

Simplified Approval Process

Annex 9a: Legal due diligence



GREEN
CLIMATE
FUND

9.A Legal Due Diligence

PROGRAMME TITLE: Enhancing Climate Information Systems for Resilient Development in Sierra Leone

ACCREDITED ENTITY: African Development Bank (AfDB)

Government or regulatory approvals, licenses or permits required for implementing and operating the programme, the relevant issuing authority, and the date of issuance or expected date of issuance.

1. The Grant proceeds will need to be approved by the Cabinet and Parliament of the Government of Sierra Leone and Legal opinion on the financing will also be issued. The approval process takes 2-3months from date of receipt of signed Grant agreement.

The applicable regulations are below:

1. Republic of Sierra Leone (2021). Updated Nationally Determined Contribution (<https://unfccc.int/sites/default/files/NDC/2022-06/210804%202125%20SL%20NDC%20%281%29.pdf>)
2. Republic of Sierra Leone (2012). Second National; Communication on Climate Change (<https://unfccc.int/resource/docs/natc/slenc2.pdf>)
3. Sierra Leone State of the Marine Environment Report (2015). (https://gridarendal-website-live.s3.amazonaws.com/production/documents/:s_document/24/original/SierraLeone_full_screen.pdf?1483646295#:~:text=Sierra%20Leone%20is%20situated%20along,1.1)
4. Sierra Leone Country Strategic Plan (2020-2024), WFP 2019. (<https://www.wfp.org/operations/sl02-sierra-leone-country-strategic-plan-2020-2024>)
5. Environment Protection Agency Act, 2008 amended in 2010
6. The Customary Land Rights Act, no. 20 of 2022. (<https://faolex.fao.org/docs/pdf/sie212374.pdf>)
7. The Sierra Leone Meteorological Agency Act, 2017 (<http://www.sierra-leone.org/Laws/2017-08.pdf>)
8. The Sierra Leone Water Company Act, (2001). (<http://www.sierra-leone.org/Laws/2001-6.pdf>)
9. The National Water and Sanitation Policy (2010). (<https://faolex.fao.org/docs/pdf/sie181226.pdf>)
10. The National Protected Area etc. Act (2012). (<http://www.sierra-leone.org/Laws/2012-11.pdf>)
11. Sierra Leone National Adaptation Plan (NAP) (2021).
https://unfccc.int/sites/default/files/resource/SierraLeone_iNAP_Final.pdf
12. National Adaptation programme of Action (2007). (<https://unfccc.int/resource/docs/napa/sle01.pdf>)
13. Sierra Leone Disaster Management Policy (2006). (<https://www.ifrc.org/docs/idrl/671EN.pdf>)
14. The Public Financial Management Regulations (2018). (<https://mof.gov.sl/wp-content/uploads/2019/02/PFM-Regulations-2018.pdf>)
15. The Constitution of Sierra Leone, 1991
16. The National Environmental Policy, 1994
17. National Lands Policy (2015)
18. Conservation and Wildlife Policy (2010)
19. Forestry Policy (2010)
20. National Biodiversity Strategy and Action Plan (2017)
21. Medium-Term National Development Plan (2019-2023)
22. Sierra Leone's Climate Change Communications Strategy Under the National Adaptation Plan (2020)
23. Integrated Coastal Zone Management Plan Sierra Leone (2016-2020)

Describe applicable taxes (or exemptions thereof) and foreign exchange regulations related to the programme.

- The Executing Entity is tax exempt for supply of water services as follows: Applicable Tax laws is: THE FINANCE ACT, 2022. The Second Schedule of the Goods and Services Tax Act 2009; Exempt supplies includes for supply of water excluding bottled water or other packaged and distilled water.
- The Accredited Entity is exempt from any obligations relating to the payment, withholding, or collection of any tax or duty under Article 57 of the Agreement Establishing the African Development Bank. As a result, neither the Executing Entity nor the Accredited Entity may deduct any money for taxes from any Other GCF Funds or Unused Funds that the Accredited Entity transfers to the Fund. During the execution

of the Funded Activity, the Fund shall not be required to make any additional contributions, including for the payment of Taxes.

- According to the Sierra Leone Public Financial Management Regulations on Donor Funds “Article 136. Where a government project receives from a donor an advance or a reimbursement of earlier expenditure, whether by way of grant or loan, the actual amount received shall be classified and brought to account in accordance with the government Chart of Accounts and where the amount is in foreign currency, it shall be brought to account at the equivalent in Leones at the official rate of exchange on the date of receipt.”

Details of any insurance policies or requirements related to the programme.

- No specific insurance policies or requirements are necessary for the project. However, the project is categorized as CATEGORY C, and each activity has been examined to determine whether insurance is necessary. When carrying out the activities, care will be taken to address insurance requirements as needed and to include them in contracts with goods and service providers.
- The Bank (AfDB) has a robust procurement framework¹, methodology, and toolkits that outline the standards that apply to the purchase of goods, construction projects, and consulting services that are fully or partially funded by the Bank.
- Furthermore, the Bank's Fiduciary Assurance will ensure that financing is applied in ways that adequately secure the Bank's mandate while maximizing development effectiveness, the Bank encourages and promotes sound, fair, transparent, and well performing procurement systems in Regional Member Countries (RMCs). The Bank believes that the existence of such systems in a country provides the best fiduciary assurance to the use of resources a quality assurance and control system to guarantee that all factors have been considered during all execution.

¹ https://www.afdb.org/fileadmin/uploads/afdb/Documents/Policy-Documents/Procurement_policy_for_bank_group_funded_operations.pdf