

No. 9320

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
KENYA**

Development Credit Agreement—*Second Kenya Tea Development Authority Project* (with annexed Credit Regulations No. 1, as amended, and Project Agreement between the Association and the Kenya Tea Development Authority). Signed at Washington, on 17 June 1968

Official text : English.

Registered by the International Development Association on 21 November 1968.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
KENYA**

Contrat de crédit de développement — *Deuxième projet relatif à la Kenya Tea Development Authority* (avec, en annexe, le Règlement n° 1 sur les crédits de développement, tel qu'il a été modifié, et le Contrat relatif au Projet entre l'Association et la Kenya Tea Development Authority). Signé à Washington, le 17 juin 1968

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 21 novembre 1968.

No. 9320. DEVELOPMENT CREDIT AGREEMENT ¹(*SECOND KENYA TEA DEVELOPMENT AUTHORITY PROJECT*) BETWEEN THE REPUBLIC OF KENYA AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION, SIGNED AT WASHINGTON, ON 17 JUNE 1968

AGREEMENT, dated June 17, 1968, between the REPUBLIC OF KENYA (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS (A) the Kenya Tea Development Authority (hereinafter called KTDA), a statutory body established by the Agriculture (Kenya Tea Development Authority) Order of the Borrower, is executing a project for the further development of tea production by African smallholders ;

(B) KTDA plans to obtain a loan for the field sector of this project in an amount of up to 450,000 pounds sterling from the Commonwealth Development Corporation (hereinafter called CDC), a corporation established under the Overseas Resources Act, 1948 of the United Kingdom of Great Britain and Northern Ireland ;

(C) CDC intends, provided certain conditions are fulfilled, to contribute towards the financing of the tea factories forming a part of this project ;

(D) The Government of the Borrower and KTDA have entered into an agreement dated May 23, 1968, providing, *inter alia*, for the supplying by the Government of the Borrower of the field staff required for the proper carrying out of this project and the necessary housing for such staff ;

(E) The Borrower and KTDA have requested the Association to assist in the financing of the field sector of this project ;

(F) The Association has made a credit available to the Borrower for purposes of KTDA in an amount in various currencies equivalent to \$ 2,800,000 pursuant to a development credit agreement between the Borrower and the Association dated August 17, 1964 ² (hereinafter called the 1964 Credit Agreement) ; and

¹ Came into force on 28 October 1968, upon notification by the Association to the Government of Kenya.

² United Nations, *Treaty Series*, Vol. 535, p. 79.

(G) The Association is willing to make a further development credit available on the terms and conditions provided herein and in a project agreement¹ of even date herewith between the Association and KTDA ;

NOW THEREFORE the parties hereto agree as follows :

Article I

CREDIT REGULATIONS ; SPECIAL DEFINITIONS

Section 1.01. The parties to this Agreement accept all the provisions of Development Credit Regulations No. 1 of the Association dated June 1, 1961, as amended February 9, 1967² with the same force and effect as if they were fully set forth herein subject, however, to the following modifications thereof (the said Development Credit Regulations No. 1 as so modified being hereinafter called the Regulations) :

(a) Section 6.02 is amended by inserting the words “ or the Project Agreement ” after the words “ the Development Credit Agreement. ”

(b) The following subparagraph is added to Section 9.01 :

“ 13. The term ‘ Project Agreement ’ shall have the meaning set forth in the Development Credit Agreement. ”

Section 1.02. Unless the context otherwise requires, the following terms wherever used in this Development Credit Agreement have the following meanings :

(a) “ Project Agreement ” means the agreement between the Association and KTDA of even date herewith, providing for the carrying out of the Project, as the same shall be amended from time to time by agreement between the Association and KTDA.

(b) “ Supervision Agreement ” means the agreement between the Government of the Borrower and KTDA referred to in Recital (D) of this Agreement, as the same shall be amended from time to time with the approval of the Association.

(c) “ Subsidiary Loan Agreement ” means the agreement referred to in Section 4.02 (a) of this Agreement to be entered into between the Government of the Borrower and KTDA, as the same shall be amended from time to time with the approval of the Association.

¹ See p. 390 of this volume.

² See p. 390 of this volume.

Article II

THE CREDIT

Section 2.01. The Association agrees to make available to the Borrower, on the terms and conditions in this Development Credit Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to two million one hundred thousand dollars (\$ 2,100,000).

Section 2.02. The Association shall open a Credit Account in the name of the Borrower and shall credit to such Credit Account the amount of the Credit. The amount of the Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Development Credit Agreement.

Section 2.03. Except as the Borrower and the Association shall otherwise agree :

(a) the Borrower shall be entitled, subject to the provisions of this Development Credit Agreement, to withdraw from the Credit Account (i) such amounts as shall have been paid, or, if the Association shall so agree, as shall be required to meet payments to be made, for the reasonable c.i.f. cost of imported vehicles required to carry out the field sector of the Project ; and (ii) amounts equivalent to such amounts as shall have been otherwise expended on the field sector of the Project ;

(b) no withdrawals from the Credit Account shall be made until the development credit provided for in the 1964 Credit Agreement is fully withdrawn ;

(c) such withdrawals from the Credit Account shall not exceed in the aggregate that portion of the excess of KTDA's payments in respect of the field sector of its operations over its receipts in respect of such sector after June 30, 1968 which is not financed under the 1964 Credit Agreement or by CDC pursuant to the loan referred to in Recital (B) to this Agreement ;

(d) no withdrawals from the Credit Account shall be made unless the Borrower shall certify in respect of each withdrawal that KTDA has withdrawn an aggregate amount from CDC under the loan referred to in Recital (B) to this Agreement equal to or greater than 50 % of the equivalent of the total of (i) the amount previously withdrawn from the Credit Account and (ii) the amount covered by the withdrawal application ; and

(e) no withdrawals from the Credit Account shall be made on account of expenditures prior to July 1, 1968.

Section 2.04. The currency of the United Kingdom of Great Britain and Northern Ireland is hereby specified for the purposes of Section 3.02 of the Regulations.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1 %) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.06. Service charges shall be paid semi-annually on June 1 and December 1 in each year.

Section 2.07. The Borrower shall repay the principal amount of the Credit withdrawn from the Credit Account in semi-annual installments payable in each June 1 and December 1 commencing June 1, 1978 and ending December 1, 2017, each installment to and including the installment payable on December 1, 1987, to be one-half of one per cent ($\frac{1}{2}$ of 1 %) of such principal amount, and each installment thereafter to be one and one-half per cent ($1\frac{1}{2}$ %) of such principal amount.

Article III

USE OF PROCEEDS OF THE CREDIT

Section 3.01. The Borrower shall cause the proceeds of the Credit to be applied exclusively to financing the cost of the goods required to carry out the field sector of the Project. The specific allocation of the proceeds of the Credit and the methods and procedures for procurement of the goods to be financed out of such proceeds, shall be determined by agreement between the Association and the Borrower, subject to modification by further agreement between them.

Section 3.02. Except as the Association shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Credit to be used in the territories of the Borrower exclusively in the carrying out of the Project.

Article IV

PARTICULAR COVENANTS

Section 4.01. (a) The Borrower shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound agricultural, engineering and financial standards and practices.

(b) The Borrower shall take all action which shall be necessary on its part to enable KTDA to perform all its obligations under the Project Agreement and shall not take any action that would interfere with the performance of such obligations by KTDA.

(c) The Borrower shall cause KTDA to have qualified and experienced management.

(d) The Borrower shall consult the Association about any proposed appointment of the Chairman of KTDA and other members of KTDA whose appointment is at the discretion of the Minister of Agriculture of the Borrower sufficiently in advance of such appointment for the Association to have adequate opportunity to comment on it.

Section 4.02. (a) The Borrower shall lend to KTDA the equivalent of the proceeds of the Credit on terms and conditions satisfactory to the Association pursuant to a loan agreement satisfactory to the Association.

(b) The Borrower shall exercise its rights under the Subsidiary Loan Agreement in such manner as to protect the interests of the Borrower and the Association, and, except as the Association shall otherwise agree, the Borrower shall not amend, assign, abrogate or waive any provision of the Subsidiary Loan Agreement.

(c) The Borrower shall at all times make or cause to be made available to KTDA, promptly as needed, all funds and other resources which shall be required for the carrying out of the Project and in particular shall cause to be provided or provide processing facilities for tea and the necessary funds therefor as and when required.

(d) The Borrower shall perform all its obligations under the Supervision Agreement and, except with the approval of the Association, shall not amend or abrogate the Supervision Agreement.

Section 4.03. (a) The Borrower and the Association shall cooperate fully to assure that the purposes of the Credit will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Credit. On the part of the Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments position of the Borrower.

(b) The Borrower and the Association shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Credit and the maintenance of the service thereof. The Borrower shall promptly inform the Association of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit or the maintenance of the service thereof.

(c) The Borrower shall afford all reasonable opportunity for accredited representatives of the Association to visit any part of the territories of the Borrower for purposes related to the Credit.

Section 4.04. The principal of, and service charges on, the Credit shall be paid without deduction for, and free from, any taxes, and free from all

restrictions, imposed under the laws of the Borrower or laws in effect in its territories.

Section 4.05. This Agreement and the Project Agreement shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, delivery or registration thereof.

Section 4.06. The Borrower shall construct, as required, and shall maintain all roads necessary to enable KTDA to collect leaf from growers producing tea under the Project and to deliver such leaf to the factories which are to process it. Such roads shall be constructed and maintained to standards adequate to permit the efficient collection and delivery of such leaf by four-wheel drive vehicles in all but very wet conditions.

Section 4.07. Except as the Borrower and the Association shall otherwise agree, the Borrower shall cause KTDA to collect levies on green leaf delivered for processing under the Project on the basis existing at the date of this Agreement.

Article V

REMEDIES OF THE ASSOCIATION

Section 5.01. (i) If any event specified in paragraph (a) or paragraph (c) of Section 5.02 of the Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (b) of Section 5.02 of the Regulations or in Section 5.02 of this Agreement shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Association to the Borrower, then at any subsequent time during the continuance thereof the Association, at its option, may declare the principal of the Credit then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Development Credit Agreement to the contrary notwithstanding.

Section 5.02. For the purposes of Section 5.02 of the Regulations, the following additional events are specified :

(a) KTDA shall have failed to perform any covenant or agreement of KTDA under the Project Agreement.

(b) Before the Project Agreement shall have terminated in accordance with its terms, the Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of KTDA or for the suspension of its operations.

(c) A default shall have occurred in the performance of any covenant or agreement on the part of the Borrower under the 1964 Credit Agreement or on the part of KTDA under the project agreement dated August 17, 1964 between the Association and KTDA.

(d) Before the Project Agreement shall have terminated in accordance with its terms, the Agriculture (Kenya Tea Development Authority) Order of the Borrower shall have been materially amended without the agreement of the Association.

Article VI

MODIFICATION OF 1964 CREDIT AGREEMENT

Section 6.01. For the purposes of the 1964 Credit Agreement :

(a) Subsection (a) of Section 2.03 of the 1964 Credit Agreement is amended to read as follows :

“ (a) the Borrower shall be entitled, subject to the provisions of the Development Credit Agreement, to withdraw from the Credit Account in such convertible currencies as the Association shall reasonably select, (i) amounts equivalent to such amounts as shall have been expended on the field sector of the Project prior to July 1, 1968 and (ii) amounts equivalent to such amounts as shall have been expended on the field sector of the project described in the schedule to the development credit agreement (Second Kenya Tea Development Authority Project) dated June 17, 1968 between the Republic of Kenya and the Association, on and after July 1, 1968 ; ”

(b) Subsection (b) of Section 2.03 of the 1964 Credit Agreement is amended by the addition of the words “ under the loans referred to in Recitals (B) and (C) of this Agreement ” after the word “ CDC. ”

(c) Section 3.01 of the 1964 Credit Agreement is amended by adding the words “ or of the project described in the schedule to the development credit agreement (Second Kenya Tea Development Authority Project) dated June 17, 1968 between the Republic of Kenya and the Association. ”

(d) Development Credit Regulations No. 1 of the Association dated June 1, 1961, as amended in the 1964 Credit Agreement, are further amended by the modification of paragraph (b) of Section 5.02 of said Credit Regulations to read as follows :

“ (b) A default shall have occurred in the performance of any other covenant or agreement on the part of the Borrower under the Development Credit Agreement, or under the development credit agreement (Second Kenya Tea Development Authority Project) dated June 17, 1968 between the Borrower and the Association. ”

Article VII

EFFECTIVE DATE ; TERMINATION

Section 7.01. The following events are specified as additional conditions to the effectiveness of this Agreement within the meaning of Section 8.01 (b) of the Regulations :

(a) the execution and delivery of the Project Agreement on behalf of KTDA have been duly authorized or ratified by all necessary corporate and governmental action ;

(b) the Subsidiary Loan Agreement has been duly executed in form satisfactory to the Association and has become fully effective and binding on the parties thereto in accordance with its terms subject only to the effectiveness of this Agreement ; and

(c) the Government of the Borrower, KTDA and CDC have entered into the agreement in connection with the loan referred to in Recital (B) hereof (which agreement may be combined with the Subsidiary Loan Agreement) and such agreement has become fully effective and binding on the parties thereto in accordance with its terms subject only to the effectiveness of this Agreement.

Section 7.02. The following are specified as additional matters within the meaning of Section 8.02 (b) of the Regulations, to be included in the opinion or opinions to be furnished to the Association :

(a) that the Project Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, KTDA and constitutes a valid and binding obligation of KTDA in accordance with its terms ; and

(b) that the agreements referred to in paragraphs (b) and (c) of Section 7.01 of this Agreement have been duly authorized or ratified by, and executed and delivered on behalf of, the parties thereto and constitute valid and binding obligations of the parties thereto in accordance with their terms.

Section 7.03. The date of September 1, 1968 is hereby specified for the purposes of Section 8.04 of the Regulations.

Section 7.04. Upon termination of the Project Agreement in accordance with its terms, the obligations of the Borrower with respect to the Project, KTDA and tea produced or processed under the Project shall forthwith terminate.

Article VIII

MISCELLANEOUS

Section 8.01. The Closing Date shall be December 31, 1973, or such other date as shall be agreed between the Borrower and the Association.

Section 8.02. The following addresses are specified for the purposes of Section 7.01 of the Regulations :

For the Borrower :

The Treasury
P.O. Box 30007
Nairobi, Kenya

Alternative address for cables :

Finance
Nairobi

For the Association :

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Alternative address for cables :

Indevas
Washington, D.C.

Section 8.03. The Minister of the Borrower for the time being responsible for finance is designated for the purposes of Section 7.03 of the Regulations.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Development Credit Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

Republic of Kenya :

By L. P. ODERO

Authorized Representative

International Development Association :

By J. Burke KNAPP

Vice President

SCHEDULE

DESCRIPTION OF PROJECT

The Project is a part of the smallholder tea development program of the Borrower and KTDA. The Project consists of a field sector and a factory sector.

The field sector of the Project covers approximately 27,000 acres of tea planted prior to June 30, 1968 and approximately 35,000 acres to be planted thereafter, and includes :

- (a) the supply and distribution to smallholders of planting material in the form of tea stumps grown from seed, or in the form of rooted or unrooted cuttings from proven clones ;
- (b) the supply and distribution to smallholders of materials and fertilizers for the construction and operation of on-farm vegetative propagation units ;
- (c) the supervision of smallholder tea cultivation in the field as provided in the Supervision Agreement and the training of smallholders for such cultivation ; and
- (d) the collection, inspection and transportation to factories of green leaf. The planting program for the additional 35,000 acres is as follows : 5,900 acres in the financial year ending June 30, 1969 ; 6,600 acres in the financial year ending June 30, 1970 ; 7,000 acres in the financial year ending June 30, 1971 ; 7,500 acres in the financial year ending June 30, 1972 ; and 8,000 acres in the financial year ending June 30, 1973.

The factory sector of the Project includes the extension and operation of existing factories and /or the construction and operation of new factories, as needed for the processing of green leaf expected to be produced from the 35,000 acres of additional planting under the field sector of the Project.

INTERNATIONAL DEVELOPMENT ASSOCIATION

DEVELOPMENT CREDIT REGULATIONS No. 1, DATED 1 JUNE 1961, AS AMENDED 9 FEBRUARY 1967

REGULATIONS APPLICABLE TO DEVELOPMENT CREDIT AGREEMENTS WITH MEMBER GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, Vol. 617, p. 60.*]

PROJECT AGREEMENT

(SECOND KENYA TEA DEVELOPMENT AUTHORITY PROJECT)

AGREEMENT, dated June 17, 1968, between INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association) and KENYA TEA DEVELOPMENT AUTHORITY (hereinafter called KTDA), a statutory body established by the Agriculture (Kenya Tea Development Authority) Order of the Republic of Kenya.

WHEREAS by an agreement of even date herewith (hereinafter called the Development Credit Agreement) between the Republic of Kenya (hereinafter called the Borrower) and the Association, the Association has agreed to make available to the Borrower an amount in various currencies equivalent to two million one hundred thousand dollars (\$ 2,100,000), on the terms and conditions set forth in the Development Credit Agreement, but only on condition that KTDA agree to undertake certain obligations to the Association as hereinafter provided ; and

WHEREAS KTDA, in consideration of the Association's entering into the Development Credit Agreement with the Borrower, has agreed to undertake the obligations hereinafter set forth ;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

DEFINITIONS

Section 1.01. Wherever used in this Project Agreement, unless the context shall otherwise require, the several terms defined in the Development Credit Agreement and in the Regulations (as so defined) shall have the respective meanings therein set forth.

Article II

PARTICULAR COVENANTS OF KTDA

Section 2.01. (a) KTDA shall carry out and complete, or cause to be carried out and completed, the Project with due diligence and efficiency and in conformity with sound agricultural, engineering and financial standards and practices.

(b) KTDA shall furnish to the Association, promptly upon their preparation, the plans and work schedules for the Project and any material modifications subsequently made therein, in such detail as the Association shall from time to time request.

(c) KTDA shall maintain records adequate to show the expenditures of the proceeds of the Credit and to record the progress of the Project (including the costs thereof) ; shall maintain records adequate to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of KTDA ; shall enable the Association's representatives to inspect the Project and any relevant records and documents ; and shall furnish to the Association all such information as the Association shall reasonably request concerning the expenditure of the proceeds of the Credit, the Project and the operations and financial condition of KTDA.

(d) KTDA shall have its financial statements (balance sheet and related statement of earnings and expenses) certified semi-annually by an independent accountant or accounting firm acceptable to the Association and shall promptly after their preparation and, unless the Association shall otherwise agree, not later than three months after the close of the accounting period to which they apply transmit to the Association certified copies of such statements and a signed copy of the accountant's or accounting firm's report.

Section 2.02. (a) The Association and KTDA shall cooperate fully to assure that the purposes of the Credit will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request.

(b) The Association and KTDA shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Credit. KTDA shall promptly inform the Association of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit or the performance by KTDA of its obligations under this Agreement, or the Subsidiary Loan Agreement, or which shall increase or threaten to increase materially the estimated cost of the Project.

Section 2.03. KTDA shall operate and maintain its factories, equipment and property, and from time to time make all necessary renewals and repairs thereof, all in accordance with sound engineering standards; and shall at all times manage its affairs, field operations and factories and maintain its financial position in accordance with sound agricultural, commercial and financial practices and under the supervision of experienced and competent management.

Section 2.04. KTDA shall duly perform all its obligations under the Subsidiary Loan Agreement and the Supervision Agreement. Except as the Association and KTDA shall otherwise agree, KTDA shall not take or concur in any action which would have the effect of amending, abrogating, assigning or waiving any provision of the Subsidiary Loan Agreement or of the Supervision Agreement.

Section 2.05. Except as the Association shall otherwise agree, after the date of this Agreement KTDA shall incur no indebtedness maturing more than twelve months from the date originally incurred other than the indebtedness referred to in the Recitals of the Development Credit Agreement or indebtedness to commercial tea companies incurred to finance tea factories.

Section 2.06. (a) Except as the Association shall otherwise agree, KTDA shall not license plantings for any of the financial years mentioned in the planting program set out in the Schedule to the Development Credit Agreement otherwise than in conformity with that planting program and shall license, and assume responsibility for, plantings only in areas agreed with the Association; KTDA shall use its best endeavors to procure that tea is not planted in any such year in excess of the acreage licensed for that year.

(b) If in any financial year referred to in subsection (a) of this Section the total number of acres actually planted with tea exceeds by more than ten per cent the total number of acres to be planted in that year in accordance with the planting program set out in the Schedule to the Development Credit Agreement, KTDA shall inform the Association within three months of the end of that year (or within such longer period as the Association shall agree) of the total number of acres actually planted in that year and shall take such steps as the Association, after consultation with CDC and with KTDA, considers appropriate for the purpose of ensuring that the orderly completion of the Project is not adversely affected and that KTDA

remains able to fulfill its obligations under Sections 2.01 (a) and 2.07 of this Agreement.

Section 2.07. KTDA shall take all steps necessary or desirable to ensure that adequate supervisory and green leaf collection services will be available at all times in connection with the tea acreage under its responsibility.

Section 2.08. Except as the Association shall otherwise agree, KTDA shall not sell or approve the sale of shares in tea factories constructed as part of the Project to persons other than tea growers participating in the Project, CDC or private tea companies managing such factories.

Section 2.09. KTDA shall consult the Association and the Borrower on the uses of any surplus funds arising from its operations.

Section 2.10. KTDA shall consult the Association about any proposed appointment to any of KTDA's senior management positions sufficiently in advance of such appointment for the Association to have adequate opportunity to comment on it.

Section 2.11. Except as the Association shall otherwise agree, KTDA shall not, prior to the completion of the planting program set out in the Schedule to the Development Credit Agreement, undertake responsibilities for supervising, managing or financing the planting of any tea not included in the Project or undertake responsibilities for the recurrent provision of technical assistance with respect to such planting.

Article III

EFFECTIVE DATE ; TERMINATION

Section 3.01. This Project Agreement shall come into force and effect on the Effective Date. If the Development Credit Agreement shall terminate pursuant to Section 8.04 of the Regulations, the Association shall promptly notify KTDA of this event and, upon the giving of such notice, this Project Agreement and all obligations of the parties hereunder shall forthwith terminate.

Section 3.02. If and when the entire principal amount of that part of the proceeds of the Credit provided by the Borrower to KTDA pursuant to Section 4.02 (a) of the Development Credit Agreement shall have been repaid by KTDA to the Borrower in accordance with the Subsidiary Loan Agreement, or on June 30, 1982, whichever is later, this Project Agreement and all obligations of KTDA hereunder shall forthwith terminate.

Article IV

MISCELLANEOUS PROVISIONS

Section 4.01. No delay in exercising, or omission to exercise, any right, power, or remedy accruing to either party under this Project Agreement upon any default

shall impair any such right, power or remedy or be construed to be a waiver thereof or an acquiescence in such default ; nor shall the action of such party in respect of any default, or any acquiescence in any default, affect or impair any right, power or remedy of such party in respect of any other or subsequent default.

Section 4.02. Any notice or request required or permitted to be given or made under this Project Agreement and any agreement between the parties contemplated by this Project Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram or cablegram to the party to which it is required or permitted to be given or made at its address hereinafter specified, or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are :

For the Association :

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Alternative address for cables :

Indevas
Washington, D.C.

For KTDA :

Kenya Tea Development Authority
P.O. Box 30213
Nairobi, Kenya

Alternative address for cables :

Crops
Nairobi

Section 4.03. KTDA shall furnish to the Association sufficient evidence of the authority of the person or persons who will, on behalf of KTDA, take any action or execute any documents required or permitted to be taken or executed by KTDA pursuant to any of the provisions of this Project Agreement and the authenticated specimen signature of each such person.

Section 4.04. This Project Agreement may be executed in several counterparts, each of which shall be an original and all collectively but one instrument.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Project Agreement to be signed in

their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

International Development Association :

By J. Burke KNAPP

Vice President

Kenya Tea Development Authority :

[SEAL] *By* L. P. ODERO

Authorized Representative
