

No. 6781

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
PAKISTAN**

**Development Credit Agreement—*Industrial Estates Project*
(with related letters, annexed Development Credit
Regulations No. 1 and Project Agreement between the
Association and the Province of West Pakistan).
Signed at Washington, on 2 November 1962**

Official text: English.

Registered by the International Development Association on 18 June 1963.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
PAKISTAN**

**Contrat de crédit de développement — *Projet relatif aux
domaines industriels* (avec lettres y relatives et, en
annexe, le Règlement n° 1 sur les crédits de développe-
ment et le Contrat relatif au projet entre l'Association et
la Province du Pakistan occidental). Signé à
Washington, le 2 novembre 1962**

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 18 juin 1963.

No. 6781. DEVELOPMENT CREDIT AGREEMENT¹
(*INDUSTRIAL ESTATES PROJECT*) BETWEEN THE
REPUBLIC OF PAKISTAN AND THE INTERNA-
TIONAL DEVELOPMENT ASSOCIATION. SIGNED AT
WASHINGTON, ON 2 NOVEMBER 1962

AGREEMENT, dated November 2, 1962, between REPUBLIC OF PAKISTAN, acting by its President (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS the Borrower and the Province of West Pakistan have requested the Association to assist in the financing of a project in the Province of West Pakistan for the development of two industrial estates, one at Gujranwala and the other at Sialkot and the establishment of service facilities for small industries;

WHEREAS the Province of West Pakistan will, with the Borrower's assistance, carry out or cause to be carried out the said Project and, as part of such assistance, the Borrower will make available to the Province of West Pakistan the proceeds of the development credit provided for herein; and

WHEREAS the Association is willing to make a development credit available on the terms and conditions provided herein and in a project agreement of even date² herewith between the Province of West Pakistan and the Association;

NOW THEREFORE the parties hereto 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, 1961,² with the same force and effect as if they were fully set forth herein subject, however, to the following modifications thereof (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. "

¹ Came into force on 15 March 1963, upon notification by the Association to the Government of Pakistan.

² See p. 372 of this volume.

- (b) Paragraph 5 of Section 9.01 is amended to read as follows :
- “ 5. The term ‘ Borrower ’ means Republic of Pakistan, acting by its President. ”
- (c) For the purposes of this Agreement the term “ goods ” as defined in paragraph 10 of Section 9.01 shall include any property required for the Project.

Section 1.02. Wherever used in this Agreement or in the Schedule thereto, unless the context shall otherwise require, the following terms shall have the following meanings :

- (a) The term “ Province ” means the Province of West Pakistan, a political subdivision of the Borrower.
- (b) The term “ Project Agreement ” means the agreement between the Province and the Association of even date herewith, providing for the carrying out of the Project, and shall include any amendments thereof made by agreement between the Province and the Association.
- (c) The term “ W.P.I.D.C. ” means West Pakistan Industrial Development Corporation, a corporation established under the Provincial Industrial Development Corporation (West Pakistan) Ordinance, 1962, and shall include any successor to “ W.P.I.D.C. ”.

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 six million five hundred thousand dollars (\$6,500,000).

Section 2.02. The Association shall open a Credit Account in the name of the Borrower and shall credit to such Credit 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. The Borrower shall be entitled, subject to the provisions of this Agreement, and except as the Association and the Borrower shall otherwise agree, to withdraw from the Credit Account :

- (a) the equivalent of such amounts as shall have been expended for the reasonable foreign currency cost of goods required for carrying out the Project and, if the Association shall so agree, such amounts as shall be required to meet payments therefor; and

- (b) in addition, the equivalent of a percentage or percentages to be established from time to time by agreement between the Borrower and the Association of such amounts as shall have been expended for the reasonable cost of goods required for carrying out the Project and not included in the foregoing, such percentage or percentages to be established on the basis that the Credit (including amounts referred to under (a) above) is intended, when fully withdrawn, to provide foreign exchange equivalent to 50% of all expenditures on the Project up to the equivalent of \$13,000,000, representing part of the estimated total cost of the Project.

Provided, however, that no withdrawals shall be made on account of expenditures prior to September 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 percent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time. The Borrower shall also pay to the Association a service charge at the same rate on the principal amount outstanding of any special commitment entered into by the Association pursuant to Section 4.02 of the Regulations.

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

Section 2.07. The Borrower shall repay the principal of the Credit withdrawn from the Credit Account in semi-annual instalments payable on each April 15 and October 15 commencing April 15, 1973 and ending October 15, 1982, each instalment to and including the instalment payable on October 15, 1982 to be one-half of one per cent ($\frac{1}{2}$ of 1%) of such principal amount, and each instalment thereafter to be one and one-half per cent ($1\frac{1}{2}$ %) of such principal amount.

Article III

USE OF THE PROCEEDS OF THE CREDIT

Section 3.01. The Borrower shall cause the proceeds of the Credit to be applied exclusively to financing the cost of goods required to carry out the Project described in the Schedule¹ to this Agreement and for the provision of foreign exchange required for the cost of such goods. The specific goods to which the proceeds of the Credit are to be applied and the methods and procedures for

¹ See p. 364 of this volume.

procurement of such goods shall be determined by agreement between the Borrower and the Association, subject to modification by further agreement between them.

Article IV

PARTICULAR COVENANTS

Section 4.01. (a) The Borrower shall cause the Project to be carried out, operated and maintained with due diligence and efficiency and in conformity with sound industrial, engineering and financial standards and practices.

(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 or the equivalent thereof to the Province on terms and conditions satisfactory to the Association.

(b) The Borrower shall at all times make or cause to be made available to the Province, promptly as needed, all sums and other resources which shall be required 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.

(c) The Borrower shall afford all reasonable opportunity for accredited representatives of the Association to visit any part of the territories of the Borrower for purposes related to the Credit.

Section 4.04. The principal of, and service charges on, the Credit shall be paid without deduction for, and free from, any taxes, and free from all restrictions, imposed under the laws of the Borrower or laws in effect in its territories.

Section 4.05. This Agreement and the Project Agreement shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, delivery or registration thereof.

Article V

REMEDIES OF THE ASSOCIATION

Section 5.01. (i) If any event specified in paragraph (a) or paragraph (c) of Section 5.02 of the Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified or referred to in paragraph (b) or paragraph (j) of Section 5.02 of the Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Association to the Borrower, then at any subsequent time the Association, at its option, may declare the principal of the Credit then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement to the contrary notwithstanding.

Section 5.02. For the purposes of Section 5.02 (j) of the Regulations, the following additional event is specified :

The Province shall have failed to perform any covenant or agreement of the Province under the Project Agreement.

Article VI

EFFECTIVE DATE; TERMINATION

Section 6.01. The following events are specified as additional conditions to the effectiveness of this Agreement within the meaning of Section 8.01 (b) of the Regulations :

- (a) the execution and delivery of the Project Agreement on behalf of the Province have been duly authorized or ratified by all necessary governmental action;
- (b) the Province shall have employed or caused to be employed competent and experienced consultants pursuant to Section 2.01 (b) of the Project Agreement;
- (c) terms and conditions shall have been agreed upon between the Province and " W.P.I.D.C. " for the relending by the Province to " W.P.I.D.C. " of the proceeds of the Credit or the equivalent thereof pursuant to Section 2.02 (a) of the Project Agreement;
- (d) arrangements pursuant to Section 2.05 of the Project Agreement shall have been made;

- (e) all necessary acts, consents and approvals to authorize the construction and operation of the Project by "W.P.I.D.C." with all necessary powers and rights in connection therewith shall have been performed or given.

Section 6.02. The following are specified as additional matters within the meaning of Section 8.02 (b) of the Regulations, to be included in the opinion or opinions to be furnished to the Association :

- (a) that the Project Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Province and constitutes a valid and binding obligation of the Province in accordance with its terms ;
- (b) that "W.P.I.D.C." has full power and authority to construct and operate the Project and has all necessary rights and powers in connection therewith and that all acts, consents and approvals necessary therefor have been duly and validly performed or given.

Section 6.03. A date ninety days after the date of this Agreement is hereby specified for the purposes of Section 8.04 of the Regulations.

Article VII

MISCELLANEOUS

Section 7.01. The Closing Date shall be June 30, 1966, or such other date as may from time to time be agreed between the Borrower and the Association.

Section 7.02. The following addresses are specified for the purposes of Section 7.01 of the Regulations :

For the Borrower :

The Secretary to the Government of Pakistan
Economic Affairs Division
Rawalpindi, Pakistan

Alternative address for cablegrams and radiograms :

Economic
Rawalpindi

For the Association :

International Development Association
1818 H Street, N.W.
Washington 25, D.C.
United States of America

Alternative address for cablegrams and radiograms :

Indevas
Washington, D.C.

Section 7.03. The Secretary to the Government of Pakistan, Economic Affairs Division, is designated for the purposes of Section 7.03 of the Regulations.

IN WITNESS WHEREOF, the parties hereto acting through their representatives thereunto duly authorized, have caused this Development Credit Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

Republic of Pakistan :

By A. AHMED

Authorized Representative

International Development Association :

By J. Burke KNAPP

Vice President

SCHEDULE

DESCRIPTION OF THE PROJECT

The Project, which is part of the Small Industries Development Program included in the Borrower's Second Five Year Plan (1960-1965), consists of : (a) the development of two industrial estates at Gujranwala and Sialkot, West Pakistan, to provide to small and medium scale industrial enterprises plots with basic facilities for the establishment of factories, and (b) the setting up of three service centers and a service institute to assist small and medium scale industrial enterprises in improving their methods and operations.

The Project includes :

- 1) Acquisition and preparation of two estate sites of about 100 acres each, construction of roads and community buildings and installation of power, water and sewage disposal systems.
- 2) Construction of factory buildings and installation of machinery and equipment.
- 3) Establishment of a light engineering service center on the Gujranwala Estate, a sports goods service center on the Sialkot Estate and a cutlery and small tools service center at Nizamabad to provide assistance to the enterprises admitted on the two estates in preparing, implementing and operating their individual projects. The centers will also assist enterprises outside the estates.
- 4) Establishment of a small industries service institute at Lahore to assist and coordinate the work of all service centers set up or to be set up for small and medium scale industrial enterprises in West Pakistan.
- 5) Provision of services of industrial consultants to assist in the carrying out of the Project and in the initial stage of its operation.

LETTERS RELATING TO THE DEVELOPMENT CREDIT AGREEMENT

I

EMBASSY OF PAKISTAN
WASHINGTON, D.C.

November 2, 1962

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

Gentlemen :

Re : *Currency of Repayment*

We refer to the Development Credit Agreement (*Industrial Estates Project*) of even date¹ between us and to Section 3.02 of the Regulations referred to therein. Pursuant to such Section, we hereby request your agreement as follows :

- (i) Except as hereinafter provided, the principal amount of, and service charges on, the Credit provided for in such Agreement shall be payable in the currency of the United Kingdom of Great Britain and Northern Ireland.
- (ii) If at any time we shall desire that, commencing with a given future payment date, such principal and service charges shall be payable in an eligible currency other than that specified in (i) (or other than one designated under this clause (ii)) we shall deliver to the Association, not less than three nor more than five months prior to such payment date, a notice in writing to that effect and designating such other eligible currency. Whereupon the currency so designated shall, commencing with such payment date, be the currency in which such principal and service charges shall be payable.
- (iii) If at any time the Association shall determine that a currency payable pursuant to the provisions of this letter is not an eligible currency, the Association shall so notify us in writing and furnish us with a list of eligible currencies.
- (iv) Within thirty days from the date of such notice we shall notify the Association in writing of our selection of a currency from such list in which payment shall be made, failing which the Association shall select a currency for such purpose from such list, whereupon, in either case, such principal and service charges shall, commencing with the payment date next succeeding such thirty day period, be payable in the currency so selected.
- (v) Any designation or selection of a currency pursuant to the foregoing provisions shall be subject, in turn, to the provisions of this letter.
- (vi) For the purposes of this letter, " eligible currency " means any currency of a member of the Association which the Association at the relevant time determines to be freely

¹ See p. 352 of this volume.

convertible or freely exchangeable by it for currencies of other members of the Association for the purposes of its operations.

Please indicate your agreement with the foregoing by signing the form of confirmation on the enclosed copy of this letter and returning it to us.

Very truly yours,

Republic of Pakistan :
By A. AHMED
Authorized Representative

Confirmed:
International Development
Association :
By J. Burke KNAPP

II

EMBASSY OF PAKISTAN
WASHINGTON, D.C.

November 2, 1962

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

Gentlemen :

Re : *List of Goods and Percentage*

We request your agreement, pursuant to Section 3.01 of the Development Credit Agreement (*Industrial Estates Project*) between the Republic of Pakistan and the Association of even date herewith, to the attached List of Goods to which the proceeds of the Credit are to be applied.

We also request your agreement that 21% be established at this time for purposes of withdrawal pursuant to Section 2.03 (b) of the Development Credit Agreement.

We further agree that whenever there should be a substantial change in the estimates on the basis of which such percentage and the amounts in Category A have been established we will promptly inform the Association, and if either we or the Association shall so request, there shall be substituted new amounts for Category A and a revised percentage to be used thereafter for the purposes of such Section 2.03 (b).

Please indicate your agreement with the foregoing by signing the form of confirmation on the enclosed copy of this letter and returning it to us.

Very truly yours,

Republic of Pakistan :
By A. AHMED
Authorized Representative

Confirmed:

International Development
Association :
By J. Burke KNAPP

LIST OF GOODS

<i>Category</i>	<i>US \$ Equivalent</i>
(A) Goods falling within Section 2.03(a) of Credit Agreement:	
1. Building materials, machinery and equipment for estate development, community buildings, factory buildings, service centers and service institute	4,000,000
2. Consultant Services	750,000
3. Fellowships	50,000
(B) Goods falling within Section 2.03(b) of Credit Agreement:	
Land; estate development; community buildings, factory buildings, service centers and service institute and machinery and equipment therefor; consultant services and fellowships	1,700,000
	6,500,000
	A. A. J. B. K.

III

EMBASSY OF PAKISTAN
WASHINGTON, D.C.

November 2, 1962

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

Re : *Relending by Republic of Pakistan*

Gentlemen :

With reference to Section 4.02 (a) of the Development Credit Agreement (*Industrial Estates Project*) of even date between Republic of Pakistan and the Association, we

wish to confirm to you that the Government of Pakistan will relend the proceeds of the Credit or the equivalent thereof to the Province of West Pakistan on the same terms and conditions as those of the aforementioned Development Credit Agreement between us.

Would you please confirm that the foregoing terms are satisfactory to the Association by signing the form of confirmation on the enclosed copy of this letter and returning it to us.

Very truly yours,

Republic of Pakistan :
By A. AHMED
Authorized Representative

Confirmed:

International Development
Association :

By J. Burke KNAPP

INTERNATIONAL DEVELOPMENT ASSOCIATION

DEVELOPMENT CREDIT REGULATIONS No. 1, DATED 1 JUNE 1961

REGULATIONS APPLICABLE TO DEVELOPMENT CREDIT AGREEMENTS WITH MEMBER
GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, Vol. 415, p. 68.*]

PROJECT AGREEMENT
(*INDUSTRIAL ESTATES PROJECT*)

AGREEMENT, dated November 2, 1962, between the PROVINCE OF WEST PAKISTAN, acting by its Governor (hereinafter called the Province) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS by a development credit agreement of even date¹ herewith (hereinafter called the Development Credit Agreement) between Republic of Pakistan (hereinafter called the Borrower) and the Association, the Association has agreed to assist in the financing of a project for the development of two industrial estates, one at Gujranwala and the other at Sialkot and the establishment of service facilities for small industries in the Province and to make available to the Borrower a development credit in various currencies equivalent to six million five hundred thousand dollars (\$6,500,000), on the terms and conditions set forth in the Development Credit Agreement but only on condition that the

¹ See p. 352 of this volume.

Province agree to undertake certain obligations to the Association as hereinafter in this Project Agreement set forth; and

WHEREAS the Province, in consideration of the Association's entering into the Development Credit Agreement with the Borrower, has agreed to undertake the obligations hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

DEFINITIONS

Section 1.01. Wherever used in this Project Agreement, unless the context shall otherwise require, the several terms defined in the Development Credit Agreement and in the Regulations¹ (as so defined) shall have the respective meanings therein set forth.

Article II

PARTICULAR COVENANTS OF THE PROVINCE

Section 2.01. (a) The Province shall cause the Project to be carried out, operated and maintained with due diligence and efficiency and in conformity with sound industrial, engineering and financial standards and practices.

(b) To assist in the carrying out of the Project and in the initial stage of its operation, the Province shall employ or cause to be employed competent and experienced consultants acceptable to the Association upon terms and conditions satisfactory to the Association.

Section 2.02. (a) The Province shall relend the proceeds of the Credit or the equivalent thereof to " W.P.I.D.C. " on terms and conditions to be determined by agreement between the Province and the Association.

(b) The Province shall make available promptly as needed all sums which shall be required for the carrying out and operation of the Project.

Section 2.03. (a) The Province shall take all such action as shall be required to assure that the land, buildings, facilities and services included in the Project are fully, effectively and promptly utilized for the purposes of the Project.

(b) The Province shall cause all works and facilities included in the Project to be adequately maintained and repaired in accordance with sound industrial and engineering standards and practices and shall cause all works and facilities not included in the Project but necessary to the proper and efficient operation thereof to be operated and adequately maintained and repaired in accordance with such practices and standards.

Section 2.04. The Province shall take or cause to be taken all such action as shall be necessary to provide and extend technical and industrial services to the Estates included in the Project.

¹ See p. 372 of this volume.

Section 2.05. (a) The Province shall, from time to time, make arrangements or cause arrangements to be made providing for the recovery from the beneficiaries of the Project, on terms and conditions satisfactory to the Association, of such parts of the moneys invested in the Project together with such interest thereon as the Province and the Association shall agree.

(b) The Province shall cause charges for operation and maintenance of the Project to be set and maintained at levels necessary to provide revenues sufficient to cover such operating and maintenance costs of the Project as the Province and the Association shall agree.

Section 2.06. (a) The Province 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.

(b) The Province 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 Province 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, or the performance by the Province of its obligations under this Agreement or which shall increase or threaten to increase materially the estimated cost of the Project.

Section 2.07. (a) Upon request from time to time by the Association, the Province shall promptly furnish or cause to be furnished to the Association the plans, specifications and work schedules for the Project and any material modifications subsequently made therein, in such detail as the Association shall request.

(b) The Province shall maintain or cause to be maintained records adequate to identify the goods financed out of the proceeds of the Credit, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained and sound accounting practices the operations and financial condition with respect to the Project of the agency or agencies of the Province responsible for the carrying out of the Project or any part thereof; shall enable the Association's representatives to inspect the Project, the goods and any relevant records and documents; and shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the expenditure of the proceeds of the Credit, the Project, and the goods, and the operations and financial condition with respect to the Project of the agency or agencies of the Province responsible for the carrying out of the Project or any part thereof.

Section 2.08. Except as shall be otherwise agreed by the Province and the Association :

(a) the Province shall cause all goods to which the proceeds of the Credit are applied to be used in the territories of the Borrower exclusively in the construction and subsequent operation of the Project, and

(b) the Province shall cause title to all such goods to be obtained free and clear of all encumbrances.

Section 2.09. (a) The Province shall satisfy the Association that adequate arrangements have been made to insure the goods to which the proceeds of the Credit are applied against risks incident to their purchase and importation into the territories of the Borrower and to the delivery thereof to the site of the Project.

(b) In addition, the Province shall insure or cause "W.P.I.D.C." and the beneficiaries of the Project to be insured against such risks and in such amounts as shall be consistent with sound business practices.

Section 2.10. The Province shall pay or cause to be paid all taxes, if any, imposed under the laws of the Borrower or laws in effect in the territories of the Borrower on or in connection with the execution, delivery or registration of this Agreement or the Development Credit Agreement or the payment of principal and service charges thereunder.

Article III

EFFECTIVE DATE; TERMINATION

Section 3.01. This Agreement shall come into force and effect on the date when the Development Credit Agreement shall become effective as provided therein.

Section 3.02. This Agreement shall terminate and the obligations of the parties hereunder shall cease and determine on the date when the Development Credit Agreement shall terminate in accordance with its terms.

Article IV

MISCELLANEOUS PROVISIONS

Section 4.01. Any notice or request required or permitted to be given or made under this Project Agreement and any agreement between the parties contemplated by this Project Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable or radiogram to the party to which it is required or permitted to be given or made at its address hereinafter specified, or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are :

(a) For the Province :

Chief Secretary
Government of West Pakistan
Lahore

Alternative address for cablegrams and radiograms :

West Pakistan
Lahore

(b) For the Association :

International Development Association
1818 H Street, N.W.
Washington 25, D.C.
United States of America

Alternative address for cablegrams and radiograms :

Indevas
Washington, D.C.

Section 4.02. Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Project Agreement on behalf of the Province may be taken or executed by the Chief Secretary to the Government of West Pakistan or such other person or persons as the Province shall designate in writing.

Section 4.03. The Province shall furnish to the Association sufficient evidence of the authority of the person or persons who will, on behalf of the Province, take any action or execute any documents required or permitted to be taken or executed by the Province pursuant to any of the provisions of this Project Agreement and the authenticated specimen signature of each such person.

Section 4.04. This Project Agreement may be executed in several counterparts, each of which shall be an original and all collectively but one instrument.

IN WITNESS WHEREOF the parties hereto have caused this Project Agreement to be signed in their respective names by their representatives thereunto duly authorized and delivered in the District of Columbia, United States of America, as of the day and year first above written.

Province of West Pakistan :

By A. G. N. KAZI
Authorized Representative

International Development Association :

By J. Burke KNAPP
Vice President

LETTER RELATING TO THE PROJECT AGREEMENT

GOVERNMENT OF WEST PAKISTAN
LAHORE

November 2, 1962

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

Gentlemen :

Re : *Relending by the Province of West Pakistan*

With reference to Section 2.02 (a) of the Project Agreement (*Industrial Estates Project*) of even date¹ herewith between the Province of West Pakistan and the Association, we wish to confirm to you that when the proceeds of the Credit or the equivalent thereof are received from the Government of Pakistan, the Government of the Province will relend therefrom to the West Pakistan Industrial Development Corporation (W.P.I.D.C.) the amount required for carrying out of the part of the Project described in parts 1 and 2 of the Schedule to the Development Credit Agreement of even date² between the Republic of Pakistan and the Association, on the following terms :

- (a) Amortization : 25 years including a five year period of grace.
- (b) Interest : at the rate of 4% per annum.

The amounts required for the carrying out of the part of the Project described in parts 3, 4 and 5 of the Schedule to the Development Credit Agreement, will be given from the Province to W.P.I.D.C. as a grant.

Please confirm that the foregoing terms are satisfactory to the Association by signing the form of confirmation on the enclosed copy of this letter and returning it to us.

Very truly yours,

Province of West Pakistan :

By A. G. N. KAZI
Authorized Representative

Confirmed:

International Development
Association :

By J. Burke KNAPP

¹ See p. 372 of this volume.

² See p. 352 of this volume.