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In accordance with the provisions of the Guarantee (Loans) Act … Cap. 461, tre following information is laid before the National Assembly relating to a exarantee which the Fenja Government proposes to give jojntly and severally With the Govermments of the United Republic of Tanzania and the Repubic of Uganda, in respect of a loan in various curpencies equjvalent to fjfteen million dollars ( $\$ 15,000,000$ ) of approximately $\mathbb{K} E 6,150,000$ at the present rate of exchange, by the Intemational Bank for Reconstruction and Development (World Bank) to the East African Development Bank. The loan will bear the going rate of interest being charged by I。B.R.D. For new loans when this Hoan hereement is sjened: curcently this rate is $8 \frac{1}{2} \%$ p. a. It is charged on the principal amount of loan withdxawn and outstanding from time to time. In addition, there will be a cominiment charge at the rate of three-rourths of one per cent ( $\frac{3}{4}$ of $1 \%$ ) per annum on the principal amont of the loan not withdrawn from time to time. The loan is repayable over a period of fifteen years begiming from March/September, 1981 in accordance with en agreed amortigation schedule. Intenest and other charges shall be parable semi-mmually on March 15 and September, in each year.

The East Airican Development Bank jgestablished under article 21 of the Preaty Gor Bast Afican Comoperation, its charter being $\mathrm{get}^{\mathrm{t}}$ out in Anca IV of the Troaty. The three Goverments and I.3.B.D. have expressed their contidence in sound future operations of the bant in a remorganiged East African Commity.

The rest Afrecen Development Bank has asked the Intemational Bant for Reconstruction and Development (Uorld Eank) to moke the aforementioned loan to assjst it in financing dovalopment mojects throwh loans and investmonts in produchive entorprises in the three partmer gratos. The
terms ghd concitions af tho Joan objice the Bormowor (the Bast Aniom Development Dens) to carcy out detailed feasibility studies prior to investments, to comsult regulerly the pathon states on any changes in tus policies and programmes and to obtain the prior approval of the world Banir on jncividual sub-loane or investments before withoramals re arthonaou from the Loan Account.
 Kenya Govern dent abonc to the Thtometioncl Banls for Peconstruction and Devolomment joint and Geveral guchantoes in bic sum of pis miluion.

The curront botal contingent hiabiIity of the Kenya Govomment in rospoct of euramntees given under Section 3 of the Gurmantee (Joans) Act (othen than those specified in the schedule bo the act) amomnt to Ka188,361,934.

With the guarantee of E66,150,000 moposed in this SesGional paper, the aggregate will be increased to Keí4,511,934 of which 2 105,762,662 will Fall within paragraph (a) an ricoe,749,272 vitain panagrajh (b) of Section 3 on the Act.

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