

CONFORMED COPY

CREDIT NUMBER 2718 GH
(Third Amendment)

Third Agreement Amending
Development Credit Agreement

(Private Sector Adjustment Credit)

between

REPUBLIC OF GHANA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 8, 1998

CREDIT NUMBER 2718 GH
(Third Amendment)

THIRD AGREEMENT AMENDING
DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated April 8, 1998, between REPUBLIC OF GHANA (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Borrower and the Association have entered into a Development Credit Agreement (Private Sector Adjustment Credit) dated July 25, 1995 (the Development Credit Agreement) for the purpose of assisting in the financing of urgently needed imports required during the execution of the Borrower's program designed to achieve structural adjustment in the private sector (the Program);

(B) the Borrower and the Association have entered into the Agreement and the Second Agreement Amending Development Credit Agreement (Private Sector Adjustment Credit), respectively dated December 21, 1995 and December 12, 1996, whereby additional assistance was made available to the Borrower for the purpose of providing support during the execution 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 seven eight hundred thousand Special Drawing Rights (SDR 1,700,000 1,800,000); 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 of the Development Credit Agreement

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

(a) substituting the period at the end of paragraph (h) with a semicolon and adding the word "and" after such semicolon; and

(b) adding the following paragraph (i), reading:

"(i) Third Amending Agreement means the Third Agreement Amending the Development Credit Agreement between the Borrower and the Association dated April 8, 1998."

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 fifty-four million two hundred thousand Special Drawing Rights (SDR 54,200,000) (the Credit), which includes: (a) an original amount in various currencies equivalent to forty-six million nine hundred thousand Special Drawing Rights (SDR 46,900,000) (the Initial Financing); and (b) an additional amount in various currencies equivalent to three million two hundred thousand Special Drawing Rights (SDR 3,200,000) (the Additional Financing); (c) a second additional amount in various currencies equivalent to two million four hundred thousand Special Drawing Rights (SDR 2,400,000) (the Second Additional Financing); and (d) a third additional amount in various currencies equivalent to one million seven hundred thousand Special Drawing Rights (SDR 1,700,000) (the Third Additional Financing).

Section 1.03. Section 2.02 of the Development Credit Agreement is amended by inserting the letter "(a)" in front of the first sentence, substituting the period at the end of the paragraph with a semicolon followed by the word "and" and adding the following paragraph (b):

"(b) After a date twelve months (or such later date as the Association shall establish and promptly notify to the Borrower) from the date of the Third Amending Agreement, no withdrawal shall be made from the Credit Account in respect of expenditures to be financed out of the proceeds of the Third Additional Financing. At any time after such date, the Association may, by notice to the Borrower, cancel the unwithdrawn amount of the Third Additional Financing from the Credit Account or any part thereof."

Section 1.04. Section 2.04 of the Development Credit Agreement is amended by:

(a) adding to paragraph (b) (i), after the term "cancelled," the following proviso:

"; provided, however, that any commitment charge on: (A) the First Additional Financing shall accrue from a date sixty days after the date of the Amending Agreement; (B) the Second Additional Financing shall accrue from a date sixty days after the date of the Second Amending Agreement; and (C) the Third Additional Financing shall accrue from a date sixty days after the date of the Third Amending Agreement"; and

(b) deleting from the end of paragraph (b) the proviso "; 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 1.05. Paragraph 4 (b) of Schedule 1 to the Development Credit Agreement

is amended by substituting "SDR 35,800,000 16,100,000" with "SDR 37,500,000.17,900,000"

ARTICLE II

Effective Date; Termination

Section 2.01. This Third 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 Third 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 Third 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 Third 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 Third 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 Third Amending Agreement.

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

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Third Amending Agreement to be signed in their respective names in Accra, Republic of Ghana, as of the day and year first above written.

REPUBLIC OF GHANA

By /s/ Richard Kwame Peprah

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Peter Harrold

Acting Regional Vice President
Africa

