

## **Sierra Leone Arrears to Multilateral Institutions**

**World Bank Office – Paris 18<sup>th</sup> January 2002**

### **Draft Understanding on clearance of arrears incurred by Sierra Leone in respect of loans owed to the OPEC Fund for International Development**

1. A total amount of US\$11,099,315.75 of principal and interest arrears was due as of November 30, 2001. The present understanding outlines modalities discussed bilaterally between representatives of the Sierra Leone government and the OPEC Fund for International Development (OPEC Fund). Any formal agreement will require endorsement from the management and Board of the OPEC Fund.
2. The understanding includes the following modalities:
  - As a gesture of goodwill, Sierra Leone agrees to pay US\$1,099,315.75 in 2002. Payment will be made in 10 equal monthly installments of US\$100,000 beginning on February 15, 2002. The residual balance of US\$99,315.75 will be made on December 15, 2002.
  - Current charges on outstanding arrears will be paid on their due dates.
  - The remaining arrears will be capped at US\$10,000,000. These will be settled within the context of a new arrangement to be negotiated with the OPEC Fund at the earliest opportunity, in any event, not later than end-February 2002.
3. Representatives of Sierra Leone and the OPEC Fund agreed that the portfolio of all operations will be reviewed with a view to resuming disbursements as soon as possible.
  - as a first priority, Sierra Leone will validate outstanding disbursement requests under the existing loan portfolio and will inform the OPEC Fund of a decision at the earliest opportunity.
  - secondly, officials from Sierra Leone will visit the OPEC Fund within the next two months to discuss prospects for new lending operations, including support to the private sector.
4. The representatives from Sierra Leone expressed appreciation to the OPEC Fund for its efforts to normalize creditor relations and its commitment to the HIPC Initiative.

For the Sierra Leone Government: H.E. Peter J. Kuyembeh, Minister of Finance

For the OPEC Fund: Mr. Ahmed Khouni, Senior Operations Officer

