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LOAN AGREEMENT

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE

AND

THE ISLAMIC DEVELOPMENT BANK

FOR PARTICIPATION IN FINANCING
THE RECONSTRUCTION AND CONSTRUCTION OF THE KISSY
MENTAL HOSPITAL PROJECT

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PARLIAMENT LIBRARY
TOWER HILL FREETOWN

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THIS AGREEMENT is made on 17/01/1423H corresponding to 31/03/2002G 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 part of the cost of the Reconstruction And Construction Of The Kissy Mental Hospital 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, economically and financially 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;

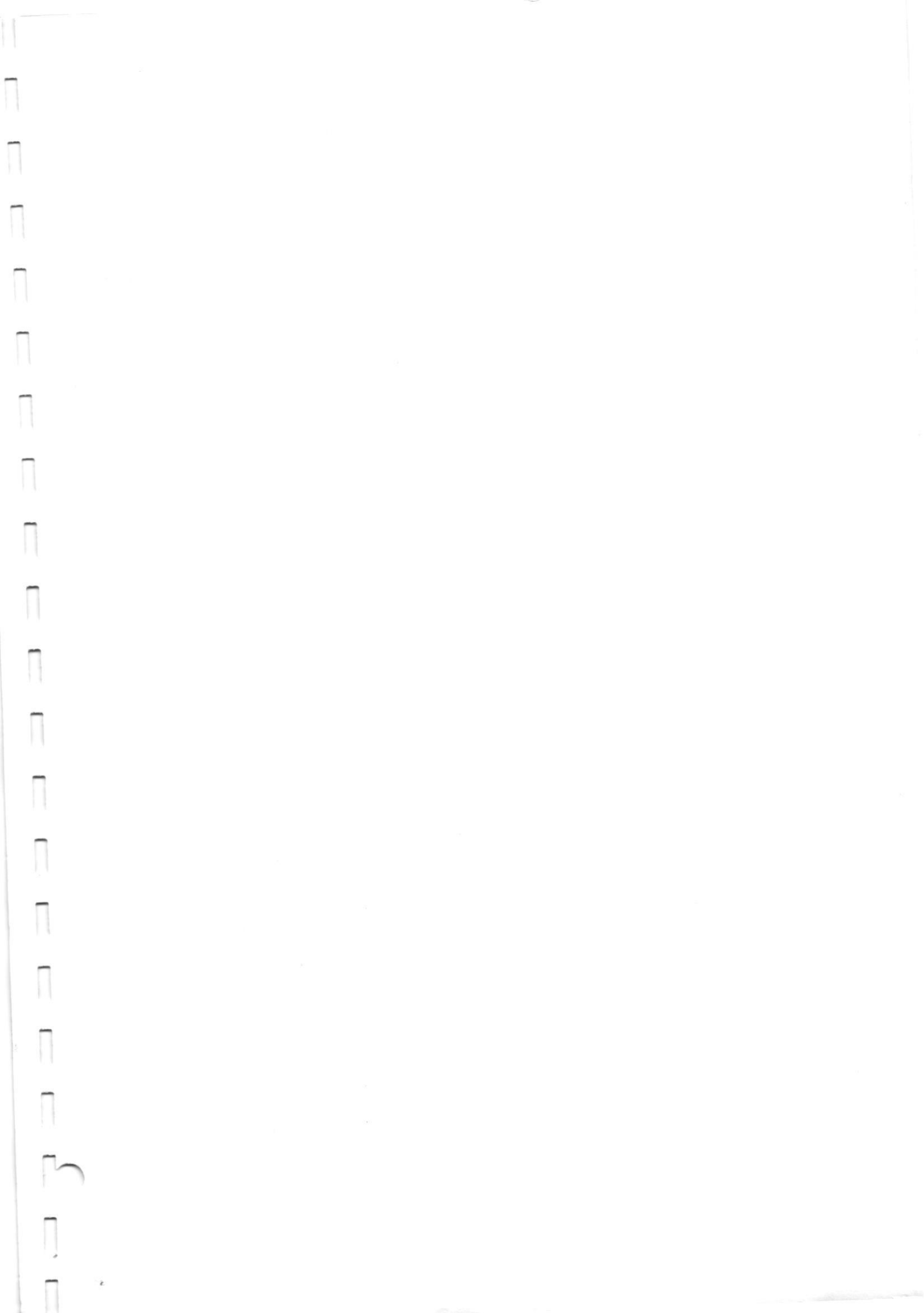
NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE-I

GENERAL CONDITIONS, DEFINITIONS

Section-1.01. General Conditions: The parties to this Agreement accept all the provisions of the General Conditions

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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 Health and Sanitation of the Borrower 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.

ARTICLE-II

THE LOAN

Section-2.01. Amount: The Bank agrees to lend to the Borrower, from its ordinary resources, an amount not exceeding the equivalent of ID.1,960,000/- (Islamic Dinars One Million Nine Hundred and Sixty Thousand) only approximately equivalent to US\$2,510,000/- (United States Dollars Two Million Five Hundred and Ten Thousand) only.

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