

**SUBSIDIARY AGREEMENT**

**BETWEEN**

**THE GOVERNMENT OF THE REPUBLIC OF**

**SIERRA LEONE**



**REPRESENTED BY**

**THE MINISTRY OF FINANCE**

**AND**

**ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY**

**Regarding the**

**ENHANCING SIERRA LEONE ENERGY ACCESS PROJECT**

**DATED THIS 6<sup>TH</sup> DAY OF APRIL, 2021**

THIS SUBSIDIARY AGREEMENT is made and entered into on this day of April 6, 2021 between the Government of the Republic of Sierra Leone, represented by the Ministry of Finance (hereinafter referred to as "MOF"), of the first part, and the Electricity Distribution and Supply Authority, the Project Implementing Entity (hereinafter referred to as "EDSA"), an authority established by the National Electricity Act, 2011, of the second part. Both MOF and EDSA are collectively referred to as **"THE PARTIES"**.

**WHEREAS**, under a Financing Agreement regarding the ENHANCING SIERRA LEONE ENERGY ACCESS PROJECT (ESLEAP) (Grant Number D7690-SL) (hereinafter referred to as the "Agreement") dated April...2021 between the Republic of Sierra Leone (hereinafter referred to as the "Recipient") and the International Development Association (thereinafter referred to as the "Association"), the Association agreed to extend to the Recipient a grant (Grant), which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to Twenty Five Million, Six Hundred Thousand Special Drawing Rights (SDR 25,600,000) as set forth in Section 2.01 of the Agreement;

**WHEREAS**, to facilitate the carrying out Parts A and C.2 of the Project (Project, the Project Implementing Entity's Respective Parts), the Recipient undertook, pursuant to Section I.B of Schedule 2 to the Agreement to make part of the proceeds of the Grant allocated from time to time to Category (1) of the table set forth in Section III.A.1 available to the Project Implementing Entity (hereinafter referred to as "EDSA") as a grant under a Subsidiary Agreement between the Recipient and the Project Implementing Entity (hereinafter referred to as "EDSA"), under the terms and conditions acceptable to the Association. ("Subsidiary Agreement").

**AND WHEREAS**, the Recipient agreed to make available the proceeds of the Grant to EDSA on the terms and conditions set forth in this Subsidiary Agreement.

**WHEREFORE**, The PARTIES hereto agree as follows:

#### **ARTICLE I: DEFINITION**

- 1.0 Unless the context otherwise requires, the several terms defined in this Subsidiary Agreement shall have the respective meanings ascribed to them in the Agreement and the General Conditions.



## **ARTICLE II: PARTICULAR COVENANT**

### **2.0 The EDSA shall:**

- a. carry out the Project with due diligence, efficiency and in conformity with sound technical, engineering, financial, administrative, and environmental and social practices;
- b. not assign, abrogate or waive any of its obligations under the Subsidiary Agreement;
- c. maintain records adequate to enable identification of the works, goods and services financed out of the proceeds of the Grant, to disclose the use thereof, to record progress of the Project (including the cost thereof) and to reflect, in accordance with consistently maintained sound accounting practices, the operations and financial position of EDSA; and,
- d. cooperate fully with the MOF to ensure that the purpose of the Grant is accomplished.

## **ARTICLE III: DISPUTES AND CONSTRUCTION OF THIS AGREEMENT**

### **3.0 Any interpretation, construction disputes or conflicts in connection with this Subsidiary Agreement shall be dealt with as follows:**

- a) This Subsidiary Agreement shall be interpreted and construed in accordance with the Laws of the Republic of Sierra Leone.
- b) In the case of conflict between this Subsidiary Agreement and the Agreement, the Agreement shall prevail.
- c) All disputes, differences and questions arising under this Subsidiary Agreement shall be settled amicably, with the opinion of the Attorney General and Minister of Justice of the Republic of Sierra Leone being final in said dispute.

## **ARTICLE IV: ANTI-CORRUPTION GUIDELINES**

- 4.0 EDSA shall carry out the Project in accordance with the provisions of the Anti-Corruption Guidelines.

#### **ARTICLE V: OBLIGATIONS OF THE MOF**

- 5.1 MOF shall take or cause to be taken any action including the provision of resources necessary or appropriate to enable EDSA to perform its obligations under this Agreement.
- 5.2 MOF shall comply with the covenants under the Financing Agreement and this Agreement.

#### **ARTICLE VI: OBLIGATIONS OF EDSA**

##### **6.1 Procurement**

EDSA shall ensure compliance with the procedures for procurement of goods and consultants' services set forth in Procurement Regulations, Project Procurement Strategy, and the Procurement Plan.

##### **6.2 Financial Management**

EDSA Limited shall:

- a. maintain financial management policies and procedures adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the IDA, the progress of, and achievement of the objectives of the Project;
- b. (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the IDA, both in a manner adequate to reflect its operations and financial condition, including the operations, resources and expenditures related to the Project; and (2) have such financial statements audited annually by independent auditors acceptable to the IDA, in accordance with consistently applied auditing standards acceptable to the IDA, and promptly furnish the statements as so audited to the Government and the IDA;
- c. enable MOF and the IDA to inspect the Project, its operation and any relevant records and documents; and
- d. prepare and furnish to MOF and the IDA all such information as the Government or the IDA shall reasonably request relating to the foregoing.

##### **6.3 Other Obligations**

EDSA shall:

- (i) Exchange views with MOF and the IDA with regard to the progress of the Project, and the performance of its obligations under the Project Agreement and this Agreement.



- (ii) Promptly inform MOF and the IDA of any condition which interferes or threatens to interfere with the progress of the Project, or the performance of its obligations under this Agreement.

## **ARTICLE VII: ADDRESS AND MISCELLANEOUS**

- 7.0 Any notice required or permitted to be given under this Subsidiary Agreement shall be in writing and deemed given and effective once signed and delivered to the following addresses:

**For the Government of Sierra Leone**  
Treasury Building George Street  
Freetown  
REPUBLIC OF SIERRA LEONE  
TEL: (+232)76 61 12 25  
E-mail: [info@mofed.gov.sl](mailto:info@mofed.gov.sl)

**Attention: Ministry of Finance**

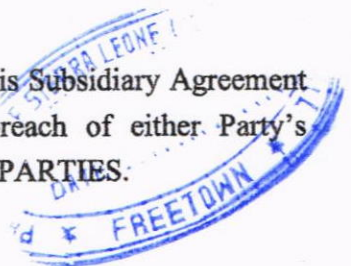
**For the Executing Agency:**  
Electricity Distribution and Supply Authority  
5A Highbroad Street, Murray Town  
Freetown  
Tel: (+232) 78 74 60 13  
E-mail: [jamesrogers@ecdsa.sl](mailto:jamesrogers@ecdsa.sl)

**Attention: Director General**

- 7.1 Any communication between the parties hereto in the connection with this Subsidiary Agreement shall be made by written communication to the foregoing address. If the above addresses and/ or names are changed, the party concerned shall, within thirty (30) days of the change, notify the Party hereto in writing of the new addresses and/ or names.
- 7.2 This Subsidiary Agreement shall come into force and effect after its signature by the respective parties.
- 7.3 The PARTIES represent and warrant that the execution of this Subsidiary Agreement has been duly authorized; and its execution is not a breach of either Party's constituting documents or any law governing or affecting the PARTIES.

## **ARTICLE IX: BIDDING EFFECTS**

- 8.0 These obligations hereunder will remain in effect for so long as the Subsidiary Agreement remains effective.



**IN WITNESS WHEREOF**, the **PARTIES** hereto have caused this Subsidiary Agreement to be duly executed by their respective authorized officers on the day and year first mentioned above written.

FOR THE REPUBLIC OF SIERRA LEONE

*[Signature]* 06/04/21  
[JACOB JUSU SAFFA MINISTER OF FINANCE]



FOR ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY

*[Signature]* 6/4/2021  
[ING JAMES A.S ROGERS ACTING DIRECTOR GENERAL]

