



LOAN NO. 15351P

INSTA EXPANSION PROJECT (PHASE 2)

LOAN AGREEMENT

BETWEEN

THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT

AND

THE REPUBLIC OF CHAD

DATED

SEPTEMBER 20, 2022

The OPEC Fund for International Development

AGREEMENT dated September 20, 2022 between the OPEC Fund for International Development (“OPEC Fund”) and the Republic of Chad (“Borrower”).

Whereas, the Borrower has requested a loan from the OPEC Fund for part financing of the Project described in Schedule 1; and

Whereas, the OPEC Fund has approved a loan to the Borrower in the amount of eleven million Dollars (\$ 11,000,000) 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 Economy, Development Planning and International Cooperation;
- (b) “Closing Date” means December 31, 2026;
- (c) “Date of Repayment” means the date of each semi-annual repayment of the Loan as set forth in Schedule 3;
- (d) “Dollar” and the sign “\$” mean and refer to the lawful currency of the United States of America;
- (e) “Eligible Expenditure Commencement Date” means August 26, 2022;
- (f) “Executing Agency” means Abéché National Institute of Science and Technology (INSTA);

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- (g) "General Conditions" means the General Conditions Applicable to Public Sector Loan Agreements, June 2019; and
- (h) "Grace Period" means the period beginning on the Date of the Agreement and ending five (5) years from that Date.

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Article 2 THE LOAN

2.01 The OPEC Fund agrees to lend to the Borrower and the Borrower agrees to borrow from the OPEC Fund the Loan in the amount of eleven million Dollars (\$ 11,000,000) on the terms and conditions set forth in this Agreement.

2.02 The Borrower shall pay interest at the rate of one and a quarter of one percent (1.25%) per annum on the principal amount of the Loan withdrawn and outstanding.

2.03 The Borrower shall pay a commitment fee at the rate of a quarter of one per cent (0.25%) per annum on the unwithdrawn balance of the Loan beginning to accrue sixty (60) days from the Date of the Agreement and payable in the first instance within ninety (90) days from the date of Effectiveness of the Agreement. For the avoidance of doubt, no commitment fee shall be payable if the Agreement is terminated for failure to become effective.

2.04 Interest and commitment fee (except the first payment, which shall be made as stipulated in Section 2.03) shall be paid semi-annually on April 15 and October 15 in each year into the OPEC Fund Account.

2.05 The Borrower shall repay the principal of the Loan in Dollars, or in any other freely convertible currency acceptable to the OPEC Fund 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 commence immediately following the end of the Grace Period and shall be effected in thirty four (34) semi-annual instalments each in an amount determined by the OPEC Fund as specified in Schedule 3 (AMORTIZATION) for the respective Date of Repayment.

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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 the OPEC Fund 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 legal opinion 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 Arab Bank for Economic Development in Africa (BADEA) 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 have been satisfactorily fulfilled, this Agreement shall enter into full force and effect on the Date of Effectiveness.

3.03 If this Agreement has not become effective within one hundred and eighty (180) days after the Date of the Agreement, the Agreement and all obligations of the parties hereunder shall terminate, unless the OPEC Fund, after consideration of the reasons for the delay, establishes a later date for the purposes of this Section.

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Article 4 REPORTS

4.01 Section 7.05 (d) of the General Conditions is hereby amended to read as follows:

“furnish, in form and substance satisfactory to the OPEC Fund, the following reports related to the Project, its implementation in conformity with the Loan Agreement and proof of utilization of the Loan Proceeds for Eligible Expenditures:

(a) quarterly progress reports within sixty (60) days of the end of that quarter.

4.02 The opening paragraph of Section 7.05 (e) of the General Conditions is hereby amended to read as follows:

“Within one hundred and eighty (180) days of physical Project completion, or such later date as may be agreed for this purpose after consultation between the OPEC Fund and the Borrower, prepare and furnish to the OPEC Fund:”

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Article 5 ADDRESSES

5.01 The parties' addresses are as specified below:

For the OPEC Fund:

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

For the Borrower:

Ministry of Economy, Development Planning and International Cooperation
Avenue Gaourang
BP 286
N'Djamena
CHAD
Telephone: (+235) 22 51 45 87
Facsimile: (+235) 22 51 51 85

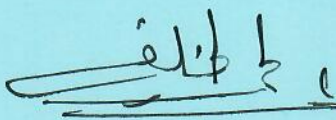
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IN WITNESS whereof the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed and delivered at Vienna in two counterparts in the English language, each considered an original and both to the same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

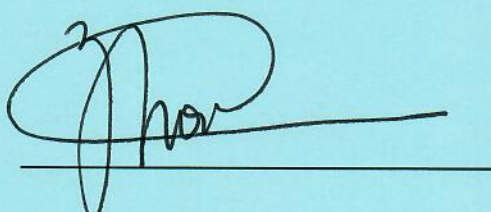
FOR THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT:

Signature: 

Name: Dr. Abdulhamid Alkhalifa

Title: Director-General

FOR THE BORROWER:

Signature: 

Name: HE Moussa Batraki

Title: Minister of Economy, Development Planning
and International Cooperation

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THE REPUBLIC OF CHAD INSTA EXPANSION PROJECT (PHASE 2)

SCHEDULE 1 PROJECT DESCRIPTION

1.01 The overall objective of the project is to improve the level of access to higher education and scientific research in the Republic of Chad by mitigating the shortage of competent biomedical professionals. Specifically, it aims to provide access for 600 extra students per year to complete a comprehensive education in technical sciences and biomedicine.

2.01 The Project's objective(s) shall be achieved through the implementation of the following five components:

Component 1: Civil Works

This component shall finance the construction of:

- (i) six (6) student dormitories comprised of 3-storey buildings providing a capacity of 720 beds and covering a built-up area of 17,470 square meters;
- (ii) a 2,150 square meter restaurant with a 316-seat dining room and related facilities (kitchen, cold room, storage, changing room, etc.);
- (iii) a 250 square meter technical building that includes storage rooms and a number of workshops for maintenance services;
- (iv) a 100 square meter first-aid infirmary;
- (v) outdoor playgrounds, landscaping, and a gate; and
- (vi) a one-megawatt (1MW) solar energy station.

Component 2: Equipment & Furniture

This component shall finance the supply and installation of the necessary equipment and furniture for the restaurant, the infirmary and the dormitories.

Component 3: Consultancy Services

This component shall finance the partial review of the existing engineering design initially performed during Phase 1 of the Project and the preparation of the tender documents, in addition to the supervision and monitoring of the civil works and the preparation of the Project's quarterly supervision reports and completion report. The supervision will include review of the implementation design to be prepared by

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the civil works contractor and all the tasks needed to ensure that all technical specifications are met during the construction phase.

Component 4: Support for Quality Training

This component shall finance technical assistance to modernise and adapt the students' training programs and the training of new instructors, principally in the biomedical field.

Component 5: Support to the Project Implementation Unit

This component shall finance the running costs of the Project Implementation Unit, including the top-up salaries of staff and operational expenses. Additionally, the component will cover the acquisition of information technology equipment, a pick-up vehicle and the financial audit of the Project accounts.

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SCHEDULE 2 LOAN ALLOCATION

1. Unless otherwise agreed between the Borrower and the OPEC Fund, 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	9,510,000	51.4
2.	Equipment and Furniture	1,000,000	50.0
3.	Consultancy Services	--	--
4.	Support for Training Quality	--	--
5.	Support to the Project Implmentation Unit	--	--
	Physical and Price Contingencies	490,000	--
	Total	11,000,000	

2. Notwithstanding the allocation of the Loan proceeds or the disbursement percentage set forth in paragraph 1 above, if the OPEC Fund 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, the OPEC Fund 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 the OPEC 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 in respect of such component may continue until all expenditures thereunder shall have been made.

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SCHEDULE 3 AMORTIZATION

1. The following table sets forth the Dates of Repayment of the Loan and the percentage of the principal amount of the Loan due and payable (Amount Due) on each Date of Repayment. If the proceeds of the Loan have been fully withdrawn as of the first Date of Repayment, the principal amount of the Loan repayable by the Borrower on each Date of Repayment shall be determined by the OPEC Fund by multiplying: (a) the total amount of the Loan withdrawn and outstanding as of the first Date of Repayment; by (b) the percentage of the Amount Due specified below for each Date of Repayment.

<u>No.</u>	<u>Date of Repayment</u>	<u>Amount Due</u> (Expressed in Percentage)
1	October 15, 2027	2.94
2	April 15, 2028	2.94
3	October 15, 2028	2.94
4	April 15, 2029	2.94
5	October 15, 2029	2.94
6	April 15, 2030	2.94
7	October 15, 2030	2.94
8	April 15, 2031	2.94
9	October 15, 2031	2.94
10	April 15, 2032	2.94
11	October 15, 2032	2.94
12	April 15, 2033	2.94
13	October 15, 2033	2.94
14	April 15, 2034	2.94
15	October 15, 2034	2.94
16	April 15, 2035	2.94
17	October 15, 2035	2.94
18	April 15, 2036	2.94
19	October 15, 2036	2.94
20	April 15, 2037	2.94
21	October 15, 2037	2.94
22	April 15, 2038	2.94
23	October 15, 2038	2.94
24	April 15, 2039	2.94
25	October 15, 2039	2.94
26	April 15, 2040	2.94
27	October 15, 2040	2.94
28	April 15, 2041	2.94
29	October 15, 2041	2.94
30	April 15, 2042	2.94
31	October 15, 2042	2.94

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32	April 15, 2043	2.94
33	October 15, 2043	2.94
34	April 15, 2044	<u>2.98</u>
	<u>Total</u>	100

2. In the event that the Loan proceeds have not been fully withdrawn as of the first Date of Repayment, the principal amount of the Loan repayable by the Borrower on each Date of Repayment shall be determined as follows:

(a) To the extent that any amount of the Loan proceeds shall have been withdrawn as of the first Date of Repayment, the Borrower shall repay the Loan amount withdrawn and outstanding as of the first Date of Repayment in accordance with paragraph 1 above.

(b) Any withdrawal made after the first Date of Repayment shall be repaid on each Date of Repayment falling after the date of such withdrawal in amounts determined by the OPEC Fund as follows: amount of the withdrawal multiplied by a fraction, the numerator of which shall be the instalment percentage specified in the table in paragraph 1 above for such Date of Repayment and the denominator of which shall be the sum of all remaining instalment percentages for Dates of Repayment falling on and after such date.

3. Withdrawals made within sixty-five (65) calendar days prior to any Date of Repayment shall, for the purposes solely of calculating the amount of the Loan payable on any Date of Repayment, be treated as withdrawn and outstanding on the date immediately following such Date of Repayment. Notwithstanding the treatment herein, Interest and commitment fee shall begin to accrue on the respective value dates on which such withdrawals shall have been made.

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