



OFID The OPEC Fund for International Development

LOAN NO. 13318P

MINDELO CRUISE TERMINAL PROJECT

LOAN AGREEMENT

BETWEEN

THE REPUBLIC OF CABO VERDE

AND

THE OPEC FUND FOR
INTERNATIONAL DEVELOPMENT (OFID)

DATED

APRIL 21, 2018

OFID The OPEC Fund for International Development

AGREEMENT dated April 21, 2018, between the Republic of Cabo Verde (“the 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 nineteen million and five hundred thousand Dollars (\$ 19,500,000) upon the terms and conditions set forth hereinafter;

Now, therefore, the parties to this Loan Agreement (the “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 Minister of Finance and Planning of the Borrower;
- (b) “Closing Date” means December 31, 2023;
- (c) “Dollar” and the sign “\$” mean and refer to the lawful currency of the United States of America;
- (d) “Eligible Expenditure Commencement Date” means March 19, 2018;

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- (e) "Executing Agency" means The Cabo Verdean National Port Authority (ENAPOR);
- (f) "General Conditions" means OFID General Conditions Applicable to Public Sector Loan Agreements, December 2007; and
- (g) "Grace Period" means the period beginning on April 21, 2018 and ending five (5) years from that Date.

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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 nineteen million and five hundred thousand Dollars (\$ 19,500,000) on the terms and conditions set forth in this Agreement.

2.02 The Borrower shall pay interest at the rate of two and one half of one per cent (2.5%) per annum on the principal amount of the Loan withdrawn and outstanding.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The Borrower shall pay a Service Charge at the rate of one per cent (1%) per annum on the principal amount of the Loan withdrawn and outstanding.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 May 15 and November 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, all as 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.

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, shall establish 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
107, Avenida Amilcar Cabral
Cidade de Praia
CABO VERDE
Facsimile: (++238) 261 38 97

For OFID:

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

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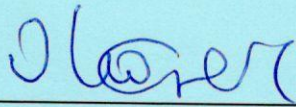
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IN WITNESS whereof the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed and delivered at Washington, D.C., in two copies in the English language, each considered an original and both to the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

FOR THE BORROWER:

Signature:



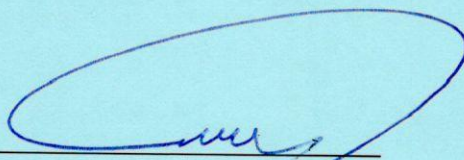
Name: H.E. Dr. Olavo Avelino Garcia Correia

Title: Minister of Finance



FOR THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT (OFID):

Signature:



Name: Suleiman J. Al-Herbish

Title: Director-General



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THE REPUBLIC OF CABO VERDE
MINDELO CRUISE TERMINAL PROJECT

SCHEDULE 1
DESCRIPTION OF THE PROJECT

The objective of the Project is to contribute to sustainable economic growth of Cabo Verde, through the development of tourism activities. This will be reached through attracting a gradually increasing number of cruise ships and tourists on São Vicente Island and developing onshore services including revenue generating facilities.

The Project's objectives shall be achieved through the implementation of the following activities:

1. Civil works and Equipment

This component shall finance landside works and facilities, as follows:

- (a) demolition and reconstruction of an existing quay pavement, and removal of existing parking lot, empty containers, warehouses, fences and gates;
- (b) construction of a "Visitors Welcome Centre," a 900 m² one-story building with the appropriate passenger and luggage handling facilities, security and technical installations (including 2 X-ray scanners) and 90 m² of retail facilities; and
- (c) construction of adjacent transportation area (830 m²) for buses and taxis parking, comprising an access road, a pedestrian connection, landscaping, public lighting, signage and storm water drainage.

2. Employer's Representative, as follows:

A consultancy firm, namely an Employer's Representative, shall be recruited to assist and advise ENAPOR during project implementation. The Employer's Representative shall review the design, prepare the tender documents for hard, as well as soft infrastructure, assist in the procurement of the civil works including drafting of contracts, and supervise the construction works and report on project implementation.

3. Cruise Destination Development Program (CDDP), as follows:

A consultant with international experience shall be recruited to prepare the final design of the CDDP, which comprises a cruise tourism marketing plan, training of ENAPOR staff, capacity building, and an awareness campaign. This CDDP shall further supervise works under this component for the first 5 years of project implementation, to ensure the sustainability of the Project. This shall be achieved through the provision of the aforementioned training and capacity building for the staff and cruise tourism community as a whole, and through the monitoring of operations.

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REPUBLIC OF CABO VERDE
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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 so 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 and Equipment	17,900,000	60
(2)	Employer's Representative	700,000	65
(3)	Cruise Destination Development Program	--	--
	Physical and Price Contingencies	900,000	
	Total:	19,500,000	

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 CABO VERDE MINDELO CRUISE TERMINAL PROJECT

SCHEDULE 3 AMORTIZATION

<u>No.</u>	<u>Date of Repayment</u>	<u>Amount Due</u> (Expressed in Dollars)
1	May 15, 2023	650,000.00
2	November 15, 2023	650,000.00
3	May 15, 2024	650,000.00
4	November 15, 2024	650,000.00
5	May 15, 2025	650,000.00
6	November 15, 2025	650,000.00
7	May 15, 2026	650,000.00
8	November 15, 2026	650,000.00
9	May 15, 2027	650,000.00
10	November 15, 2027	650,000.00
11	May 15, 2028	650,000.00
12	November 15, 2028	650,000.00
13	May 15, 2029	650,000.00
14	November 15, 2029	650,000.00
15	May 15, 2030	650,000.00
16	November 15, 2030	650,000.00
17	May 15, 2031	650,000.00
18	November 15, 2031	650,000.00
19	May 15, 2032	650,000.00
20	November 15, 2032	650,000.00
21	May 15, 2033	650,000.00
22	November 15, 2033	650,000.00
23	May 15, 2034	650,000.00
24	November 15, 2034	650,000.00
25	May 15, 2035	650,000.00
26	November 15, 2035	650,000.00
27	May 15, 2036	650,000.00
28	November 15, 2036	650,000.00
29	May 15, 2037	650,000.00
30	November 15, 2037	<u>650,000.00</u>
	Total:	<u>19,500,000</u>

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