

CONFORMED COPY

CREDIT NUMBER 2049 KE  
(Amendment)

(Financial Sector Adjustment Credit)

between

REPUBLIC OF KENYA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated October 18, 1989

DEVELOPMENT CREDIT NUMBER 2049 KE  
(Amendment)

AGREEMENT AMENDING  
DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated October 18, 1989, between the REPUBLIC OF KENYA (the Borrower) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Borrower and the Association have entered into a Development Credit Agreement (Financial Sector Adjustment Credit), dated July 12, 1989, (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 thirty-five million three hundred thousand Special Drawing Rights

(SDR 35,300,000); 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 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 (f) and the replacement of the ensuing subsections by the following:

(g) "Special Account" means either of the accounts referred to in Section 2.02 (c) of this Agreement; and

"(h) "Amending Agreement" means the Agreement Amending the Development Credit Agreement (Financial Sector Adjustment Credit) between the Borrower and the Association, dated ."

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 twenty eight million two hundred thousand Special Drawing Rights (SDR 128,200,000) (the Credit), which includes an original amount in various currencies equivalent to ninety-two million nine hundred thousand Special Drawing Rights (SDR 92,900,000) and an additional amount in various currencies equivalent to thirty-five million three hundred thousand Special Drawing Rights (SDR 35,300,000) (the Additional Financing)."

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

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

Section 1.04. Paragraph 4 of Schedule 1 to the Development Credit Agreement is amended by the deletion therefrom of the amount "SDR 30,000,000" and the substitution therefor of the amount "SDR 65,300,000".

Section 1.05. The following paragraph is added at the end of Schedule 1 to the Development Credit Agreement:

"7. After a date twelve months from the date of the Amending Agreement, no withdrawals shall be made and no commitment shall be 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 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 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 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 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 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 Agreement.

Section 2.04. If this Agreement shall not have come into force and effect by a date ninety (90) days after the date of this Agreement, this 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 Agreement shall terminate under the provisions of this Section, the Development Credit Agreement shall continue in full force and effect, as if this 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 KENYA

By /s/ D. D. Afande

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Edward V.K. Jaycox

Regional Vice-President  
Africa

