Description as may be modified from time to time with the approval of EIB, and complete it by the final date specified therein.

NOW THEREFORE the parties hereby agree as follows:

ARTICLE 1

GENERAL REPRESENTATIONS; DEFINITIONS

1.01 The General Representations as defined in Article 1.16 of the Project Agreement Constitute an integral part of this On-lending Agreement.

1.02 Unless the context requires otherwise, the terms defined in the Finance Contract (a copy of which has been provided to TRANSCO CLSG by the Government) and the Project Agreement have the respective meaning therein set forth, and the following additional terms shall have the following meaning:

"Project Account"means the account to be opened by TRANSCO CLSG in a reputable commercial bank into which all funds from the Credit shall be paid and out of which payments shall be made in respect of approved expenditures of the Project. The Project Account shall be used exclusively for the Project.

"**Subsidiary Loan Account**" means the detailed transaction information in respect of this On-lending Agreement which is maintained in the subsidiary ledger to the corresponding control account in the Government of Sierra Leone's general ledger.

ARTICLE II

ON –LENDING TERMS

2.01 The Government hereby agrees to make available as a loan, the funds made available to it by the EIB pursuant to the Finance Contract on the same terms and conditions as set forth or referred to in the FinanceContract. The loan amount is equivalent to EUR 75,000,000 (seventy five million Euros) (the "On-lent Loan") to assist in financing the project described in schedule A of the Finance Contract and in accordance with the Project execution arrangements set forth in the scheduleA of the Project Agreement in respect of activities as may be appropriate. The On-lent loan shall comprise the aggregate amount of tranches disbursed by EIB under the Finance Contract to the Project Account as stated under Article 1 of the Finance Contract.

2.02 The right of TRANSCO CLSG to withdraw the On-lent Loan funds shall be subject to the right of the Government to withdraw the funds, which is in accordance with Articles 1.02, 1.03 and 1.04 of the Finance Contract

2.03 The Government shall, upon the signing of this On-lending Agreement, open a Subsidiary Loan Account in its books in the name of TRANSCO CLSG for the purpose of this On-lending Agreement.

2.04 TRANSCO CLSGShallinform the Government of all applications for disbursement made to EIB. The Government is at liberty to seek clarification from TRANSCO CLSG on all disbursements at any given time in addition to quarterly disbursement report that shall be provided to the CLSG Implementation Committee.

2.05 The funds of this On-lending Agreement shall be exclusively applied to financing the Qualifying Expenditures of the Project in accordance with the Finance Contract and Project Agreement.

2.06 Currency of Tranches repayment, interest payable and other charges in respect of each tranche, or any other required payments, shall be made by TRANSCO CLSG to the Government in USD.

2.07 Immediately following receipt by the Government of the amortization tables issued by EIB within 10 days following disbursement of each Tranche, the Government shall issue to TRANSCO CLSG a corresponding amortization table for adoption by TRANSCO CLSG that is a duplicate of that issued by EIB for each Tranche.

2.08 Interest payments to the Government by TRANSCO CLSGShall be scheduled and calculated using the same terms that are set out in Articles 3 of the Finance Contract. The interest rate shall be 1.95% (one point ninety five per cent.) The tenor of the On-lent Loan shall be 25 (twenty-five) years.

2.09 Repayment of Tranches by TRANSCO CLSG to the Government shall be scheduled and calculated using the same terms that are set out in Article 4 of the Finance Contract

ARTICLE III

EXECUTION OF THE PROJECT

3.01 TRANSCO CLSG shall implement the Project in accordance with the Project Agreement and shall not assign, amend, abrogate or waive any of the provisions of the schedule without EIB's prior written concurrence if any such amendments or waiver may, in the opinion of EIB, materially or adversely affect the implementation of the project.

3.02 TRANSCO CLSG Shall comply with all its obligations under the Project Agreement

ARTICLE IV

DOCUMENTS; INFORMATION REPORTS

4.01 TRANSCO CLSG declares its commitments to the objectives of the Project as set forth in schedule Aof the Finance Contract and to this end, shall carry out the Project; ensure that all records (contracts, orders, invoices, bills receipts and other documents) evidencing expenditures are retained until a minimum of two years after the Closing Date; and enable the representatives of the Government and /or EIB to examine such records.

4.02 TRANSCO CLSG and /or the Government shall deliver to EIB all information concerning the Project as specified in Article 2.01 of the Project Agreement.

4.03 TRANSCO CLSG shall deliver to EIB all document and information concerning NPA as specified in Article 2.02(a) of the Project Agreement, and inform EIB immediately of all information as specified in Article 2.02(b) of the Project Agreement.

4.04 TRANSCO CLSG shall provide to all stakeholders, including the Government and EIB, all structured reports as specified in Schedule A.2 of theProject Contract.

ARTICLES V

PROCUREMENT

5.01 Procurement of the goods, works and consultants' services required for the Project and to be financed out of the funds of the On-lending Agreement shall be procured in accordance with provisions of Section 1.04 of the Project Agreement.

ARTICLE V

EFFECTIVE DATE; TERM; SUSPENSION; TERMINATION

6.01 This On-lending Agreement shall come into force and effect on the date upon which both the Finance Contract and the Project Agreement become effective, notwithstanding the date of signature of this agreement.

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6.02 The Government may suspend disbursement to TRANSCO CLSG or ask for immediate repayment of the On-lent Loan if:

a) TRANSCO CLSG conducts its affairs in relation to the Project contrary to the provisions of this On-lending Agreement and any other related legal instrument , or

b) TRANSCO CLSG applies the funds, or any part thereof, provided to the Project from any source to activities not directly connected to the project or is in breach of the Project Agreement.

6.03 This On-lending Agreement shall terminate if and when the entire amount of the On-lent Credit has been disbursed, the Project has been completed, and repayments of the total principal interest payable and any other appropriate charges have peed paid in full by TRANSCO CLSG to Government.

6.04 Without limitations upon the provisions of Article 7.03 of the Agreement, to the extent that there are obligations of TRANSCO CLSG arising out of the Government's pursuant to the Finance Contract, such same obligations on TRANSCO CLSG as providedhereunder shall terminate at the same time as those obligations of the Government arising there under.

6.05 The term of validity of this Agreement shall be consistent with the latest date of repayment of the Tranches as specified in the Finance Contract, Article 4.01A(b)(iii), that is not later than twenty (20) years from the last Scheduled Disbursement Date .

ARTICLE VII

AMENDMENTS; SETTLEMENT OF DISPUTES; APPLICABLE LAW

7.01 TRANSCO CLSG shall at all time refrain from any act or omission that may prejudice the obligations of the Government under the Finance contract.

7.02 No amendment or addition to this On-lending Agreement shall be made valid or binding unless made by agreement in writing supplemental hereto and duly executed by or on behalf of the parties hereto.

7.03 No delay in exercising or the non -- exercise by the Government of any of its rights under this On-lending Agreement shall be regarded as a waiver or such rights.

7.04 This Agreement shall be governed by and constructed in all respect in accordance with the Laws of the Republic of Sierra Leone. Any claim or dispute whatsoever arising in connection with this On-lending Agreement shall be settled amicably.In absence of an amicable settlement,the dispute shall be settled by arbitration at the Ecowas Court of Justice in Abuja, Republic of Nigeria.

ARTICLE VIII

NOTICES AND COMMUNICATION

8.01 Any notice, consent or request required or permitted to be given or made under this subsidiary Agreement to the Government or TRANSCO CLSG shall be in writing and shall be deemed to have been duly given or made when delivered to the following addresses or other such

place or addresses or other such place or addresses as either party to this subsidiary Agreement shall designate by notice in writing to the other party.

8.02 The following addresses are specified for the purpose of this agreement:

FOR THE GOVERNMENT:

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

FOR THE TRANSCO CLSG:

The General Manager.
TRANSCO CLSG
2 Plateaux, ENA, Rue J9
28 BP 633 ABIDJAN 28
ABIDJAN, Republic of Côte d'Ivoire.

IN WITNESS WHEREOF, the parties hereto acting through their duly authorized representatives have caused this agreement to be signed in their respective names as of the day and year first above written.

SIGNED, SEALED AND DELIVERED FOR AND ON BEHALF OF THE GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE BY:

Dr Kaifala Marah
SIGNATURE.....
Minister of Finance and Economic Development

IN THE PRESENCE OF:

Mr Edmund Koroma SIGNATURE:.....
Financial Secretary, Ministry of Finance and Economic Development

ATTESTED TO BY:

Mr. Franklyn Bai Kargbo Signature:.....
Attorney General and Minister of Justice

FRANKLYN BAI KARGBO
REPUBLIC OF SIERRA LEONE
ATTORNEY-GENERAL & MINISTER OF JUSTICE

SIGNED, SEALED AND DELIVERED FOR OR ON BEHALF OF CLSG REGIONAL TRANSMISSION COMPANY (TRANSCO CLSG) BY:

MR.MohammedMulibah**SHERIF** SIGNATURE……
General Manager,**TRANSCO CLSG**

IN THE PRESENCE OF:

MR Etienne BAILLY..... SIGNATURE ……
Project Implementation Unit Director

ATTESTED TO BY

MRKaramoko Alpha BARRY……. Signature ……

Legal Representative, **TRANSCO CLSG**

TRANSCO CLSG * Guinée * Sierra Leone, Côte d'Ivoire, Libéria
Le Directeur Général