

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND**

Agreement (with annexed Development Credit Agreement between Swaziland and the Association and Development Credit Regulations No. 1) relating to assistance to be supplied to Swaziland in carrying out the terms of the said Credit Agreement. Signed at Washington, on 13 March 1962

Official text: English.

Registered by the International Development Association on 31 May 1963.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD**

Accord (avec, en annexe, le Contrat de crédit de développement entre le Souaziland et l'Association et le Règlement n° 1 sur les crédits de développement) relatif à l'assistance à fournir au Souaziland en application des termes dudit Contrat de crédit. Signé à Washington, le 13 mars 1962

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 31 mai 1963.

No. 6753. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION RELATING TO ASSISTANCE TO BE SUPPLIED TO SWAZILAND IN CARRYING OUT THE TERMS OF THE DEVELOPMENT CREDIT AGREEMENT BETWEEN SWAZILAND AND THE ASSOCIATION. SIGNED AT WASHINGTON, ON 13 MARCH 1962

BRITISH EMBASSY
WASHINGTON

March 13, 1962

International Development Association
1818 H Street N.W.
Washington 25, D.C.

Gentlemen :

1. I refer to the proposed Development Credit Agreement (*Road Project*) between the International Development Association and Swaziland.²

2. It is the policy of Her Majesty's Government in relation to the High Commission Territories and other dependent territories to provide financial help towards their approved development programs where these cannot be wholly financed from the territories' own resources, and to help them provide and maintain necessary basic services by budgetary support where the need for this is proved. So long as the United Kingdom remains responsible for the High Commission Territories this policy can be expected to continue, to the extent that the territories' needs are not met by financial help from other sources.

3. Her Majesty's Government understands that, in connection with the above-mentioned Credit, arrangements have been made to provide funds in an amount sufficient to meet the estimated cost of the Project of \$4.2 million equivalent. \$2.8

¹ Came into force on 3 April 1962, the date of entry into force of the Development Credit Agreement between Swaziland and the Association.

² See p. 334 of this volume.

million would come from the Credit and the remainder from Swaziland's other resources available for development expenditure. Should the cost of this project exceed \$4.2 million, Her Majesty's Government would, so long as they remain responsible for Swaziland, in consultation with the Association and the Borrower, take such action to assist the Borrower to obtain the needed funds as, in the exercise of their best judgment, Her Majesty's Government found appropriate and feasible in the light of all the circumstances and the general considerations mentioned in paragraph 2 above. In these consultations account would be taken of other possible courses of action, not excluding provision of needed funds by the Borrower or re-scheduling or modification of its expenditures on other development or on the Project so as to accomplish as nearly as may be the purpose of the Credit.

4. I wish also to confirm that as long as the United Kingdom Government is responsible for the High Commission Territories, the United Kingdom Government will grant any necessary permissions to the Territorial Governments to enable them to purchase the currencies required to service the credits made available to the Territorial Governments by the Association, and moreover, if difficulties were to arise over the provision of the foreign exchange required for the service of these credits, the United Kingdom Government would be willing to consider at the time with the Association and the Territorial Governments, and if necessary with the South African authorities, what appropriate measures it could take to overcome them.

Yours faithfully,

D. B. PITBLADO

DEVELOPMENT CREDIT AGREEMENT (*ROAD PROJECT*) BETWEEN SWAZILAND AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION.
SIGNED AT WASHINGTON, ON 14 MARCH 1962

AGREEMENT, dated March 14, 1962, between SWAZILAND (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

Article I

CREDIT REGULATIONS

Section 1.01. The parties hereto accept all the provisions of Development Credit Regulations No. 1 of the Association dated June 1, 1961,¹ subject, however, to the modifications thereof set forth in Section 1.02 of this Agreement (said Development Credit

¹ See p. 344 of this volume.

Regulations No. 1 as so modified being hereinafter called the Regulations), with the same force and effect as if they were fully set forth herein, notwithstanding anything contained in Article I of such Regulations which might be deemed inconsistent with their application to this Agreement.

Section 1.02. For the purposes of this Agreement the provisions of Development Credit Regulations No. 1 of the Association, dated June 1, 1961, shall be deemed to be modified as follows :

(a) By the deletion of the words "The Borrower" in paragraphs (g) and (h) of Section 5.02 and the substitution therefor of the words "The United Kingdom of Great Britain and Northern Ireland".

(b) By the deletion of paragraph 5 and the second sentence of paragraph 6 of Section 9.01 and the substitution for such paragraph 5 of the following :

"5. The term 'Borrower' means Swaziland."

Article II

THE CREDIT

Section 2.01. The Association agrees to make available to the Borrower, on the terms and conditions in this Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to two million eight hundred thousand dollars (\$2,800,000).

Section 2.02. The Association shall open a Credit Account on its books in the name of the Borrower and shall credit to such 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 Agreement and the Regulations.

Section 2.03. Except as the Borrower and the Association shall otherwise agree, the Borrower shall be entitled, subject to the provisions of the Development Credit Agreement, to withdraw from the Credit Account (i) the equivalent of 67 % (or such other percentage as may from time to time be agreed between the Borrower and the Association) of such amounts as shall have been paid for the reasonable cost of goods to be financed under this Credit Agreement ; and (ii) if the Association shall so agree, the equivalent of a like percentage of such amounts as shall be required to meet payments to be made for the reasonable cost of such goods ; Provided, however, that no withdrawals shall be made on account of expenditures prior to August 1, 1961.

Section 2.04. Withdrawals from the Credit Account shall be in such freely convertible currency or currencies as the Association shall from time to time reasonably select.

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.