

AG
041

LOAN AGREEMENT

**(WESTERN AREA POWER GENERATION
PROJECT - PHASE II)**

BETWEEN

THE REPUBLIC OF SIERRA LEONE

AND

**THE ARAB BANK FOR ECONOMIC
DEVELOPMENT IN AFRICA**

DATED: 13TH APRIL, 2006



**PARLIAMENT LIBRARY
TOWER HILL FREETOWN**



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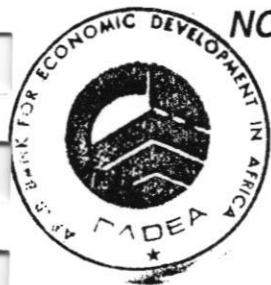
LOAN AGREEMENT

Agreement dated the 13th April 2006 between The Republic of Sierra Leone (hereinafter called "The Borrower") and The Arab Bank for Economic Development in Africa (hereinafter called "BADEA").

WHEREAS:

- (A) The Borrower has requested BADEA to assist in financing the Project described in Annex "II" to this Agreement;
- (B) The Borrower has also requested the Saudi Fund for Development (hereinafter called the Saudi Fund) to assist in financing the said Project and the Saudi Fund has proposed to provide a loan in an amount equivalent to about eight million two hundred sixty thousand dollars (\$8,260,000) for this purpose;
- (C) The Borrower agreed to contribute an amount equivalent to about one million four hundred seventy thousand dollars (\$1,470,000) for this purpose;
- (D) The purpose of BADEA is to further the economic development of African Countries within a frame work of solidarity and mutual interest and thus to strengthen the ties between African States and the Arab Nation;
- (E) BADEA is convinced of the importance and usefulness of the said Project in developing the economy of the Borrower; and
- (F) BADEA has agreed, in view of the foregoing, to grant the Borrower a Loan on the terms and conditions set forth in this Agreement;

NOW, therefore, the parties hereto agree as follows:





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ARTICLE I
GENERAL CONDITIONS – DEFINITIONS

Section 1.01 The parties to this Agreement accept all the provisions of the attached General Conditions applicable to Loan and Guarantee Agreements of BADEA, dated October 28, 1979, (hereinafter called the "General Conditions") as amended up to the date of this Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02 Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

- (a) "Agreement" means the Agreement referred to in Preamble (B) to this Agreement;
- (b) "NPA" means the National Power Authority which is a Government Company established in 1983 to generate, distribute and sell electricity all over the country under the supervision of the Minister of Energy.
- (c) "PIU" means the Project Implementation Unit, which has been set up within NPA for the execution of phase (I) of the Project and which shall continue to be responsible for the execution of the phase (II) in accordance with section 3.03 of this Agreement.
- (c) "LEONE" means the currency of the Borrower.
- (d) "Foreign Currency" means any currency other than the LEONE.

