Agreement Amending Development Financing Agreement

(Poverty Reduction Support Credit)

between

UNITED REPUBLIC OF TANZANIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 30, 2004
AGREEMENT AMENDING
DEVELOPMENT FINANCING AGREEMENT

Agreement, dated June 30, 2004, between UNITED REPUBLIC OF TANZANIA (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Borrower and the Association have entered into a Development Financing Agreement (Poverty Reduction Support Credit) dated June 23, 2003 (the Development Financing Agreement), for the purpose of supporting a program to eradicate poverty as described in Recital (A) of the Development Financing Agreement (the Program);

(B) the Borrower has requested the Association to provide additional assistance in the support of the Program during its execution by increasing the amount made available under the Development Financing Agreement by an amount in various currencies equivalent to one hundred thirty thousand Special Drawing Rights (SDR 130,000);

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to provide such additional assistance, representing the FY2004 allocation under the Association’s Fifth Dimension Program established in 1988, 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 Financing Agreement

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

(a) substituting the period at the end of paragraph (d) by a semicolon and adding the word “and” after such semicolon ; and

(b) adding the following paragraph (e) reading:

Section 1.02. Section 2.01 of the Development Financing Agreement is modified to read:

“Section 2.01. The Association agrees to make available to the Borrower, on terms and conditions set forth or referred to in the Development Financing Agreement:

(a) an amount in various currencies equivalent to seventy-three million one hundred thirty thousand Special Drawing Rights (SDR 73,130,000) (the Credit), which includes: (i) an original amount in various currencies equivalent to seventy-three million Special Drawing Rights (SDR 73,000,000) (the Initial Credit); and (ii) an additional amount in various currencies equivalent to one hundred thirty thousand Special Drawing Rights (SDR 130,000) (the Additional Credit).

(b) an amount in various currencies equivalent to twenty-three million four hundred thousand Special Drawing Rights (SDR 23,400,000) (the Grant).”

Section 1.03. Section 2.02 of the Development Credit Agreement is amended as follows:

(a) Paragraph (a) is amended to read:

“(a) Subject to the provisions of paragraphs (b), (c), and (d) of this Section, the Borrower shall be entitled to use the proceeds of the Credit withdrawn from the Credit Account and deposited in the Deposit Account in support of the Program.”

(b) A new paragraph (d) is added to read as follows:

“(d) 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 Amending Agreement, no withdrawal shall be made from the Credit Account in respect of expenditures to be financed out of the proceeds of the Additional Credit. At any time after such date, the Association may, by notice to the Borrower, cancel the unwithdrawn amount of the Additional Credit from the Credit Account or any part thereof.”

Section 1.04. In Section 2.03, the Closing Date is amended to read “June 30, 2005.”
Section 1.05. Paragraph (b) (i) of Section 2.04 of the Development Financing Agreement is amended by adding after the term “canceled” the following proviso:

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

UNITED REPUBLIC OF TANZANIA

By: /s/ Andrew Daraja
    Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Gerard Byam
    Authorized Representative