



LOAN AGREEMENT

**CONSTRUCTION AND EQUIPMENT OF THE RIYADH REFERRAL
HOSPITAL**

BETWEEN

THE SAUDI FUND FOR DEVELOPMENT

AND

THE REPUBLIC OF SIERRA LEONE

LOAN NO. : 07/815

SIGNED ON: 25/04/1445 A.H.

CORRESPONDING TO: 09/11/2023 A.D.

JS

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AGREEMENT dated 25/04/1445 A.H. corresponding to 09/11/2023 A.D.

between

- 1) THE SAUDI FUND FOR DEVELOPMENT, Riyadh, Kingdom of Saudi Arabia (hereinafter called the "**Fund**");
and
- 2) THE REPUBLIC OF SIERRA LEONE (hereinafter called the "**Borrower**").

PREAMBLE

- (A) WHEREAS the Borrower has requested the Fund to grant it a Loan to assist in the financing of Construction and Equipment of the Riyadh Referral Hospital Project described in Schedule No. (2) to this Agreement (hereinafter called the Project) ;
- (B) 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;
- (C) WHEREAS the Fund is convinced of the importance of the Project and its beneficial effects for the economic development of the friendly people of The Republic of Sierra Leone; and
- (D) WHEREAS the Board of Directors of the Fund has agreed, in view of the foregoing, by its Resolution No.4-6/134/2452 to grant the Borrower a Loan on the terms and conditions hereinafter set forth.

* * * * *

Now Therefore the parties hereto hereby agree as follows:

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 1396/7/29AH corresponding to 1976/07/26AD 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 the Preamble to this Agreement have the respective meanings therein set forth, and the term "**The Executing Agency** " means the medical engineering sector and the civil works sector in the Ministry of Health and Sanitation, in charge of the execution of the Project or any agency designated by the Borrower.

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 One hundred eighty-seven million and five hundred thousand (187,500,000) Saudi Riyals.

Section 2.02. The amount of the Loan may be withdrawn by the Borrower 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 cost of goods and services required for the Project and to be financed out of the proceeds of the Loan.

Section 2.03. The Borrower shall apply the proceeds of the Loan exclusively to finance 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 and the Use of Consultants of the Development Institutions Members of the Coordination Group. The Borrower shall obtain the Fund's approval before awarding the contacts 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 31/12/2026 or such later date as shall be determined by the Fund. The Fund shall forthwith 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 if any, shall be payable semi-annually 30 April and 30 October in each year.

Section 2.07. The term of the Loan is twenty years including a five-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 Executing Agency** with due diligence and efficiency, and in conformity with appropriate engineering, financial and administrative practices and shall provide or cause to be provided, promptly as needed, the funds, facilities and other resources required for the purpose.

(b) Without limiting the generality of Paragraph (a) of this section, the Borrower shall (1) provide, promptly and as and when needed, in addition to the proceeds of this Loan, all other funds which shall be required for carrying out the Project (including any funds that may be required to meet any increase in the cost of the project beyond the estimated cost thereof at the time of signing this Agreement), all such sums shall be made available on terms and conditions acceptable to the Fund; (2) undertake to make adequate annual budgetary allocations to meet its share of the Project costs.

Section 3.02. The Borrower shall cause **The Executing Agency** 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.



Section 3.03. The Borrower shall cause **The Executing Agency** to employ qualified and experienced Saudi consultants acceptable to the Fund in order to assist in project tendering and supervision of the execution of the Project.

Section 3.04. the Borrower shall cause **The Executing Agency** to employ Saudi suppliers and contractors or joint venture of Saudi – Sierra Leone companies, acceptable to the Fund upon terms and conditions satisfactory to the Fund.

Section 3.05. The Borrower shall cause **The Executing Agency** to insure or make adequate provision for the insurance of 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 usable by the Borrower to replace or repair such goods.

Section 3.06. The Borrower shall cause **The Executing Agency** to utilize all goods and services financed out of the proceeds of the Loan exclusively in carrying out of the Project.

Section 3.07. The Borrower shall cause "**The Executing Agency**":

- i) to maintain records adequate to show the progress of the Project (including the cost thereof), to identify the goods and services financed out of the proceeds of the Loan and to disclose the use thereof in the Project and to reflect all the operations, resources and expenditures in respect of the Project;
- ii) to afford all reasonable opportunity for the accredited representatives of the Fund to make visits for purposes related to the Loan, to examine the Project, the goods and services financed out of the proceeds of the Loan and any relevant records and documents;
- iii) to furnish to the Fund all such information as the Fund shall reasonably request concerning the Project, the expenditure of the proceeds of the Loan, and the goods and services financed out of such proceeds.

Section 3.08. The Borrower shall take all such actions as shall be necessary to acquire all such land and rights in respect of land as shall be required for the carrying out of the Project.

Section 3.09. The Borrower shall cause **The Executing Agency** to appoint a **Project implementing Unit (PIU)** which comprises elements that have high qualification and experience in all administrative and technical specialties necessary to coordinate and follow-up the activities of the execution of the Project .

ARTICLE IV
Particulair 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 Executing Agency** to maintain the project in accordance with proper engineering standards and shall provide the necessary funds thereof in its annual budget. The Borrower shall cause **The Executing Agency** to furnish to the Fund, as and when required, a program for the said maintenance.

Section 4.03. The Borrower shall maintain or cause to be maintained adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures in respect of the Project of **The Executing Agency** and other departments and agencies of the Borrower responsible for carrying out the Project or any part thereof.

Section 4.04. The Borrower undertakes to cause **The Executing Agency** to make a Commemorative Plaque of suitable dimensions from cement or any suitable metal 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 shall Considering all documents, records, and correspondence of the Fund confidential and providing the Fund with complete immunity in the borrowing country regarding the control and inspection of publications.

Section 4-06. The Borrower shall Exempting all the assets of the Fund in the borrowing country from confiscation, nationalization, custody of all kinds, seizure, and appropriation.

Section 4-07. The Borrower shall Exempting all Fund transactions in the borrowing country from all taxes, fees, and other official costs of any kind.

Section 4.08. Promptly after completion of the Project, but in any event not later than six months after the Closing Date, or such later date as the Fund may agree for this purpose, the Borrower shall prepare and furnish to the Fund a complete Project report, in such form and in such detail as the Fund shall reasonably request, on the execution and initial operation of the Project, its costs and the benefits derived and to be derived there from, the performance by the Borrower of its obligations under the Loan Agreement and the achievement of the objectives 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 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 thereof, 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 (1) such suspension, cancellation, termination or premature is not caused by the failure of the Borrower to perform any of its obligation under the specific agreement, and (2) 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 any event specified in paragraph (a) (ii) of Section 5.01 of this Agreement shall occur.

ARTICLE VI
Effectiveness Date - Termination

Section 6.01. 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.

Section 6.02. The Original Legal Opinion Documents will be accepted in English or Translated to English or Arabic Language only.



ARTICLE VII
Representative of the Borrower, Addresses

Section 7.01. The Minister of Finance 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
Telephone : +966-11-2794000
Fax : +966-11-4647450
Email : info@sfd.gov.sa

FOR THE BORROWER:

Ministry of Finance
Treasury Building, George St
Republic of Sierra Leone
Fax: (+232 22) 228472
Tel: +23 27 6611225
Email: info@mof.gov.sl
fsecretary@mof.gov.sl
safbangura@mof.gov.sl

FOR THE EXECUTING AGENCY:

The medical engineering sector and the civil works sector in the Ministry of Health and Sanitation - Republic of Sierra Leone
The fourth floor of the youyi Building, brookfields, freetown.
Tel: +23 27 6460440
Email: info@mohs.gov.sl

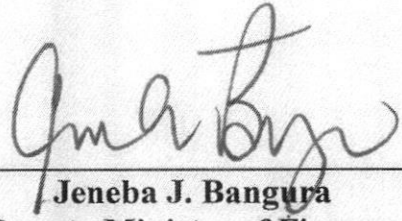
IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names, as of the day and year first above written, in two counterparts in Arabic and English language, each of which shall be an original,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

FOR
The Saudi Fund for Development



BY _____
Sultan A. Almarshad
Chief Executive Officer

FOR
The Republic of Sierra Leone



BY _____
Jeneba J. Bangura
Deputy Minister of Finance

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 so to be financed in each category:

Category		Amount of the loan Allocated (in Saudi Riyals)	Percentage of Expenditures to be Financed
1.	Civil works (First component of the Project)	112,500,000	100% of total expenditure
2.	Equipment (Second component of the Project)	60,000,000	100% of total expenditure
3.	Consultancy Services (Third component of the Project)	7,500,000	100% of total expenditure
4.	Contingency	7,500.000	
Total		187,500,000	

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

- 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. Such taxes shall be for the account of, and shall be paid by, the Borrower and, all tax exemptions if any, in connection with the execution of the Project, shall be made according to the prevailing tax laws of the Borrower.

- (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 or allocated to another category 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 there under shall have been made.

SCHEDULE NO.(2)
Description of the Project

The project aims to build and equip a new reference hospital in Iulgi near the airport, with a capacity of 150 beds to provide high quality health and medical care services to the population. The hospital will have basic units such as general surgery with the necessary operating rooms, emergency wards, pediatrics, inpatient wards, obstetrics and gynecology, nursery, and technical and administrative support units.

The project consists of the following components:

The first component: Civil Works:

Constructing of the basic infrastructures (intensive care unit, isolation building, staff and visitors housing, and other ancillary buildings) in the proposed hospital with supporting infrastructures such as sanitation, sewage system, water connection system, renewable energy (solar) and others.

The second component: Equipment:

Furnishing and equipping the hospital.

The third component: Consultancy Services:

It includes the preparation of designs and tender documents and supervision of project implementation.

* * * * *

The total cost of the project is estimated at (50) Million US dollar, which is equivalent to (187.5) Million Saudi Riyals, and it is expected to be completed by the end of 2025G.



SCHEDULE NO.(3)
Amortization Schedule

<u>Installment No.</u>	<u>Due date</u>	<u>Amount</u>
1	30/04/2029	6,250,000
2	30/10/2029	6,250,000
3	30/04/2030	6,250,000
4	30/10/2030	6,250,000
5	30/04/2031	6,250,000
6	30/10/2031	6,250,000
7	30/04/2032	6,250,000
8	30/10/2032	6,250,000
9	30/04/2033	6,250,000
10	30/10/2033	6,250,000
11	30/04/2034	6,250,000
12	30/10/2034	6,250,000
13	30/04/2035	6,250,000
14	30/10/2035	6,250,000
15	30/04/2036	6,250,000
16	30/10/2036	6,250,000
17	30/04/2037	6,250,000
18	30/10/2037	6,250,000
19	30/04/2038	6,250,000
20	30/10/2038	6,250,000
21	30/04/2039	6,250,000
22	30/10/2039	6,250,000
23	30/04/2040	6,250,000
24	30/10/2040	6,250,000
25	30/04/2041	6,250,000
26	30/10/2041	6,250,000
27	30/04/2042	6,250,000
28	30/10/2042	6,250,000
29	30/04/2043	6,250,000
30	30/10/2043	6,250,000
Total		187,500,000