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(RURAL WATER SUPPLY AND SANITATION PROJECT)

(ON BEHALF OF THE FRAGILE STATE FACILITY)

THE AFRICAN DEVELOPMENT FUND

AND

THE AFRICAN DEVELOPMENT BANK

AND

THE REPUBLIC OF SIERRA LEONE

AMONGST

PROTOCOL OF AGREEMENT



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PROTOCOL OF AGREEMENT

AMONGST

THE REPUBLIC OF SIERRA LEONE

AND

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THE AFRICAN DEVELOPMENT FUND

(ON BEHALF OF THE FRAGILE STATES FACILITY)

(RURAL WATER SUPPLY AND SANITATION PROJECT)

RECEIVED (1) ONE DULY EXECUTED ORIGINAL OF THE
ABOVE MENTIONED PROTOCOL OF AGREEMENT ON
BEHALF OF THE REPUBLIC OF SIERRA LEONE

NAME :

SAM M. KONIA

TITLE :

SENIOR ASSISTANT SECRETARY
MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT

SIGNATURE :



COUNTRY: SIERRA LEONE DATE: 28/10/2013

PROTOCOL OF AGREEMENT

AMONGST

THE REPUBLIC OF SIERRA LEONE

AND

THE AFRICAN DEVELOPMENT BANK

AND

THE AFRICAN DEVELOPMENT FUND

(ON BEHALF OF THE FRAGILE STATES FACILITY)

(RURAL WATER SUPPLY AND SANITATION PROJECT)

PROJECT ID No. : P-SL-E00-003

GRANT No. : 5900155005501

This Protocol of Agreement (hereinafter referred to as the "Agreement") is entered into this 22nd day of OCTOBER 2013, between the REPUBLIC OF SIERRA LEONE (hereinafter referred to as the "Recipient") on the one hand and the AFRICAN DEVELOPMENT BANK (hereinafter referred to as the "Bank") and THE AFRICAN DEVELOPMENT FUND (collectively, with the Bank hereinafter referred to as the "Bank") on behalf of the FRAGILE STATES FACILITY (hereinafter referred to as the "FSF") on the other hand.

1. WHEREAS the Recipient has requested the Bank to support the implementation of the Rural Water Supply and Sanitation Project, (hereinafter referred to as "the Project") by extending a Grant to the Recipient in the amount specified hereunder;

2. WHEREAS the Grant will be provided by the FSF, which was established as an autonomous entity specifically to provide assistance to fragile states;

3. WHEREAS the Grant will be provided from FSF's Supplemental Financing Window, designed to provide supplemental financing to a member country's African Development Bank allocation;

4. WHEREAS the Recipient qualifies for supplemental grant financing from FSF and the Grant shall be for the purpose of financing part of the foreign currency costs and part of the local currency costs of the Project;

5. WHEREAS the Project is being co-financed by the United Kingdom Department for International Development ("DFID") and the Global Environment Facility ("GEF");

6. WHEREAS the Sierra Leone Water Company (hereinafter referred to as "SALWACO") shall be the Executing Agency for the Project;

7. WHEREAS the Bank 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 Bank agrees to grant to the Recipient, from the ordinary resources of the Bank, an amount in various convertible currencies, other than the currency of the Recipient, not exceeding the equivalent of Eight Million Four Hundred and Sixty Eight Thousand Units of Account (UA 8,468,000) (the "Unit of



Account" being defined in Article I(1) of the Agreement establishing the Bank).

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 described in Annex I of this Agreement.

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

ARTICLE III

CONDITIONS PRECEDENT TO ENTRY INTO FORCE

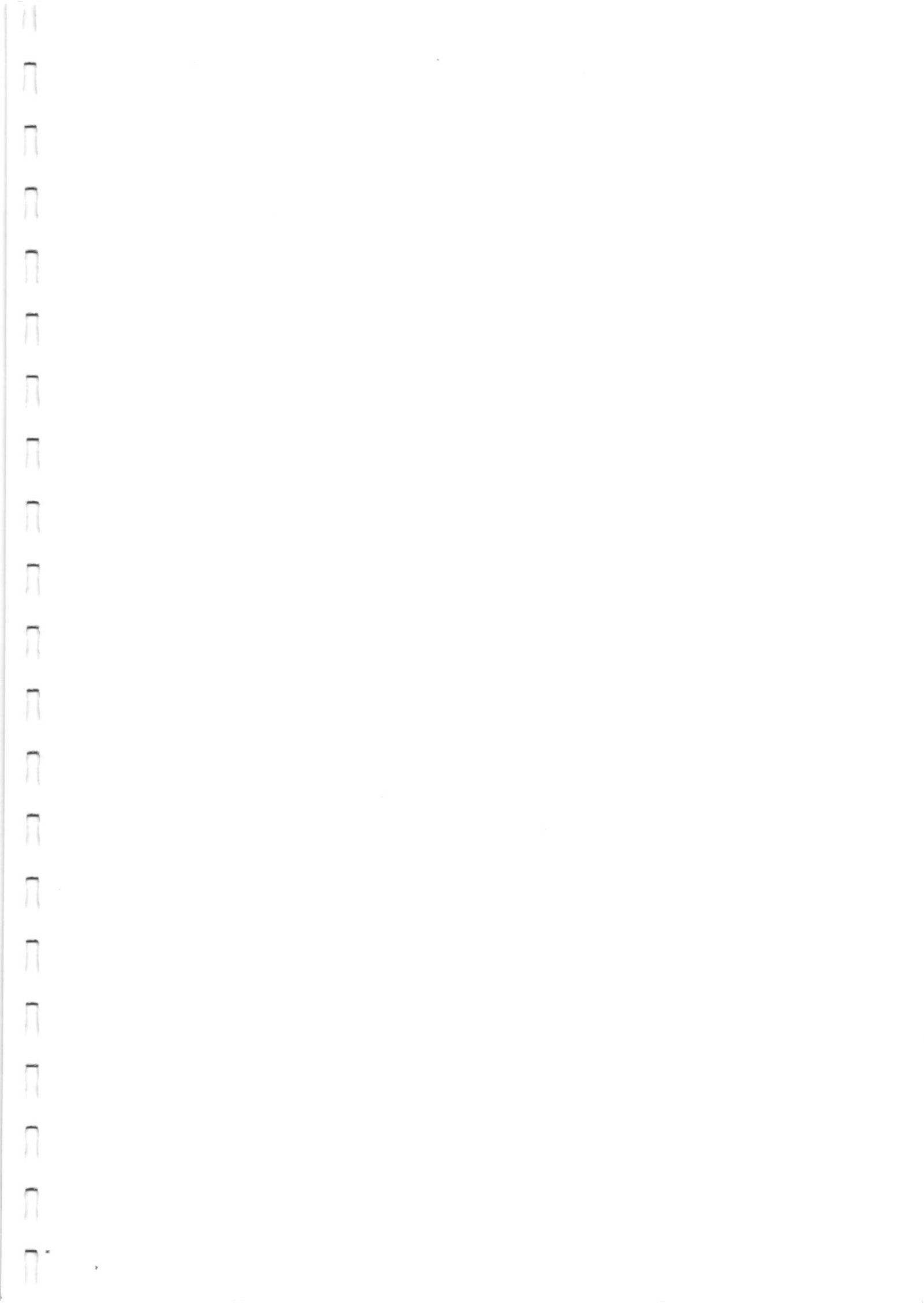
Section 3.01. Conditions Precedent to Entry into Force. This Agreement shall enter into force on the date of signature by the Recipient and the Bank.

ARTICLE IV

CONDITIONS PRECEDENT TO FIRST DISBURSEMENT

AND OTHER CONDITIONS

Section 4.01. Conditions Precedent to First Disbursement. The obligation of the Bank to make the first disbursement of the Grant shall be conditional upon entry into force of the Agreement in accordance



with Section 3.01 above and the following conditions, namely, the Recipient shall have provided evidence in form and substance acceptable to the Bank:

- (i) that GEF has committed to finance the Project and the Recipient has made appropriate arrangements to cover any financing gap resulting from the failure to obtain GEF's commitment; and

- (ii) of having opened a convertible United States Dollar foreign currency special account at a bank acceptable to the Bank for the deposit of the proceeds of the Grant and a local currency account for the deposit of counterpart funds.

Section 4.02. Other Conditions. The Recipient shall provide:

- (i) by 30 June 2014, evidence of the approval of the revision of the SALWACO Act of 2001 by Parliament and the transfer of five (5) Extension Engineers, five (5) Technical Field Officers and five (5) Assistant Executive Engineers from the Water Directorate of the Ministry of Water Resources to SALWACO in accordance with the transfer of rural water supply services technical support and supervision mandate under the revised SALWACO Act.



(ii) by 31 December 2016, evidence of the approval of its Medium Term Budget Framework for 2017-2019, confirming an amount of Three Hundred and Ninety Seven Thousand Units of Account (UA 397 000) has been budgeted for the maintenance of project infrastructure beyond user community capacity.

ARTICLE V

UNDERTAKING

Section 5.01. Undertaking. The Recipient hereby undertakes to implement and report on the implementation of the Environmental and Social Impact Assessment and the Environment and Social Management Plan on a quarterly basis in form acceptable to the Bank.

ARTICLE VI

DISBURSEMENTS AND APPLICATION

OF AMOUNTS DISBURSED

Section 6.01. Disbursements. The amount of the Grant shall be disbursed by the Bank, subject to the provisions of this Agreement and the General Conditions, for the purposes set forth in this Agreement for expenditure made in respect of the cost of goods, works and services required for the Project.



Section 6.02. Deadline for Final Disbursement. 31 December 2018, or such later date as shall be agreed upon in writing between the Recipient and the Bank is specified for the purposes of Section 5.03(1)(g) of the General Conditions.

Section 6.03. 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.

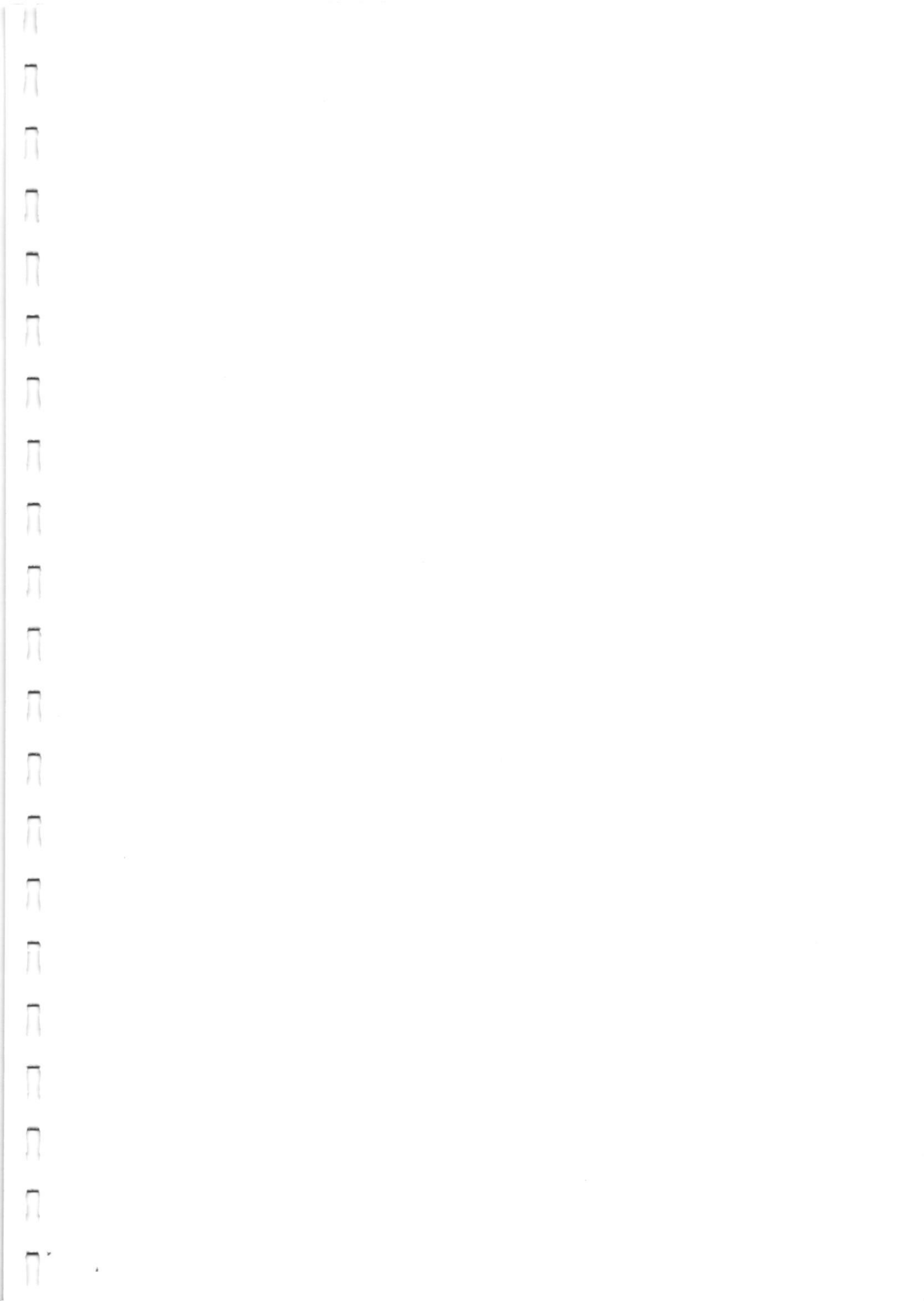
ARTICLE VII

PROCUREMENT OF GOODS, WORKS AND SERVICES

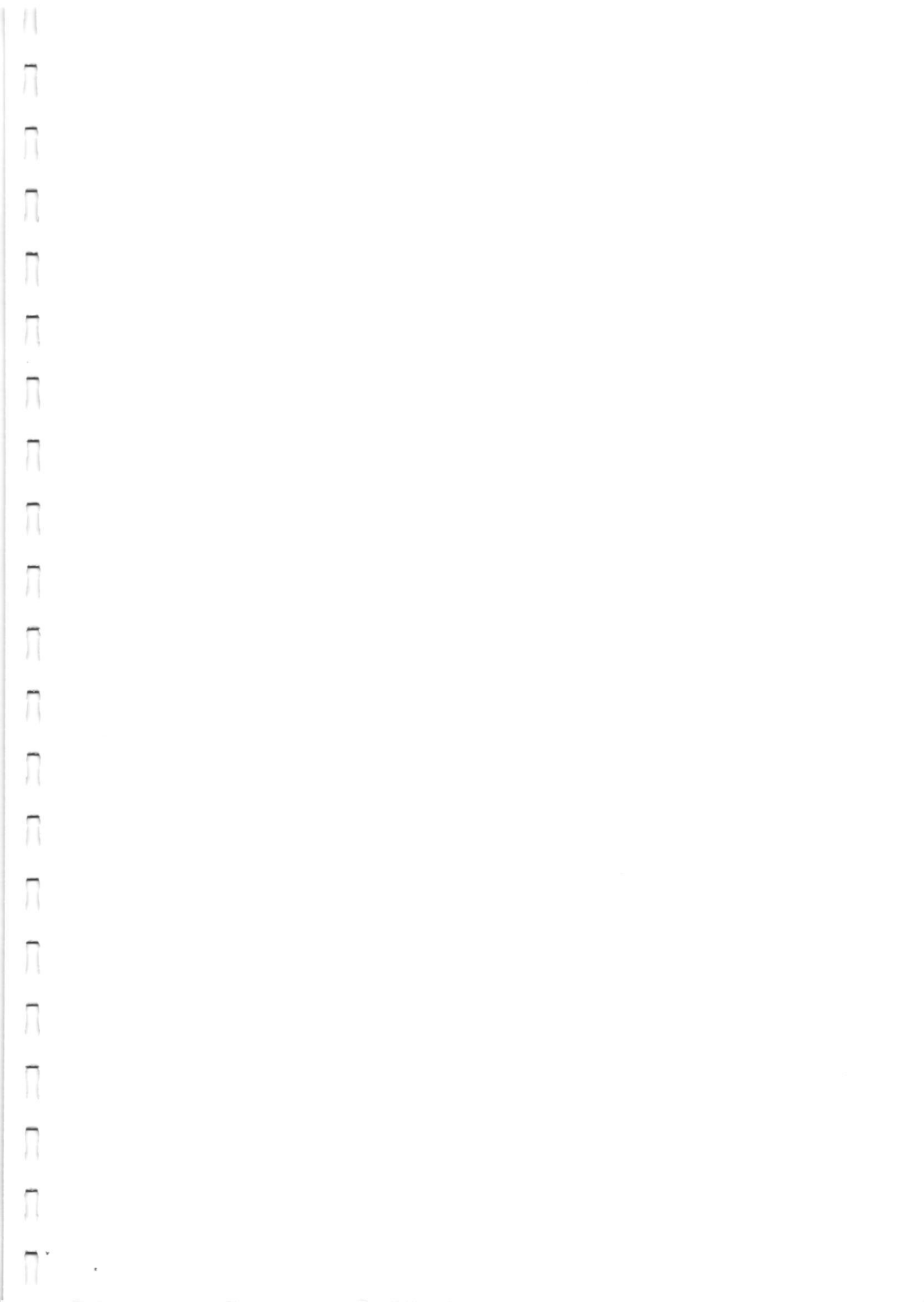
Section 7.01. Procurement of Goods and Works. Goods and Works necessary for the execution of the Project will be procured in accordance with the Bank's *Rules and Procedures for Procurement of Goods and Works*, dated May 2008, revised July 2012, as amended from time to time, and as further set out below:

(i) The procurement of goods and civil works shall be by National Competitive Bidding (NCB).

Section 7.02. Procurement of Services. Services necessary for the execution of the Project will be procured in accordance with the Bank's *Rules and Procedures for the Use of Consultants*, dated May 2008 as amended from time to time, and as further set out below:



- (i) Procurement of consulting services for rural water supply and sanitation program development, technical assistance for implementation support and technical assistant sector coordination and management will be carried out by consulting firms. The process for selecting firms shall be through Short List and the method for evaluation is the Quality and Cost Based Selection (QCBS).
- (ii) Procurement of consulting services for hydrogeological mapping will be carried out by consulting firms/specialized institutions. The process for selecting firms shall be through Short Listing and the method for evaluation is the Quality Based Selection (QBS).
- (iii) The procurement of consulting services including community mobilisation and empowerment, community led total sanitation mobilization, water and sanitation technical and business skills training for youth and training of artisans will be carried out by Non-Governmental Organizations (NGOS). The process for selecting NGOs shall be through Short List and the method for evaluation is the Quality and Cost Based Selection (QCBS).
- (iv) Services for baseline surveys and impact studies will be carried out by Statistics Sierra Leone who will be procured through Single Source Selection (SSS) method.

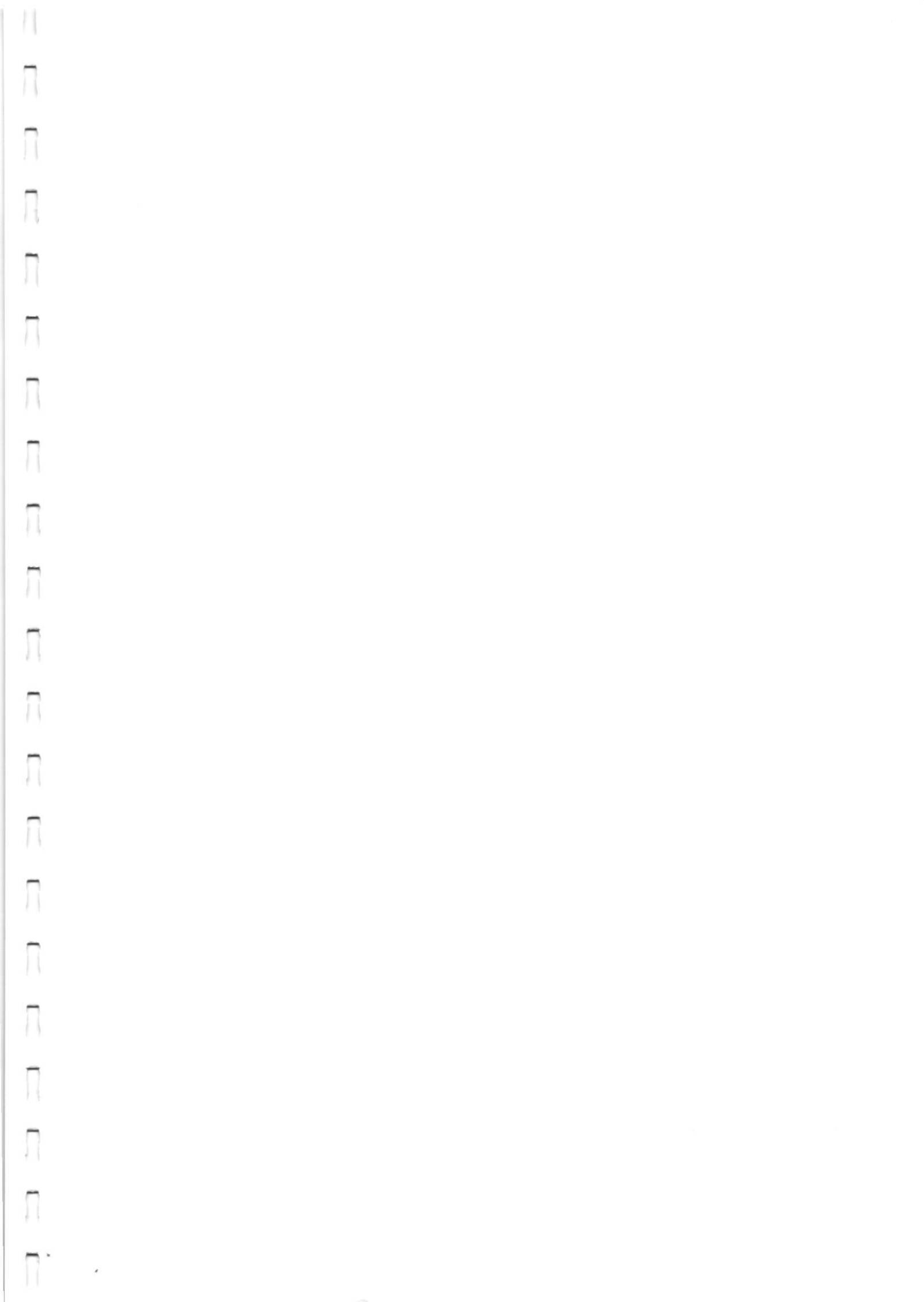


(v) Sector coordination and management support related to conduct of annual sector reviews, mid-term reviews, project completion report and flagship studies shall be undertaken by Individual Consultants and they will be selected through the Bank's procedure for the selection of individual consultants.

(vi) The procurement of training including short-term local and regional professional trainings will be carried out by specialist institutions and universities. The selection method chosen is Single Sourcing.

(vii) Services for the annual and technical audits shall be procured through Short Listing and the method of selection shall be Least-Cost Selection (LCS) of qualified firms.

(viii) Short Lists composed entirely of National or Regional Consultants. Short lists of consultants for services estimated to cost less than UA 200,000 equivalent per contract for firms and UA 50,000 equivalent for individual consultants may be composed entirely of national or regional consultants in accordance with Rule 2.7 of the *Rules and Procedures for the Use of Consultants*.



Section 7.03. Review Procedure. All contracts for works and services shall be subject to prior review by the Bank except for works with a contract value equal to or less than UA 70,000 for which post review procedures shall apply.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.01. Authorized Representatives. The Minister of Finance and Economic Development of the Recipient or such other person as he may designate in writing shall be the authorized representative for the purposes of Section 9.02 of the General Conditions.

Section 8.02. Date of the Agreement. For all purposes of this Agreement, the date thereof shall be that appearing in the opening sentence of the Preamble herof.



Section 8.03. Addresses. The following addresses are specified for the purposes of Section 9.01 of the General Conditions:

For the Recipient: Mail Address:

Minister of Finance and Economic Development
Ministry of Finance and Economic Development
Treasury Building George Street
Freetown
SIERRA LEONE
Telephone : (232) 22.22.58.26
Fax : (232) 22.22.84.72
E-mail : ekoroma@moled.gov.sl
and marahkm1@yahoo.com

For the Bank:

Mail Address headquarters
African Development Bank
01 B.P. 1387
Abidjan 01
CÔTE D'IVOIRE
Cable Address : AFDEV ABIDJAN
Telex Address : 23717/23498
Telephone : (225) 20 20 40 47
Fax : (225) 20 32 65 45

And Temporarily at: Temporary Relocation Agency

African Development Bank
13, Avenue du Ghana
B. P. 323, 1002 Tunis Belvedere
TUNISIA
Telephone : (216) 71 333 511
Fax : (216) 71 351 933
71 102 055
71 102 679

IN WITNESS WHEREOF the Recipient and the Bank, each acting through its authorized representative, have signed this Agreement in two (2) original counterparts in English on the date first above written.

FOR THE REPUBLIC OF SIERRA LEONE

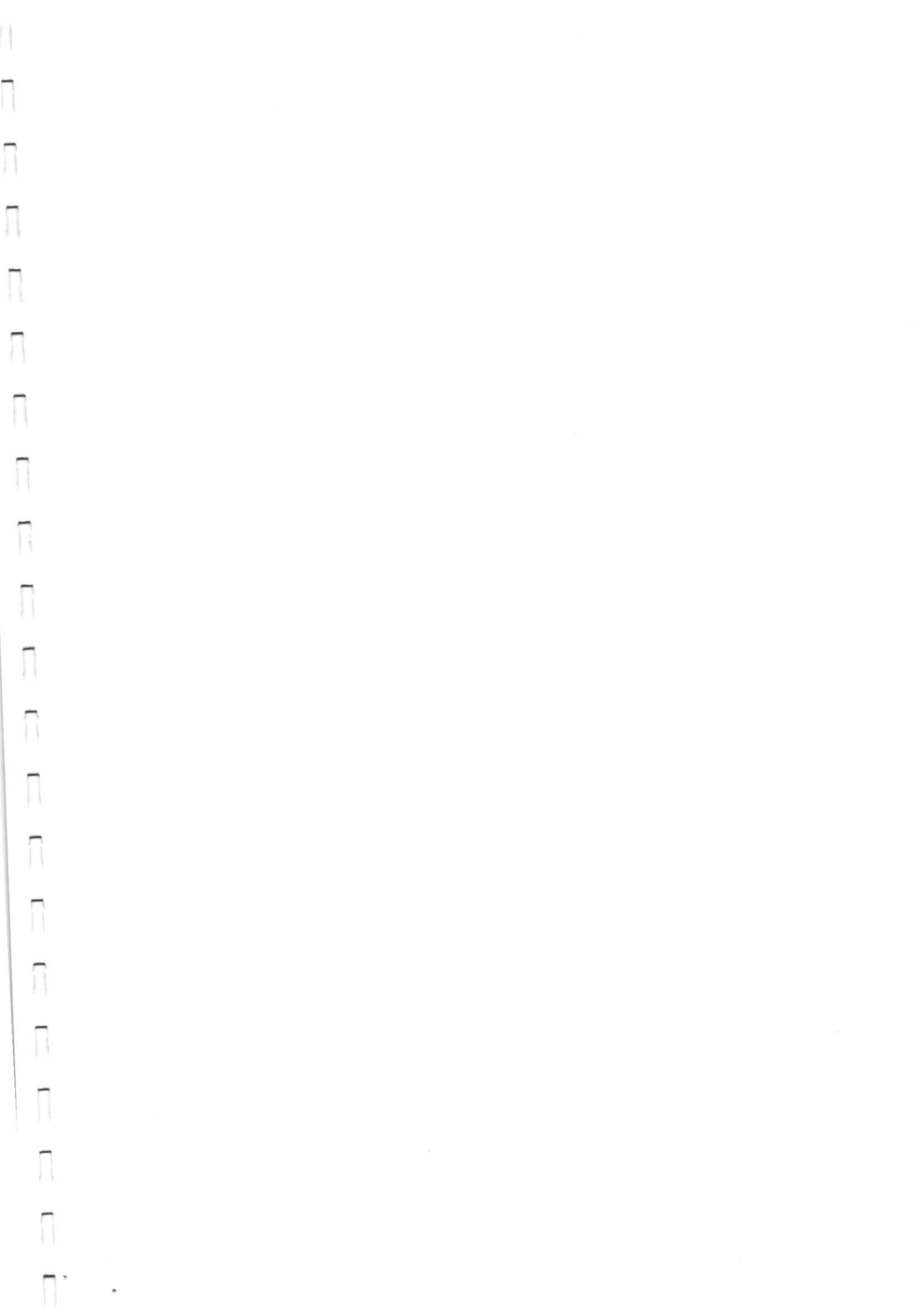


KAIFALA MARAH
MINISTER OF FINANCE AND
ECONOMIC DEVELOPMENT

**FOR THE AFRICAN DEVELOPMENT BANK
AND
FOR THE AFRICAN DEVELOPMENT FUND**



YERO BALDEH
RESIDENT REPRESENTATIVE
SIERRA LEONE COUNTRY OFFICE



PROJECT DESCRIPTION

ANNEX I

- 13 -

The objective of the project is to: (i) increase sustainable access to safe water and basic sanitation in rural areas, and (ii) develop a comprehensive national framework for rural water supply and sanitation investments. The project will benefit an estimated 625,000 rural Sierra Leoneans, and result in nine percentage points increase in safe water coverage, including restored access, and at least six percentage points increase in improved sanitation coverage, besides a better managed sector and improved knowledge, attitudes & practices of the primary beneficiaries. The project will be implemented in four components as follows:

Component name	Component Description and activities
Water Supply and Sanitation Infrastructure	• The objective of this component is to provide water supply and sanitation infrastructure. The following will be financed: • Rehabilitation of old water points & construction of hand-dug wells and spring boxes, 84 boreholes, rainwater harvesting systems, and Gravity Flow Schemes and solar power pumped schemes. • Construction of sanitation facilities, including EcoSan toilets in public institutions; • Establishment of climate risk management infrastructure, including 100 rain-gauging stations and 20 surface and groundwater monitoring stations.
National Programme Development	• The objective of this component is to develop a comprehensive framework to facilitate effective sector management and resource mobilisation. The following will be undertaken: • National Rural Water Supply and Sanitation Program development and Resource Mobilisation Conference.
Capacity Building	• This component includes a broad set of capacity development activities that, when considered collectively, will provide for durability and continued use of the infrastructure put in place by the project and thereafter. The following activities will be undertaken: • Training of professionals, including WASH, water resources management and climate change; • Training of small scale service providers, including pump mechanics and other artisans for infrastructure construction & maintenance; • Strengthening of CBOs, including Training and supporting Community leaders & Sanitation and Hygiene Education Trainers • CLTS triggering & monitoring, WASH and Climate Change Adaptation education and sensitization at community level, including schools, and the selling-up and training of care-taker Committees • Sanitation marketing; • Case studies, including technical and value for money audits; • Ground water mapping and monitoring, and development of guidelines for construction of water and sanitation facilities; • Support to WASH stakeholder coordination and provision of field and office

- The project will be financed as follows:
- Implementation support and on-the-job training through Technical assistance for District Councils, W.D., S.A.T. WACO and LGFD.
 - Sector coordination and development support, including Annual Sector Reviews (ASRs).
 - Overall project coordination and administration.
 - Technical Oversight and quality assurance.
 - Supervision of service providers, Monitoring & Evaluation and Reporting, including Environmental and Water Quality Monitoring.

ADF Loan: Activities to be financed from the ADF loan include design and construction of water supply and sanitation infrastructure; community mobilisation and empowerment; Community Led Total Sanitation and Technical Assistance for implementation support.

ADF Grant will finance construction of water supply facilities including boreholes and solar powered pumped schemes; sector coordination and management support activities, training of sector professionals and project operational expenses including performance based and project operational costs.

FSF Grant resources will be utilised for financing the rehabilitation of water supply facilities. DFID Grant resources channelled through the FSF will finance construction of new water supply and sanitation infrastructure, technical assistance community mobilisation and empowerment activities, including youth training; Community Led Total Sanitation activities; Monitoring and evaluation activities including impact studies and technical audits. Resources will also be used for financing project operational costs.

RWSSI-TF Resources will be utilised for financing infrastructure design and construction; construction of the sanitation facilities; technical assistance and other capacity building activities including programme development, community hydrogeological mapping, sector coordination and management, community mobilisation and empowerment, Community Led Total Sanitation and youth mobilisation. Grant resources will also be used to finance Operational costs including monitoring & evaluation activities.

Global Environment Facility (GEF) Grant resources will be used for financing climate risk management infrastructure activities including: design and supervision of installation of surface and ground water monitoring equipment and construction of rainwater harvesting facilities; and community sensitisation and training as well as training of water resources management related climate risk management professionals.

ANNEX II
ALLOCATION OF THE GRANT

The present Annex indicates the categories of expenditure to be financed out of the resources of the Grant and the allocation of the resources to the category financed therein.

Categories of Expenditure
In UA' millions

Category of Expenditure	Local	Foreign	Total
Civil Works	1.396	3.965	5.361
Goods	-	0.030	0.030
Services	1.404	1.410	2.814
Operating Costs	0.263	-	0.263
Total	3.063	5.405	8.468

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