

No. 9877

**DENMARK
and
ASIAN DEVELOPMENT BANK**

Contribution Agreement (with schedule and exchange of letters). Signed at Manila on 1 April 1969

Authentic text: English.

Registered by Denmark on 5 September 1969.

DANEMARK

et

BANQUE ASIATIQUE DE DÉVELOPPEMENT

**Accord de contribution (avec annexe et échange de lettres).
Signé à Manille le 1^{er} avril 1969**

Texte authentique: anglais.

Enregistré par le Danemark le 5 septembre 1969.

CONTRIBUTION AGREEMENT¹ BETWEEN THE GOVERNMENT OF DENMARK AND THE ASIAN DEVELOPMENT BANK

The Government of Denmark (hereinafter called “the Contributor”), which is desirous as a member country of the Asian Development Bank of further assisting in the development of the developing regional member countries of the said Bank, and

The Asian Development Bank (hereinafter called “the Bank”), which is empowered by its Articles of Agreement to accept the administration of Special Funds which are designed to serve the purpose and come within the functions of the Bank, and pursuant to the Special Funds Rules and Regulations adopted by the Bank on 17 September 1968 (hereinafter called “the Regulations”) has determined that it is prepared to administer Special Funds resources to be called the “Consolidated Special Funds of the Asian Development Bank” (hereinafter called “the Consolidated Special Funds”),

have agreed that Danish Government funds shall be made available to the Bank by the Contributor for inclusion in the Consolidated Special Funds in accordance with the following provisions :

Article I

APPLICATION OF REGULATIONS

Except as otherwise provided herein, the Regulations shall apply to the Contribution made pursuant to this Agreement and accrued resources derived therefrom with the same force and effect as if they were fully set out herein.

Article II

CONTRIBUTION TO CONSOLIDATED SPECIAL FUNDS

Section 1. The Contributor agrees to contribute to the Consolidated Special Funds by making funds available to the Bank (herein called “the Contribution”) in an amount of 15 million Danish Kroner. The Contribution is to be allocated to the Agricultural Special Fund provided for in Section 2.01(a) of the Regulations.

Section 2. An account designated “Asian Development Bank Special Account S” (hereinafter called “the Contribution Account”) shall be opened

¹ Came into force on 1 April 1969 by signature, in accordance with article VIII (1).

with Danmarks National Bank (acting as agent for the Contributor) in favour of the Bank. The Contributor shall ensure that sufficient funds are always available in the Contribution Account to enable the Bank to effect punctual payment for goods and services procured under this Contribution provided that the amounts successively made available to the Bank shall not, in the aggregate, exceed the amount specified in Section 1 of this Article.

Section 3. The Contribution will be free of interest.

Section 4. (a) The Bank shall repay the principal of the Contribution withdrawn from the Contribution Account in accordance with the schedule set forth in Schedule I of this Agreement; provided, however, that such schedule may be amended from time to time by agreement between the Contributor and the Bank as reasonably requested by the Bank (i) to take account of any cancellations pursuant to Article V of this Agreement; (ii) to take account of any adjustments necessitated by the events referred to in sub-paragraphs (c) and (d) of this Section; (iii) to take account of any payments made by the Bank in advance of maturity under sub-paragraph (e) of this Section, except that payments due hereunder shall be made on 1 April and 1 October in each year; and (iv) to take account of any other relevant factors.

(b) The schedules applicable to loans made by the Bank from the Contribution shall not extend beyond 1 October 1993.

(c) The Bank shall use its best endeavours to ensure that recipients of loans made from the Contribution make repayments on due date, and in the event of delay in payment by a recipient shall promptly inform the Contributor of any consequential adjustments to the schedule that may be necessary. Any repayments by the Bank to the Contributor from the amount of any delayed payment received from a recipient shall be made as soon as practicable after receipt by the Bank.

(d) In the event of default by a recipient of a loan made from the Contribution, the Bank shall take such action as it deems appropriate to exercise its rights under the relevant loan contract and shall promptly inform the Contributor of any consequential adjustment of the schedule that may be necessary.

(e) The Bank shall have the right to repay in advance of maturity all or any part of any principal amount of the Contribution.

Section 5. Repayments by the Bank to the Contributor shall be made in Danish Kroner to Danmarks National Bank to the credit of the current account of the Ministry of Finance with that Bank.

Section 6. The Bank may draw upon the Contribution Account mentioned in Section 2 of this Article for a period of three years from the effective date of

this Agreement or for such longer period as may be agreed between the Contributor and the Bank.

Article III

UTILIZATION OF THE CONTRIBUTION

Section 1. Requests for payment under the Contribution shall be made by the Bank to Danmarks National Bank, acting as agent for the Contributor, in such form and in accordance with such procedures as shall be agreed between the Contributor and the Bank.

Section 2. Except as shall otherwise be agreed between the Contributor and the Bank, no payments shall be made by the Contributor to the Bank under Section 1 hereabove on account of expenditures made or to be made other than for procurement in Denmark of goods produced in Denmark, with a high Danish content, or for administrative expenses arising pursuant to Section 7.01 of the Regulations.

Section 3. Except as shall otherwise be agreed between the Contributor and the Bank, no payment shall be made by the Contributor to the Bank under Section 1 hereabove to provide financing to meet expenditures in local currencies.

Section 4. In the case of repayments and accruals received by the Bank and derived from this Contribution the subsequent use of such funds, as contemplated in Sections 5.02 and 5.03 of the Regulations shall be free of the restrictions as to procurement contained in Section 2 hereinabove.

Section 5. Wherever used in this Agreement "goods" means capital equipment, supplies and services. Transport charges may be included in the cost of such goods.

Section 6. All shipment of goods under this Agreement shall be in keeping with the principle of free circulation of ships in international trade in free and fair competition.

Section 7. For purchases for projects and programmes, competitive bidding shall be held among Danish suppliers, in accordance with such procedures as shall be agreed between the Contributor and the Bank except where it is agreed between the Contributor and the Bank that such bidding would not be appropriate because of the smallness of the amount involved, uniqueness of the article, or other reasons. All contracts which will be or have been presented for payment under the Contribution must be furnished to the Contributor.

Section 8. The Bank may carry out special operations financed from this Contribution by any of the methods referred to in Section 4.02 of the Regulations, provided that the assistance is extended on a reimbursable basis. Where the recipient of a loan so financed is not itself a member, the Bank shall require that the member in whose territory the project or programme concerned is to be carried out or a public agency or any instrumentality of that member acceptable to the Bank, guarantee the repayment and other charges on the loan in accordance with the terms thereof.

Section 9. The Bank shall carry out special operations financed from the Contribution in accordance with the principles enumerated in Section 4.03 of the Regulations.

Section 10. Where a special operation is financed from the Contribution, the relevant loan contract between the Bank and the recipient shall provide that repayment of the loan by the recipient to the Bank shall be made in Danish Kroner.

Article IV

INFORMATION AND CONSULTATION

Section 1. In addition to the information contained in the reports provided for in the Regulations, the Bank shall furnish the Contributor such reports as the latter may reasonably request containing information with respect to the Contribution, the projects or programmes financed therefrom, and the estimated amounts required for projects or programmes which the Bank anticipates will be financed from the Contribution, and in any event, shall furnish to the Contributor within 60 days after the end of the Danish fiscal year (which runs from 1 April of one year to 31 March of the subsequent year) a detailed statement of account, including the status of each project or programme financed with funds provided from the Contribution.

Section 2. The Bank and the Contributor shall, with respect to matters arising out of this Agreement, establish procedures for consultation between the Bank and the representative of the Contributor on the Board of Directors of the Bank.

Section 3. Any notice or request under this Agreement and agreement between the Parties contemplated in this Agreement shall be in writing and be deemed to have been duly given or made when it has been delivered by hand or by mail, telegram, cable or radiogram to the Party at such Party's address specified in Article IX.

Article V

CANCELLATION AND SUSPENSION

Section 1. (a) The Bank may, by notice to the Contributor, cancel any amount of the Contribution which the Bank shall not have withdrawn.

(b) If a default shall have occurred in the performance of any covenant or agreement on the part of the Bank under this Agreement, the Contributor may, by notice in writing to the Bank, suspend in whole or in part the right of the Bank to make withdrawals from the Contribution Account.

Article VI

AMENDMENT, TERMINATION

Section 1. Either party may at any time propose revisions to this Agreement.

Section 2. In the event of termination pursuant to Section 8.01 of the Regulations of the Bank's administration of the Contribution and accrued resources derived therefrom, the Contributor and the Bank shall consult with a view to cooperating to ensure the orderly disposition of such resources as provided for in Section 8.02 of the Regulations.

Article VII

MISCELLANEOUS PROVISIONS

Section 1. Prior to the first drawing against the Contribution Account mentioned in Article II, Section 2 the Bank shall provide evidence satisfactory to the Contributor in the form of an opinion of the General Counsel (i) that the execution and delivery of this Agreement have been duly authorized by all necessary action on the part of the Bank; (ii) that the Agreement constitutes a valid and binding obligation of the Bank in accordance with its terms and establishes a valid claim by the Contributor against assets consisting of receivables due to the Bank on account of repayments of principal by recipients of loans made from the Contribution. Nothing in this Agreement shall in any respect give rise to any claim or charge against the ordinary capital resources of the Bank or against any Special Funds resources not forming part of or derived from the Contribution.

Section 2. The Bank will furnish to the Contributor evidence of the authority of the person or persons who will, on behalf of the Bank, take any action or execute any documents under this Agreement and authenticated specimen signatures of all such persons.

Article VIII

EFFECTIVE DATE AND DURATION OF THE AGREEMENT

Section 1. This Agreement shall come into force on the date of signature.

Section 2. When the entire principal amount of the Contribution has been repaid, the Agreement shall terminate forthwith.

Article IX

SPECIFICATION OF ADDRESSES

The following addresses are specified for the purpose of this Agreement :

For the Bank :

Asian Development Bank
Commercial Center P.O. Box 126
Makati, Rizal, D-708
Philippines.

Alternative address for cablegrams and radiograms :

Asianbank
Manila.

For the Contributor with respect to disbursements :

Ministry of Foreign Affairs
Copenhagen.

Alternative address for cablegrams and radiograms :

Étrangères
Copenhagen.

For the Contributor with respect to repayments :

Ministry of Finance
Copenhagen.

Alternative address for cablegrams and radiograms :

Finans
Copenhagen.

IN WITNESS WHEREOF the Parties hereto, acting through their representatives duly authorized for this purpose have caused this Agreement to be signed in two copies in the English language in Manila on this 1st day of April, 1969.

For the Government of Denmark :
W. K. WARDROPER

For the Asian Development Bank :
Takeshi WATANABE

SCHEDULE I

	<i>Danish Kroner</i>		<i>Danish Kroner</i>
1 April 1976	420,000	1 April 1985	420,000
1 October 1976	420,000	1 October 1985	420,000
1 April 1977	420,000	1 April 1986	420,000
1 October 1977	420,000	1 October 1986	420,000
1 April 1978	420,000	1 April 1987	420,000
1 October 1978	420,000	1 October 1987	420,000
1 April 1979	420,000	1 April 1988	420,000
1 October 1979	420,000	1 October 1988	420,000
1 April 1980	420,000	1 April 1989	420,000
1 October 1980	420,000	1 October 1989	420,000
1 April 1981	420,000	1 April 1990	420,000
1 October 1981	420,000	1 October 1990	420,000
1 April 1982	420,000	1 April 1991	420,000
1 October 1982	420,000	1 October 1991	420,000
1 April 1983	420,000	1 April 1992	420,000
1 October 1983	420,000	1 October 1992	420,000
1 April 1984	420,000	1 April 1993	420,000
1 October 1984	420,000	1 October 1993	300,000

EXCHANGE OF LETTERS

I

ASIAN DEVELOPMENT BANK
MAKATI, RIZAL, PHILIPPINES

April 1, 1969

Sir,

With reference to the Contribution Agreement of today's date between the Government of Denmark and the Asian Development Bank, I have the honour to propose that the following provisions shall govern the implementation of Article III, Sections 1 and 2 of the Agreement :

Payment out of the Contribution Account shall be made in the following manner :

(1) The Asian Development Bank may draw on the Account with Danmarks National Bank to effect payment for goods and services procured under the Contribution. Payments out of this account to Danish exporters or consultants shall be subject to presentation of the necessary documents when Danmarks National Bank has ascertained that the conditions for effecting such payments have otherwise been complied with.

(2) With regard to administrative expenses arising pursuant to Section 7.01 of the Special Funds Rules and Regulations, the Asian Development Bank shall every three months present to the Danmarks National Bank a statement

of the amount of such expenses as may have occurred during this time whereupon Danmarks National Bank shall pay such an amount to the Bank out of the Contribution Account.

If the foregoing provisions are acceptable to the Asian Development Bank, I have the honour to suggest that this letter and your Excellency's reply to that effect constitute an agreement between us on this matter.

Please accept, Sir, the assurances of my highest consideration.

For the Government of Denmark :

W. K. WARDROPER
Director

Mr. Takeshi Watanabe
President
Asian Development Bank

II

ASIAN DEVELOPMENT BANK
MAKATI, RIZAL, PHILIPPINES

April 1, 1969

Dear Mr. Wardroper,

The provisions governing implementation of Article III Sections 1 and 2 of the Contribution Agreement of today's date between the Government of Denmark and the Asian Development Bank are acceptable to the Bank.

Sincerely yours,

Takeshi WATANABE
President

Mr. W. K. Wardroper
Executive Director for Denmark
Asian Development Bank