

**THE INTERNATIONAL DEVELOPMENT  
ASSOCIATION ORDINANCE, 1963**

**No. 39 of 1963**

*Date of Assent: 4th December, 1963*

*Date of Commencement: 10th December, 1963*

**An <sup>Act</sup> Ordinance to provide for acceptance by Kenya of an international agreement for the establishment and operation of an International Development Association and to provide for matters related thereto**

WHEREAS on the 26th January 1960, the executive directors of the International Bank for Reconstruction and Development <sup>Act</sup> approved Articles of Agreement (hereafter in this Ordinance referred to as the Agreement) providing for the establishment and operation of an international body to be called the International Development Association (hereafter in this <sup>Act</sup> Ordinance referred to as the Association):

AND WHEREAS copies of the text of the Agreement have been laid before the National Assembly:

AND WHEREAS it is expedient that Kenya should become a member of the Association and that provision should be made for acceptance by Kenya of the Agreement and for carrying out the obligations of Kenya thereunder:

NOW, THEREFORE, BE IT ENACTED by the Central Legislature of Kenya, as follows:—

Short title.

<sup>Act</sup> 1. This Ordinance may be cited as the International Development Association Ordinance, 1963.

Interpretation.

<sup>Act</sup> 2. In this Ordinance, unless the context otherwise requires, "Minister" means the Minister for the time being responsible for finance.

Acceptance of Agreement.

3. The Minister is hereby authorized by instruments under his hand to empower such persons as may be named in such instruments, on behalf of the Government of Kenya—

(a) to sign the Agreement; and

(b) to deposit with the International Bank for Reconstruction and Development an instrument of acceptance of the Agreement stating that the Government

of Kenya has accepted in accordance with its law the Agreement and the terms and conditions prescribed thereunder and under the Resolution of the Board of <sup>Ministers</sup> ~~Governors~~ of the Association relating to the membership of Kenya in the Association as the terms upon which the Government of Kenya shall be admitted to membership of the Association.

4. (1) There shall be charged on and paid out of the Consolidated Fund without further appropriation than this <sup>Act</sup> ~~Ordinance~~ all payments required to be made from time to time to the Association under the Agreement and the Resolution of the Board of Governors of the Association relating to the membership of Kenya in the Association.

Financial  
provisions.

(2) The Minister may, on behalf of the Government, create and issue to the Association such non-interest-bearing and non-negotiable notes or other obligations as are provided for by paragraph (e) of section 2 of Article II of the Agreement, and any sums payable under any such notes or obligations so created and issued shall be charged on and paid out of the Consolidated Fund.

(3) For the purpose of providing any sums required for making any payments under this section, the Minister may, on behalf of the Government, raise loans by the creation and issue of securities bearing such rates of interest and subject to such conditions as to repayment, redemption or otherwise as he may think fit and the principal and interest of such securities and the charges and expenses incurred in connexion with their issue shall be charged on and paid out of the Consolidated Fund.

(4) Any moneys received by the Government from the Association or raised under subsection (3) of this section shall be paid into and form part of the Consolidated Fund and shall be available in the same manner as that Fund is available.

5. (1) The provisions of the Agreement set out in the Schedule to this <sup>Act</sup> ~~Ordinance~~ shall have the force of law in Kenya:

Certain  
provisions  
of Agreement  
to have force  
of law.

Provided that nothing in section 9 of Article VIII of the Agreement shall be construed as—

- (a) entitling the Association to import goods free of customs duty without any restriction on their subsequent sale in the country to which they were imported; or
- (b) conferring on the Association any exemption from taxes or duties which form part of the price of goods sold; or
- (c) conferring on the Association any exemption from taxes or duties which are in fact no more than charges for services rendered.

(2) This section shall come into force as soon as the Agreement has been signed.

#### SCHEDULE

(s. 5 (1))

Provisions of Agreement which are to have the force of law.

#### INTERNATIONAL DEVELOPMENT ASSOCIATION—ARTICLES OF AGREEMENT

##### *Article VIII—Status, Immunities and Privileges*

##### Section 2. Status of the Association—

The Association shall possess full juridical personality and, in particular, the capacity—

- (i) to contract;
- (ii) to acquire and dispose of immovable and movable property;
- (iii) to institute legal proceedings.

##### Section 3. Position of the Association with Regard to Judicial Process—

Actions may be brought against the Association only in a court of competent jurisdiction in the territories of a member in which the Association has an office, has appointed an agent for the purpose of accepting service or notice of process, or has issued or guaranteed securities. No action shall, however, be brought by members or persons acting for or deriving claims from members. The property and assets of the Association shall, wheresoever located and by whomsoever held, be immune from all forms of seizure, attachment or execution before the delivery of final judgment against the Association.

## Section 4. Immunity of Assets from Seizure—

Property and assets of the Association, wherever located and by whomsoever held, shall be immune from search, requisition, confiscation, expropriation or any other form of seizure by executive or legislative action.

## Section 5. Immunity of Archives—

The archives of the Association shall be inviolable.

## Section 6. Freedom of Assets from Restrictions—

To the extent necessary to carry out the operations provided for in this Agreement and subject to the provisions of this Agreement, all property and assets of the Association shall be free from restrictions, regulations, controls and moratoria of any nature.

## Section 7. Privileges for Communications—

The official communications of the Association shall be accorded by each member the same treatment that it accords to the official communications of other members.

## Section 8. Immunities and Privileges of Officers and Employees—

All Governors, Executive Directors, Alternates, officers and employees of the Association—

- (i) shall be immune from legal process with respect to acts performed by them in their official capacity except when the Association waives this immunity;
- (ii) not being local national, shall be accorded the same immunities from immigration restrictions, alien registration requirements and national service obligations and the same facilities as regards exchange restrictions as are accorded by members to the representatives, officials and employees of comparable rank of other members;
- (iii) shall be granted the same treatment in respect of travelling facilities as is accorded by members to representatives, officials and employees of comparable rank of other members.

## Section 9. Immunities from Taxation—

- (a) The Association, its assets, property, income and its operations and transactions authorized by this Agreement, shall be immune from all taxation and from all customs duties. The Association shall also be immune from liability for the collection or payment of any tax or duty.
- (b) No tax shall be levied on or in respect of salaries and emoluments paid by the Association to Executive Directors, Alternates, officials or employees of the Association who are not local citizens, local subjects, or other local nationals.
- (c) No taxation of any kind shall be levied on any obligation or security issued by the Association (including any dividend or interest thereon) by whomsoever held—
  - (i) which discriminates against such obligation or security solely because it is issued by the Association; or

- (ii) if the sole jurisdictional basis for such taxation is the place or currency in which it is issued, made payable or paid, or the location of any office or place of business maintained by the Association.
- (d) No taxation of any kind shall be levied on any obligation or security guaranteed by the Association (including any dividend or interest thereon) by whomsoever held—
  - (i) which discriminates against such obligation or security solely because it is guaranteed by the Association; or
  - (ii) if the sole jurisdictional basis for such taxation is the location of any office or place of business maintained by the Association.