

CONFORMED COPY

**CREDIT NUMBER 2702-1-SL
(Amendment)**

Agreement Amending Development Credit Agreement

(Urban Water Supply Project)

between

REPUBLIC OF SIERRA LEONE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 28, 2005

**CREDIT NUMBER 2702-1-SL
(Amendment)**

**AGREEMENT AMENDING
DEVELOPMENT CREDIT AGREEMENT**

AGREEMENT, dated June 28, 2005, between REPUBLIC OF SIERRA LEONE (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Borrower and the Association have entered into a Development Credit Agreement (Urban Water Supply Project), dated May 15, 1995, as amended on October 26, 2000 (the Development Credit Agreement), for the purpose of assisting in the financing of the water supply and sanitation sector development programs referred to in the Preamble of the Development Credit Agreement (the Project);

(B) the Borrower has requested the Association to provide further additional assistance in order to settle outstanding payments on contracts for works incurred under Parts A (b), (d), (e), and (f) of the Project, by increasing the amount made available under the Development Credit Agreement by an amount in various currencies equivalent to two million two hundred thousand Special Drawing Rights (SDR 2,200,000); and

WHEREAS 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 Amending Agreement (as hereinafter defined);

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Section 1.01. Section 1.02 of the Development Credit Agreement is amended by:

(i) inserting the following paragraph (a) and renumbering the existing paragraphs (a) through (w) as paragraphs (b) to (x):

“(a) ‘Amending Agreement’ means this Agreement Amending the Development Credit Agreement between the Borrower and the Association, dated June 28, 2005;”

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 twenty-six million seven hundred Special Drawing Rights (SDR 26,700,000) (the Credit), which includes: (a) an original amount in various currencies equivalent to twenty-four million five hundred thousand Special Drawing Rights (SDR 24,500,000) (the Initial Financing); and (b) a supplemental amount in

various currencies equivalent to two million two hundred Special Drawing Rights (SDR 2,200,000) (the Additional Financing).”

Section 1.03. In Section 2.03 of the Development Credit Agreement, the Closing Date is amended to read “December 31, 2005”.

Section 1.04. Section 2.04 (b) (i) of the Development Credit Agreement is amended by adding after the term “cancelled” the following proviso:

“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 1.05. Section 2.07 (a) of the Development Credit Agreement is amended to read as follows:

- “(a) Subject to paragraphs (b) and (c) below, the Borrower shall:
- (A) repay the principal amount of the Initial Financing in semiannual installments payable on each June 15 and December 15, commencing June 15, 2005 and ending December 15, 2034. Each installment to and including the installment payable on December 15, 2014, shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount; and
 - (B) repay the principal amount of the Additional Financing in semiannual installments payable on each June 15 and December 15, commencing December 15, 2015 and ending June 15, 2045. Each installment to and including the installment payable on June 15, 2025 shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount.”

Section 1.06. The table set forth in paragraph 1 of Schedule 1 to the Development Credit Agreement is deleted and replaced with the table set forth in Attachment I to this Amending Agreement.

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 has been duly authorized or ratified by all necessary governmental action, and this Amending Agreement is legally binding upon the Borrower in accordance with its terms.

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 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 come into force and effect by a date ninety (90) 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 Amending 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 SIERRA LEONE

By

/s/ Ibrahim Kamara
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

/s/ Mahmood Ayub
Authorized Representative

