

No. 8356

INTERNATIONAL DEVELOPMENT ASSOCIATION,
PAKISTAN
and
SWEDEN

Administration Agreement relating to the Development Credit Agreement (*Foodgrain Storage Project*) dated 10 February 1966 between the International Development Association and Pakistan, and the Agreement of the same date between Pakistan and Sweden. Signed at Washington, on 10 February 1966

Official text : English.

Registered by the International Development Association on 11 October 1966.

ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT, PAKISTAN
et
SUÈDE

Contrat de gestion relatif au Contrat de crédit de développement (*Projet de stockage des céréales alimentaires*) en date du 10 février 1966 entre l'Association internationale de développement et le Pakistan, et au Contrat de même date entre le Pakistan et la Suède. Signé à Washington, le 10 février 1966

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 11 octobre 1966.

No. 8356. ADMINISTRATION AGREEMENT¹ BETWEEN THE ISLAMIC REPUBLIC OF PAKISTAN, THE KINGDOM OF SWEDEN AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION, RELATING TO THE DEVELOPMENT CREDIT AGREEMENT (*FOODGRAIN STORAGE PROJECT*) DATED 10 FEBRUARY 1966² BETWEEN THE INTERNATIONAL DEVELOPMENT ASSOCIATION AND PAKISTAN, AND THE AGREEMENT OF THE SAME DATE BETWEEN PAKISTAN AND SWEDEN. SIGNED AT WASHINGTON, ON 10 FEBRUARY 1966

AGREEMENT, dated February 10, 1966, between the ISLAMIC REPUBLIC OF PAKISTAN (hereinafter called the Borrower) the KINGDOM OF SWEDEN (hereinafter called Sweden) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS the Association has by an agreement of even date herewith² agreed to make available to the Borrower a development credit in various currencies equivalent to nineteen million two hundred thousand dollars (\$19,200,000) to assist in financing a project for the establishment of modern grain storage and handling facilities in the Province of East Pakistan ;

WHEREAS Sweden has by an agreement of even date herewith agreed to make available to the Borrower a credit in a principal amount of twenty-five million Swedish kronor equivalent at present parity rate to four million eight hundred thousand dollars (\$4,800,000) for the purpose aforesaid ;

WHEREAS the Parties hereto deem it to be in their mutual interest that withdrawals of certain of the proceeds of such financing and certain other matters of common interest be regulated as hereinafter provided ;

NOW THEREFORE, the Parties hereto hereby agree as follows :

¹ In accordance with Section 5.05, the Agreement came into force on 19 April 1966, the date of entry into force of the Development Credit Agreement between the International Development Association and Pakistan (see p. 89) of this volume).

² See p. 89 of this volume.

Article I

DEFINITIONS

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

The term “ Lenders ” means Sweden and the Association collectively, and the term “ Lender ” means each of them, severally.

The terms “ Development Credit Agreement ” and “ Swedish Agreement ” mean the agreements referred to in paragraph 1 and 2 respectively of the preamble to this Agreement as such agreements may from time to time be amended.

The term “ the Agreements ” means the Development Credit Agreement and the Swedish Agreement, collectively, and the term “ Agreement ” means each of them severally as the same shall be modified from time to time by agreement of the parties thereto.

The term “ Project ” means the project described in the Schedule to this Agreement, as such description may from time to time be amended by agreement of the parties hereto.

The term “ goods ” means equipment, supplies, services and immovable property which are required for the Project ; and wherever reference is made to the cost of any goods, such cost shall, except where the context otherwise requires, be deemed to include the cost of importing such goods into the territories of the Borrower.

The term “ Proceeds ” means the proceeds of the financing provided for in the Agreements.

Article II

USE OF PROCEEDS OF FINANCING ; APPLICATIONS FOR WITHDRAWAL

Section 2.01. Except as the Parties hereto shall otherwise agree, (i) the Proceeds shall be applied in accordance with the provisions of the Agreements exclusively to financing the cost of goods required to carry out the Project, and (ii) withdrawals of the Proceeds shall be made and processed as provided in this Article.

Section 2.02. The specific goods to be financed out of the Proceeds and the methods and procedures for procurement of such goods shall be determined by agreement between the Borrower and the Association, subject to modification by further agreement between them.

Section 2.03. The Borrower shall be entitled, subject to the provisions of this Agreement and of the Agreements, to make withdrawals in amounts equal to such amounts as shall have been paid for the reasonable cost of goods to be financed out of the Proceeds. Except as shall be otherwise agreed between the Borrower and the Association, no withdrawals shall be made on account of (a) expenditures prior to March 1, 1965, or (b) expenditures in the currency of the Borrower or for goods produced in (including services supplied from) the territories of the Borrower or (c) expenditures in the territories of any country which is not a member of the International Bank for Reconstruction and Development (other than Switzerland) or for goods produced in (including services supplied from) such territories.

Section 2.04. Before making any agreement pursuant to Section 2.02 or 2.03 hereof, the Association shall obtain the concurrence of Sweden but the Borrower shall be under no obligation to ascertain whether such concurrence has been obtained and may rely upon the Association's agreement as conclusive evidence thereof.

Section 2.05. When the Borrower shall desire to withdraw any of the Proceeds it shall deliver to the Association a written application in such form, and containing such statements and agreements, as the Association shall reasonably request. Such applications, with the necessary documentation as provided in this Article hereinafter, shall, except as the Association and the Borrower shall otherwise agree, be made promptly in relation to expenditures for the Project.

Section 2.06. Each such application shall constitute a request to withdraw funds under each of the Agreements, and the Association shall apportion the amount so requested as follows: the equivalent of 80 % to be withdrawn from the Credit provided for under the Development Credit Agreement, and the equivalent of 20 % to be withdrawn from the credit provided for under the Swedish Agreement. The percentages specified in this Section may be varied from time to time by agreement of the Lenders.

Section 2.07. The Borrower shall furnish to the Association such documents and other evidence in support of each withdrawal application as the Association shall reasonably request, whether before or after withdrawal shall have been permitted of any of the Proceeds requested in the application.

Section 2.08. Each withdrawal application and the accompanying documents and other evidence must be sufficient in form and substance to

satisfy the Association that the Borrower is entitled to withdraw under the Development Credit Agreement the amount of the Proceeds applied for which has been apportioned thereto in accordance with Section 2.06 hereof, and that the amount so to be withdrawn is to be used only for the purposes specified in this Article II.

Section 2.09. (a) When the Association has approved disbursement under the Development Credit Agreement, it shall promptly notify the Sveriges Riksbank, acting as agent for Sweden, that it has received an application by the Borrower to withdraw Proceeds, in an aggregate amount to be set forth in such notice ; the amount thereof apportioned to each of the Agreements pursuant to Section 2.06 hereof ; and that the Association has approved disbursement of its share of such aggregate amount. The notice shall be in such form, and contain such other information, including the currency or currencies (if any) in which the Borrower has indicated its desire that the respective disbursements be made and to whom, or to the order of whom, payment of the requested Proceeds is to be made, as the Lenders shall from time to time determine.

(b) Upon receipt of such notice the Sveriges Riksbank, acting as agent for Sweden, shall, subject to the provisions of the Swedish Agreement (including any rights of suspension or termination of withdrawals thereunder), promptly disburse the amount specified in such notice as having been apportioned pursuant to Section 2.06 hereof.

(c) The currency or currencies of any such disbursement by a Lender, and the value thereof in terms of the currency in which the amount so apportioned to its Agreement is expressed, shall be determined in accordance with such Agreement.

Section 2.10. It is the intention of the Parties that disbursements of Proceeds will be made only in reimbursement of expenditures for the reasonable cost of the goods. However, in special circumstances, and upon the request of the Borrower, if and to the extent that the Association shall so agree, disbursements will be made to meet payments for the reasonable cost of the goods.

Article III

EXERCISE OF FUNCTIONS BY ASSOCIATION

Section 3.01. The Association shall exercise the same care in the discharge of its functions under this Agreement as it exercises in respect of the administration and management of its own affairs.