

THE GUARANTEE (LOANS) ACT CAP 461

The East African Development Bank has asked the International Bank for Reconstruction and Development (World Bank) to make the aforementioned loan to assist it in financing development projects through loans and investments in productive enterprises in the three Partner States. The terms and conditions of the loan oblige the borrower to carry out detailed feasibility studies prior to investments; to consult regularly the Partner States on any changes in its policies and programmes and always to act in accordance with the directive of its Board of Directors on which the

three Partner States are represented; and to obtain the prior approval of the World Bank on individual loans or investments of more than \$300,000 (K£1,071,429).

Parliament is now requested to agree that the Kenya Government extend to the International Bank for Reconstruction and Development joint and several guarantees in the sum of \$ 8 million.

The current total contingent liability of the Kenya Government in respect of guarantees given under Section 3 of the Guarantee (Loans) Act (other than those specified in the schedule to the Act) amount to K£76,249,547. With the guarantee of K£2,857,143 proposed in this Sessional Paper, the aggregate will be increased to K£79,106,690 of which K£33,106,690 will fall within paragraph (a) and K£45,738,543 within paragraph (b) of Section 3 of the Act.

The Treasury

NAIROBI

8th June, 1972.