No. 9110

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
and
CANADA, FRANCE, ITALY, PAKISTAN, UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND and UNITED STATES OF AMERICA

Tarbela Development Fund Agreement (with annexed schedule). Signed at Washington, on 2 May 1968

Official text : English.

Registered by the International Bank for Reconstruction and Development on 21 May 1968.

BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
CANADA, FRANCE, ITALIE, PAKISTAN, ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE DU NORD et ÉTATS-UNIS D'AMÉRIQUE

Accord sur le Fonds d'aménagement de Tarbela (avec annexe). Signé à Washington, le 2 mai 1968

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 21 mai 1968.

No. 9110. TARBELA DEVELOPMENT FUND AGREEMENT[1] BETWEEN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND CANADA, FRANCE, ITALY, PAKISTAN, UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE UNITED STATES OF AMERICA. SIGNED AT WASHINGTON, ON 2 MAY 1968

AGREEMENT, dated this 2nd day of May, 1968, between the Governments of CANADA (Canada), FRANCE (France), ITALY (Italy), PAKISTAN (Pakistan), the UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (United Kingdom), and the UNITED STATES OF AMERICA (United States), the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank), and the Bank, acting as Administrator under the Indus Basin Development Fund Agreement, 1960[2] (the 1960 Agreement), as amended and supplemented by the Indus Basin Development Fund (Supplemental) Agreement, 1964[3] (the 1964 Agreement).

WHEREAS in the 1960 Agreement the Parties thereto agreed, on the terms and conditions therein set forth, to make certain contributions to the Indus Basin Development Fund;

AND WHEREAS in the 1964 Agreement the Parties to the 1960 Agreement agreed to increase their contributions to the Indus Basin Development Fund, on the terms and conditions set forth in the 1964 Agreement;

AND WHEREAS the 1964 Agreement provided, *inter alia*, that after certain costs and expenses had been provided for, "any balance of the non-rupee assets remaining in or payable to the Fund, together with any uncalled amounts of the non-rupee contributions provided for in the 1960 Agreement, as augmented by this Agreement, will be disbursed, in accordance with procedures to be agreed between Pakistan and the Bank, to be used by Pakistan as required to meet non-rupee costs of the Tarbela project (if Pakistan and the Bank agree that Tarbela is justified on the basis of the report hereinafter referred to in Section 5.01 of this Agreement)...";

[1] Came into force on 2 May 1968, upon signature without reservation as to acceptance by all Parties named in the preamble of the Agreement, in accordance with section 14.02.

[2] United Nations, *Treaty Series*, Vol. 444, p. 259.

[3] United Nations, *Treaty Series*, Vol. 503, p. 388.

AND WHEREAS on the basis of the report referred to in said Section 5.01 of the 1964 Agreement, Pakistan and the Bank have agreed that the Tarbela project is justified and have further agreed that the procedures hereinafter in this Agreement set forth or provided for shall govern the disbursement of any Indus Basin Development Fund non-rupee balance;

AND WHEREAS certain Governments, and the Bank, Parties hereto, have agreed, upon the terms and conditions hereinafter in this Agreement set forth, to add to the amounts available to meet the costs of the Tarbela project;

AND WHEREAS the Bank has agreed to act as Administrator of the Tarbela Development Fund hereinafter provided for;

NOW THEREFORE the Parties hereto hereby agree as follows:

Article I

ESTABLISHMENT OF THE TARBELA DEVELOPMENT FUND

Section 1.01. There is hereby established the Tarbela Development Fund (the Fund), constituted by the monies which shall from time to time be transferred to it by the Bank, as Administrator of the Indus Basin Development Fund, by the Governments named in the preamble hereto, and by the Bank, 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 1.02. 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 1.03. The Bank is hereby designated as Administrator of the Fund. The Bank agrees to act in that capacity in accordance with the provisions of this Agreement.

Article II

CONTRIBUTIONS TO THE FUND

Section 2.01. The Bank, as Administrator of the Indus Basin Development Fund (the Indus Fund), undertakes to transfer from the Indus Fund to the Fund the non-rupee amounts to be disbursed, pursuant to the provisions of Sections 4.02 and 4.03 of the 1964 Agreement, to meet the non-rupee costs of the "Tarbela project" to the extent that amounts shall be available for such transfer (such amounts being hereafter sometimes called the "Indus balance").

Section 2.02. Each of the Governments specified below hereby undertakes, subject to such parliamentary or congressional action as may be necessary, and subject to the terms and conditions hereinafter set forth, to contribute to the Fund the amount specified opposite its name below:

Canada	Can $	5,000,000
France.	FF	150,000,000
Italy	It L	25,000,000,000
United Kingdom	£ Stg	10,000,000
United States.	US $	50,000,000

Section 2.03. The Bank undertakes to make a contribution of U.S. $25,000,000 equivalent in the form of the proceeds of a loan in various non-rupee currencies to Pakistan from the Bank.

Section 2.04. Pakistan undertakes to pay to the Fund all such amounts of Pakistan rupees (rupees) determined by the Administrator, as will be required to meet the rupee costs of the Tarbela project, as described in the Schedule to this Agreement (the Project).

Section 2.05. The contribution of each of the Governments named in Section 2.02 above shall be in the form of loans to Pakistan (but payable to the Fund) and made directly by the Government or by an agency or instrumentality thereof on terms and conditions, not inconsistent with this Agreement, to be agreed between Pakistan and the Government or agency or instrumentality concerned. The Bank loan shall likewise be upon terms and conditions, not inconsistent herewith, to be agreed between Pakistan and the Bank. It is understood and agreed that, notwithstanding the amounts specified in said Section 2.02, Canada, the United Kingdom and the United States shall not be obligated under this Agreement to contribute to the Fund any amounts in excess of actual expenditures from the Fund for the cost of goods (as defined in Section 5.01 below) required for the Project and procured in, or supplied from, their respective territories, as provided in Section 3.06 below.

Section 2.06. Contributions provided for in Sections 2.02 and 2.03 above shall be made in the respective currencies provided for therein, or in the equivalent thereof, at the time of payment to the Fund, in such other currencies as may be agreed between the contributing party and the Administrator. All currencies so provided shall be freely convertible.

Section 2.07. The undertaking to make contributions hereunder shall not constitute or imply any commitment by the Parties, other than Pakistan, to make any additional or increased contributions for the Project.

Article III

Provisions regarding Payment of Contributions

Section 3.01. It is understood and agreed that the primary source of funds for the Project is the Indus balance and that the Indus balance is to be treated as the basic working capital of the Fund.

Section 3.02. The Administrator shall determine in advance the estimated amounts required to be disbursed from and paid into the Fund during each half-year period commencing April 1 and October 1, beginning with the period ending September 30, 1968.

Section 3.03. In respect of the rupee portion of such estimated disbursements, the Administrator shall, not less than 30 days before the commencement of each such semi-annual period, notify Pakistan of the amount to be contributed by it to the Fund in rupees during such period. Pakistan 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 shall be agreed upon between Pakistan and the Administrator. If additional amounts of rupees are required during such period Pakistan shall make arrangements with the Administrator to supply them.

Section 3.04. The Administrator shall, not less than 30 days before the commencement of each such semi-annual period, notify the Bank, as Administrator of the Indus Fund, of the estimated amount required to be transferred from the Indus Fund during such period. Such notice shall, in any event, be given in sufficient time to enable the Bank, as Administrator of the Indus Fund, to give corresponding notification to contributors to the Indus Fund. Until the aggregate of the non-rupee amounts so notified to the Bank, as such Administrator, shall amount to U.S. $100,000,000 equivalent, such estimated amount shall be the difference obtained by subtracting from the non-rupee requirements of the Fund for such period the estimated non-rupee contributions to and receipts of the Fund during such period from other sources. Thereafter, and until the contribution of France shall have totaled FF 150,000,000 and the contribution of Italy shall have totaled It L 25,000,000,000, such estimated amount shall equal one-half of such difference. Thereafter, such estimated amounts shall again equal the entire difference until the Indus balance is exhausted. The Bank, as Administrator of the Indus Fund, undertakes to make the payments provided for in such notice, at the times and in the amounts provided in such notice to it from the Administrator, or as otherwise agreed between them, subject to the availability in the Indus Fund of funds for such purpose.