

No. 7784

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
PAKISTAN**

Development Credit Agreement—*Inland Water Transport Project* (with related letters, annexed Development Credit Regulations No. 1 and Project Agreement between the Association and the Province of East Pakistan). Signed at Washington, on 26 August 1964

Official text: English.

Registered by the International Development Association on 18 May 1965.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
PAKISTAN**

Contrat de crédit de développement — *Projet relatif aux transports fluviaux* (avec lettres y relatives et, en annexe, le Règlement n° 1 sur les crédits de développement et le Contrat relatif au Projet entre l'Association et la province du Pakistan oriental). Signé à Washington, le 26 août 1964

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 18 mai 1965.

No. 7784. DEVELOPMENT CREDIT AGREEMENT¹ (*INLAND WATER TRANSPORT PROJECT*) BETWEEN THE ISLAMIC REPUBLIC OF PAKISTAN AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION. SIGNED AT WASHINGTON, ON 26 AUGUST 1964

AGREEMENT, dated August 26, 1964, between ISLAMIC 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 East Pakistan have requested the Association to assist in the financing of the Inland Water Transport Project in the Province of East Pakistan;

WHEREAS the Province of East Pakistan will, with the Borrower's assistance, carry out or cause to be carried out the Inland Water Transport 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 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 date herewith² between the Province of East Pakistan and the Association;

NOW THEREFORE the parties hereto agree as follows :

Article I

CREDIT REGULATIONS; SPECIAL DEFINITIONS

Section 1.01. The parties to the Development Credit Agreement accept all the provisions of Development Credit Regulations No. 1 of the Association dated June 1, 1961,³ 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 3.01 is deleted and the following new section is substituted therefor :

“SECTION 3.01. *Currencies in which Cost of Goods is to be Paid and Proceeds of the Credit are to be Withdrawn.* (a) Except as the Borrower

¹ Came into force on 22 October 1964, upon notification by the Association to the Government of Pakistan.

² See p. 282 of this volume.

³ See p. 280 of this volume.

and the Association shall otherwise agree, the cost of goods financed out of the proceeds of the Credit shall be paid in the respective currencies of the countries from which such goods are acquired.

(b) The proceeds of the Credit shall be withdrawn from the Credit Account :

- (i) on account of expenditures in currency of the Borrower or for goods produced in (including services supplied from) the territories of the Borrower, in such currency or currencies as the Association shall from time to time reasonably select;
- (ii) in all other cases, in the currency in which the cost of the goods financed out of such proceeds has been paid or is payable.

(c) The Borrower and the Association may from time to time agree on any other currency in which withdrawals shall be made. ”

(b) A new Section 3.04 is inserted after Section 3.03 as follows :

“SECTION 3.04. *Purchase of Currency of Withdrawal with Other Currency.* If withdrawal shall be made in any currency which the Association shall have purchased with another currency for the purpose of such withdrawal, the portion of the Credit so withdrawn shall be deemed to have been withdrawn from the Credit Account in such other currency for the purposes of Section 3.03. ”

(c) Section 3.04 is renumbered as Section 3.05.

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

(e) 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. ”

(f) For the purposes of the Development Credit 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 the Development Credit Agreement or in any schedule thereto, unless the context shall otherwise require, the following terms shall 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 Province and the Association of even date herewith, providing for the carrying out of the Project.
- (c) “ Authority ” means the East Pakistan Inland Water Transport Authority, established under East Pakistan Ordinance No. LXXV of 1958, as amended from time to time, of the Province and shall include any successor agency.

Article II

THE CREDIT

Section 2.01. The Association agrees to make available to the Borrower, on the terms and conditions in the Development Credit Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to five million two hundred and fifty thousand dollars (\$5,250,000).

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, the Development Credit Agreement.

Section 2.03. Except as the Borrower and the Association shall otherwise agree :

(a) The Borrower shall be entitled, subject to the provisions of the Development Credit Agreement, to withdraw from the Credit Account (i) amounts expended for the reasonable cost of goods to be financed out of the proceeds of the Credit, and (ii) if the Association shall so agree, such amounts as shall be required to meet payments to be made for the reasonable cost of the foregoing.

(b) No withdrawals shall be made on account of (i) expenditures prior to April 1, 1962 or (ii) expenditures in the currency of the Borrower or for goods produced in (including services supplied from) the territories of the Borrower.

Section 2.04. 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. 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 2.05. Service charges shall be payable semi-annually on January 15 and July 15 in each year.

Section 2.06. The Borrower shall repay the principal of the Credit withdrawn from the Credit Account in semi-annual instalments payable on each January 15 and July 15 commencing July 15, 1974 and ending January 15, 2014, each instalment to and including the instalment payable on January 15, 1984 to be one-half of one percent ($\frac{1}{2}$ 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 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. The specific goods to be financed out of the proceeds of the Credit 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 3.02. 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 connection with the inland water transport facilities of the Province.

Article IV

PARTICULAR COVENANTS

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

(b) The Borrower shall re-lend the proceeds of the Credit or the equivalent thereof to the Province on terms and conditions to be determined by agreement between the Borrower and the Association, subject to modification by further agreement between them.

Section 4.02. (a) 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.

(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 4.03. (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.

¹ See p. 276 of this volume.

(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. The Development Credit 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, issue, 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 during the continuance thereof 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 the Development Credit 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 event is specified as an additional condition to the effectiveness of the Development Credit Agreement within the meaning of Section 8.01 (b) of the Regulations :

the execution and delivery of the Project Agreement on behalf of the Province shall have been duly authorized or ratified by all necessary governmental action.

Section 6.02. The following is specified as an additional matter, 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 :

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.

Section 6.03. A date sixty days after the date of the Development Credit 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 March 31, 1968, 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, D.C. 20433
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.

Islamic Republic of Pakistan :

By A. G. N. KAZI

Authorized Representative

International Development Association :

By J. Burke KNAPP

Vice President

SCHEDULE

DESCRIPTION OF PROJECT

The Project is part of a program for improvement of inland water transport operations of East Pakistan administered by the East Pakistan Inland Water Transport Authority. It consists of :

- A. Provision of basic scientific instruments and hydraulic apparatus for the collection of data required in the surveys of river ports and waterways of East Pakistan, as well as launches, speed boats and land vehicles for such surveys; the provision of experts to carry out the said surveys, to train Pakistani engineers, and to prepare a priority plan of selected waterways and ports requiring maintenance and improvement, and undertake feasibility studies thereon.
- B. Establishment and operation of one central radio-location station and three outlying radio-location stations to provide an accurate position-fixing system for the waterways of East Pakistan; and the training of Pakistani personnel in the use of the equipment associated with the said stations.
- C. Expansion and improvement of the existing workshop of the Authority at Barisal in order to provide increased facilities for the repair and maintenance of navigational equipment; the construction of one all-weather jetty and a slipway and improvement of roads and services in the workshop area.
- D. Construction of simple landing facilities, usually comprising a floating pontoon and a gangway at various locations on the waterways of East Pakistan.
- E. A salvage unit comprising one 60-ton floating crane, one salvage tug of about 320 horsepower and two diving units.
- F. Consulting services in connection with the administration and operations of the Authority.

LETTERS RELATING TO THE DEVELOPMENT CREDIT AGREEMENT

ISLAMIC REPUBLIC OF PAKISTAN

August 26, 1964

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433

Inland Water Transport Project
Re-lending by Islamic Republic of Pakistan

Dear Sirs :

With reference to Section 4.01 (b) of the Development Credit Agreement (*Inland Water Transport Project*) of even date herewith between us, we wish to confirm to you that the Government of the Islamic Republic of Pakistan will re-lend the proceeds of the Credit or the equivalent thereof to the Province of East Pakistan on the same financial terms 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,

Islamic Republic of Pakistan :
By A. G. N. KAZI
Authorized Representative

Confirmed :
International Development
Association :
By G. Stewart MASON

ISLAMIC REPUBLIC OF PAKISTAN

August 26, 1964

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433

Inland Water Transport Project
Currency of Repayment

Dear Sirs :

We refer to the Development Credit Agreement (*Inland Water Transport Project*) of even date herewith between the Islamic Republic of Pakistan and the International Development Association 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 than one theretofore designated pursuant to this clause (ii) or selected pursuant to clause (iv) 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) 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 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,

Islamic Republic of Pakistan :

By A. G. N. KAZI
Authorized Representative

Confirmed :

International Development
Association :

By G. Stewart MASON

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
(INLAND WATER TRANSPORT PROJECT)

AGREEMENT, dated August 26, 1964, between PROVINCE OF EAST 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 date herewith¹ (hereinafter called the Development Credit Agreement) between Islamic Republic of Pakistan (hereinafter called the Borrower) and the Association, the Association has agreed to make available to the Borrower a development credit in various currencies equivalent to five million two hundred and fifty thousand dollars (\$5,250,000) on the terms and conditions set forth in the Development Credit Agreement, but only on condition that the 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 Regulations (as so defined) shall have the respective meanings therein set forth.

Article II

PARTICULAR COVENANTS

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

(b) The Province shall make available the proceeds of the Credit or the equivalent thereof to the Authority on terms and conditions to be determined by agreement between the Province and the Association.

(c) The Province shall make available to the Authority promptly as needed all sums and other resources which shall be required for the carrying out of the Project.

(d) In the carrying out of the Project, the Province shall employ or cause to be employed competent and experienced consultants acceptable to the Association, and to an extent and upon terms and conditions satisfactory to the Association.

Section 2.02. (a) The Province shall cause to be taken all such action as shall be required to assure that the Authority performs its functions in accordance with sound

¹ See p. 264 of this volume.

engineering and financial standards; in furtherance thereof the Province shall make available promptly as needed all sums required to enable the Authority to carry out all of its operations in accordance with such standards.

(b) The Province shall cause all works and facilities included in the Project to be adequately maintained and repaired in accordance with sound engineering and financial practices and shall cause all 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.

Section 2.03. (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 sound accounting practices the operations and financial condition of the Authority; 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 administration, operations and financial condition of the Authority.

Section 2.04. (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.

(b) The Province and the Association shall from time to time exchange views through their representatives with regard to the performance by the Province of its obligations hereunder, and the administration, operations and financial condition of the Authority and of any other agency or agencies of the Province responsible for the carrying out of the Project or any part thereof.

(c) The Province shall promptly inform or cause the Authority to 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 performance by the Province of its obligations under this Project Agreement or which shall increase or threaten to increase materially the estimated cost of the Project.

Section 2.05. (a) Except as shall be otherwise agreed by the Province and the Association : (i) the Province shall cause all goods purchased with the proceeds of the Credit to be used in the territories of the Borrower exclusively in connection with the inland water transport facilities of the Province; and (ii) the Province shall cause title to all such goods to be obtained free and clear of all encumbrances.

(b) Goods purchased or paid for out of the proceeds of the Credit shall not be sold or otherwise disposed of without the prior consent of the Association.

Section 2.06. (a) Except as shall be otherwise agreed between the Province and the Association, the Province shall insure or cause to be insured with responsible insurers all goods financed out of the proceeds of the Credit which are to be imported into its territory. Such insurance shall cover such marine, transit and other hazards incident to purchase and importation of the goods to the site of the Project and shall be for such amounts as are consistent with sound commercial practices. Such insurance shall be payable in the currency in which the cost of the goods insured thereunder shall be payable or in dollars.

(b) The Province shall cause the Authority to take out and maintain insurance against such risks and in such amounts as shall be consistent with sound commercial practices.

Article III

EFFECTIVE DATE; TERMINATION

Section 3.01. (a) This Project Agreement shall come into force and effect on the Effective Date.

(b) If, pursuant to Section 8.04 of the Regulations, the Association shall terminate the Development Credit Agreement, the Association shall promptly notify the Province thereof and upon the giving of such notice, this Project Agreement and all obligations of the parties hereunder shall forthwith cease and determine.

Section 3.02. This Agreement shall terminate and all the obligations of the Province and of the Association shall terminate if and when :

- (a) the entire principal amount of the Credit shall have been paid or caused to be paid by the Borrower (or shall have been cancelled), together with service charges which shall have accrued on the Credit; or
- (b) the entire principal amount of the Credit shall have been repaid by the Province to the Borrower in accordance with the agreement entered into between them pursuant to Section 4.01 (b) of the Development Credit Agreement.

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 East Pakistan
Dacca, East Pakistan

Alternative address for cables and radiograms :

East Pakistan
Dacca

(b) For the Association :

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Alternative address for cables 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 East 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 East Pakistan :
By A. G. N. KAZI
Authorized Representative

International Development Association :
By J. Burke KNAPP
Vice President

LETTER RELATING TO THE PROJECT AGREEMENT

PROVINCE OF EAST PAKISTAN

August 26, 1964

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433

*Inland Water Transport Project
Financial Policy*

Dear Sirs :

We refer to Section 2.02 (a) of the Project Agreement (*Inland Water Transport Project*) of even date herewith between us.

The Province of East Pakistan has not yet formulated a definitive financial policy for the East Pakistan Inland Water Transport Authority (the "Authority"). However, the Province intends to proceed as follows :

(i) The Province will cause the Authority to carry out appropriate studies and make recommendations to it concerning which of the Authority's activities should be financed from the budget of the Province. Before reaching a decision thereon, the Province will consult with the Association regarding such studies and recommendations and any action to be taken in implementation thereof. With respect to those of the Authority's activities which the Province decides not to finance from its own budget, the Province will take such measures as may be necessary to enable the Authority to establish and collect, where appropriate, reasonable charges for the use of its services and facilities.

(ii) The Province undertakes that it will make available to the Authority the sums needed to meet all expenditures in connection with such of the Authority's activities as the Province decides to finance from its own budget.

(iii) Pending completion of the studies referred to in (i) and the decision of the Province thereon, the Province will provide the Authority with all sums needed to meet its cash deficit and its working capital needs.

Very truly yours,

Province of East Pakistan :

By A. G. N. KAZI

Authorized Representative