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June 17, 2019

Hon. Jacob Jusu Saffa
Minister of Finance and Economic Development
Treasury Building, George Street
Freetown
Republic of Sierra Leone

Sierra Leone: Energy Sector Utility Reform Project
(Credit No. 5333-SL)
Amendment to the Financing Agreement

Honorable Minister:

We refer to the Financing Agreement dated January 17, 2014 ("Agreement") between the Republic of Sierra Leone (the "Recipient") and the International Development Association (the "Association") for the above-mentioned project (the "Project").

We are pleased to inform you that pursuant to the provision of additional financing for the above-mentioned Project, the Financing Agreement is amended as set forth below:

1. The Schedule 1 to the Agreement is amended and attached as "Attachment" to the amendment letter.
2. The disbursement table under Section IV.A.2 of Schedule 2 to the Agreement is amended to read as follows:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services and Operating Costs under Parts 1 and 2 of the Project, except under Parts 1(b), 2(c) and 2(d).	22,800,000	100%
(2) Consulting services, non-consulting services, Training and Operating Costs under Part 3 of the Project, except Part 3(c).	3,300,000	100%
(3) Goods, works, non-consulting services, consulting services and Operating Costs under Parts 1(b), 2(c) and 2(d) of the Project.	0	100%

(4) Consulting services, non-consulting services, Training and Operating Costs under Part 3(c) of the Project.	0	100%
TOTAL AMOUNT	26,100,000	


3. Paragraph IV.B.2 of Schedule 2 to the Agreement is amended to read as follows:

"2. The Closing Date is December 31, 2022."

All other provisions of the Agreement, except as herein amended, shall remain in full force and effect.

Please indicate your agreement to the foregoing, on behalf of the Recipient, by countersigning and dating the form of confirmation on the two original copies of this letter and returning one original, as countersigned, to us. Upon receipt by the Association of the copy of this letter countersigned by the Recipient, this amendment shall become effective as of the date of its countersignature.

Sincerely
INTERNATIONAL DEVELOPMENT ASSOCIATION



Henry Kerali
Country Director
Ghana, Liberia, Sierra Leone
Africa Region

CONFIRMED:

REPUBLIC OF SIERRA LEONE

By: 

Name: Jacob Susu Saffa

Title: Minister of Finance

Date: 17/06/2019

SCHEDULE 1

Project Description

The objective of the Project is to improve the operational performance of the national electricity distribution utility.

The Project consists of the following parts:

Part 1: Distribution Utility Capacity Enhancement and Performance Improvement

- (a) Supporting the establishment of a fully functioning and effective national electricity distribution utility through a performance based contract for utility operation and management.
- (b) Supporting EDSA and the strengthening of its commercial management, including *inter alia* through the implementation of a management information system, with integrated enterprise resource planning, commercial management and incident recording and management systems, for improved operational performance and incident management and the provision of consultants with expertise in the area of utility management.

Part 2: Improvement of Electricity Supply in Urban Areas

Implementing a Network Rehabilitation and Upgrade Investment Plan ("NRUIP") designed to improve the quality and reliability of the national electricity utility's power distribution network, said NRUIP to include:

- (a) Reinforcement, rehabilitation, and extension of the primary medium voltage ("MV") distribution network, including, *inter alia*: (i) rehabilitating and operationalizing 33/11 Kilovolt ("kV") substations; (ii) carrying out of repairs and upgrading of underground cables; (iii) upgrading of overhead lines; (iv) designing of new feeders; and (v) carrying out of appropriate tests.
- (b) Reinforcement, rehabilitation and extension of priority secondary MV and low voltage ("LV") distribution network, including, *inter alia*, supply and installation of appropriate equipment such as 11kV switchgear; 11kV/400V transformers; conductors; service cables; poles; line hardware; LV panels and associated protection devices, auto reclosers and load break switches.
- (c) Construction of four new 33/11kV substations, upgrading of one existing 11kV switching station to a 33/11kV substation, construction of 33kV sub-transmission lines to link the proposed substations and rehabilitation and extension of the LV network and customer connections to major unserved residential, commercial and industrial customers and the installation of prepaid meters for existing and new customers.

- (d) Strengthening the capacity of the project implementing unit within EDSA to manage and monitor the implementation of the Project activities, including financing the preparation of required safeguard instruments and specialized consultants (technical, financial management, procurement, audits etc.).

Part 3: Sector Planning Assistance, Project Implementation Support and Monitoring and Evaluation

- (a) Provision of technical advisory services to the Ministry of Energy for:
 - (i) (A) preparation and/or review of pre-feasibility and feasibility studies focusing on potential investments in power generation, including all types of primary energy sources; and (B) preparation of urgent investments under the NRUIP; and
 - (ii) monitoring and evaluation, in particular: (A) monitoring and assessing the performance of the Contractor under Part 1 of the Project; and (B) carrying out the impact evaluation of the Project.
- (b) Strengthening the capacity of the Project Management Unit through the provision of technical advisory services, goods, non-consulting services, Training and Operating costs.
- (c) Strengthening the capacity of the Ministry of Energy and other ministries and authorities involved in the sector through *inter alia* training, study tours and provision of consulting services to support (i) preparation and implementing of relevant strategies; and (ii) preparation of solar PV projects and projects involving electrification through mini-grid solution.