

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.

Article IV

EXCHANGE OF INFORMATION AND CONSULTATION

Section 4.01. The Parties to this Agreement shall cooperate fully to assure that the purposes thereof will be accomplished. To that end, the Parties shall from time to time exchange views through their representatives with regard to matters relating to the purposes of this Agreement and each of them shall furnish to any of the others such information as they shall reasonably request with regard to the operation thereof.

Section 4.02. The Borrower shall promptly inform each of the Lenders of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of this Agreement and shall afford all reasonable opportunity for accredited representatives of the Lenders to visit any part of the territories of the Borrower and of the Province for purposes related to this Agreement.

Section 4.03. It is the intention of the Lenders that there be close collaboration between them on matters relating to the execution of the Project and on other matters of common interest to them in the administration of the Agreements. To that end, they propose, as hereinafter provided, to keep each other currently informed of the progress of the Project and to consult with each other before taking important actions bearing on it. The Lenders shall retain, however, their respective independent rights of decision and action under the Agreements, including the right of one Lender to permit continued disbursements under its Agreement with the Borrower in case of suspension or cancellation under the other Agreement.

Section 4.04. Each Lender shall inform the other if any event comes to its knowledge which materially affects the progress of the Project or which threatens substantially to impede it, and the Lenders shall consult with each other concerning the action which each of them proposes to take in respect thereof.

Section 4.05. Each Lender shall promptly inform the other whenever it proposes (a) to modify materially its Agreement with the Borrower, (b) to suspend or terminate, in whole or in part, withdrawals under such Agreement or (c) to declare the indebtedness of the Borrower under such Agreement to be due and payable in advance of the agreed maturity thereof. In each such case, each Lender shall afford the other all reasonable opportunity, in advance of taking the proposed action, to exchange views with respect thereto.

Section 4.06. Each Lender shall keep the other informed of the progress of the Project, on the basis of the findings of any inspections by its representatives.

Section 4.07. The Association shall transmit to Sweden by cablegram or radiogram notice that the Development Credit Agreement has come into force and effect.

Article V

MISCELLANEOUS PROVISIONS

Section 5.01. Any notice or request required or permitted to be given or made under this Agreement and any agreement contemplated by this 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 such party's address specified below, or at such other address as such party shall have designated by notice to the party giving such notice or making such request.

For the Borrower :

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

Alternative address for cables and radiograms :

Economic
Rawalpindi

For Sweden :

(a) for the purposes of Section 2.09 :

Sveriges Riksbank
P.O. Box 2119
Stockholm 2

Alternative address for cables and radiograms :

Riksbanken
Stockholm

(b) for all other purposes :

Swedish International Development Authority
P.O. Box 342
Stockholm 1

Alternative address for cables and radiograms :

Swedvelop
Stockholm

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 5.02. The Borrower shall furnish to the Association sufficient evidence of the authority of the person or persons who will sign the applications provided for in Article II of this Agreement or who will, on its behalf take any other action or execute any other documents required or permitted to be taken or executed by the Borrower under this Agreement and the authenticated specimen signature of each such person.

Section 5.03. Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Agreement may be taken or executed on behalf of the Borrower by The Secretary to the Government of Pakistan, Ministry of Finance (who is hereby designated as the representative of the Borrower for the purposes of this Section) or by any person thereunto duly authorized in writing by him. Any modification or amplification of the provisions of this Agreement may be agreed to on behalf of the Borrower by written instrument executed on behalf of the Borrower by its representative herein-before designated or, any person thereunto duly authorized by the representative ; provided that, in the opinion of such representative, such modification or amplification is reasonable in the circumstances and will not substantially increase the obligations of the Borrower under this Agreement. The Lenders may accept the execution by such representative or other person of any such instrument as conclusive

evidence that in the opinion of such representative any modification or amplification of the provisions of this Agreement effected by such instrument is reasonable in the circumstances and will not substantially increase the obligations thereunder of the Borrower.

Section 5.04. This Agreement may be executed in several counterparts, each of which shall be an original. All such counterparts shall collectively be but one instrument.

Section 5.05. Except as shall otherwise be agreed by the Parties hereto, this Agreement shall become effective on the earliest date upon which the Agreements shall be in effect.

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

Islamic Republic of Pakistan :

By S. M. SULAIMAN
Authorized Representative

Kingdom of Sweden :

By Göran BUNDY
Authorized Representative

International Development Association :

By George D. WOODS
President

SCHEDULE

DESCRIPTION OF PROJECT

The Project consists of the construction and operation of five reinforced concrete silos with a total capacity of about 315,000 tons and the improvement of related facilities and services.

I. Engineering and Preliminary Works

(1) Drawing up of detailed designs, specifications and contract documents for the construction of the grain storage silos specified in part II of this Schedule ;

(2) Acquisition of all rights in immovable property needed for the construction and operation of said silos ;

(3) Fill of the sites for said silos, construct embankments and drainage works, and prepare sub-grade for road and rail connection.

II. *The Silos*

(1) Location and approximate capacity :

Silo at Chittagong	104,000 tons
Silo at Narayanganj	51,000 tons
Silo at Ashunganj	51,000 tons
Silo at Santahar	26,000 tons
Silo at Chalna	83,000 tons

(2) Equipment and facilities.

(a) All silos will have facilities for receiving and unloading grain in bulk and will be equipped for bagging and out-loading of bagged grain. Also, all silos will have hopper scales and truck scales, grain cleaner, temperature indicating system, dust collecting system, chemical protectant spray and special fumigating bings, bagging scales and a bag conveyor system, connection for electric power supply, water supply and sewage disposal systems, and key staff housing.

(b) The facilities of each silo will include additional items such as :

Silo at Chittagong : a ship berth, a coaster berth and a floating barge jetty, pneumatic ship-unloading units, receiving and shipping conveyors, grain drier, facilities for boat loading of both bulk and bagged grain ;

Silo at Narayanganj : railway receiving and loading station, jetties for stationary gantries and a floating barge jetty, receiving conveyors ;

Silo at Ashunganj : railway receiving and loading station, jetties for stationary gantries and a floating barge jetty, receiving conveyors ;

Silo at Santahar : railway receiving and loading station, receiving conveyors ;

Silo at Chalna : a ship berth, a barge berth and a floating barge jetty, pneumatic ship-unloading units, receiving and shipping conveyors, grain drier, facilities for river loading of both bulk and bagged grain, diesel-electric generators and water storage tanks.

III. *Improvement of Facilities and Operations*

(1) Improvement of existing storage facilities and operations, including modification and repair of godowns for adequate protection of bagged foodgrain, and improvement of facilities for receiving, handling and bagging of foodgrains at the major river-front godowns.

(2) Establishment of modern inventory controls including the collection and analysis of essential data on a timely and regular basis.

(3) Establishment and implementation of an adequate program of sanitation and pest-infestation control, including transport facilities, equipment and chemicals.

(4) Establishment of a program for training personnel in silo management and operation, grain inventory control, sanitation and pest-infestation control and in other technical skills necessary for the efficient operation of the Project, and establishment of a Training Facility in East Pakistan.

(5) Establishment of a new organization under the direct supervision of the Head of the Food Department and at the appropriate level in the Food Department to operate the silos and perform ancillary functions.

(6) Improvement of transport facilities for the orderly movement of bulk grain, including adequate provision of rail wagons and river transport vessels for grain movement and modification of such wagons and vessels for bulk hauling of grain.

IV. *Consulting Services*

Consulting services in connection with the construction and operation of the Project.

The Project is expected to be completed by June 30, 1971. The date for completion of the silo at Chalna depends upon the decision regarding the location of the proposed deep-water port in East Pakistan.
