

**LOAN AGREEMENT**

**BETWEEN**

**REPUBLIC OF THE GAMBIA**

**AND**

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

**CONCERNING  
SMALL RUMINANT PRODUCTION ENHANCEMENT PROJECT (STEP 2)**

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## LOAN AGREEMENT

This Loan Agreement (the **Agreement**) is made on \_\_\_\_/\_\_\_\_/\_\_\_\_ H corresponding to \_\_\_\_/\_\_\_\_/\_\_\_\_ G,

Between

Republic of The Gambia (hereinafter referred to as the "**Recipient**")

And

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

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

**Whereas,**

- A. The Recipient has requested the Bank to assist in financing Small Ruminant Development Enhancement Project (Step 2) as described in Annex-I (hereinafter referred to as the "**Project**");
- B. One of the purposes of Bank is to assist its member countries by way of making loans for financing developmental projects and programmes;
- C. 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
- D. The Board of Executive Directors of IDB and the Board of Directors of ISFD have on 05/04/1439H (23/12/2017G) approved to make available a loan financing from IDB and ISFD resources respectively (hereinafter referred to as the "**Loan**"), as specified in Article-2, to the Recipient upon the terms and conditions hereinafter set forth;

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.

<b>Disbursement Procedures:</b>	the effective "Disbursement Procedure" of the Bank as well as any amendment thereto.
<b>Disbursement:</b>	any withdrawal from the Loan to cover the cost of the components financed in accordance with this Agreement.
<b>Executing Agency:</b>	the entity identified in Section 6.1 of the Agreement and responsible for the implementation of the Project for and on behalf of the Recipient.
<b>First Disbursement:</b>	the first Disbursement following the Effectiveness in accordance with this Agreement and the Disbursement Procedures.
<b>General Conditions:</b>	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)).
<b>IDB Loan:</b>	the loan amount from IDB Ordinary Capital resources as specified in Article-2.
<b>ISFD Loan</b>	the loan amount from ISFD resources as specified in Article-2.
<b>ISFD Operational Policies and Guidelines:</b>	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 the Bank shall apply.
<b>Loan/Loan Amount:</b>	the amount, the Bank has agreed to lend to the Recipient as specified in Article-2.
<b>Principal Amount:</b>	the total Disbursements in accordance with this Agreement.
<b>Principal Amount of IDB Loan:</b>	the amount from IDB Loan in accordance with the Agreement.
<b>Principal Amount of ISFD Loan:</b>	the amount from ISFD Loan in accordance with the Agreement.
<b>Procurement Guidelines:</b>	the Bank's "Guidelines for Procurement of Goods and Services".
<b>Project:</b>	the project described in Recital-A above.
<b>Sanctionable Practices:</b>	any of Corrupt practice, Coercive practice, Collusive practice, Fraudulent practice or Obstructive practice: <ul style="list-style-type: none"> <li>(i) <b>Corrupt Practice:</b> means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party;</li> </ul>



(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,

(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/US\$/US Dollars:**

the lawful currency of the United State 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 Recipient a loan in an amount not exceeding:
- (i) **ID 5,400,000** ( Islamic Dinar Five Million and Four Hundred Thousand) approximately equivalent to **\$7,540,000.00** (United States Dollars Seven Million Five Hundred and Forty Thousand) from IDB Loan;
  - (ii) **\$10,000,000.00** (United States Dollars Ten Million) from ISFD Loan;
- 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; and
  - (ii) the submission of a request to make the First Disbursement within 180 (One Hundred and Eighty) days from the Date of Effectiveness.
- 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 Recipient 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 31/12/2022 G (the **Closing Date**). Any Disbursement request by the Recipient shall be in accordance with Schedule-E of Annex-II and other provisions of this Agreement, the General Conditions and the Disbursement Procedure.
- 2.5 All the amounts withdrawn by the Recipient 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 for,

- (i) IDB Loan in USD with the exception that the maximum disbursement limit is increased to USD1,000,000.00 (United States Dollars One Million) ;
- (ii) ISFD Loan in USD for 2 special accounts The maximum amount to be deposited in each of the two Special Accounts shall not be more than USD300,000.00 (United States Dollars Three Hundred Thousand) at a time.

will be opened with the central bank of the Recipient or in a local commercial bank acceptable to the Bank for easy and timely disbursement of the Project. The replenishment 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 Recipient shall pay the Principal Amount of:

- (i) IDB Loan in 18 years including a 7 year grace period commencing from the date of this Agreement, in freely convertible currency in accordance with Section 4.02 of the General Conditions and in 36 consecutive semi annual installments as set forth in Schedule-A of Annex-II; and
- (ii) ISFD Loan in 20 years including a 10 year grace period commencing from the date of this Agreement, in US Dollars and in 40 consecutive semi annual installments as set forth in Schedule-B of Annex-II.

3.2 The Recipient shall pay the Service Fee in an amount estimated initially at:

- (i) 1.5% for IDB Loan in the manner set forth in Schedule-C of Annex-II; and
- (ii) 0.75% for ISFD Loan in the manner set forth in Schedule-D 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,

- (i) 1.5% of IDB Loan when calculated on annual basis; and
- (ii) 0.75% of ISFD Loan 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.



US Dollars Account:  
No: **GB36SINT60928000159111**  
Gulf International Bank (UK) Ltd  
One Knightsbridge  
London SW1X 7XS  
United Kingdom  
Telex No. 8812261/2  
Swift Code: SINTGB2L

Pounds Sterling Account:  
No: **GB13SINT60928000159137**  
Gulf International Bank (UK) Ltd  
One Knightsbridge  
London SW1X 7XS  
United Kingdom  
Telex No. 8812261/2  
Swift Code: GULF GB2L

EURO Account:  
No: **FR7643899000019696500151088**  
Union De Banques Arabes Et  
Francaises (UBAF)  
92523 Paris, Neuilly Cedex  
France  
Telex No. 610334 UBAF  
Swift Code: UBAFRPPXXX

For ISFD Loan (US Dollars Account):  
**Gulf International Bank (UK) London**  
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 Recipient 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 Recipient fails to pay any amount payable hereunder when it is due, the Recipient, in addition to the amount due, shall, in accordance with the Principles of Islamic Shari'ah:
- (a) 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; and
  - (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

- 3.8 The Bank shall not apply the late payment charge set out in Article 3.7(b) if the Recipient is able to demonstrate, to the satisfaction of the Bank, that the Recipient's failure to make the payment is not due to its willful default.



#### Article-4 DECLARATION OF EFFECTIVENESS

This Agreement and the obligations of the Bank hereunder shall not be effective until and unless the Recipient 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 Recipient have been duly authorized or ratified by the competent authorities of the Recipient;
- (ii) Legal opinion acceptable to the Bank emanating from the chief legal and/or judiciary authority of the Recipient stating that the provisions of the Agreement constitute enforceable binding obligations upon the Recipient 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 Recipient to the central bank of The Gambia instructing/authorizing the central bank that payment of the Principal Amount and the Service Fee installments by the Recipient 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 Recipient, 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) Award of contract for design and supervision consultant for the necessary production, processing, and marketing infrastructures to be established in 39 districts of the targeted regions;
- (v) Duly signed Agreement between the Recipient and selected Microfinance Institutions for the deployment of the micro credit scheme of the Project; and
- (vi) All conditions precedent to the Recipient'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 This Agreement and all obligations of the Parties, in accordance with Article 2.2, shall automatically be terminated in the event:

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

2 In addition to the provisions of Article-VI of the General Conditions, the Bank may, by notice to the Recipient, 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 Recipient 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

- 1 Ministry of Agriculture of The Gambia shall be the Executing Agency.
- 2 The implementation of the Project shall be completed within 4 years from the Date of Effectiveness.
- 3 The Recipient 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 Recipient;
  - (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 Recipient or other recipient of the proceeds from the Loan, without the Recipient having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur.

## Article-7 REPRESENTATIONS

The Recipient 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 The Gambia in force at the date of this Agreement, the claims of the Bank against the Recipient under this Agreement will rank at least *pari passu* with the claims of all other unsecured creditors for any indebtedness of the Recipient; 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 Recipient 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 Recipient 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 Recipient shall award contracts for procurement of Goods and services financed from the proceeds of the Loan as follows:
- (i) Acquisition of pasture seeds, PPR kits and milk collection motor bikes through national shopping;
  - (ii) Provision of veterinary supplies, cold storage equipment, pasture and forage equipment, breeding stock, artificial insemination kits, lab equipment, and communication equipment through national competitive bidding
  - (iii) Microfinance Study through QCBS based on shortlist of Member Country.
  - (iv) CB for MFI through QCBS based on shortlist of Member Country.
  - (v) Livestock Value Chain Study through single source contracting.
- 8.3 The Recipient 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 Recipient 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 Recipient 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 Recipient 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 Recipient 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 Recipient 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 Recipient 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 Recipient 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 Recipient 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 Recipient 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 Recipient shall consider as confidential all documents, correspondence, and information provided by the Bank to the Recipient.

- 8.13 All taxes, charges, fees and duties related to the Bank's financing of the Project shall be borne by the Recipient.
- 8.14 The Recipient shall ensure that there is no funding gap for the Project and shall be responsible for all cost overruns.
- 8.15 The Recipient 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 Development Bank and 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 Recipient, such information shall include information with respect to financial and economic conditions, including the balance of payments position of the Recipient.
- 9.2 (i) The Recipient 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 Recipient and the Bank, the Recipient 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 Recipient hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity.

#### **Article-11 CO-ORDINATION AND NOTICES**

- 11.1 The Recipient hereby appoints Ministry of Finance and Economic Affairs of The Gambia as the authorized representative of the Recipient (the **Recipient'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 Recipient's Representative shall:
- (i) directly deal with the Bank.
  - (ii) be directly responsible for fulfilling the obligations incumbent on the Recipient 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 Recipient and the Executing Agency carry out their duties hereunder.
- 11.2 The Recipient may change the Recipient'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 Recipient:**

Ministry of Finance and Economic Affairs  
Banjul  
Republic of The Gambia

**For the Bank:**

8111 King Khalid St. Al Nuzlah Al Yamania Dist.  
Unit No.1  
Jeddah-21432  
Kingdom of Saudi Arabia  
Tel: +966 12 6361400  
Fax: +966 12 6366871  
Email: [archives@isdb.org](mailto: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 THE GAMBIA**



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



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## Annex-I DESCRIPTION OF THE PROJECT

### **[Project Location]**

1. The project will be implemented in 39 districts in the Central River Region (CRR), North Bank Region (NBR), Upper River Region (URR), Lower River Region (LRR), and in the West Coast Region with the Project Management Unit to be based in Banjul. Individuals as well as producers organizations in these regions will be targeted for priorities activities on the basis current situation but also on recorded potentials.

### **Project Description**

2. The project is a sheep and goats husbandry enhancement intervention targeting rural and peri-urban communities in the Gambia. Through a value chain approach, it will cover production management, genetic improvement, and diseases control, access to finance, infrastructure modernization, and human capital development. The focused intervention consists of four keys specialized and strategically designed components in addition to the management and coordination unit of the project. The components are: (i) Improvement of small ruminant production, Processing, and marketing; (ii) Access to Islamic Financing and support to Capacity building; (iii) Master plan development for livestock value chains; and (iv) Project Management. These components are summarized below while details of the activities and interventions are provided in the project appraisal document. Direct beneficiaries of the project will include individuals and organizations in rural and peri-urban areas and target specially women and youth who can be smallholder producers, traders, transporters, processors, wholesalers, retailers, and middlemen. Also, staff of the executing agency as well as private veterinary services providers along with feed producers and sellers will benefit from the project.

3. **Component-A: Improvement of small ruminant production, processing, and marketing.** This component will finance construction of necessary production, processing, and marketing infrastructures to be established in 39 districts of the targeted regions. The facilities will include grazing plots, forage production plots, lamb feeding stations, breeding stock management lots, feed storages, slaughter slats, mini dairies, boreholes to be solar energy powered, small ruminants markets, and modern meat stalls/stores (Details are provided in the PAD). The project will also finance (i) basic operationalization equipment such as weighing instruments, water troughs, feeders, meat and milk handling equipment; (ii) genetic improvement of sheep and goat breeding stock, stimulating better animal health, and feed availability for increased productivity and low mortality. For this, the project will provide the International Trypanotolerant Center (ITC) nucleus scheme (pure breeding program) and the Yero Beri Kunda multiplication and demonstration center with breeding stock, production input, and laboratory equipment and supplies. The component will also support village based breeding schemes (pure and cross breeding) as well as ram fattening operations in rural areas and in peri-urban settings. It will extend support to veterinary services (intervention in vaccination campaigns, promotion of private veterinary clinics),

4. **Component-B: Access to Islamic Finance and Support to Capacity Building.** The component will consist of providing a participatory and sharia-compatible financing USD 3.00 million for actors operating or interested in small ruminant enterprises. Activities to be financed will include purchase of animals, feeding facilities, and animal health related operations, downstream meat processing and sales. Funds will also be provided for the financing of processing equipment and inputs, dairy production including solar panels and coolers, fodder



production, means of transport and working capital, among others. In all the program, through a revolving fund, will directly benefit up to 10000 women/ youth entrepreneurs in various segments of the value chain. Two local Financial Institutions (FIs) to be in charge with the implementation of the program will be selected through a shortlist of national MFIs based on a consultant set criteria. Capacity building activities will encompass initiatives for organizing producers, conducting workshops/seminars in relevant subject matters such as herd health control, selection and breeding management, products processing and marketing, feeding and grazing management, and entrepreneurship development. Training programs will target producers, project team members as well as members of relevant technical partners. Capacity building will also cover skills development for selected MFIs for use of Islamic microfinance instruments. The program will include the establishment of a MIS by the consultant to ensure proper funds management and an effective financial control mechanisms.

5. **Component-C: Master plan development for Livestock value chains.** This will consist of the study aimed at taking stock and deriving lessons from the broader Gambian livestock sector and it will be carried by the International Livestock Research Institute (ILRI) to prepare a 5 to 10 years investment program in the sector.

- a) Key livestock value chains will be subject of an assessment of their potential and challenges for an effective contribution to economy of the country at a critical moment. Areas of concentration of the study will include the modernization of the dairy sector, Poultry development avenues, and processing of animal products. In particular, the assessment of existing conditions to support the establishment of a state – of – the – art halal slaughterhouse in the Gambia for domestic market but also for export market will be a priority. The study will spell out detailed executable projects in the above value chains. Proposed projects will be presented with all necessary designs and costs information on the basis of which financing can be sought by the country.
- b) ILRI is a member of the Consultative Group for International Agriculture Research (CGIAR). It focuses on research on building sustainable livestock pathways out of poverty in low-income countries. ILRI is the unique livestock research specialized organization which works with partners worldwide to help poor people keep their farm animals alive and productive, increase and sustain their livestock and farm productivity and find profitable markets for their animal products. More specifically, ILRI has experience of handling such assignments and thus has exceptional worth for undertaking the study for the livestock value chains. During the appraisal of the project, it was ascertained that the proposed price is reasonable and consistent to the market rates for such services.

**6. Component-D: Project Management and coordination.** The objective of this component is to establish a Project Management Unit (PMU) and provide it with means to fulfil its role of implementation and management of project plans. The management and coordination of the project will be ensured by the establishment of a fully dedicated team to be led by a Project Coordinator with extensive experience in managing multi-faceted operations. Also, a consultant will undertake activities relating to the studies, detailed designs, and supervision of all infrastructures that are financed under component A. As part of this component, the project will finance office furniture, equipment, stationary, office consumables and utilities, vehicles, staff development programs, staff allowances and salaries from special account for all eligible expenditures. Details on the project monitoring, planning and progress reporting, field supervision, review seminars, familiarization visits and start-up workshop special accounts, and project audit activities.]

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## Annex-II

## SCHEDULES

Schedule-A		
Payment of the Principal Amount (IDB Loan)		
Number	Date	Amount (ID)
		150,000.00
1	6/30/2025	150,000.00
2	12/31/2025	150,000.00
3	6/30/2026	150,000.00
4	12/31/2026	150,000.00
5	6/30/2027	150,000.00
6	12/31/2027	150,000.00
7	6/30/2028	150,000.00
8	12/31/2028	150,000.00
9	6/30/2029	150,000.00
10	12/31/2029	150,000.00
11	6/30/2030	150,000.00
12	12/31/2030	150,000.00
13	6/30/2031	150,000.00
14	12/31/2031	150,000.00
15	6/30/2032	150,000.00
16	12/31/2032	150,000.00
17	6/30/2033	150,000.00
18	12/31/2033	150,000.00
19	6/30/2034	150,000.00
20	12/31/2034	150,000.00
21	6/30/2035	150,000.00
22	12/31/2035	150,000.00
23	6/30/2036	150,000.00
24	12/31/2036	150,000.00
25	6/30/2037	150,000.00
26	12/31/2037	150,000.00
27	6/30/2038	150,000.00
28	12/31/2038	150,000.00
29	6/30/2039	150,000.00
30	12/31/2039	150,000.00
31	6/30/2040	150,000.00
32	12/31/2040	150,000.00
33	6/30/2041	150,000.00
34	12/31/2041	150,000.00
35	6/30/2042	150,000.00
36	12/31/2042	150,000.00
Total:		5,400,000.00

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Schedule-B		
Payment of the Principal Amount (ISFD Loan)		
Number	Date	Amount (USD)
1	6/30/2028	250,000.00
2	12/31/2028	250,000.00
3	6/30/2029	250,000.00
4	12/31/2029	250,000.00
5	6/30/2030	250,000.00
6	12/31/2030	250,000.00
7	6/30/2031	250,000.00
8	12/31/2031	250,000.00
9	6/30/2032	250,000.00
10	12/31/2032	250,000.00
11	6/30/2033	250,000.00
12	12/31/2033	250,000.00
13	6/30/2034	250,000.00
14	12/31/2034	250,000.00
15	6/30/2035	250,000.00
16	12/31/2035	250,000.00
17	6/30/2036	250,000.00
18	12/31/2036	250,000.00
19	6/30/2037	250,000.00
20	12/31/2037	250,000.00
21	6/30/2038	250,000.00
22	12/31/2038	250,000.00
23	6/30/2039	250,000.00
24	12/31/2039	250,000.00
25	6/30/2040	250,000.00
26	12/31/2040	250,000.00
27	6/30/2041	250,000.00
28	12/31/2041	250,000.00
29	6/30/2042	250,000.00
30	12/31/2042	250,000.00
31	6/30/2043	250,000.00
32	12/31/2043	250,000.00
33	6/30/2044	250,000.00
34	12/31/2044	250,000.00
35	6/30/2045	250,000.00
36	12/31/2045	250,000.00
37	6/30/2046	250,000.00
38	12/31/2046	250,000.00
39	6/30/2047	250,000.00
40	12/31/2047	250,000.00
Total:		10,000,000.00

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Schedule-C Payment of Service Fee (IDB Loan)		
Number	Date	Amount (ID)
	06/30/2018	12,557.88
1	12/31/2018	17,939.84
2	6/30/2019	17,939.84
3	12/31/2019	17,939.84
4	6/30/2020	17,939.84
5	12/31/2020	17,939.84
6	6/30/2021	17,939.84
7	12/31/2021	17,581.04
8	6/30/2022	17,581.04
9	12/31/2022	17,581.04
10	6/30/2023	17,581.04
11	12/31/2023	17,581.04
12	6/30/2024	17,581.04
13	12/31/2024	17,581.04
14	6/30/2025	17,581.04
15	12/31/2025	17,581.04
16	6/30/2026	17,581.04
17	12/31/2026	17,581.04
18		
Total:		313,947.16

Schedule-D Payment of Service Fee (ISFD Loan)		
Number	Date	Amount (USD)
	06/30/2018	20,654.14
1	12/31/2018	29,505.91
2	6/30/2019	29,505.91
3	12/31/2019	29,505.91
4	6/30/2020	29,505.91
5	12/31/2020	29,505.91
6	6/30/2021	29,505.91
7	12/31/2021	28,915.79
8	6/30/2022	28,915.79
9	12/31/2022	28,915.79
10	6/30/2023	28,915.79
11	12/31/2023	28,915.79
12	6/30/2024	28,915.79
13	12/31/2024	28,915.79
14	6/30/2025	28,915.79
15	12/31/2025	28,915.79
16	6/30/2026	28,915.79
17	12/31/2026	28,915.79
18		
Total:		516,353.41

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Schedule-C										
Withdrawal of Proceeds from the Loan										
Amount in USD million										
Sr. No	Components	Step-1	Step-2			TOTAL IDB		GOTG		Total Cost
		IDB Loan	IDB Loan	ISFD Loan	Inst. Sale	Amount	%	Amount	%	
A-	Improvement of Small Ruminant Production, Processing and Marketing	-	6.72	5.11	4.70	16.53	100	0.05	0	16.58
B-	Access to Islamic Microfinance & Capacity Building	0.10	0.13	4.25	-	4.48	94	0.27	6	4.75
C-	Master Development Plan for livestock value chains	0.40			-	0.40	100	-	0	0.40
D-	Project Management and Coordination	1.74	-	-	-	1.74	60	1.17	40	2.91
Sub Total		2.24	6.85	9.36	4.70	23.16	94	1.49	6	24.65
Contingencies		0.22	0.69	0.64	0.47	2.02		0.15		2.16
Excluding line of microfinance										
TOTAL PROJECT COST		2.46	7.54	10.00	5.17	25.17	94	1.64	6	26.81

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**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  
Jeddah, 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 (IDB) in its own capacity and in its capacity as the Administrator of the Islamic Solidarity Fund for Development (ISFD) (the "Bank") (the "Loan Agreement") for financing \*\*\*\*\* (the "Project") in an amount not exceeding \*\*\*\*\* from IDB resources and \*\*\*\*\* from ISFD resources.

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

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