No. 8354

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and AUSTRALIA, CANADA, DENMARK, JAPAN, LAOS, NETHERLANDS, NEW ZEALAND, THAILAND AND UNITED STATES OF AMERICA

Nam Ngum Development Fund Agreement, 1966 (with schedule and Protocol). Signed at Washington, on 4 May 1966

Official texts: English and French.

Registered by the International Bank for Reconstruction and Development on 7 October 1966.

BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT et AUSTRALIE, CANADA, DANEMARK, JAPON, LAOS, PAYS-BAS, NOUVELLE-ZÉLANDE, THAÏLANDE ET ÉTATS-UNIS D'AMÉRIQUE

Convention sur le Fonds d'aménagement de la Nam Ngum, 1966 (avec annexe et Protocole). Signé à Washington, le 4 mai 1966

Textes officiels anglais et français.

Enregistré par la Banque internationale pour la reconstruction et le développement le 7 octobre 1966.

No. 8354. NAM NGUM DEVELOPMENT FUND AGREEMENT, 1966.[1] SIGNED AT WASHINGTON, ON 4 MAY 1966

AGREEMENT, dated this 4th day of May, 1966 between the Governments of AUSTRALIA, CANADA, DENMARK, JAPAN, LAOS, the NETHERLANDS, NEW ZEALAND, THAILAND and the UNITED STATES OF AMERICA and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank).

WHEREAS the Committee for Coordination of Investigations of the Lower Mekong Basin (Cambodia, Laos, Thailand and the Republic of Vietnam) (hereinafter called the Mekong Committee) operating under the aegis of the United Nations Economic Commission for Asia and the Far East has been conducting a program of surveys of the Lower Mekong Basin in the riparian countries and in the course of such program it has been recognized that the Nam Ngum River in Laos, one of the tributaries of the Mekong, can be developed ;

WHEREAS a feasibility study of the development of the Nam Ngum valley in Laos, including the construction of a multipurpose dam, has been financed by the United Nations Special Fund and by the Government of Japan under its bilateral aid to Laos and has been carried out within the framework of investigations undertaken by the Mekong Committee ;

WHEREAS the Mekong Committee has recommended the early construction of the Nam Ngum hydro-electric Project as an integral component of the comprehensive development of the Lower Mekong Basin ;

WHEREAS Laos and Thailand have agreed to make arrangements for the inter-connection of the high tension electrical transmission networks of the two countries, initially by means of the construction and operation of a transmission line which would cross their common boundary on the Mekong River ;

WHEREAS the United Nations and the Mekong Committee have sought contributions to the financing of the cost of the Nam Ngum hydro-electric Project ;

WHEREAS the Government of Japan has agreed to finance the detailed design of the Project under its bilateral aid to Laos ;

[1] In accordance with Section 13.02, the Agreement entered into force in respect of all Parties named in the Preamble on 29 August 1966, that is to say, on the date of deposit with the International Bank for Reconstruction and Development of the instrument of acceptance of the Agreement by the Government of the Kingdom of the Netherlands for the Kingdom in Europe, all other Parties having signed the Agreement without reservation as to acceptance.

WHEREAS the Governments of Australia, Canada, Denmark, Japan, the Netherlands, New Zealand and the United States of America have agreed to provide funds, as a grant, for the Project up to twenty-two million eight hundred and fifteen thousand U.S. dollars equivalent and, together with the Governments of Laos and Thailand and the United Nations, have invited the Bank, and the Bank has agreed, to administer the funds so provided ; and

WHEREAS Thailand has agreed to supply to Laos cement for the said project for a value equivalent to one million U.S. dollars in exchange for power from the Project ;

NOW THEREFORE the Parties hereby agree as follows :

Article I

DEFINITIONS

Section 1.01. Except where the context otherwise requires, the following terms have the following meanings wherever used in this Agreement :

1. " Bank " means International Bank for Reconstruction and Development.
2. " Fund " means the Nam Ngum Development Fund established by this Agreement.
3. " Administrator " means the Bank acting in the capacity of Administrator of the Fund.
4. " Project means the project described in the Schedule to this Agreement, with such changes as may be agreed upon between the Parties.
5. " Goods " means equipment, supplies and services required to construct and carry out the Project or for the carrying out of the Administrator's duties hereunder.
6. " Currency " means such coin or currency as at the time referred to is legal tender for the payment of public or private debts in the territories of the government referred to.
7. " Dollars " and " $ " mean the currency of the United States of America.
8. " Kip " means the currency of Laos.
9. " Parties " means the Governments named in the Preamble to this Agreement and the Bank, and any other Government or institution which shall become a party to this agreement pursuant to Article XI.

10. " Contributing Parties " means those Parties who agree to make contributions to the Fund pursuant to this Agreement.

Article II

ESTABLISHMENT OF NAM NGUM DEVELOPMENT FUND

Section 2.01. There is hereby established the Nam Ngum Development Fund, constituted by the monies which the Governments of Australia, Canada, Denmark, Japan, the Netherlands, New Zealand and the United States of America, shall from time to time contribute to the Fund in accordance with the provisions of this Agreement, together with any additions thereto and any other assets and receipts of the Fund, to be held in trust and administered by the Bank and used only for the purposes, and in accordance with the provisions, of this Agreement.

Section 2.02. The Fund and its assets and accounts shall be kept separate and apart from all other accounts and assets of the Bank and shall be separately designated in such appropriate manner as the Bank shall determine.

Section 2.03. The other Parties hereby designate the Bank as Administrator of the Fund. The Bank agrees to act in that capacity in accordance with the provisions of this Agreement.

Article III

CONTRIBUTIONS TO FUND

Section 3.01. Each of the Governments specified below hereby undertakes, subject to such parliamentary or congressional action as may be necessary, to contribute to the Fund, as a grant, the amount specified opposite its name below :

Australia	$ 500,000
Canada	$ 2,000,000
Denmark	$ 600,000
Japan	$ 4,000,000
Netherlands	$ 3,300,000
New Zealand	$ 350,000
United States of America	$ 12,065,000

Section 3.02. (*a*) Upon the entry into force of this Agreement the Administrator shall promptly notify each of the contributing Parties of the amount required to be paid by it as part of its contribution to the Fund

to cover estimated disbursements of the Fund during the period ending December 31, 1966, and shall before the beginning of each period commencing 1st January or 1st July thereafter (at a time to be agreed between the Administrator and each Party concerned) notify each of the contributing Parties of the amount so required to be contributed by it during such period. Each of the contributing Parties undertakes to make the payment specified in such notice at the time or times and in the amounts specified or provided for therein or at such other times during such period as may be agreed upon between the Administrator and the contributing Party.

(*b*) The Administrator may include in its estimate of amounts required to be paid in any period pursuant to this Section such sums as it shall consider necessary or desirable to establish and maintain a reasonable reserve against an excess of actual expenditures over the estimates of such expenditures.

Section 3.03. It is understood and agreed that :

(*a*) Australia shall pay its contribution to the Fund in six installments, the first of $85,000 and the others of $83,000 each, payable in the first six periods referred to in Section 3.02. (*a*) ;

(*b*) Japan shall pay its contribution to the Fund in eight equal installments of $500,000 each, payable in the first eight periods referred to in Section 3.02. (*a*) ;

(*c*) New Zealand shall pay its contribution to the Fund in eight equal installments of $43,750 each, payable in the first eight periods referred to in Section 3.02. (*a*) ;

(*d*) the amount to be called up for payment to the Fund from the other contributing Parties in each period referred to in Section 3.02. (*a*) shall be apportioned among them in proportion to their contributions as set forth in Section 3.01.

Section 3.04. Payments of contributions shall be made in dollars, or in the equivalent thereof in such other currencies, freely useable or convertible, as may be agreed upon between the contributing Party and the Administrator.

Section 3.05. The Parties agree to accept the Administrator's decisions as to estimated requirements and receipts of the Fund, and of the reserve required, for the purposes of this Agreement. The Administrator and any two or more of the contributing Parties may agree upon a change, for one or more semiannual periods, in the relative proportions to be paid by such Parties, provided