

No. 9610

INTERNATIONAL DEVELOPMENT ASSOCIATION
and
PAKISTAN

Development Credit Agreement—*Technical Assistance Project (General Consultants to EPWAPDA)* (with annexed Credit Regulations No. 1, as amended, and Project Agreement between the Association and the Province of East Pakistan). Signed at Washington on 13 January 1969

Authentic text : English.

Registered by the International Development Association on 6 June 1969.

ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
PAKISTAN

Contrat de crédit de développement — *Projet relatif à une assistance technique (Consultants généraux mis à la disposition de l'East Pakistan Water and Power Development Authority [EPWAPDA])* [avec, en annexe, le Règlement n° 1 sur les Crédits de développement, tel qu'il a été modifié, et le Contrat de projet entre l'Association et la Province du Pakistan oriental]. Signé à Washington le 13 janvier 1969

Texte authentique : anglais.

Enregistré par l'Association internationale de développement le 6 juin 1969.

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated January 13, 1969, between the ISLAMIC REPUBLIC OF PAKISTAN, acting by its President (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS the Borrower has requested the Association and the United Nations Development Programme (Special Fund) to assist in the financing of a technical assistance project to provide consulting services to the East Pakistan Water and Power Development Authority (EPWAPDA) in the Province of East Pakistan;

WHEREAS the United Nations Development Programme (Special Fund) has indicated that it will assist in financing the cost of consultants' services to the Power Wing of EPWAPDA and management consultants' services to EPWAPDA;

WHEREAS the Province of East Pakistan will, with the Borrower's assistance, cause the East Pakistan Water and Power Development Authority to carry out the said Project and, as part of such assistance, the Borrower will make available to the Province of East Pakistan the proceeds of the development credit provided for herein and the proceeds of the grant to be made to the Borrower by the United Nations Development Programme (Special Fund); and

WHEREAS the Association is willing to make a development credit available on the terms and conditions provided herein and in a project agreement² of even date herewith between the Association and the Province of East Pakistan;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

CREDIT REGULATIONS; SPECIAL DEFINITIONS

Section 1.01. The parties to this Agreement accept all the provisions of Development Credit Regulations No. 1 of the Association dated June 1, 1961 as amended February 9, 1967,³ with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications thereof

¹ Came into force on 1 April 1969, upon notification by the Association to the Government of Pakistan.

² See p. 140 of this volume.

³ See p. 140 of this volume.

(said Development Credit Regulations No. 1 as so modified being hereinafter called the Regulations) :

(a) Section 6.02 is amended by inserting the words “ or the Project Agreement ” after the words “ the Development Credit Agreement ”.

(b) Paragraph 5 of Section 9.01 is amended to read as follows :

“ 5. The term ‘ Borrower ’ means the Islamic Republic of Pakistan, acting by its President. ”

Section 1.02. Unless the context otherwise requires, the following terms wherever used in this Development Credit Agreement have the following meanings :

(a) “ Province ” means the Province of East Pakistan, a political subdivision of the Borrower.

(b) “ Project Agreement ” means the agreement between the Association and the Province of even date herewith, providing for the carrying out of part of the Project and shall include any amendments thereof made by agreement between the Association and the Province.

(c) “ Special Fund ” means the United Nations Development Programme (Special Fund).

(d) “ EPWAPDA ” means the East Pakistan Water and Power Development Authority established under the East Pakistan Water and Power Development Authority Ordinance, 1958.

(e) “ Consultants ” means the consultants referred to in Section 2.01 (d) of the Project Agreement.

(f) “ Foreign currency cost ” means expenditures in currencies other than the currency of the Borrower.

Article II

THE CREDIT

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

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

(b) 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 Development Credit Agreement and the Regulations and in accordance with the allocation of the proceeds of the Credit set forth in Schedule 1 to this

Development Credit Agreement, as such allocation shall be modified from time to time pursuant to the provisions of such Schedule or by further agreement between the Borrower and the Association.

Section 2.03. (a) The Borrower shall be entitled to withdraw from the Credit Account :

(i) such amounts as shall have been expended for the reasonable foreign currency cost of goods required for carrying out the Project; and

(ii) if the Association shall so agree, such amounts as shall be required to meet payments to be made for the reasonable foreign currency costs of goods required for carrying out the Project.

(b) No withdrawals by the Borrower from the Credit Account shall be made on account of expenditures made prior to the date of this Agreement.

Section 2.04. The currency of the United Kingdom of Great Britain and Northern Ireland is hereby specified for the purposes of Section 3.02 of the Regulations.

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.

Section 2.06. Service charges shall be payable semi-annually on February 15 and August 15 in each year.

Section 2.07. The Borrower shall repay the principal amount of the Credit withdrawn from the Credit Account in semi-annual installments payable on each February 15 and August 15 commencing February 15, 1979 and ending August 15, 2018, each installment to and including the installment payable on August 15, 1988 to be one-half of one per cent ($\frac{1}{2}$ of 1%) of such principal amount, and each installment thereafter to be one and one-half per cent ($1\frac{1}{2}$ %) of such principal amount.

Article III

USE OF PROCEEDS OF THE CREDIT

Section 3.01. The Borrower shall apply the proceeds of the Credit in accordance with the provisions of this Development Credit Agreement to expenditures on the Project described in Schedule 2 to this Development Credit Agreement.

Section 3.02. Except as the Association shall otherwise agree, (i) the goods, other than services of the Consultants, to be financed out of the proceeds of the Credit shall be procured on the basis of international competitive bidding as set forth in the " Guidelines for Procurement under World Bank Loans and

IDA Credits", published by the Bank in February 1968, and in accordance with such other procedures supplementary thereto as shall be agreed between the Borrower and the Association, and (ii) any contract for the procurement of such goods shall be subject to the approval of the Association.

Section 3.03. Except as the Borrower and the Association shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Credit to be used exclusively in carrying out the Project.

Article IV

PARTICULAR COVENANTS

Section 4.01. (a) The Borrower shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound financial and administrative practices and shall make available, promptly as needed, all funds, facilities, services and other resources required for the purpose.

(b) The Borrower shall take all action which shall be necessary on its part to enable the Province to perform all its obligations under the Project Agreement and shall not take any action that would interfere with the performance of such obligations by the Province.

Section 4.02. (a) The Borrower shall relend the proceeds of the Credit to the Province on the same financial terms as those of the Credit except that the principal amount of, and service charges on, the credit provided for in such relending shall be payable by the Province in the currency of the Borrower.

(b) The Borrower shall make available to the Province the proceeds of the grant to be made by the Special Fund to the Borrower for the carrying out of the Project.

Section 4.03. (a) The Borrower and the Association shall cooperate fully to assure that the purposes of the Credit will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Credit. On the part of the Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments position of the Borrower.

(b) The Borrower and the Association shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Credit and the maintenance of the service thereof. The Borrower shall promptly inform the Association of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit or the maintenance of the service thereof.