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OFID The OPEC Fund for International Development

LOAN NO. 2466P

REHABILITATION OF BO – BANDAJUMA ROAD PROJECT

LOAN AGREEMENT

BETWEEN

THE REPUBLIC OF SIERRA LEONE

AND

THE OPEC FUND FOR
INTERNATIONAL DEVELOPMENT (OFID)

DATED

JUNE 14, 2016





AGREEMENT dated June 14, 2016 between the Republic of Sierra Leone ("Borrower") and the OPEC Fund for International Development ("OFID").

Whereas the Borrower has requested a loan from OFID for part financing of the Project described in Schedule 1;

And whereas OFID has approved a loan to the Borrower in the amount of twenty million Dollars (\$20,000,000) upon the terms and conditions set forth hereinafter ("Loan");

Now, therefore, the parties to this Loan Agreement ("Agreement") hereby agree as follows:

Article 1

GENERAL CONDITIONS; DEFINITIONS

1.01 The General Conditions attached hereto shall constitute an integral part of this Agreement.

1.02 In addition to the terms defined in the preamble, the following terms and expressions shall have the following meanings or, where they duplicate terms and expressions in the General Conditions, the following specific meanings:

- (a) "Authorized Representative" of the Borrower means its Minister of Finance and Economic Development;
- (b) "Closing Date" means March 31, 2021;
- (c) "Dollar" and the sign "\$" each mean and refer to the lawful currency of the United States of America;
- (d) "Eligible Expenditure Commencement Date" means March 17, 2016;
- (e) "Executing Agency" means the Sierra Leone Roads Authority;



- OFID THE SPECIAL FUND FOR INTERNATIONAL DEVELOPMENT
- (f) "General Conditions" means OFID General Conditions Applicable to Public Sector Loan Agreements, December 2007;
 - (g) "Grace Period" means the period beginning on June 14, 2016 and ending five (5) years from that Date; and
 - (h) "Loan Administrator" means the African Development Bank.

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Article 2
THE LOAN

2.01 OFID agrees to lend to the Borrower and the Borrower agrees to borrow from OFID the Loan in the amount of twenty million Dollars (\$20,000,000) on the terms and conditions set forth in this Agreement.

2.02 The Borrower shall pay interest at the rate of one per cent (1%) per annum on the principal amount of the Loan withdrawn and outstanding.

2.03 The Borrower shall pay a Service Charge at the rate of one per cent (1%) per annum on the principal amount of the Loan withdrawn and outstanding.

2.04 Interest and Service Charges shall be paid semi-annually on June 15 and December 15 in each year into OFID Account.

2.05 Immediately following the end of the Grace Period, the Borrower shall repay the principal of the Loan in Dollars, or in any other freely convertible currency acceptable to OFID Management, in an amount equivalent to the Dollar amount due according to the market exchange rate prevailing at the time and place of repayment. Repayment shall be effected in thirty (30) semi-annual instalments in the amounts and on the dates specified in Schedule 3 (AMORTIZATION).

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Article 3
EFFECTIVENESS

3.01 This Agreement shall enter into force and effect in accordance with Section 3.02 upon receipt by OFID of:

(a) satisfactory evidence that the execution and delivery of this Agreement on behalf of the Borrower have been duly authorized and ratified according to the constitutional requirements of the Borrower;

(b) a certificate issued by the Minister of Justice or the Attorney General or any other competent legal authority of the Borrower confirming that this Agreement has been duly authorized and ratified by the Borrower and constitutes a valid and binding obligation of the Borrower in accordance with its terms; and

(c) evidence that the loan or other financing agreement between the Loan Administrator and the Borrower for financing the Project has been declared effective or will be declared effective concurrently with this Agreement.

3.02 As soon as possible after the conditions specified in Section 3.01 shall have been satisfactorily fulfilled, this Agreement shall enter into full force and effect on the Date of Effectiveness.

3.03 If this Agreement shall not have become effective within ninety (90) days after the Date of the Agreement, the Agreement and all obligations of the parties hereunder shall terminate, unless OFID Management, after consideration of the reasons for the delay, establishes a later date for the purposes of this Section.

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Article 4
ADDRESSES

4.01 The parties' addresses are as specified below:

For the Borrower:

Ministry of Finance and Economic Development
Freetown
REPUBLIC OF SIERRA LEONE
Facsimile: (+232 222) 228472/ 225826

For OFID:

The OPEC Fund for International Development
Parkring 8
A-1010 Vienna
AUSTRIA
Facsimile: (++)43-1) 513 92 38

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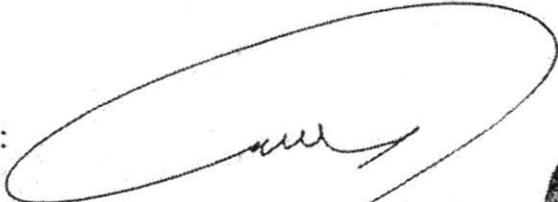


IN WITNESS whereof the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed and delivered at Vienna in two copies in the English language, each considered an original and both to the same and one effect as of the day and year first above written.

FOR THE BORROWER:

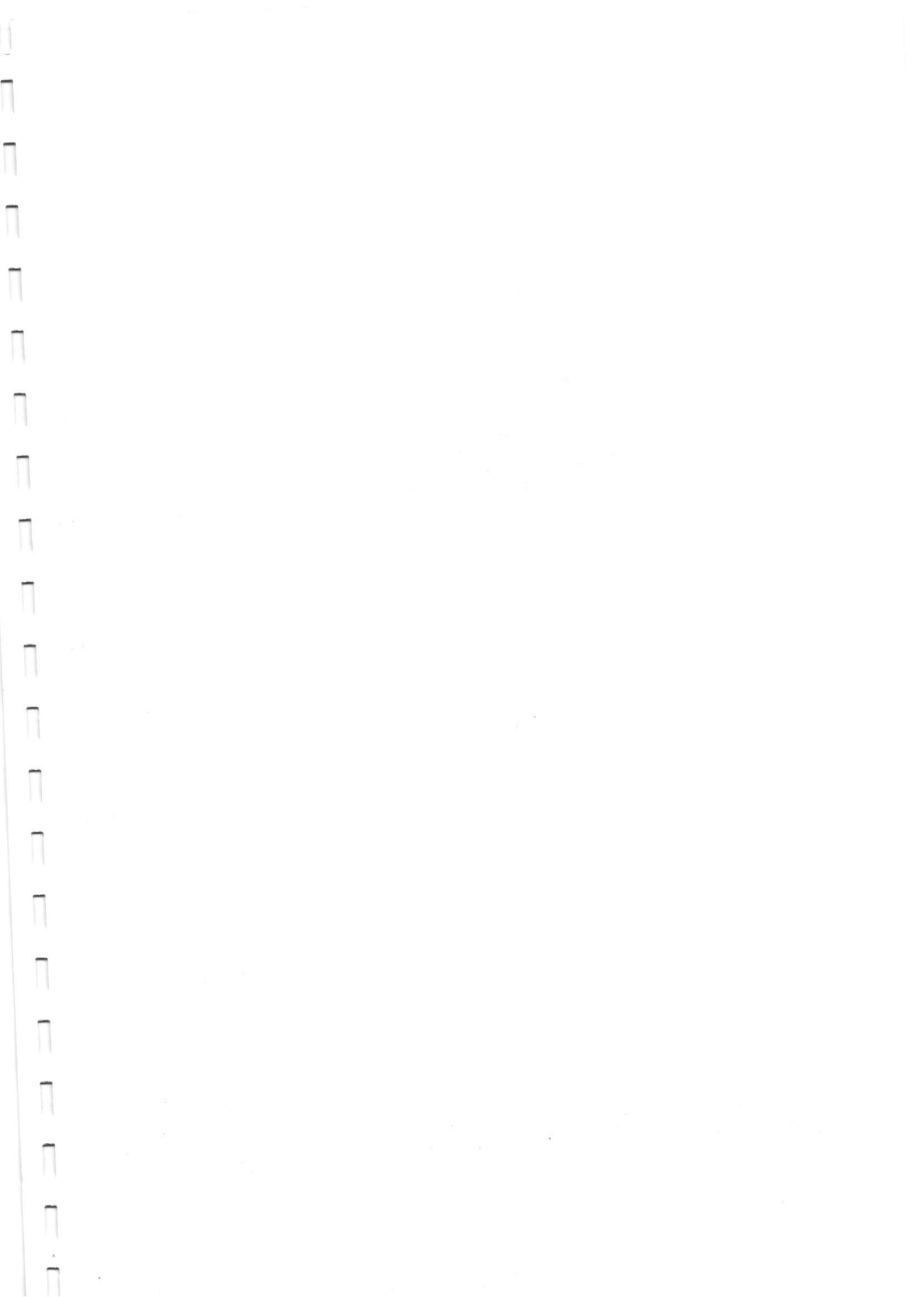
Signature: 
Name: H.E. Jongopie Stevens
Title: Ambassador of Sierra Leone to Germany

FOR THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT:

Signature: 
Name: Mr. Suleiman J. Al-Herbish
Title: Director-General



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REPUBLIC OF SIERRA LEONE
REHABILITATION OF BO – BANDAJUMA ROAD PROJECT

SCHEDULE 1
DESCRIPTION OF THE PROJECT

The objective of the Project is to provide efficient nation-wide road transport access to Bo and Pujehun districts in the Southern Province of Sierra Leone and regional access to member states of the Mano River Union and the Economic Community of West African States (ECOWAS), thereby: (a) reducing transport cost and travel time; (b) enhancing the potential for agricultural development; (c) improving access to socio-economic services, including markets, schools and health facilities; and (d) improving road safety.

The Project's objective will be achieved through the implementation of the following components:

1. Civil Works

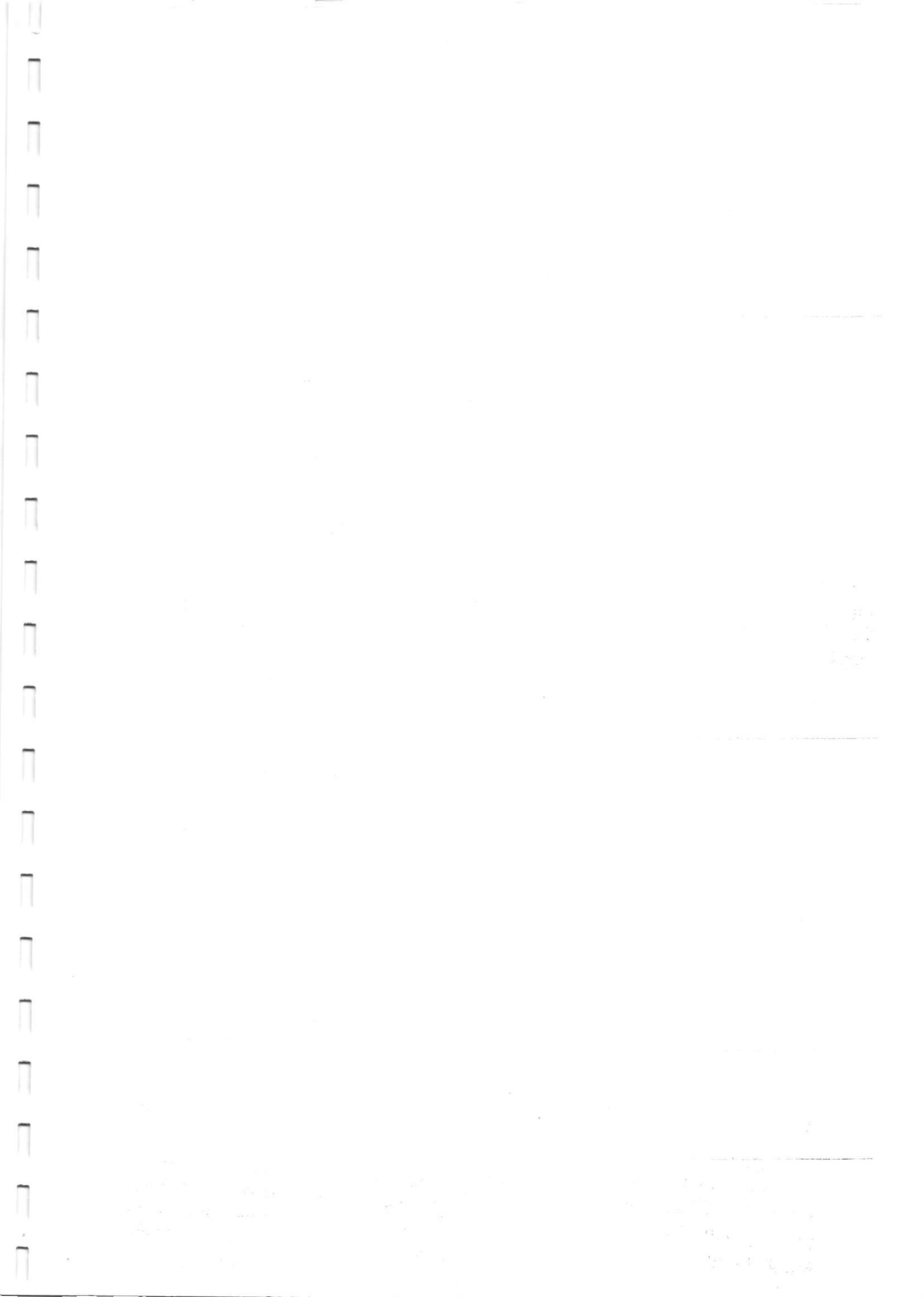
This component will finance: (a) rehabilitation of the 46 km road between Bo and Bandajuma to a paved 7.2 meter-wide carriageway with 1.5 meter-wide shoulders on each side, having an asphalt concrete overlay of 50 mm to 120 mm depth over a 44 km section of the road, as well as reconstruction of the remaining 2 km section with crushed stone base of 170 mm, sub-base of 200 mm and asphalt pavement layer of 50 mm; (b) road safety works including re-alignment of about three (3) curves to meet speed limits, installation of traffic management measures at approaches to populated centers, and construction of bus bays and of raised kerbs at bridge crossings; and (c) construction of a One-Stop Border Post at the Sierra Leone – Liberia border.

2. Consultancy Services

This component will finance the review of the design of civil works, preparation of tender documents, supervision of road works, including the construction of the One-Stop Border, update of studies on the Kailaahum Koindu Guinean Border road, and pre-feasibility studies for the rehabilitation of the Mano River Bridge.

3. Project Coordination

This component will finance: (a) Project coordination, monitoring and evaluation activities; (b) Project financial and technical audit; and (c)



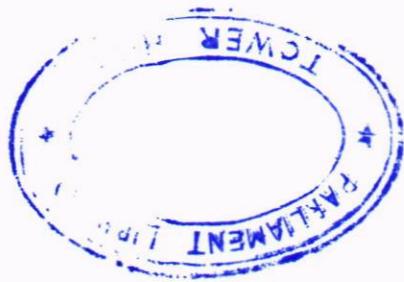
awareness campaigns on HIV/AIDS, malaria, Ebola, gender, and road safety.

4. Compensation of Project-Affected People (PAPs)

This component will finance relocation expenses and financial compensation to persons affected by the resettlement and expropriation of land and property as a result of the Project.

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REPUBLIC OF SIERRA LEONE
 REHABILITATION OF BO - BANDAJUMA ROAD PROJECT

SCHEDULE 2

LOAN ALLOCATION

1. Unless otherwise agreed between the Borrower and OFID Management, the table below sets forth the components to be financed out of the proceeds of the Loan, the allocation of amounts of the Loan to each component and the percentage of total expenditures for items to be financed in respect of each component:

Component	Amount of the Loan Allocated (Expressed in Dollars)	Percentage of Total Expenditures to be Financed
1. Civil Works	16,680,000	75.5
2. Consultancy Services	---	---
3. Project Coordination	---	---
4. Compensation of PAs	---	---
5. Contingencies	3,320,000	---
Total	20,000,000	

2. Notwithstanding the allocation of an amount of the Loan or the disbursement percentages set forth in the table in paragraph 1 above, if OFID Management has reasonably estimated that the amount of the Loan then allocated to any component will be insufficient to finance the agreed percentage of all expenditures in that component, OFID Management may, by notice to the Borrower: (i) reallocate to such component, to the extent required to meet the estimated shortfall, proceeds of the Loan which are then allocated to another component and which in the opinion of OFID Management 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 in respect of such component may continue until all expenditures thereunder shall have been made.

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REPUBLIC OF SIERRA LEONE
REHABILITATION OF BO - BANDAJUMA ROAD PROJECT

SCHEDULE 3
AMORTIZATION

<u>No.</u>	<u>Date of Repayment</u>	<u>Amount Due</u> (Expressed in Dollars)
1	June 15, 2021	666,660
2	December 15, 2021	666,660
3	June 15, 2022	666,660
4	December 15, 2022	666,660
5	June 15, 2023	666,660
6	December 15, 2023	666,660
7	June 15, 2024	666,660
8	December 15, 2024	666,660
9	June 15, 2025	666,660
10	December 15, 2025	666,660
11	June 15, 2026	666,660
12	December 15, 2026	666,660
13	June 15, 2027	666,660
14	December 15, 2027	666,660
15	June 15, 2028	666,660
16	December 15, 2028	666,660
17	June 15, 2029	666,660
18	December 15, 2029	666,660
19	June 15, 2030	666,660
20	December 15, 2030	666,660
21	June 15, 2031	666,660
22	December 15, 2031	666,660
23	June 15, 2032	666,660
24	December 15, 2032	666,660
25	June 15, 2033	666,660
26	December 15, 2033	666,660
27	June 15, 2034	666,660
28	December 15, 2034	666,660
29	June 15, 2035	666,660
30	December 15, 2035	666,860
Total:		<u>20,000,000</u>



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