

SUBSIDIARY AGREEMENT

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF

SIERRA LEONE

REPRESENTED BY

THE MINISTRY OF FINANCE

AND

BANK OF SIERRA LEONE

Regarding the

SIERRA LEONE SECOND FINANCIAL INCLUSION PROJECT

DATED THIS 26 DAY OF OCT, 2023

THIS SUBSIDIARY AGREEMENT is made and entered into on this day of 26. 09. 2023 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 Bank of Sierra Leone, the Project Implementing Entity (hereinafter referred to as "BSL"), a statutory body with its offices at Siaka Stevens Street, Freetown, in the Western Area of the Republic of Sierra Leone, of the second part. Both MOF and BSL are collectively referred to as "**THE PARTIES**".

WHEREAS, under a Financing Agreement regarding the SIERRA LEONE SECOND FINANCIAL INCLUSION PROJECT (SLSFIP) (Grant No. E2050-SL) (hereinafter referred to as the "Agreement") dated June 29, 2023 between the Republic of Sierra Leone (hereinafter referred to as the "Recipient") and the International Development Association (hereinafter 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 Nine Million Seven Hundred Thousand Special Drawing Rights (SDR 29,700,000) as set forth in Section 2.01 of the Agreement;

WHEREAS, to facilitate the carrying out Parts A, B and C of the Project, 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 under the table set forth in Section III.A available to the Project Implementing Entity (hereinafter referred to as "BSL") as a grant under a Subsidiary Agreement between the Recipient and the BSL, 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 BSL 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 " means the "International Development Association General Conditions for IDA Financing, Investment Project Financing", dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).

84

ARTICLE II: PARTICULAR COVENANT

2.0 The BSL shall:

- a. carry out the Project with due diligence, efficiency and in conformity with 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 and acceptable to the Association accounting practices, the operations and financial position of BSL; 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 BSL shall carry out the Project in accordance with the provisions of the Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the General Conditions, the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016 and any other successor law.

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 BSL to perform its obligations under this Subsidiary Agreement.
- 5.2 MOF shall comply with the covenants under the Agreement and this Subsidiary Agreement.

ARTICLE VI: OBLIGATIONS OF BSL**6.1 Procurement**

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

6.2 Financial Management

BSL shall:

- a. maintain financial management policies and procedures adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the Association, the progress of, and achievement of the objective of the Project;
- b. (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, 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 Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association;
- c. enable MOF and the Association to inspect the Project, its operation, and any relevant records and documents; and
- d. prepare and furnish to MOF and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

6.3 Other Obligations

BSL shall:

- (i) Exchange views with MOF and the Association 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 Association of any condition which interferes or threatens to interfere with the progress of the Project, or the performance of its obligations under this Subsidiary Agreement.



ARTICLE VII: ADDRESS AND MISCELLANEOUS

- 7.1 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:

A handwritten signature in black ink, consisting of stylized, cursive letters, located in the bottom right corner of the page.

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

Attention: Ministry of Finance

For the Executing Agency:
 Bank of Sierra Leone
 Siaka Stevens Street
 Freetown
 Sierra Leone
 E-mail: info@bsl.gov.sl

Attention: The Governor

- 7.2 Any communication between the Parties hereto in 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. Parties.
- 7.4 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.

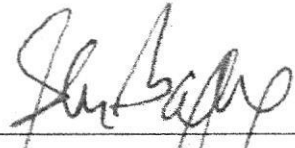
ARTICLE VIII: BINDING EFFECTS

- 8.1 These obligations hereunder shall 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.



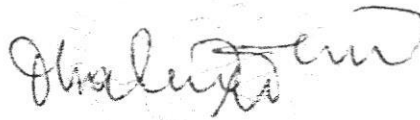
FOR THE REPUBLIC OF SIERRA LEONE

 26/10/2023

[SHEKU F BANGURA, MINISTER OF FINANCE]



FOR BANK OF SIERRA LEONE

 26/10/2023

[DR. IBRAHIM L. STEVENS, ACTING GOVERNOR]