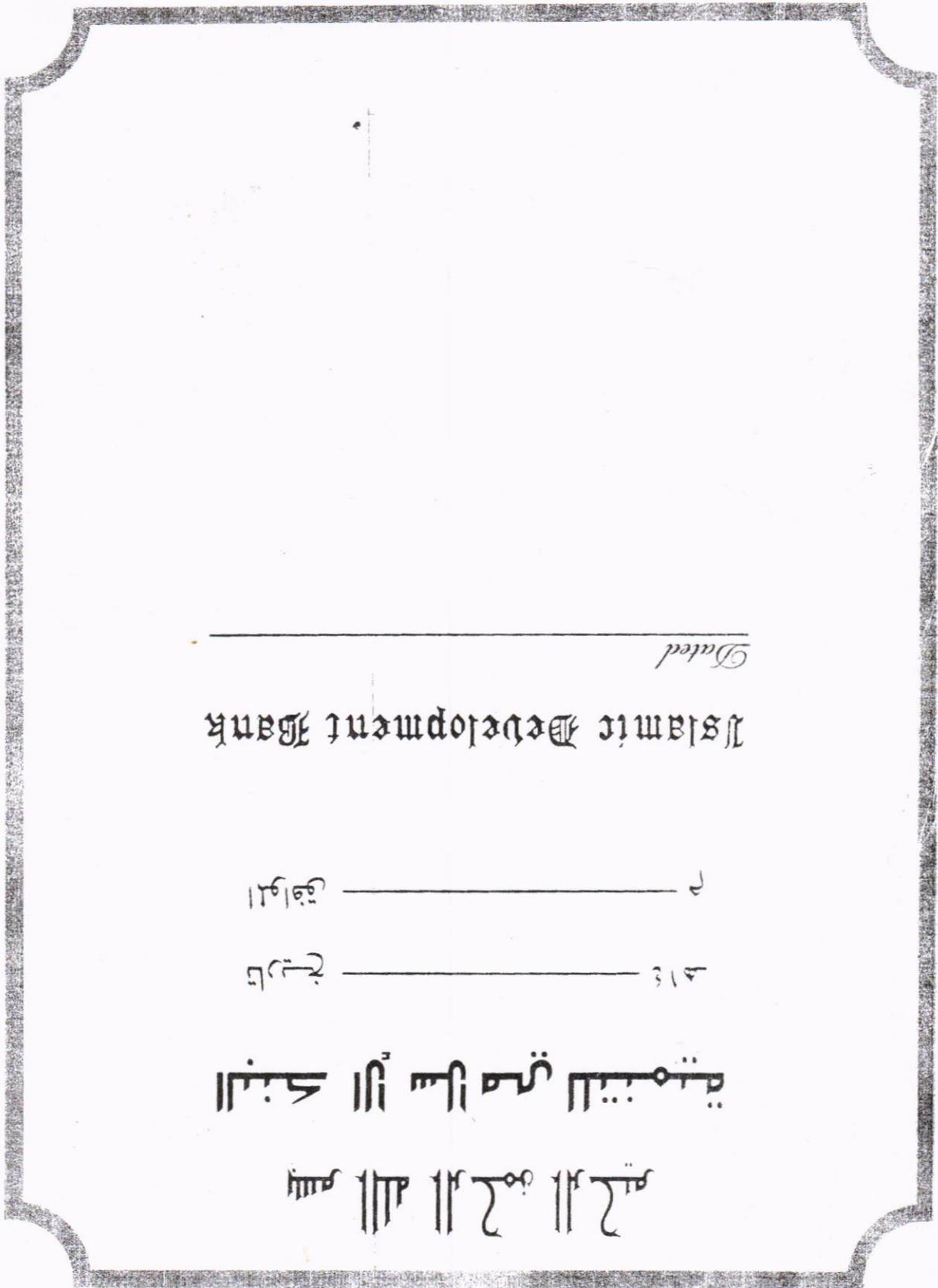


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LOAN AGREEMENT

BETWEEN

REPUBLIC OF SIERRA LEONE

AND

ISLAMIC DEVELOPMENT BANK
(IN ITS CAPACITY AS THE ADMINISTRATOR OF THE
ISLAMIC SOLIDARITY FUND FOR DEVELOPMENT)

REGARDING HEALTH SYSTEM STRENGTHENING PROJECT

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LOAN AGREEMENT

This Loan Agreement (the **Agreement**) is made on 17/05/2015 H corresponding to 17/05/2015G,

Between

The **Republic of Sierra Leone** (hereinafter referred to as the "**Borrower**")

And

The **Islamic Development Bank (IDB)** in its capacity as the administrator of the Islamic Solidarity Fund for Development (ISFD) (hereinafter referred to as the "**Bank**").

The Borrower and the Bank are hereinafter referred to individually as "**Party**" and collectively as "**Parties**".

Whereas,

- A. The Borrower has requested the Bank to assist in financing the Health System Strengthening as described in Annex-I;
- B. ISFD is a special fund within IDB for the purpose of financing different productive and service projects and programs that help in reducing poverty in member countries of the Organization of Islamic Cooperation (OIC); and
- C. The Board of Directors of ISFD has on 17/05/1436H (08/03/2015G) approved to make available a loan, as specified in Article-2, to the Borrower upon the terms and conditions hereinafter set forth; and

Now, therefore, the Parties agree as follows:

Article-1 GENERAL CONDITIONS, DEFINITIONS AND INTERPRETATIONS

- 1.1 The Parties accept all the provisions of the General Conditions with the same force and effect as if they were fully set forth herein.
- 1.2 Unless the context otherwise requires, the terms defined in the General Conditions and in this Agreement shall have the meaning ascribed to them wherever used in this Agreement. In addition, the following terms shall have the meaning ascribed to them:

Consultant: the individual consultant as well as any consulting firm selected in accordance with the provisions of this Agreement for the supervision of the implementation of the Project.

Disbursement Procedures: The effective "Disbursement Procedure" of the Bank as well as any amendment thereto.

Disbursement: any withdrawal from the Loan to cover the cost of the components financed in accordance with this Agreement.

Executing Agency:	the entity identified in Section 6.1 of the Agreement and responsible for the implementation of the Project for and on behalf of the Borrower.
First Disbursement:	the first Disbursement following the Effectiveness in accordance with this Agreement and the Disbursement Procedures.
General Conditions:	the "General Conditions Applicable to Loan and Guarantee Agreements" dated 08/11/1976 approved by the Board of Executive Directors of the Bank (BED Resolution No.47/BED/96/10(27)).
ISFD Operational Policies and Guidelines:	the operational "Policies Guidelines for the Islamic Solidarity Fund for Development" as approved by its Board of Directors (No.ISFD/1429H/BOD/02/(6)) in 2008G. In the event of any gap in the coverage of operational policies and guidelines, the pertinent policies and guidelines of IDB shall apply.
Loan/Loan Amount:	the amount, the Bank has agreed to lend to the Borrower as specified in Article-2.
Principal Amount:	the total Disbursements in accordance with this Agreement.
Procurement Guidelines:	the Bank's "Guidelines for Procurement of Goods and Services".
Project:	the project described in Recital-A above.
Sanctionable Practices:	any of Corrupt practice, Coercive practice, Collusive practice, Fraudulent practice or Obstructive practice: <ul style="list-style-type: none"> (i) Corrupt Practice: means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party; (ii) Coercive Practice: means any act or omission impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party. (iii) Collusive Practice: means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party. (iv) Fraudulent practice: means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation. (v) Obstructive Practice: means,

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- (a) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making of false statements to investigators, in order to materially impede the Bank investigation into allegations of a Corrupt, Fraudulent, Coercive or Collusive practice, and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or
- (b) acts intended to materially impede the exercise of the Bank's access to contractually required information in connection with the Bank's investigation into allegations of a Corrupt, Fraudulent, Coercive or Collusive practice.

Service Fee: the fee to cover the administrative expenses of the Bank in administering the Loan in accordance with Sections 3.02 of the General Conditions and 3.2 of this Agreement.

USD/USS/US Dollars: the lawful currency of the United States of America.

1.3 Interpretations:

- (i) an "annex", "schedule", shall, subject to any contrary indication, be construed as a reference to an annex, schedule of the agreement or document in which such reference appears;
- (ii) "including" shall be construed as a reference to "including, without limitation";
- (iii) this Agreement or any other agreement or document shall be construed as a reference to this Agreement or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, notated or supplemented;
- (iv) "Article", "Section", "paragraph", or "preamble" shall, unless a contrary indication appears, be construed as one in or to this Agreement;
- (v) the headings in this Agreement are for convenience only and are not intended, and shall not be construed, to alter, limit, or enlarge in any way the scope or meaning of the language contained in this Agreement;
- (vi) the singular includes the plural and vice versa; and
- (vii) a "day" and "year" shall be to a day, month and year, respectively of the Gregorian calendar.

Article-2 THE LOAN

2.1 The Bank shall make available to the Borrower a loan in an amount not exceeding US\$10,000,000.00 (United States Dollars Ten Million).

- 2.2 The obligation of the Bank to make the Loan available under this Agreement is conditional upon:
- (i) the effectiveness of this Agreement being achieved within 180 (One Hundred and Eighty) days from the date of this Agreement unless the Bank decides to extend this period; and
 - (ii) the submission of a request to make the First Disbursement within 180 (One Hundred and Eighty) days from the Date of Effectiveness or such later date as shall be agreed between the Borrower and the Bank.
- 2.3 Except as the Bank shall otherwise agree, Goods and services to be financed from the proceeds of the Loan shall be procured in accordance with the Procurement Guidelines. In this regard, the Borrower shall abide by the Regulations of the Organization of Islamic Cooperation concerning Boycott of Israel.
- 2.4 The Disbursement shall take place from the Date of Effectiveness and by no later than 31/12/2019 (the **Closing Date**). Any Disbursement request by the Borrower shall be in accordance with Schedule-C of Annex-II and other provisions of this Agreement, the General Conditions and the Disbursement Procedure.
- 2.5 All the amounts withdrawn by the Borrower from the Loan shall be used solely for the purpose of the Project.
- 2.6 Subject to Section 2.7, all payments for Goods and services provided for under this Agreement shall be made by direct payment in accordance with the Disbursement Procedures.
- 2.7 If and where applicable, a Special Account [*****] will be opened with the central bank of the Borrower or in a local commercial bank acceptable to the Bank for easy and timely disbursement of the Project. Choose an item of the Special Account and other matters shall be in accordance with the Guidelines for Opening a Special Account..

Article-3 PAYMENT OF PRINCIPAL AMOUNT AND SERVICE FEE

- 3.1 The Borrower shall repay the Principal Amount in 30 (Thirty) years including a 10 (Ten) years grace period commencing from the date of this Agreement in US Dollars and in 40 (Forty) consecutive semi annual installments as set forth in Schedule-A of Annex-II.
- 3.2 The Borrower shall pay to the Bank a Service Fee of an amount estimated initially at US\$300,000.00 (United States Dollars Three Hundred Thousand) in the manner set forth in Schedule-B of Annex-II. The Service Fee will be payable from the date of this Agreement and shall be calculated and levied in accordance with Bank's Guidelines for Calculation and Levy of Service Fee on Loans.
- 3.3 The amount of the Service Fee referred to in Section 3.2 is an estimation based on the assumption of the implementation period and the period of disbursement of the Loan Amount as herein envisaged. The actual amount of the Service Fee shall be calculated after the implementation of the Project, provided that the amount shall not exceed 0.75 (zero point seventy five percent) of the Loan Amount when calculated on annual basis.

- 3.4 Any payment under this Agreement, including repayments of the Principal Amount and Service Fee, shall be considered duly made when funds constituting such payments are credited to an account indicated for this purpose by the Bank.
- 3.5 Without prejudice to the generality of the provisions of ~~Section~~ 3.4, any payment hereunder shall be deemed to have been duly made when either of the following banks confirms the receipt of such payment to the Bank.

Bank:	Gulf International Bank (UK) London
Currency:	US Dollars
IBAN No:	GB77 SINT 60928000159149 PAF
Account No:	000111058
Swift:	SINTGB2L
Correspondent:	HSBC Bank USA, New York
Swift(USD Correspondent):	MRMDUS33

- 3.6 If any payment becomes due on a day on which the banks are not officially open for business in the place where payment is to be effected by the Borrower in the currency concerned, such payment shall be made on the following day on which such banks are open for business.
- 3.7 If the Borrower fails to pay any amount payable hereunder when it is due, the Borrower, in addition to the amount due, shall,
- (a) in accordance with the Principles of Islamic Shari'ah, compensate the Bank for any loss, damage, reasonable actual costs and expenses (including, but not limited to any legal, or collecting agent's costs and expenses) incurred by the Bank as a result of delay in payment to the Bank.
- (b) pay the Bank a late payment charge in respect of the overdue amount, any such late payment charge shall be calculated and applied as a sum determined by the Bank after applying the formula indicated below:

$$\frac{A \times B \times C}{360}$$

Where: "A" means the unpaid amount;
 "B" means 01% per annum; and
 "C" means the number of days from and including such due date to, and, including the date of actual payment (whether before or after judgment).

The Bank shall, after the deduction of all actual costs and expenses incurred, pay any amount received pursuant to this Article to the Bank's Waqf Fund Account.

Account No: 0000 100 102
Bank Name: The British Arab Commercial Bank
SWIFT Code: BACMGB2L
IBAN: GB69 BACM 4051 3200 100 102

Article-4 DECLARATION OF EFFECTIVENESS

This Agreement and the obligations of the Bank hereunder shall not be effective until and unless the Borrower provides documents to the satisfaction of the Bank relating to the following:

- (i) Evidence that the execution and delivery of this Agreement on behalf of the Borrower have been duly authorized or ratified by the competent authorities of the Borrower;
- (ii) Legal opinion acceptable to the Bank emanating from the chief legal and/or judiciary authority of the Borrower stating that the provisions of the Agreement constitute enforceable binding obligations upon the Borrower substantially in the form provided in Annex-III to this Agreement;
- (iii) (a) A letter issued by the Ministry of Finance or any other duly authorized organ of the Borrower to the central bank of Sierra Leone instructing/authorizing the central bank that payment of the Principal Amount and the Service Fee installments by the Borrower under this Agreement shall be effected by the central bank on the dates on which they fall due; and

The central bank acknowledging that it has received the said letter of instruction/authorization and that it will adhere to the instructions contained therein;

OR

The Borrower, through its Ministry of Finance or any other duly authorized organ, shall provide the Bank with a letter confirming that the concerned department or unit charged with servicing external debt has been instructed to make payment of the Principal Amount and the Service Fee installments on due dates; and

- (iv) All conditions precedent to the Borrower's right to obtain funds under any other loan (other than the effectiveness of this Agreement) shall have been fulfilled.

Article-5 SUSPENSION, CANCELLATION AND TERMINATION

5.1 The Bank may upon notice to the Borrower terminate this Agreement and all obligations of the Parties if, in accordance with Article 2.2 and subject to the exceptions provided therein:

- (i) the Agreement has not been declared effective within 180 (One Hundred and Eighty) days from the date of this Agreement unless the Bank decides to extend this period; or
- (ii) The Borrower has not submitted a request for First Disbursement within 180 (One Hundred and Eighty) days from the Date of Effectiveness unless the Bank decides to extend this period.

5.2 In addition to the provisions of Article-VI of the General Conditions, the Bank may, by notice to the Borrower, suspend and/or cancel the Loan or any part thereof, if at any time, with respect to the implementation of the Project, including with respect to the procurement or execution of any contract concluded by virtue of this Agreement, the Bank determines that any person or entity has engaged in Sanctionable Practices without the Borrower having taken timely and appropriate action satisfactory to the Bank to remedy the situation or to address such practices when they occur.

Article-6 EXECUTION OF THE PROJECT

- 6.1 The Ministry of Health and Sanitation (MoHS) shall be the Executing Agency.
- 6.2 The implementation of the Project shall be completed within 48 (Forty Eight) months from the Date of Effectiveness.
- 6.3 The Borrower undertakes to:
- (i) implement the Project and to conduct its operations and affairs through the Executing Agency with due diligence and efficiency and in accordance with sound administrative, financial, engineering and economic practices, under the supervision of qualified and experienced management and personnel and in accordance with the Bank's approved budgets, plans and specifications concerning the Project approved by the Bank;
 - (ii) ensure or cause to be ensured that, all contractors and consultants providing Goods or carrying out works and/or services under the Project carry out their activities under the Project with due diligence and efficiency and in accordance with sound, technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including with the provisions of any anti-corruption guidelines applicable to the Borrower;
 - (iii) make appropriate arrangements so that the Executing Agency will at all times function under rules and regulations in form and substance satisfactory to the Bank and have such powers, management and administration as are necessary for the diligent and efficient implementation of the Project.
 - (iv) submit to the Bank for its approval, in such detail as the Bank may reasonably request, any envisaged important modifications to the budget, plans and specifications of the Project as well as any substantial changes in any contract for services or procurement of Goods relating to the execution of the Project.
 - (v) ensure that the proceeds from the Loan shall not be used to finance any expenditure with respect to which the Bank determines that Sanctionable Practices were engaged in by representatives of the Borrower or other recipient of the proceeds from the Loan, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur.

Article-7 REPRESENTATIONS

The Borrower represents that:

- (i) all governmental authorizations and actions of any kind necessary to authorise or required for the validity or enforceability of the obligations contemplated under the Agreement have been obtained or performed and are valid and subsisting in full force and effect.
- (ii) under the laws of Sierra Leone in force at the date of this Agreement, the claims of the Bank against the Borrower under this Agreement will rank at least *pari passu* with the claims of all other unsecured creditors for any indebtedness of the Borrower; and

- (iii) the concerned department or unit charged with servicing external debt has been instructed to make payment of the Principal Amount and the Service Fee instalments on due dates.

Article-8 PARTICULAR COVENANTS

- 8.1 The Borrower shall make available promptly, as needed, all sums including amounts necessary for local currency cost which shall be required for the implementation of the Project, on terms and conditions satisfactory to the Bank. Without prejudice to the generality of the foregoing, the Borrower undertakes to provide from its own resources the necessary funds for adequate operation and regular maintenance of the Project after completion thereof.
- 8.2 Except as the Bank shall otherwise agree and provided that the Procurement Guidelines are followed, the Borrower shall award contracts for procurement of Goods and services financed from the proceeds of the Loan as follows:
- i) The civil works contract will be procured through the National Competitive Bidding (NCB)
 - ii) Consultancy Services (Supervision) and Establishing a Referral System will be selected on the basis of short-listing of consultancy firms/consultants from IDB Member countries.
 - iii) The supplier for furniture/medical equipment including vehicles and skills lab for midwifery training school will selected from a short-listing of National Suppliers.
 - iv) Training of Obstetricians: The facilities (Universities) for training will be selected from Regional Universities with preference to universities in IDB Member countries in the Region.
 - v) Training of Community Health Workers (CHW): UNICEF will be entrusted to implement this sub-component as part of its ongoing community level program.
 - vi) The selection of the Auditor will be on the basis of short list of local certified auditing firms, through Least Cost Selection (LC) method as described in IDB Guidelines for the Use of Consultants.
 - vii) Office equipment/furniture for PMU will be procured through National Shopping.
 - viii) The PMU staff will be recruited through selection from the local market as per IDB's procedures. The office equipment and furniture for the PMU will be procured through National Shopping.
- 8.3 The Borrower shall seek the prior approval of the Bank for the awarding of:
- (i) any contract for Goods and works with value exceeding the equivalent of ID150,000.00 (Islamic Dinars One Hundred Fifty Thousand); and
 - (ii) all contracts for consultancy services.

- 8.4 Without any limitation or restriction upon any of its other obligations under this Agreement, the Borrower shall allow the Bank a reasonable time period to comment on any substantial changes to be made to any contract for services or procurement of Goods relating to the execution of the Project, including any extension of the contract period.
- 8.5 The Borrower shall ensure, or cause to be ensured, that anti-corruption and anti-fraud provisions acceptable to the Bank are included in all bidding documents and contracts, including provisions specifying the right of the Bank to audit and examine the records and accounts of the executing and implementing agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project.
- 8.6 The Borrower shall promptly furnish the Bank with approved studies of, and the plans and specifications for, the Project, the schedule of its execution and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.
- 8.7 The Borrower shall establish and maintain adequate records to:
- (i) identify the Goods and/or services financed from the proceeds of the Loan Amount and disclose their use in the Project;
 - (ii) record the progress of the Project; and
 - (iii) reflect in accordance with consistently maintained sound accounting practices, the operations and financial position of the Executing Agency.
- 8.8 The Borrower shall, during the implementation of the Project and until fulfilling all its obligations hereunder, afford all reasonable opportunity for accredited representatives of the Bank to make visits and inspect the Project, the Goods and any relevant records and documents in relation thereto; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds from the Loan, the Project, the Goods and the operations and financial position of the Executing Agency.
- 8.9 The Borrower shall take out or shall cause to be taken out adequate insurance from reputable insurers acceptable to the Bank for all Goods and works financed by the Bank. Such insurance shall cover marine, transit and other risks incidental to purchase and importation of the Goods into the territory of the Borrower and delivery thereof to the site of the Project, and shall be for such amounts, as are consistent with sound commercial practices. Such insurance will be made in accordance with applicable laws on the understanding that the proceeds of insurance will be paid in the currency of the contract or in a freely convertible currency in accordance with the Procurement Guidelines.
- 8.10 The Borrower shall make available, as and when needed, all such land and rights in respect of land as shall be required for carrying out the Project and shall furnish to the Bank, at its request, evidence satisfactory to the Bank that such land and rights in respect of land are available for purposes related to the Project.

- 8.11 The Borrower shall take all action which shall be necessary on its part to enable the Executing Agency to implement the Project and shall not take, or permit to be taken any action which would prevent or interfere with the implementation or operation of the Project or the performance of any obligations under this Agreement.
- 8.12 Unless otherwise decided by the Bank, the Borrower shall consider as confidential all documents, correspondence, and information provided by the Bank to the Borrower.
- 8.13 All taxes, charges, fees and duties related to the Bank's financing of the Project shall be borne by the Borrower.
- 8.14 The Borrower shall ensure that there is no funding gap for the Project and shall be responsible for all cost overruns.
- 8.15 The Borrower shall ensure that in the implementation of the Project, the Bank's participation is acknowledged by, amongst other measures, sign-postings at all sites, and with printing on all equipment and documents, the following phrase and its translation in all languages used and understood in the locality of the Project.

“Project Financed by the Islamic Solidarity Fund for Development”

Article-9 REPORTS

- 9.1 The Parties shall cooperate fully and share information in order to ensure that the proceeds from the Loan are utilized for the purposes of accomplishing the Project. To this end, each Party shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan and the Project. On the part of the Borrower, such information shall include information with respect to financial and economic conditions, including the balance of payments position of the Borrower.
- 9.2 (i) The Borrower shall submit or ensure submission, , to the Bank, to the latter's satisfaction and at the times specified for each, the following reports:
- (a) within 30 (Thirty) days after the end of each quarter, or within such other period as the Parties may agree, a report on the execution of the Project in such manner as the Bank may, from time to time, specify;
 - (b) such other reports as the Bank may reasonably request regarding the application of the proceeds from the Loan and the progress of the Project;
 - (c) promptly after completion of the Project, but in any event not later than 180 (One Hundred and Eighty) days after the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Bank, the Borrower shall prepare and furnish to the Bank a completion report, of such scope and in such detail as the Bank shall reasonably request, on the execution and initial operation of the Project.
- (ii) The documents described in this Section shall be certified at the option of the Bank, in such manner as the Bank may reasonably require.

Article-10 SETTLEMENT OF DISPUTES

- 10.1 In the event of a dispute arising out of or relating to this Agreement, including any question regarding its existence, validity or termination and any claim by any Party against the other Party arising under this Agreement, which could not be determined by agreement of the Parties within 30 (Thirty) days of notice by one Party to the other, shall be submitted to an arbitration panel for final and binding decision in accordance with the rules and procedures of the International Islamic Centre for Reconciliation and Arbitration (IICRA), Dubai, United Arab Emirates. The arbitration rules and procedures of IICRA shall be in lieu of any other procedure for the determination of disputes between the Parties to this Agreement or any claim by any Party against the other Party arising thereunder.
- 10.2 If within 30 (Thirty) days after counterparts of the award shall have been delivered to the Parties, the award is not complied with, any Party may enter judgment upon, or institute a proceeding to enforce the award, in any court of competent jurisdiction against the other Party, may enforce such judgment by execution or may pursue any other appropriate remedy against the other Party for the enforcement of the award or the provisions of this Agreement.
- 10.3 Each Party to this Agreement agrees that any judgment rendered under this Agreement against it may be executed against its funds (assets) in any jurisdiction. The Parties hereby irrevocably waive any objection they may have to any suit, action or proceeding arising out of or relating to the enforcement of an arbitration judgment under this Agreement, whether brought in any jurisdiction in which they have funds (assets), and hereby further irrevocably waive any claim that any such suit, action or proceeding brought in any jurisdiction have been brought in any inconvenient forum.
- 10.4 To the extent that the Bank may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid or execution, before award or judgment or otherwise) or other legal process or to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), the Borrower hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity.

Article-11 CO-ORDINATION AND NOTICES

- 11.1 The Borrower hereby appoints The Minister of Finance and Economic Development as the authorized representative of the Borrower (the **Borrower's Representative**) for the purposes of Section 10.03 of the General Conditions and on all matters under this Agreement and for all intents and purposes without limitation; accordingly, the Borrower's Representative shall:
- (i) directly deal with the Bank.
 - (ii) be directly responsible for fulfilling the obligations incumbent on the Borrower by virtue of this Agreement;
 - (iii) be directly responsible for communicating with the Bank on all matters pertaining to the implementation of this Agreement; and

- (iv) at all times, conduct proper and efficient coordination and cooperation, and ensure that the Borrower and the Executing Agency carry out their duties hereunder.
- 11.2 The Borrower may change the Borrower's Representative hereunder by giving written notice to the Bank.
- 11.3 Any notice, request, consent, approval or other communication to be given or made under this Agreement and for the purpose of Section 10.01 of the General Conditions shall be in writing and shall be deemed to have been duly given when delivered by hand, airmail, established courier service, or facsimile to the Party to which it is given at such Party's address specified below or at such other address as such Party shall have designated by notice to the Party giving such notice, request or communication.

For the Borrower:

Ministry of Finance and Economic Development
Treasury Building, George Street Freetown
Republic of Sierra Leone
Tel: +232 22 222211 / 225826
Fax: +232 22 228355 / 228472

For the Bank:

8111 King Khalid St.
A1 Nuzlah A1 Yamania Dist.
Unit No.1
Jeddah 22332-2444
Kingdom of Saudi Arabia
Tel: +966 12 6361400
Fax: +966 12 6366871
Email: archives@isdb.org

Article-12 MISCELLANEOUS

- 12.1 The recital and the annexes are an integral part of this Agreement.
- 12.2 This Agreement, including any amendments, may be executed in counterparts, which shall, in all cases, constitute a single agreement. Copies of this Agreement will be equally binding as originals and faxed or scanned and emailed counterpart signatures will be sufficient to evidence execution, though the Parties may require original signed documents to be delivered.
- 12.3 This Agreement is the entire agreement and supersedes any prior oral or written agreement or communications between the Parties regarding its subject matter. The provisions of this Agreement are severable so that if any provision is found to be invalid, illegal or unenforceable, such finding shall not affect the validity, construction or enforceability of any remaining provision.
- 12.4 This Agreement may only be amended by a mutual written agreement of the Parties.
- 12.5 The date of this Agreement shall, for all purposes of this Agreement, be that appearing in the Preamble.

[END OF ARTICLES]

Execution Page

IN WITNESS WHEREOF, the Parties, through their duly authorized representatives, have signed this Agreement on the date first above written.

FOR AND ON BEHALF OF
REPUBLIC OF SIERRA LEONE



FOR AND ON BEHALF OF
ISLAMIC DEVELOPMENT BANK
(IN ITS CAPACITY AS THE ADMINISTRATOR OF THE
ISLAMIC SOLIDARITY FUND FOR DEVELOPMENT)



THE PROJECT

1. Objectives and Rationale:

The overall objective of the project is to contribute to the realization of one of the main targets of the National Health Sector Strategic Plan of reducing maternal and neonatal mortality through strengthening the health system. The specific objective of the project is to improve the access to and quality of maternal health care services both at community and facility levels.

The project is aligned with the National Health Sector Strategic Plan (2010-2015) which identifies delivering quality health services and developing the human resources for health among its core strategies for ensuring equitable and affordable health care services to all citizens. The Project particularly complements the "Agenda for Prosperity" (2013-2018) of the National Development Plan and is in synergy with the "Free Healthcare Initiative" of H.E. the President of the Republic of Sierra Leone

2. Scope:

The project scope consists of: (i) Constructing and equipping an Midwifery Training School (MTS); (ii) Constructing and equipping new Emergency Obstetric and Neonatal Care (BEmONC) facilities; (iii) Equipping existing BEmONCs; (iv) equipping the School of Clinical Sciences (SCS); (v) Training Community Health Workers (CHWs), Midwives, Community Health Officers (CHOs) and Obstetricians; (v) Establishing a 'Family Radio' for sensitizing the community on maternal and child health; (vi) Establishing a referral system among health facilities and (vii) Supporting Project Management.

3. Key expected results

The project will establish and equip, by the end of 2019, 2 new BEmONCs and equip 8 existing BEmONC facilities, establish an MTS and will improve the referral system among healthcare facilities at different levels of the health care system. The project will also equip the SCS in Kenema District and will support the training and management of 200 CHWs, 280 Midwives, 200 CHOs and 10 Obstetricians. Through these activities, the project will directly benefit more than 300,000 inhabitants of Koinadugu District and its neighboring Districts and the whole population of the country at large.

4. Project Components: The Project comprises the following main components:

Component 1: Capacity Building for Maternal and Child Health (MCH):

Different cadres of the human resources for health posted at all levels of the health care delivery tier will be trained under this component. These include:

- (a) *CHWs*: 200 CHWs will be trained using the standard training package jointly developed by the MoHS and UNICEF. The trained CHWs will be equipped with a kit that will include, among others, Rapid Malaria Diagnostic Test (RDT), Respiratory rate counter, anti-pain medications and standard formats, referral slips & logbooks. This subcomponent will also cater for the refresher trainings, on job coaching sessions and

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review meetings for the CHWs' program. Recognizing the scattered population and the tough terrain of Koinadugu District, transportation facilities (bicycles and motorbicycles) will also be included in the package. The 200 CHWs will join the already actively engaged 800 CHWs in the District under the Program.

- (b) *Midwives*: 70 midwives will be admitted biannually to the MTS in Kenema throughout the life of the project and about 280 will graduate in the coming 4 years. The MTS will be equipped with furniture and equipment including teaching aids and skills lab. The sub-component will also finance 2 Nos. buses (1 for students and 1 for the faculty). It will also establish a modern library, which will include electronic library. The MTS will also be furnished with internet services.
- (c) *CHO₁₀*: 200 CHOs will be trained at the SCS in Makeni. In addition to equipping the SCS including teaching aids and skills lab, this sub-component will finance the tuition and transportation fee for the CHOs. The sub-component will also establish a modern library, which will include electronic library. The School will also be furnished with internet services.
- (d) *Obstetricians*: 10 medical doctors (6 females and 4 males) who will meet the criteria that will be jointly prepared by the MoHS and IDB will be trained in Obstetrics and Gynecology. The sub-component will cover the cost of transport, tuition-fee, living expenses and books for the trainees. The trainees will sign an agreement to serve for at least 5 years after graduation in the districts assigned by the MoHS.
- (e) *Establishment of Referral System*: Under this sub-component, a consultant will be hired to devise a full-fledged referral-counter referral mechanism among the 10 BEmONCs and the District Referral Hospital (CEmONC) in Koinadugu. The system to be established will have a central database and electronic data capturing mechanisms. The resources needed for ensuring the full functionality of the system such as ambulances (1 to be based at each of the two new BEmONCs and 3 to be based at the CEmONC and serve the remaining 8 BEmONCs), Very High Frequency (VHF) radios, computers, log books, referral slips, etc. will also be covered under this sub-component.

Component 2: Infrastructure Development:

Under this component, training as well as health facilities will be constructed, equipped and/or upgraded to enhance access and quality of the service delivery.

- (a) *BEmONCs*: Two new Centers will be constructed as per the National standard, which was developed based on the WHO specifications. Accordingly, each Center will have, among others, reception & waiting area, MCH & CHO consulting rooms, delivery and recovery rooms, treatment room, drug & food stores, EPI ward, dispensary, etc. and will be built over an area of 313 m². The cost of the civil works is estimated at US\$ 766/m². The cost of the civil works of the Center is based on the cost of similar facilities that were financed by the MoHS and donors and were completed in 2012/2013. This sub-component will also finance equipping of the two new facilities as well as eight additional BEmONC Centers (which have already been upgraded by the MoHS in 2012-2013 under external financing) in Koinadugu District. Inputs for ensuring uninterrupted electricity and water supplies to the new BEmONCs such as solar panel and borehole are also part of the infrastructure development.
- (b) *Establishment of MTS with Student and Staff Hostel*: Under this component, a new Midwifery Training School (MTS) will be established in the Kenema district. The GoSL will renovate the existing facility (originally built for TEVT School under

the financial support of the African Development Bank but not utilized for the last four years). In this regard, the Mayor of Kenema has already expressed his commitment to give the TEVT School to the MoHS to be refurbished and converted into Midwifery Training School. In addition to refurbishing the facility, a hostel that can accommodate more than 200 student with facilities for recreation, canteen, library, skill lab and multipurpose auditorium will also be constructed under IDE financing. This sub-component will also finance the construction of staff accommodations. The student and staff accommodation facilities will have a total built up area of 3,282 m² and 830 m², respectively. The cost per sq. meter is estimated at US\$ 500 based on the review of similar constructions undertaken by the MoHS.

Component 3: Community Sensitization:

This component will finance the establishment of a 'Family Radio' station which will be dedicated to broadcasting maternal and child health related issues. The station will be located in the MTS and will be operated by the Midwives and the faculty. This component will finance the acquisition of all FM transmitters, RF amplifiers, Audio duplicators, etc. The Family Radio will not only help broadcast programs related to maternal and child health, it will also become an important communication channel for MoHS to reach out to the community for various health related campaigns. The radio station will be based and run by MTS which has health communication specialists. The midwives, as part of their training, will prepare and broadcast maternal and child health related topics under the direct supervision of the communication specialists.

Component 4: Support to Project Management:

- (a) *Support to Project Management (PMU):* The central Project Management Unit (PMU)-the Integrated Health Programs Administration Unit (IHPAU) will be strengthened in terms of manpower, skill mix and equipment under this component. Project start-up, mid-term review and completion workshops will be arranged. Moreover, selected members of the Executing Agency (EA)/IHPAU will visit the IDB Headquarters for orientation on the Bank's procurement and disbursement procedures. Moreover, the IHPAU, being a member of the Project Steering Committee (PSC) in the MoHS, will be supported by the following Directorates: Reproductive and Child Health; Planning, Policy and Information; Primary Health Care; Training, Hospital Management and Laboratory Services.
- (b) *Consultancy Services:* Project supervision consultant will be hired to follow up the day-to-day execution of the construction work for the two BEmONCs, the MTS and the SCS.
- (c) *Financial Audit:* An accredited national financial auditing firm will be hired to review the project financial statement and submit financial audit reports to the IDB on annual basis.

Semi Annual Instalments	Date	Principal Instalments	Total Instalments
1	31/12/2026	250,000.00	250,000.00
2	30/06/2026	250,000.00	250,000.00
3	31/12/2027	250,000.00	250,000.00
4	30/06/2027	250,000.00	250,000.00
5	31/12/2028	250,000.00	250,000.00
6	30/06/2028	250,000.00	250,000.00
7	31/12/2029	250,000.00	250,000.00
8	30/06/2029	250,000.00	250,000.00
9	31/12/2030	250,000.00	250,000.00
10	30/06/2030	250,000.00	250,000.00
11	31/12/2031	250,000.00	250,000.00
12	30/06/2031	250,000.00	250,000.00
13	31/12/2032	250,000.00	250,000.00
14	30/06/2032	250,000.00	250,000.00
15	31/12/2033	250,000.00	250,000.00
16	30/06/2033	250,000.00	250,000.00
17	31/12/2034	250,000.00	250,000.00
18	30/06/2034	250,000.00	250,000.00
19	31/12/2035	250,000.00	250,000.00
20	30/06/2035	250,000.00	250,000.00
21	31/12/2036	250,000.00	250,000.00
22	30/06/2036	250,000.00	250,000.00
23	31/12/2037	250,000.00	250,000.00
24	30/06/2037	250,000.00	250,000.00
25	31/12/2038	250,000.00	250,000.00
26	30/06/2038	250,000.00	250,000.00
27	31/12/2039	250,000.00	250,000.00
28	30/06/2039	250,000.00	250,000.00
29	31/12/2040	250,000.00	250,000.00
30	30/06/2040	250,000.00	250,000.00
31	31/12/2041	250,000.00	250,000.00
32	30/06/2041	250,000.00	250,000.00
33	31/12/2042	250,000.00	250,000.00
34	30/06/2042	250,000.00	250,000.00
35	31/12/2043	250,000.00	250,000.00
36	30/06/2043	250,000.00	250,000.00
37	31/12/2044	250,000.00	250,000.00
38	30/06/2045	250,000.00	250,000.00
39	31/12/2045	250,000.00	250,000.00
40	30/06/2046	250,000.00	250,000.00
		10,000,000.00	10,000,000.00

Schedule-A

Tentative Loan Repayment Schedule

Schedule-B		
Payment of Service Fee		
Number	Date	Amount (USD)
1	31/12/2015	25,000.00
2	30/06/2016	25,000.00
3	31/12/2016	25,000.00
4	30/06/2017	21,750.00
5	31/12/2017	21,750.00
6	30/06/2018	21,750.00
7	31/12/2018	21,750.00
8	30/06/2019	34,000.00
9	31/12/2019	34,000.00
10	30/06/2020	34,000.00
11	31/12/2020	3,600.00
12	30/06/2021	3,600.00
13	31/12/2021	3,600.00
14	30/06/2022	3,600.00
15	31/12/2022	3,600.00
16	30/06/2023	3,600.00
17	31/12/2023	3,600.00
18	30/06/2024	3,600.00
19	31/12/2024	3,600.00
20	30/06/2025	3,600.00
Total:		300,000.00

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Schedule C: Withdrawal of Proceeds for the Loan

(US\$)

Component	ISFD	GoSL	Total
Component I: Capacity Development for MCH			
1. Training of Community Health Workers	450,000	90,000	540,000
2. Training of Community Health Officers	1,400,000	231,400.0	1,631,400
3. Training of Obstetricians	450,000	0	450,000
4. Establishment of Referral System in Koinadugu	517,000	0	517,000
Subtotal for Component I			
	2,817,000	321,400	3,138,400
Component II: Infrastructure Development			
1. Construction of 2 new BEMONCs	699,515*	0	699,516
2. Construction of Hostel for midwives	1,641,000	0	1,641,000
3. Construction of Hostels for Faculty of MTS	415,000	0	415,000
4. Equipping of library and skill lab (SCS)	410,000	0	410,000
5. Construction of Boundary wall for MTS	0	465,000	465,000
6. Rehabilitation of existing buildings for MTS	0	120,000	120,000
7. Equipping of the MTS's Library, Skills lab and hostels	1,250,713	0	1,250,713
8. Equipping of the 10 BEMONCs	240,750	0	215,349
Subtotal for Component II			
	4,656,987	585,000	5,241,987
Component III: Community Sensitization			
1. Establishment of 'Family Radio' Station	214,600.00	0	214,600.00
Subtotal for Component III			
	214,600.00	0	214,600.00
Component IV: Support to Project Management			
1. IHPAU Capacity building and operations	982,332	93,600	1,075,932
2. Supervision Consultant	340,000	0	340,000
3. Project start up Workshop and familiarization visit	20,000	0	20,000
4. Project Financial Audit	60,000	0	60,000
Subtotal for Component IV			
	1,402,332	93,600	1,495,932
Base total	9,090,910	1,000,000	10,090,910
Contingency (10%)	909,090	100,000	1,009,090
Grand Total	10,000,000	1,100,000	11,100,000
Percentage Contribution			
	90%	10%	100%

Annex-III FORM OF LEGAL OPINION OF THE BORROWER'S CHIEF LEGAL AND/OR JUDICIAL AUTHORITY

[TO BE PROVIDED ON THE LETTERHEAD]

Islamic Development Bank
P.O. Box: 5925, Jeddah 21432
Kingdom of Saudi Arabia

Dear Sirs,

In my capacity as the chief legal and/or judicial authority of [*****], under the powers vested in me under the laws of [*****], I hereby certify that this document constitutes the Legal Opinion issued in relation to Article-4 of the Loan Agreement dated ___/___/___H (___/___/___G) entered into between [*****] and the Islamic Development Bank in its capacity as the administrator of the Islamic Solidarity Fund for Development (the "Bank") (the "Loan Agreement") for financing [*****] (the "Project") in an amount not exceeding [*****].

For the purpose of this Legal Opinion, I have examined,

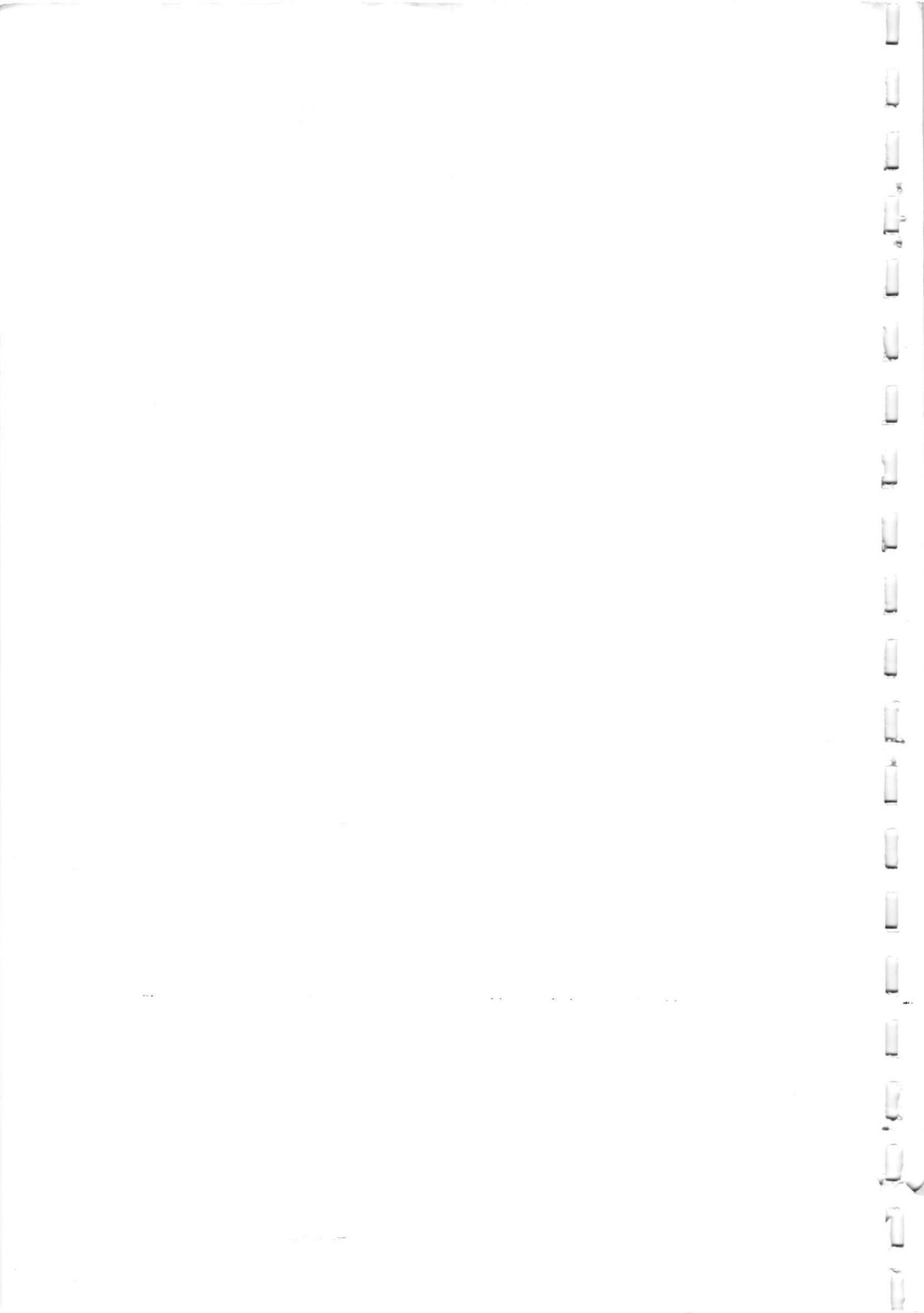
- (i) the Loan Agreement;
- (ii) the authorization to enter into and sign the Loan Agreement;
- (iii) all laws, rules, regulations, orders, decrees and the like of [*****]; and
- (iv) such other documents and instruments as I deemed necessary.

Accordingly, I am of the opinion that the Loan Agreement signed for and on behalf of [*****] by [*****]

- (a) has been duly authorized, executed, delivered and ratified in accordance with applicable governmental and/or legislative procedures;
- (b) does not violate any provision of the Constitution, any law, rule, regulation, order or decree of [*****]; and
- (c) constitute legal valid and binding obligations of [*****] enforceable against the [*****] in accordance with the terms and conditions stipulated in the said Agreement.

DONE at [*****] on ___/___/___H (corresponding to ___/___/___G).

Yours truly,
Signature| Name| Designation



Dated

Islamic Development Bank

_____ ۲
الوافق

_____ ۳۱۴
تاريخ

بسم الله الرحمن الرحيم
الحمد لله رب العالمين
والصلاة والسلام على سيدنا محمد
النبينا والبرقاني