

CONFORMED COPY

CREDIT NUMBER 2577 ZA
(Amendment)

Agreement Amending
Development Credit Agreement

(Economic and Social Adjustment Credit)

between

REPUBLIC OF ZAMBIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 7, 1995

DEVELOPMENT CREDIT NUMBER 2577 ZA
(Amendment)

AGREEMENT AMENDING
DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated June 7, 1995, between the REPUBLIC OF ZAMBIA (the Borrower) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS: (A) the Borrower and the Association have entered into a Development Credit Agreement (Economic and Social Adjustment Credit), dated April 26, 1994, (the Development Credit Agreement) for the purpose of assisting in the financing of the program referred to in Recital (A) of the Preamble to the Development Credit Agreement (the Program);

(B) the Borrower has requested the Association to provide additional assistance towards the financing of the Program by increasing the amount made available under the Development Credit Agreement by an amount in various currencies equivalent to nine million and seven hundred thousand Special Drawing Rights (SDR 9,700,000); and

(C) the Association has agreed on the basis, inter alia, of the foregoing, to provide such additional assistance to the Borrower upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Amendments to the Development Credit Agreement

Section 1.01. Section 1.02 of the Development Credit Agreement is amended by the deletion of the word "and" at the end of Subsection (d); the deletion of the punctuation mark "." at the end of Subsection (e); and the substitution therefor of the word and punctuation mark "; and", and by the addition of a new Subsection (f) as follows:

"(f) "Amending Agreement" means the Agreement Amending the Development Credit Agreement (Economic and Social Adjustment Credit) between the Borrower and the Association, dated June 7, 1995."

Section 1.02. Section 2.01 of the Development Credit Agreement is amended to read as follows:

"Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Development Credit Agreement, an amount in various currencies equivalent to one hundred and eighteen million six hundred thousand Special Drawing Rights (SDR 118,600,000) (the Credit), which includes an original amount in various currencies equivalent to one hundred and eight million nine hundred thousand Special Drawing Rights (SDR 108,900,000) and an additional amount in various currencies equivalent to nine million seven hundred thousand Special Drawing Rights (SDR 9,700,000) (the Additional Financing)."

Section 1.03. A proviso is added at the end of Section 2.04 (a) of the Development Credit Agreement reading as follows:

"; provided, however, that any commitment charge on the Additional Financing shall accrue from a date sixty (60) days after the date of the Amending Agreement."

Section 1.04. The following paragraph is added at the end of Schedule 1 to the Development Credit Agreement:

"6. After a date twelve months from the date of the Amending Agreement, no withdrawals shall be made and no commitment shall entered into to pay amounts to, or on the order of, the Borrower in respect of expenditures to be financed out of the proceeds of the Additional Financing. At any time after such date, the Association may, by notice to the Borrower, cancel the unwithdrawn amount of the Additional Financing from the Credit Account or any part thereof."

ARTICLE II

Effective Date; Termination

Section 2.01. This Amending Agreement shall not become effective until evidence satisfactory to the Association shall have been furnished to the Association that the execution and delivery of this Amending Agreement on behalf of the Borrower have been duly authorized or ratified by all necessary governmental action.

Section 2.02. As part of the evidence to be furnished pursuant to Section 2.01 of this Amending Agreement, there shall be furnished to the Association an opinion or opinions satisfactory to the Association of counsel acceptable to the Association showing, on behalf of the Borrower, that this

Amending Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and is legally binding upon the Borrower in accordance with its terms.

Section 2.03. This Amending Agreement shall come into force and effect on the date upon which the Association shall dispatch to the Borrower notice of its acceptance of the evidence required by Section 2.01 of this Amending Agreement.

Section 2.04. If this Amending Agreement shall not have come into force and effect by a date sixty (60) days after the date of this Amending Agreement, this Amending Agreement and all obligations of the parties hereunder shall terminate unless the Association establishes a later date for the purposes of this Section. If this Amending Agreement shall terminate under the provisions of this Section, the Development Credit Agreement shall continue in full force and effect as if this Amending Agreement had not been executed.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF ZAMBIA

By /s/ Dunstan W. Kamana

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Edward V.K. Jaycox

Regional Vice-President
Africa

