

NDPPF Loan Agreement

This agreement is made and entered into this _____ day of _____ 2004/2005 _____, in Addis Ababa, Ethiopia by and between the following agencies:

The _____ (name of borrowing agency) with office address at _____ and represented herein by _____, hereafter referred to as the Borrower,

AND

The National Disaster Prevention and Preparedness Fund Administration (**NDPPFA**) with its head office located at Addis Ababa, Kirkos, Kebele 02, represented herein by its Manager, _____ hereafter referred to as the **NDPPF Administration (NDPPFA)**.

BOTH PARTIES HEREBY AGREE ON THE FOLLOWING PREMISES:

WHEREAS, the country is facing a current serious emergency situation due to drought and/or other natural and manmade problems, and there is a need to utilize the National Disaster Prevention and Preparedness Fund to facilitate a rapid response to meet the needs of the affected communities;

WHEREAS, the **NDPPFA** is responsible for the management and operation of the country's **NDPP** Fund for use during emergencies in the form of loans or grants to recognized relief agencies working on relief and rehabilitation activities until such time as other sources of funding can be mobilized by said agencies;

WHEREAS, the borrowing agency is a recognized relief organization in need of cash inputs for use in relief and rehabilitation activities and is capable of repaying the borrowed funds from the **NDPPFA** with cash committed by the donor agencies;

Now, given these premises, the signatories from the above agencies hereby agree to the following provisions of this loan agreement:

ARTICLE I
SCOPE OF THE AGREEMENT

The scope of this loan agreement will cover the following:

1. QUANTITY

The **NDPPFA** shall issue a cash loan to the borrowing relief organization and shall commit a cash amount equivalent to no less than _____ Birr _____ (amount in words) to the Borrower for issue from the **NDPPFA** bank account located in Addis Ababa;

2. LOAN REPAYMENT

The Borrower shall undertake to repay the loan on or before _____ and will effect full repayment by depositing the full amount in the **NDPPF** bank account in Addis Ababa _____ (details of account);

3. INTEREST CHARGES

The approved loan shall be free of cash deposits and interest charges if repayment is effected by the borrower within the agreed ____ month repayment period. The unpaid loan balance after the ____ month period shall be charged a nominal interest charge equal to ____ % per annum.

ARTICLE II
LOAN REPAYMENT SCHEDULE

1. REPAYMENT SCHEDULE AND OTHER CONDITIONS

The Borrower shall effect the full repayment of loaned funds in accordance with Article I within a period of _____ months. The donor agency shall issue a letter of guarantee in favor of the **NDPPFA** to ensure the repayment of the loan. In that letter the borrower, as part of the loan repayment commitment, assumes full responsibility for all related costs to effect payment to the designated **NDPPF** bank account.

ARTICLE III
DEFAULT AND ARBITRATION

1. In case of default, both of the contracting parties hereby agree that the defaulting party shall make good to the other party whatever extent of damage is inflicted. After the lapse of the agree loan repayment period, the outstanding balance of the loan shall be subject to interest charges equivalent to _____ percent per annum;

2. Any dispute of difference arising out of, or in connection with this agreement shall be referred to the appropriate Ethiopian Court of Law.

IN WITNESS THEREOF, THE PARTIES TO THIS AGREEMENT HAVE AFFIXED
THEIR RESPECTIVE SIGNATURES HERE BELOW:

NDPPFA Manager

Borrowing Organization Representative

IN FULL CONFORMITY WITH THE AGREEMENT:

Donor Agency Representative

WITNESSES:

NAME	SIGNATURE
1. _____	_____
2. _____	_____