

No.10656

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
PAKISTAN**

Development Credit Agreement—*Industrial Development Bank Project* (with annexed General Conditions Applicable to Development Credit Agreements and Project Agreement between the Association and the Industrial Development Bank of Pakistan). Signed at Washington on 11 February 1970

Authentic text: English.

Registered by the International Development Association on 11 August 1970.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
PAKISTAN**

Contrat de crédit de développement — *Projet relatif à la Banque de développement industriel* (avec, en annexe, les Conditions générales applicables aux contrats de crédit de développement et le Contrat relatif au Projet entre l'Association et la Banque de développement industriel du Pakistan). Signé à Washington le 11 février 1970

Texte authentique : anglais.

Enregistré par l'Association internationale de développement le 11 août 1970.

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated February 11, 1970 between the ISLAMIC REPUBLIC OF PAKISTAN, acting by its President (hereinafter called the Borrower), and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

Article I

GENERAL CONDITIONS; DEFINITIONS

Section 1.01. The parties to this Development Credit Agreement accept all the provisions of the General Conditions Applicable to Development Credit Agreements of the Association, dated January 31, 1969,² with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications thereof (said General Conditions Applicable to Development Credit Agreements of the Association, as so modified, being hereinafter called the General Conditions):

(a) The words "Investment Projects" are substituted for the words "the Project" at the end of Section 5.03.

(b) Section 6.03 is deleted and replaced by the following new Section:

"SECTION 6.03. *Cancellation by the Association.* If (a) the right of the Borrower to make withdrawals from the Credit Account shall have been suspended with respect to any amount of the Credit for a continuous period of thirty days or (b) by the date specified in Section 2.02 (d) of the Project Agreement³ no applications for approval or requests for authorization to withdraw from the Credit Account in respect of any portion of the Credit shall have been received by the Association, or having been so received, shall have been denied, or (c) after the Closing Date an amount of the Credit shall remain unwithdrawn from the Credit Account, the Association may, by notice to the Borrower, terminate the right of the Borrower to request such approvals and authorizations or to make withdrawals from the Credit Ac-

¹ Came into force on 25 June 1970, upon notification by the Association to the Government of Pakistan.

² See p. 208 of this volume.

³ See p. 210 of this volume.

count, as the case may be, with respect to such amount or portion of the Credit. Upon the giving of such notice such amount or portion of the Credit shall be cancelled.”

Section 1.02. Wherever used in this Development Credit Agreement, unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth, and the following additional terms have the following meanings:

(a) “Ordinance” means the Industrial Development Bank of Pakistan Ordinance, 1961, as amended from time to time;

(b) “IDBP” means the Industrial Development Bank of Pakistan, established by the Ordinance;

(c) “Project Agreement” means the agreement of even date herewith between the Association and IDBP, as amended from time to time by agreement between the Association and IDBP;

(d) “Subsidiary Loan Agreement” means the loan agreement to be entered into between the Borrower and IDBP pursuant to Section 3.02 of this Agreement, under which the Borrower shall relend the proceeds of the Credit to IDBP, as such loan agreement may be amended from time to time by agreement between the Borrower and IDBP, with the approval of the Association;

(e) “sub-loan” means a loan or credit made or proposed to be made by IDBP out of the proceeds of the Credit to an Investment Enterprise for an Investment Project;

(f) “investment” means an investment, other than a sub-loan, made or proposed to be made by IDBP out of the proceeds of the Credit in an Investment Enterprise for an Investment Project;

(g) “Investment Enterprise” means an enterprise to which IDBP proposes to make or has made a sub-loan, or in which it proposes to make or has made an investment, in accordance with and as provided in Section 3.01 of this Agreement;

(h) “Investment Project” means a specific project to be carried out by an Investment Enterprise, as approved, or in respect of which withdrawals from the Credit Account shall have been authorized, by the Association pursuant to Section 2.03 (b) of this Agreement;

(i) “subsidiary” means any company of which a majority of the outstanding voting stock or other proprietary interest is owned, or which is effectively controlled, by IDBP or by any one or more subsidiaries of IDBP or by IDBP and one or more of its subsidiaries;

(j) "Rupees" and the letters "Rs" means currency of the Borrower; and

(k) "foreign currency" means any currency other than currency of the Borrower.

Article II

THE CREDIT

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions in this Development Credit Agreement set forth or referred to, an amount in various currencies equivalent to twenty million dollars (\$20,000,000).

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

Section 2.03. (a) Subject to the provisions of paragraphs (b) and (c) of this Section, the Borrower shall be entitled to withdraw from the Credit Account:

- (i) amounts expended for the reasonable cost of goods and services required for carrying out the Investment Project in respect of which the withdrawal is requested by IDBP on behalf of the Borrower; 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 such goods and services.

(b) No amount shall be withdrawn from the Credit Account in respect of an Investment Project unless it shall have been approved by the Association; provided, however, that such withdrawals may be made in respect of sub-loans for Investment Projects described to and authorized by the Association for financing hereunder in accordance with the provisions of Section 2.02 (c) of the Project Agreement, but only up to an amount in respect of each such Investment Project which, together with any amount or amounts previously approved or authorized for such Investment Project under this Development Credit Agreement, shall not exceed the equivalent of \$200,000 and, in respect of all such Investment Projects, the equivalent of \$6,000,000 in the aggregate, or, in each case, of such other limit as shall from time to time be determined by the Association after consultation with the Borrower and IDBP.

(c) Except as the Association shall otherwise agree, no withdrawals shall be made on account of expenditures made by any Investment Enterprise for any Investment Project subject to the Association's approval more than ninety days prior to the date on which the Association shall have received in respect of such Investment Project the application required under Section 2.02 (b) of the Project Agreement or, in the case of any other Investment Project, more than ninety days prior to the date on which the Association shall have received the description thereof pursuant to Section 2.02 (c) of the Project Agreement.

Section 2.04. No withdrawals from the Credit Account shall be made on account of payments in the currency of the Borrower, or for goods produced in, or services supplied from, the territories of the Borrower.

Section 2.05. The currency of the United Kingdom of Great Britain and Northern Ireland is hereby specified for the purposes of Section 4.02 of the General Conditions.

Section 2.06. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one per cent ($3/4$ of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.07. Service charges shall be payable semi-annually on May 1 and November 1 in each year.

Section 2.08. The Borrower shall repay the principal amount of the Credit withdrawn from the Credit Account in semi-annual installments payable on each May 1 and November 1 commencing May 1, 1980 and ending November 1, 2019, each installment to and including the installment payable on November 1, 1989 to be one-half of one per cent ($1/2$ of 1%) of such principal amount, and each installment thereafter to be one and one-half per cent ($1\frac{1}{2}\%$) of such principal amount.

Article III

DESCRIPTION OF THE PROJECT; USE OF PROCEEDS OF THE CREDIT

Section 3.01. The Project for which the Credit is granted is the financing by IDBP of economic development in Pakistan through loans for productive purposes to industrial enterprises in Pakistan which are or will be controlled by private capital, and through other productive investments in such enterprises, all for specific industrial development projects, in accordance with the Ordinance.

Section 3.02. (a) The Borrower shall relend the proceeds of the Credit to IDBP on terms and conditions and pursuant to a subsidiary loan agreement satisfactory to the Association.

(b) The Borrower shall exercise its rights under the Subsidiary Loan Agreement in such manner as to protect the interests of the Borrower and the Association, and, except as the Association shall otherwise agree, the Borrower shall not amend, assign, abrogate or waive any provision of the Subsidiary Loan Agreement.

Article IV

PARTICULAR COVENANTS

Section 4.01. The Borrower shall not take, or permit any of its political subdivisions or any of its agencies or instrumentalities or any agency or instrumentality of any political subdivision to take, any action which would prevent or materially interfere with the performance by IDBP of any of its covenants, agreements and obligations in the Project Agreement contained, and shall take or cause to be taken all reasonable action which shall be required on its part in order to enable IDBP to perform such covenants, agreements and obligations.

Section 4.02. (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, at the request of either party, 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 4.03. 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 4.04. The Development Credit Agreement, the Project Agreement and the Subsidiary Loan 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. If any event specified in Section 7.01 of the General Conditions or in Section 5.02 of this Agreement shall occur and shall continue for the period, if any, therein set forth, then at any subsequent time during the continuance thereof, the Association, at its option, may by notice to the Borrower declare the principal of the Credit then outstanding to be due and payable immediately together with the service charges thereon and upon any such declaration such principal, together with such charges, shall become due and payable immediately, anything in this Development Credit Agreement to the contrary notwithstanding.

Section 5.02. For the purposes of Section 7.01 of the General Conditions, the following additional events are specified:

(a) A default shall occur in the performance of any obligation of IDBP under the Project Agreement, and such default shall continue for a period of sixty days after notice thereof shall have been given by the Association to the Borrower and IDBP.

(b) The Ordinance shall have been amended or repealed so as to affect materially and adversely the operations or financial condition of IDBP, and such event shall continue for a period of sixty (60) days after notice thereof shall have been given by the Association to the Borrower and IDBP.

Article VI

EFFECTIVE DATE; TERMINATION

Section 6.01. The following events are specified as additional conditions to the effectiveness of this Development Credit Agreement within the meaning of Section 10.01 (b) of the General Conditions:

(a) The execution and delivery of the Project Agreement on behalf of IDBP have been duly authorized or ratified by all necessary corporate and governmental action;

(b) The Borrower and IDBP have entered into the Subsidiary Loan Agreement in form satisfactory to the Association, and the Subsidiary Loan Agreement has become fully effective and binding on the parties thereto in accordance with its terms, subject only to the effectiveness of this Agreement; and

(c) The instructions set forth in the letters of the Ministry of Finance of the Borrower to IDBP dated March 8, 1969 and April 3, 1969 have been modified so as to eliminate the requirement of uniform repayment periods for IDBP's foreign currency loans and to permit the fixing of such repayment periods on the basis of the nature and the financial aspects of the respective project.

Section 6.02. The following are specified as additional matters, within the meaning of Section 10.02 (b) of the General Conditions, 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, IDBP and constitutes a valid and binding obligation of IDBP in accordance with its terms; and
- (b) that the Subsidiary Loan Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and IDBP and constitutes valid and binding obligations of the Borrower and IDBP in accordance with its terms.

Section 6.03. The date of June 1, 1970 is hereby specified for the purposes of Section 10.04 of the General Conditions.

Article VII

MISCELLANEOUS

Section 7.01. The Closing Date shall be December 31, 1974 or such other date as shall be agreed between the Borrower and the Association.

Section 7.02. The Secretary to the Government of Pakistan, Economic Affairs Division, is designated as representative of the Borrower for the purposes of Section 9.03 of the General Conditions.

Section 7.03. The following addresses are specified for the purposes of Section 9.01 of the General Conditions:

For the Borrower:

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

Alternative address for cables:

Economic
Islamabad

For the Association:

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

Alternative address for cables:

Indevas
Washington, D.C.

Section 7.04. The Borrower irrevocably designated IDBP for the purposes of taking on behalf of the Borrower any action required or permitted to be taken under the provisions of Section 2.03 of this Agreement and Sections 5.01, 5.02, 5.03, 5.05 and 5.06 of the General Conditions.

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 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 A. R. BASHIR
Authorized Representative

International Development Association:
By J. BURKE KNAPP
Vice President

INTERNATIONAL DEVELOPMENT ASSOCIATION

GENERAL CONDITIONS, DATED 31 JANUARY 1969

GENERAL CONDITIONS APPLICABLE TO DEVELOPMENT CREDIT AGREEMENTS

[Not published herein. See *United Nations, Treaty Series, vol. 703, p. 244.*]

PROJECT AGREEMENT

AGREEMENT, dated February 11, 1970, between INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association) and INDUSTRIAL DEVELOPMENT BANK OF PAKISTAN (hereinafter called IDBP), established by the Industrial Development Bank of Pakistan Ordinance, 1961, of the Islamic Republic of Pakistan.

WHEREAS by an agreement of even date herewith¹ between the Islamic Republic of Pakistan (hereinafter called the Borrower) and the Association, which agreement and the General Conditions Applicable to Development Credit Agreements² of the Association made applicable thereto are hereinafter called the Development Credit Agreement, the Association has agreed to lend to the Borrower an amount in various currencies equivalent to twenty million dollars (\$20,000,000), on the terms and conditions set forth in the Development Credit Agreement, but only on condition that IDBP agree to undertake certain obligations to the Association as hereinafter provided; and

WHEREAS IDBP, 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 Agreement, unless the context shall otherwise require, the several terms defined in the Development Credit Agreement shall have the respective meanings therein set forth.

Article II

PARTICULAR COVENANTS

Section 2.01. IDBP shall carry out the Project and conduct its operations and affairs in accordance with sound financial and investment standards and practices, with qualified and experienced management and in accordance with the Ordinance.

Section 2.02. (a) In accordance with and subject to the provisions of the Development Credit Agreement, IDBP shall submit Investment Projects to the Association for approval or for authorization for withdrawals to be made from the Credit Account.

(b) When submitting an Investment Project to the Association for approval pursuant to Section 2.03 (b) of the Development Credit Agreement, IDBP shall

¹ See p. 194 of this volume.

² See p. 208 of this volume.

furnish to the Association an application, in form satisfactory to the Association, together with a description of such Investment Project (including a brief description of the costs thereof proposed to be met out of the proceeds of the Credit) and the terms and conditions of the sub-loan to or investment in the Investment Enterprise, including the schedule of amortization proposed therefor, a financial and economic analysis thereof and such other information as the Association shall reasonably request.

(c) Each request by IDBP for authorization to make withdrawals from the Credit Account in respect of sub-loans for Investment Projects not requiring approval by the Association shall contain a summary description of the Investment Enterprise and the Investment Project (including a brief description of the costs thereof proposed to be met out of the proceeds of the Credit), for which such authorization is requested and the terms and conditions of the sub-loan for such Investment Project, including the schedule of amortization therefor.

(d) Except as the Association and IDBP shall otherwise agree, IDBP shall submit applications for approval of Investment Projects pursuant to the provisions of paragraph (b) of this Section and requests for authorizations to withdraw from the Credit Account pursuant to the provisions of paragraph (c) of this Section on or before June 30, 1972.

Section 2.03. (a) IDBP shall furnish to the Association all such information as the Association shall reasonably request concerning the expenditure of the proceeds of the Credit, the Project, the Investment Enterprises, the Investment Projects, the sub-loans and investments and the administration, operations and financial condition of IDBP.

(b) IDBP shall maintain records adequate to record the progress of the Project and of each Investment Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of IDBP. IDBP shall enable the Association's representatives to examine such records.

Section 2.04. IDBP shall: (a) have its accounts and financial statements (balance sheet, statement of earnings and expenses and related statements) for each fiscal year audited by independent auditors acceptable to the Association in accordance with sound auditing principles consistently applied; (b) furnish to the Association, as soon as available but, in any case, not later than four months after the end of each such year (i) certified copies of its audited financial statements for such year, and (ii) an audit report by the said auditors of such scope and in such detail as the Association shall reasonably request; and (c) furnish to the Association such other information concerning the accounts and financial statements of IDBP and the audit thereof as the Association shall reasonably request.

Section 2.05. (a) The Association and IDBP shall cooperate fully to assure that the purposes of the Credit will be accomplished. To that end, the Association and IDBP shall from time to time, at the request of either party, exchange views

through their representatives with regard to the progress of the Project, the performance by IDBP of its obligations under this Agreement, the administration, operations and financial condition of IDBP and any other matters relating to the purposes of the Credit.

(b) IDBP shall promptly inform the Association of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit, the maintenance of the service thereof or the performance by IDBP of its obligations under this Agreement.

Section 2.06. (a) IDBP shall exercise its rights in relation to each Investment Project financed in whole or in part with the proceeds of the Credit in such manner as to protect the interests of the Association and of IDBP.

(b) IDBP undertakes that unless the Association shall otherwise agree, any sub-loan or investment will be made on terms whereby IDBP shall obtain, by written agreement or other appropriate legal means, rights adequate to protect the interests of the Association and IDBP, including, in the case of any such sub-loan and to the extent that it shall be appropriate in the case of any such investment: (i) the right to require the Investment Enterprise to carry out and operate the Investment Project with due diligence and efficiency and in accordance with sound technical, financial and managerial standards and to maintain adequate records; (ii) the right to require that the goods to be financed with the proceeds of the Credit shall be used exclusively in the carrying out of the Investment Project; (iii) the right of the Association and IDBP to inspect such goods and the sites, works, plants and construction included in the Investment Project, the operation thereof, and any relevant records and documents; (iv) the right to require that the Investment Enterprise shall take out and maintain such insurance, against such risks and in such amounts, as shall be consistent with sound business practice and that, without any limitation upon the foregoing, such insurance shall cover marine, transit and other hazards incident to acquisition, transportation and delivery of the goods financed out of the proceeds of the Credit to the place of use or installation, and that any indemnity thereunder shall be payable in a currency freely usable by the Investment Enterprise to replace or repair such goods; (v) the right to obtain all such information as the Association or IDBP shall reasonably request relating to the foregoing and to the administration, operations and financial condition of the Investment Enterprise; and (vi) the right of IDBP to suspend or terminate access by the Investment Enterprise to the use of the proceeds of the Credit upon failure by such Investment Enterprise to perform its obligations under its agreement with IDBP.

(c) IDBP shall at all times protect itself against losses resulting from changes in the rate of exchange between Rupees and the currency or currencies in which IDBP's outstanding money obligations shall have to be met.

Section 2.07. (a) Except as the Association shall otherwise agree, IDBP shall not incur or permit any subsidiary to incur any debt if, after the incurring of any such debt, the consolidated debt of IDBP and all its subsidiaries then incurred and outstanding would exceed five times the consolidated capital and surplus of IDBP and all its subsidiaries.

(b) For the purposes of this Section:

- (i) The term “debt” means all indebtedness of IDBP or a subsidiary, including deposits but excluding (A) accounts payable and other similar liabilities and (B) indebtedness guaranteed by IDBP or a subsidiary maturing not more than one year after the date on which it is originally incurred. Reference to the incurring of debt includes the assumption and guarantee of debt and any renewal, extension, or modification of the terms of the debt or of the assumption or guarantee thereof.
- (ii) Debt shall be deemed to be incurred (A) under a loan contract or agreement, on the date and to the extent it is drawn down pursuant to such loan contract or agreement, (B) under a guarantee agreement, on the date the agreement providing for such guarantee shall have been entered into and (C) in the case of deposits, on the date the deposit is made.
- (iii) Whenever in connection with this Section it shall be necessary to value in terms of Rupees debt payable in another currency, such valuation shall be made at the prevailing lawful rate of exchange at which such other currency is, at the time of such valuation, obtainable for the purposes of servicing such debt.
- (iv) The term “consolidated debt of IDBP and all its subsidiaries” means the total amount of debt of IDBP and all its subsidiaries, excluding (i) debt owed by IDBP to any subsidiary or by any subsidiary to IDBP or to any other subsidiary, and (ii) debt referred to in subparagraph (v) (C) of this paragraph.
- (v) The term “consolidated capital and surplus of IDBP and all its subsidiaries” means the aggregate of (A) the total unimpaired capital, surplus and free reserves of IDBP and all its subsidiaries after excluding such items of capital, surplus and reserves as shall represent equity interests of IDBP or of any subsidiary in IDBP or in any subsidiary, (B) the Special Development Assistance Fund of IDBP (established pursuant to the letter of the Ministry of Finance of the Borrower dated July 3, 1964) and (C) with respect to any loans or advances made to IDBP by the Borrower which are by their terms expressly subordinated to the other indebtedness and the share capital of IDBP, the amount of such loans or advances which is payable after the date of the last outstanding maturity of the principal amount of the loan provided for in the Subsidiary Loan Agreement.

Section 2.08. IDBP shall duly perform all its obligations under the Subsidiary Loan Agreement. Except as the Association shall otherwise agree, IDBP shall not take or concur in any action which would have the effect of amending, abrogating, assigning or waiving any provision of the Subsidiary Loan Agreement.

Section 2.09. Except as the Association shall otherwise agree, IDBP:

- (i) shall not have or acquire any subsidiaries;

- (ii) shall not sell, lease, transfer or otherwise dispose of its property and assets, except in the ordinary course of business; and
- (iii) shall take all action necessary to maintain its corporate existence and right to carry on operations and to acquire, maintain and renew all rights, powers, privileges and franchises necessary or useful in the conduct of its business.

Section 2.10. Except as the Association shall otherwise agree, IDBP shall not make any prepayment in advance of maturity in respect of any borrowing by IDBP (other than deposits) having an original term exceeding one year.

Section 2.11. IDBP shall cause each of its subsidiaries (if any) to observe and perform the obligations of IDBP under this Agreement to the extent to which the same may be applicable thereto as though such obligations were binding upon each of such subsidiaries.

Article III

EFFECTIVE DATE; TERMINATION

Section 3.01. This Agreement shall come into force and effect on the Effective Date. If the Development Credit Agreement terminates pursuant to Section 6.03 thereof, this Agreement and all obligations of the parties hereunder shall terminate.

Section 3.02. This Agreement and all obligations of IDBP and of the Association hereunder shall terminate on the later of (i) the date when the Subsidiary Loan Agreement shall terminate in accordance with its terms, or (ii) December 31, 1987.

Article IV

MISCELLANEOUS PROVISIONS

Section 4.01. No delay in exercising, or omission to exercise, any right, power or remedy accruing to either party under this Project Agreement upon any default shall impair any such right, power or remedy or be construed to be a waiver thereof or an acquiescence in such default; nor shall the action of such party in respect of any default, or any acquiescence in any default, affect or impair any right, power, or remedy of such party in respect of any other or subsequent default.

Section 4.02. 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:

For the Association:

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

Alternative address for cables:

Indevas
Washington, D.C.

For IDBP:

Industrial Development Bank of Pakistan
Kandawala Building
M.A. Jinnah Road
Karachi, Pakistan

Alternative address for cables:

Indeba
Karachi

Section 4.03. Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Project Agreement on behalf of IDBP may be taken or executed by the Managing Director of IDBP or such person or persons as he shall designate in writing.

Section 4.04. IDBP shall furnish to the Association sufficient evidence of the authority of the person or persons who will, on behalf of IDBP, take any action or execute any documents required or permitted to be taken or executed by IDBP pursuant to any of the provisions of this Agreement and the authenticated specimen signature of each such person.

IN WITNESS WHEREOF the parties hereto have caused this 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.

International Development Association:

By J. BURKE KNAPP
Vice President

Industrial Development Bank of Pakistan:

By A. R. BASHIR
Authorized Representative