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LOAN AGREEMENT

BETWEEN

THE GOVERNMENT OF THE  
REPUBLIC OF SIERRA LEONE

AND

THE ISLAMIC DEVELOPMENT BANK

FOR PARTICIPATION IN FINANCING OF THE  
CONSTRUCTION AND RECONSTRUCTION OF PRIMARY  
SCHOOLS -EASTERN AND NORTHERN PROVINCES  
PROJECT

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PARLIAMENT LIBRARY  
TOWER HILL FREETOWN

**LOAN AGREEMENT BETWEEN THE GOVERNMENT OF  
THE REPUBLIC OF SIERRA LEONE  
AND THE ISLAMIC DEVELOPMENT BANK FOR  
PARTICIPATION IN FINANCING OF THE  
CONSTRUCTION AND RECONSTRUCTION OF PRIMARY SCHOOLS -  
EASTERN AND NORTHERN PROVINCES PROJECT**

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THIS AGREEMENT is made on 8 / 8 /1422H, corresponding to 24 / 10 /2001G, between the Government of the Republic of Sierra Leone (hereinafter called the "Borrower") and the Islamic Development Bank (hereinafter referred to as the "Bank").

**WHEREAS,**

- (A) The Borrower has requested the Bank to assist in financing the Construction And Reconstruction Of Primary Schools - Eastern And Northern Provinces Project (hereinafter called the "Project") as described in Schedule-II to this Agreement by making the Loan as hereinafter provided;
- (B) One of the purposes of the Bank is to assist its member countries by way of making loans for financing productive projects and programmes;
- (C) The Project is considered to be technically sound and economically justified;
- (D) The Bank has agreed on the basis, inter alia, of the foregoing, to make the Loan to the Borrower upon the terms and conditions hereinafter set forth;

**NOW, THEREFORE,** the parties hereto agree as follows:

PARLIAMENT LIBRARY  
TOWER HILL FREE TOWN

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 Loan and Guarantee Agreements of the Bank dated 8.11.1976 (hereinafter called "the General Conditions"), 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 have the respective meanings therein set forth and the following additional terms have the following meanings:

- (a) **"Effective Date"** means the date on which the Agreement is declared effective by the Bank as communicated to the Borrower by the Bank.
- (b) **"Executing Agency"** means the Ministry of Youth, Education and Sports (MOYES) of the Government of Sierra Leone, which is the Executing Agency responsible for implementation, operation and management of the Project.
- (c) **"Project"** and references to **"parts"** thereof mean the Project and parts thereof described in Schedule-II to this Agreement.
- (d) **"Islamic Dinar/ID"** as defined in Article 4(1)(a) of the Agreement establishing the Bank is the unit of account of the Bank. One ID is equivalent to One Special Drawing Right of the International Monetary Fund.

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**ARTICLE-II****THE LOAN**

Section-2.01. Amount: The Bank agrees to lend to the Borrower an amount not exceeding the equivalent to ID.3,599,000/- (Islamic Dinars Three Million Five Hundred and Ninety-nine Thousand) approximately equivalent to US\$4,617,000/- (United States Dollars Four Million Six Hundred and Seventeen Thousand) only, (hereinafter referred to as the "Total Loan"), consisting of:

- a) An amount equivalent to ID 2,442,000/- (Islamic Dinars Two Million Four Hundred and Forty-two Thousand) approximately equivalent to US\$ 3,125,000.00/- (United States Dollars Three Million and One Hundred and Twenty Five Thousand) only from its ordinary resources (hereinafter referred to as "the Ordinary Loan").
- b) An amount equivalent to ID 1,157,000/- (Islamic Dinars One Million One Hundred and Fifty-seven Thousand) approximately equivalent to US\$ 1,492,000/- (United States Dollars One Million Four Hundred and Ninety-two Thousand) only, from the Special Account for the Least Developed Member Countries (hereinafter referred to as "the LDMC Loan").

Section-2.02. Except as the Bank shall otherwise agree contracts for goods and services to be financed out of the proceeds of this Loan, shall be procured in accordance with procedures set by the Bank. In this regard, the Borrower shall abide by Regulations of the Organization of the Islamic Conference concerning Boycott of Israel.