

CONFORMED COPY

CREDIT NUMBER 1844-UG
(Third Amendment)

(Economic Recovery Program)

between

THE REPUBLIC OF UGANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated November 27, 1989

CREDIT NUMBER 1844-UG
(Third Amendment)

THIRD AGREEMENT AMENDING
DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated November 27, 1989, between THE REPUBLIC OF UGANDA (the Borrower) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Borrower and the Association have entered into a Development Credit Agreement (Economic Recovery Program), dated September 30, 1987, (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 and the Association have entered into two

agreements dated March 31, 1989 and April 26, 1989, respectively (the First Amending Agreement and the Second Amending Agreement) amending the Development Credit Agreement for the purpose of providing the Borrower with additional assistance in the financing of the Program;

(C) the Borrower has requested the Association to provide further 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 one million two hundred thousand Special Drawing Rights (SDR 1,200,000); and

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to provide such further 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 of 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 (b) thereof and the replacement of the ensuing subsection by the following:

"(c) "Special Account" means the account referred to in Section 2.02 (b) of this Agreement; and

(d) "Third Amending Agreement" means the Agreement Amending the Development Credit Agreement (Economic Recovery Program) between the Borrower and the Association, dated November 27, 1989.

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 seventy-two million four hundred thousand Special Drawing Rights (SDR 72,400,000) (the Credit), which includes an original amount in various currencies equivalent to fifty million nine hundred thousand Special Drawing Rights (SDR 50,900,000) (the Initial Financing) and three additional amounts in various currencies equivalent, respectively, to one million three hundred thousand Special Drawing Rights (SDR 1,300,000) (the First Additional Financing), nineteen million Special Drawing Rights (SDR 19,000,000) (the Second Additional Financing) and one million two hundred thousand Special Drawing Rights (SDR 1,200,000) (the Third Additional Financing)."

Section 1.03. Section 2.02 of the Development Credit Agreement is amended by the addition, after Subsection (b) thereof, of a new subsection reading as follows:

"(c) Except as the Borrower and the Association shall otherwise agree, all amounts withdrawn from the Credit Account or made subject to a special commitment pursuant to Section 5.02 of the General Conditions shall:

(i) initially be charged against the Initial Financing, the First Additional Financing and the Third Additional Financing until those amounts have been exhausted; and

(ii) thereafter be charged against the Second Additional Financing."

Section 1.04. Section 2.03 of the Development Credit Agreement is amended by the deletion therefrom of the date "September 30, 1989" and the substitution therefor of the date "November 27, 1990".

Section 1.05. 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 First Additional Financing shall accrue from May 30, 1989, any commitment charge on the Second Additional Financing shall accrue from June 24, 1989 and any commitment charge on the Third Additional Financing shall accrue from a date sixty (60) days after the date of the Third Amending Agreement."

Section 1.06. The following paragraph is added at the end of Schedule 1 to the Development Credit Agreement:

"5. After March 31, 1990, 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 First Additional Financing. At any time after such date, the Association may, by notice to the Borrower, cancel the unwithdrawn amount of the First Additional Financing from the Credit Account or any part thereof."

Section 1.07. Subparagraph (g) of paragraph 2 of Schedule 1 to the Development Credit Agreement is deleted.

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.

THE REPUBLIC OF UGANDA

By /s/ Steven Katenta-Apuli
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Edward V. K. Jaycox
Regional Vice-President
Africa

