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The Saudi Fund For Development



P.O.Pox 50483 Riyadh 11523
Kingdom of Saudi Arabia

LOAN AGREEMENT

**REHABILITATION AND EXPANSION OF FOURAH BAY COLLEGE
AT UNIVERSITY OF SIERRA LEONE PROJECT**

BETWEEN

THE SAUDI FUND FOR DEVELOPMENT

AND

THE GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE

LOAN NO. : 5 /652

SIGNED ON : 18 RABI'II 1437 A.H.

CORRESPONDING TO: 28 JANUARY 2016 A.D.

PARLIAMENT LIBRARY
COVER HILL FREETOWN

UNOFFICIAL TRANSLATION



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LOAN AGREEMENT

Agreement dated 18 RABI' II 1437 A.H. corresponding to 28 JANUARY 2016 A.D.

Between

1) THE SAUDI FUND FOR DEVELOPMENT, Riyadh, Kingdom of Saudi Arabia (hereinafter called "the Fund**"), represented by H.E. Eng. Hasan M. Alattas, General Director of Operation Department;**

And

2) THE GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE (hereinafter called "the Borrower**") represented by H.E. Dr. Kaifala Marah, Minister of Finance and Economic Development.**

PREAMBLE

- (A) WHEREAS the Borrower has requested the Fund to grant it a Loan to assist in the financing of the Rehabilitation and Expansion of Fourah Bay College at University of Sierra Leone project described in Schedule No.(2) to this Agreement (hereinafter called "**the Project**");**
- (B) WHEREAS the Borrower has obtained from the Arab Bank for Economic Development in Africa (hereinafter called "**BADEA**"), a Loan in an amount of eight million (8,000,000) U.S. Dollars to assist in financing part of the Project on the terms and conditions of the Loan Agreement concluded between the Borrower and BADEA (hereinafter called "**BADEA Loan Agreement**");**
- (C) WHEREAS the Borrower has obtained from the OPEC Fund for international Development (hereinafter called "**OFID**"), a Loan in an amount of thirteen million (13,000,000) U.S. Dollars to assist in financing part of the Project on the terms and conditions of the Loan Agreement concluded between the Borrower and OFID (hereinafter called "**OFID Loan Agreement**");**

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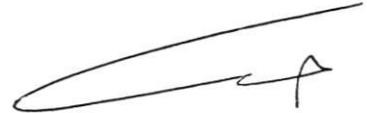


- (D) WHEREAS the purpose of the Fund is to assist developing countries in developing their economies and to provide them with loans required for the implementation of their development projects and programs;
- (E) WHEREAS the Fund is convinced of the importance of the Project and its beneficial effects for the economic development of the friendly people of Sierra Leone; and
- (F) WHEREAS the Board of Directors of the Fund has agreed, in view of the foregoing, by its Resolution No.9/109/2096 to grant the Borrower a Loan on the terms and conditions hereinafter set forth.

* * * * *

NOW THEREFORE the parties hereto hereby 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 General Conditions Applicable to Loan Agreements of the Fund, issued by Resolution of the Board of Directors of the Fund No.11/14 dated Rajab 29, 1396 AH corresponding to July 26, 1976 AD, with the same force and effect as if they were fully set forth herein (said General Conditions Applicable to Loan Agreements of the Fund being hereinafter called "**the General Conditions**").

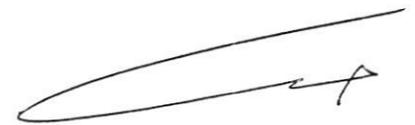
Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in Preamble to this Agreement have the respective meanings therein set forth, and the term "**The College**" means The Fourah Bay College at University of Sierra Leone, in charge of the execution of the project.

ARTICLE II
The Loan

Section 2.01. The Fund agrees to lend to the Borrower, on the terms and conditions in the Loan Agreement set forth or referred to, a Loan in an amount of forty five million (45,000,000) Saudi Riyals.

Section 2.02. The Borrower shall be entitled to withdraw the amount from the Loan Account in accordance with the provisions of Schedule No.(1) to this Agreement, as such Schedule may be amended from time to time by agreement between the Fund and the Borrower, and in accordance with the Procedures for the Withdrawals of the Saudi Fund for Development Loans, for expenditures made (or, if the Fund shall so agree, to be made) in respect of the reasonable cost of goods required for the Project and to be financed out of the proceeds of the Loan.

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Section 2.03. The Borrower shall apply the proceeds of the Loan exclusively to financing the reasonable cost of the goods and services required for the carrying out of the Project. Procurement of such goods and services shall be in accordance with the Guidelines for the Procurement of Goods and Contracting for the Execution of Works of The Development Institutions Members of The Coordination Group. The Borrower shall obtain the Funds approval before awarding the contracts to be financed out of the proceeds of the loan and before effecting any material modification thereto in the future.

Section 2.04. The Closing Date shall be August 31, 2018 or such later date as shall be determined by the Fund. The Fund shall promptly notify the Borrower of such later date.

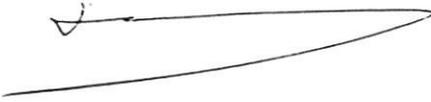
Section 2.05. The Borrower shall pay a Loan Charge at the rate of one percent (1%) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

Section 2.06. Loan Charge and other charges shall be payable semi-annually on 31st January, and 31st July, in each year.

Section 2.07. The term of the Loan shall be thirty years including a ten-year grace period. The Borrower shall repay the principal amount of the Loan in accordance with the Amortization Schedule set forth in Schedule No.(3) to this Agreement.

ARTICLE III
Execution of the Project

Section 3.01. (a) The Borrower shall carry out the Project through The College with due diligence and efficiency, and in conformity with appropriate administrative, financial and engineering practices and shall provide, promptly as needed, the funds, facilities, services and other resources required for the implementation of the Project.








Section 3.06. The Borrower shall cause The College to insure the imported goods to be financed out of the proceeds of the Loan against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance, any indemnity shall be payable in a currency freely useable by the Borrower to replace or repair such goods.

Section 3.05. The borrower undertakes to cause The College to give preference to local and Saudi products and services and to local and Saudi suppliers, consultants and contractors for the implementation of the project.

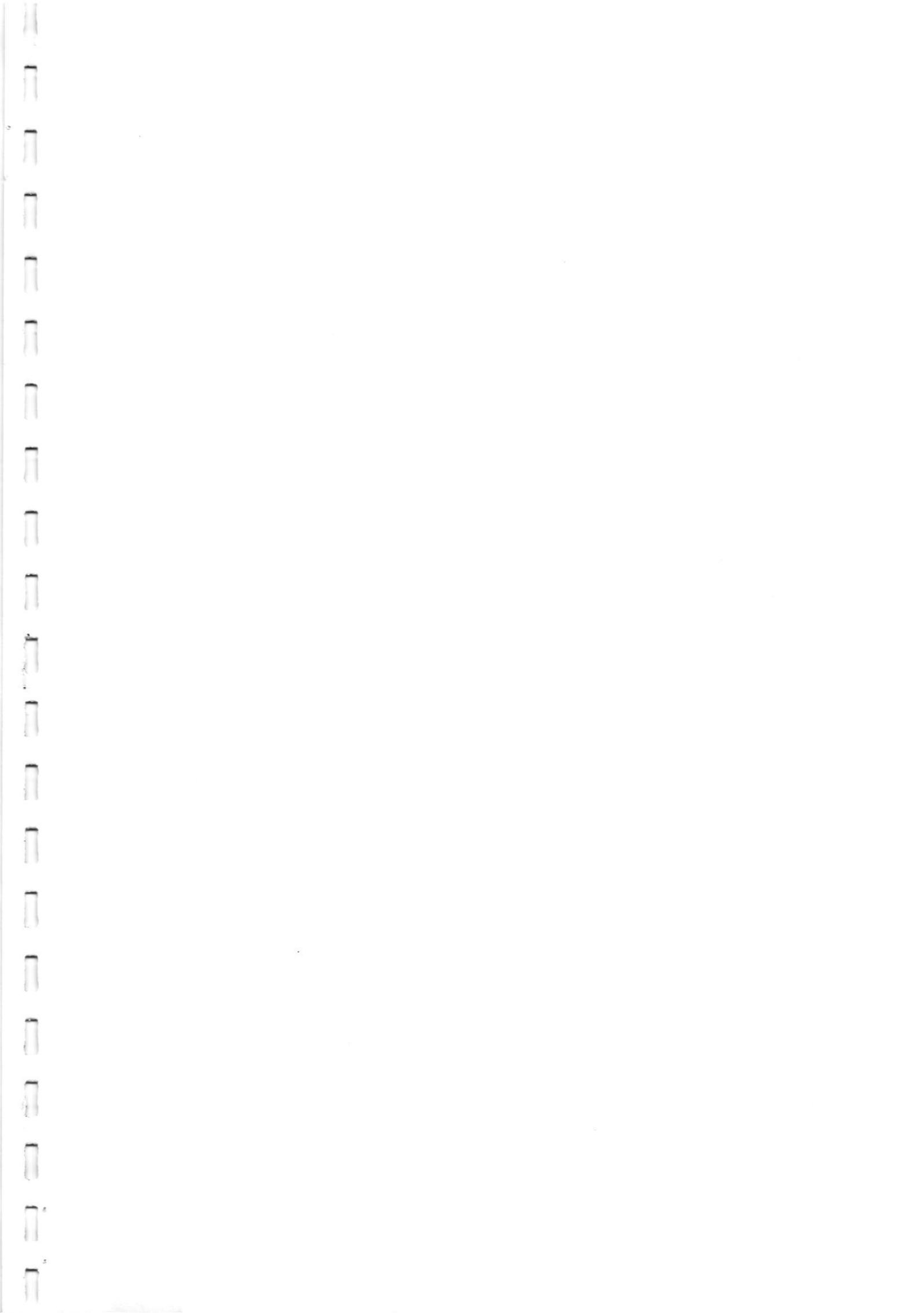
Section 3.04. In carrying out the project, the Borrower shall cause The College to employ competent and qualified contractors and suppliers, acceptable to the Fund upon terms and conditions satisfactory to the Fund.

Section 3.03. In order to assist The College in the supervision of the execution of the project, the Borrower shall cause The College to employ qualified and experienced consultants, whose terms and conditions of employment are acceptable to the Fund.

Section 3.02. The Borrower shall cause The College to furnish to the Fund, promptly upon their preparation, the plans, specifications, reports, contract documents and construction and procurement schedules for the Project, and any modifications thereof or additions thereto in such details as the Fund shall reasonably request.

- (1) make available promptly as needed, all other funds which shall be required for the carrying out of the project (including any funds that may be required to meet any increase in the cost thereof beyond the estimated cost at the time of signing of this Agreement); all such sums have to be made available on terms and conditions acceptable to the Fund;
- (2) make adequate annual budgetary allocations to meet its share of the project costs; and
- (3) support any additional costs exceeding the amount of the loan and necessary for the achievement of the project.

(b) Without limiting the generality of Paragraph (a) of this Section, the Borrower shall :



Section 3.07. The Borrower undertakes to ensure that all goods financed out of the proceeds of the Loan shall be used exclusively for the project.

Section 3.08. The Borrower shall cause The College to : **(a)** maintain adequate records to record and monitor the progress of the Project (including its cost), to identify the goods financed out of the proceeds of the Loan and to disclose their use in the project; **(b)** enable the Fund's representatives to visit the facilities and construction sites included in the project and to examine the goods and services financed out of the proceeds of the Loan and any relevant records and documents; and **(c)** furnish to the Fund all such information as the Fund shall request concerning the project, the expenditure of the proceeds of the Loan and the goods and services financed out of such proceeds.

Section 3.09. The Borrower shall take all such actions as shall be necessary to acquire as and when needed all such land and rights in respect of land as shall be required for carrying out the project.

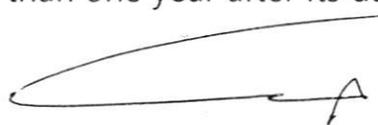
ARTICLE IV
Particular Covenants

Section 4.01. (a) The Borrower and the Fund confirm their agreement that no other external debt shall enjoy any priority over the Loan by way of a lien created on governmental assets. To that end, the Borrower undertakes that, except as the Fund shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for any external debt, such lien will ipso facto and at no cost to the Fund equally and ratably secure the payment of the principal of the Loan, the Loan Charge and other charges on the Loan, and that in the creation of any such lien express provision will be made to that effect.

(b) The undertaking provided for in Paragraph (a) of this Section shall not apply to :

- i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property;
- ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of the sale of such commercial goods; or
- iii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.







Section 4.02. The Borrower shall cause The College to maintain adequate records to reflect in accordance with consistently maintained appropriate accounting practices, all the operations, resources and expenses in connection with the Project and relative to The College or such other administrations and structures of the Borrower responsible of the project execution.

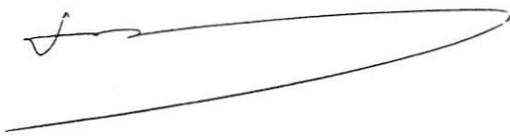
Section 4.03. The Borrower shall cause The College to take out and maintain insurance for the Project against such risks and in such amounts as shall be consistent with appropriate practice in accordance with the regulation in force in its country.

Section 4.04. The Borrower undertakes to cause The College to make a Commemorative Plaque of suitable dimensions made of concrete or other suitable materials to be fixed in a conspicuous place in one of the facilities included in the Project, to show the contribution of the Fund in the financing of the Project.

Section 4.05. The Borrower undertakes to ensure the general maintenance of the Project by proceeding to periodical inspection in accordance with appropriate engineering principles and to preview the necessary appropriations for this effect in its annual budget. The Borrower undertakes, also, to furnish to the Fund the adopted maintenance plan, as the Fund shall request.

Section 4.06. The Borrower undertakes to proceed to any modifications on the project only under prior approval of the Fund.

Section 4.07. Promptly after completion of the Project, but in any event not later than six months after the closing date for withdrawals from the Loan or such later date as the Fund may agree for this purpose, the Borrower shall cause The College to prepare and furnish to the Fund a Project Completion Report, in such a reasonable form and detail as the Fund shall request, on the execution and operation of the Project, its costs and the benefits derived and to be derived from it, the performance by the Borrower of its obligations under the Loan Agreement and the achievement of the purposes of the Loan.





ARTICLE V
Remedies of the Fund

Section 5.01. For the purposes of Section 6.02 of the General Conditions, the following additional events are specified pursuant to Paragraph (f) thereof:

(a) Subject to Sub-Section (b) of this Section:

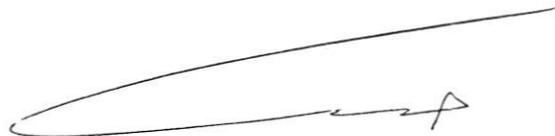
- i) the right of the Borrower to withdraw the proceeds of any loan or grant made to the Borrower for the financing of the Project shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms of the agreement providing therefore, or
- ii) any such loan shall have become due and payable prior to the agreed maturity thereof.

(b) Sub-Section (a) of this Section shall not apply if the Borrower establishes to the satisfaction of the Fund that (i) such suspension, cancellation, termination or prematuring is not caused by the failure of the Borrower to perform any of its obligation under such agreement, and (ii) adequate funds for the Project are available to the Borrower from other sources on the terms and conditions consistent with the obligations of the Borrower under this Agreement.

Section 5.02. For the purposes of Section 7.01 of the General Conditions, the following event is specified pursuant to paragraph (d) thereof, namely that the event specified in Sub-Section (a) (ii) of Section 5.01 of this Agreement shall occur and persist within a period exceeding sixty (60) days from the date at which the Fund advises the Borrower of the said event occurrence.

ARTICLE VI
Effectiveness Date - Termination

The period of six months from the date of the signing of this Agreement is specified for the purposes of Section 12.04 of the General Conditions.



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ARTICLE VII

Representative of the Borrower, Addresses

Section 7.01. The Minister of Finance and Economic Development of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purpose of Section 11.01 of the General Conditions:

FOR THE FUND

The Saudi Fund for Development
P.O. Box 50483
Riyadh 11523

KINGDOM OF SAUDI ARABIA

Tel. : +966-11-2794000
fax : +966-11-4647450
E. Mail : info@sfd.gov.sa

FOR THE BORROWER

Ministry of Finance and Economic Development
Treasury Building, George Street, Freetown

THE REPUBLIC OF SIERRA LEONE

Tel. : +232 77 604 282, +232 76 610 968, +232 76 620 679
Telefax : +232 228 278
E. Mail : ekoroma@mofed.gov.sl
kawusukay@yahoo.co.uk
nuyaba@hotmail.com

FOR THE COLLEGE

Fourah Bay College
University of Sierra Leone
Freetown

THE REPUBLIC OF SIERRA LEONE

Tel. : +232 79 351 429, +232 76 435 599, +232 76 879 465
E. Mail : profgbamanja@yahoo.com, pm.badea@gmail.com

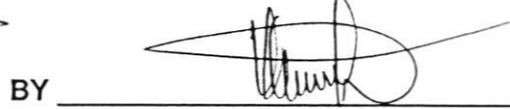


IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names, as of the day, month and year first above written, in two counterparts in Arabic language, each of which shall be an original, and a copy of the General Conditions in the Arabic language has been given to the Borrower.

FOR
THE SAUDI FUND FOR DEVELOPMENT

FOR
THE GOVERNMENT OF THE REPUBLIC
OF SIERRA LEONE

BY 

BY 

Hasan M. Alattas
General Director of Operation
Department

Kaifala Marah
Minister of Finance and Economic
Development.

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SCHEDULE NO.(1)
Withdrawal of the Proceeds of the Loan

A) The table below sets forth the categories of items to be financed out of the proceeds of the Loan, the allocation of the amount of the Loan to each category and the percentage of expenditures for items to be financed in each category:

Category	Amount of the Loan Allocated (Expressed in Saudi Riyals)	Percentage of Expenditures to be financed
1- Civil works (Part 1 of project).	39.592.000	36.4% of total expenditures
2- Unallocated.	5.408.000	
TOTAL	45.000.000	

B) Notwithstanding the provisions of Paragraph (A) above, no withdrawal shall be made in respect of:

- 1) Expenditures prior to the date of this Agreement;
- 2) Taxes levied by, or in the territory of the Borrower on goods or services, or on the importation, manufacture, procurement or supply thereof.

C) Notwithstanding the allocation of an amount of the Loan or the disbursement percentages set forth in the table in Paragraph (A) above, if the Fund has reasonably estimated that the amount of the Loan then allocated to the Category will be insufficient to finance the agreed percentage of all expenditures in that Category, the Fund may, by notice to the Borrower:

- (i) reallocate to such category, to the extent required to meet the estimated shortfall, proceeds of the Loan which are then unallocated and which in the opinion of the Fund are not needed to meet other expenditures and;
- (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the disbursement percentage then applicable to such expenditures in order that further withdrawals under the category may continue until all expenditures thereunder shall have been made.

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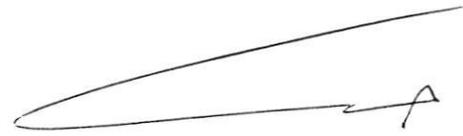




SCHEDULE NO.(3)
Amortization Schedule

Installment No.	Date of Payment	Amount of Installment Expressed in Saudi Riyals
1.	31 January 2026	1,125,000
2.	31 July 2026	1,125,000
3.	31 January 2027	1,125,000
4.	31 July 2027	1,125,000
5.	31 January 2028	1,125,000
6.	31 July 2028	1,125,000
7.	31 January 2029	1,125,000
8.	31 July 2029	1,125,000
9.	31 January 2030	1,125,000
10.	31 July 2030	1,125,000
11.	31 January 2031	1,125,000
12.	31 July 2031	1,125,000
13.	31 January 2032	1,125,000
14.	31 July 2032	1,125,000
15.	31 January 2033	1,125,000
16.	31 July 2033	1,125,000
17.	31 January 2034	1,125,000
18.	31 July 2034	1,125,000
19.	31 January 2035	1,125,000
20.	31 July 2035	1,125,000
21.	31 January 2036	1,125,000
22.	31 July 2036	1,125,000
23.	31 January 2037	1,125,000
24.	31 July 2037	1,125,000

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Installment No.	Date of Payment	Amount of Installment Expressed in Saudi Riyals
25.	31 January 2038	1,125,000
26.	31 July 2038	1,125,000
27.	31 January 2039	1,125,000
28.	31 July 2039	1,125,000
29.	31 January 2040	1,125,000
30.	31 July 2040	1,125,000
31.	31 January 2041	1,125,000
32.	31 July 2041	1,125,000
33.	31 January 2042	1,125,000
34.	31 July 2042	1,125,000
35.	31 January 2043	1,125,000
36.	31 July 2043	1,125,000
37.	31 January 2044	1,125,000
38.	31 July 2044	1,125,000
39.	31 January 2045	1,125,000
40.	31 July 2045	1,125,000
	TOTAL	45,000,000



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