

No. 11184

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
PAKISTAN**

Development Credit Agreement—*East Pakistan Reconstruction Project* (with annexed General Conditions Applicable to Development Credit Agreements and Project Agreement between the Association and the Province of East Pakistan). Signed at Washington on 13 January 1971

Authentic text : English.

Registered by the International Development Association on 22 June 1971.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
PAKISTAN**

Contrat de crédit de développement — *Projet de reconstruction au Pakistan oriental* (avec, en annexe, les Conditions générales applicables aux contrats de crédit de développement et le Contrat relatif au Projet entre l'Association et la Province du Pakistan oriental). Signé à Washington le 13 janvier 1971

Texte authentique : anglais.

Enregistré par l'Association internationale de développement le 22 juin 1971.

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated January 13, 1971, between ISLAMIC REPUBLIC OF PAKISTAN, acting by its President (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS (A) The Province of East Pakistan is engaged in carrying out a reconstruction program initially described in a report prepared by the Government of Pakistan with the assistance of the International Bank for Reconstruction and Development, entitled "Pakistan—A Reconstruction Program for the Cyclone Damaged Coastal Areas of East Pakistan" (hereinafter called the Reconstruction Program);

(B) The Borrower and the Province of East Pakistan have requested the Association to assist the Borrower in implementing the Reconstruction Program by assisting in financing the part thereof described as the Project in Schedule I to this Agreement, by extending a development credit;

(C) The Province of East Pakistan will, with the Borrower's assistance, carry out or cause to be carried out the Reconstruction Program and, as part of such assistance, the Borrower will make available to the Province of East Pakistan the proceeds of the development credit provided for herein and such other amounts as are required in respect of such parts of the Reconstruction Program as are partly financed out of the proceeds of the credit;

(D) The Association is willing to make a development credit in an amount in various currencies equivalent to twenty-five million dollars (\$25,000,000) available for that purpose upon the terms and conditions set forth hereinafter and in a project agreement of even date herewith between the Province of East Pakistan and the Association;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

GENERAL CONDITIONS; DEFINITIONS

Section 1.01. The parties to this 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 modification thereof (said General Conditions Applicable to Development Credit Agreements of the Association, as so modified, being hereinafter called the General Conditions):

¹ Came into force on 8 February 1971, upon notification by the Association to the Government of Pakistan.

² See p. 248 of this volume.

Paragraph 5 of Section 2.01 is amended to read as follows :

“ 5. The term ‘ Borrower ’ means the Islamic Republic of Pakistan, acting by its President. ”

Section 1.02. Wherever used in this 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) “ Province ” means the Province of East Pakistan, a political subdivision of the Borrower.

(b) “ Reconstruction Board ” means the Reconstruction Board for the Cyclone Affected Areas of East Pakistan, an agency established pursuant to the Borrower’s Order notified under No. F7/3/70-ORD dated December 30, 1970.

(c) “ Reconstruction Program Administrator ” means the Member Secretary of the Reconstruction Board, appointed by the Reconstruction Board pursuant to Section 4 of the Order referred to in paragraph (b) hereof.

(d) “ Reconstruction Fund ” means the fund established pursuant to the Province’s Orders Nos. 66/ADMN and 67/ADMN dated January 11, 1971, from which all expenditures for the Reconstruction Program in respect of projects, sub-projects or schemes approved by the Reconstruction Board are to be met and into which are to be deposited all amounts obtained by the Province for the purpose of the Reconstruction Program in respect of such projects, sub-projects or schemes.

(e) “ Project Agreement ” means the agreement between the Province and the Association of even date herewith,¹ providing for the implementation of the Project, and shall include any amendments thereof made by agreement between the Province and the Association.

(f) “ Sub-project ” means a specific study, survey or investment to be carried out as part of the Project and to be financed out of the proceeds of the Credit, in accordance with Section 2.01 of the Project Agreement.

(g) “ Sub-project Agreement ” means any agreement entered into between the Province and the Association pursuant to Section 2.01 of the Project Agreement and relating to a Sub-project approved by the Association and the Reconstruction Board.

(h) “ Rupees ” and the sign “ Rs. ” mean rupees in the currency of the Borrower.

¹ See p. 248 of this volume.

Article II

THE CREDIT

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions in the Development Credit Agreement set forth or referred to, an amount in various currencies equivalent to twenty-five million dollars (\$25,000,000).

Section 2.02. (a) 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.

(b) The Borrower shall be entitled to withdraw from the Credit Account, in respect of the reasonable cost of goods and services required for each Sub-project and to be financed out of the proceeds of the Credit, and in accordance with the allocation of the proceeds of the Credit agreed upon from time to time by the Province and the Association in respect of each such Sub-project in accordance with Section 2.01 of the Project Agreement :

- (i)* such amounts as shall have been paid (or, if the Association shall so agree, to be paid) for the c.i.f. (Dacca/Chittagong) price of goods produced outside the territories of the Borrower and required for such Sub-project;
- (ii)* such amounts as shall have been paid (or, if the Association shall so agree, to be paid) in currencies other than currency of the Borrower for services supplied from outside the territories of the Borrower and required for such Sub-project; and
- (iii)* the equivalent of fifty per cent (50%) of such amounts as shall have been paid (or, if the Association shall so agree, to be paid) in respect of goods or services required for such Sub-project other than those referred to in subparagraphs (i) and (ii) hereof.

Section 2.03. The Borrower shall relend the proceeds of the Credit or the equivalent thereof to the Province as and when such proceeds are withdrawn from the Credit Account, on the same financial terms as those of the Credit except that the principal amount of, and service charges on, the aggregate amount so relent shall be repayable to the Borrower by the Province in Rupees; the amounts so relent shall be deposited by the Borrower into the Reconstruction Fund promptly upon the withdrawal from the Credit Account of the corresponding proceeds of the Credit.

Section 2.04. The Closing Date shall be September 30, 1972, or such other date as shall be agreed between the Borrower and the Association.

Section 2.05. 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.

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

Section 2.07. The Borrower shall repay the principal amount of the Credit withdrawn from the Credit Account in semi-annual installments payable on each April 15 and October 15 commencing April 15, 1981 and ending October 15, 2020, each installment to and including the installment payable on October 15, 1990 to be one-half of one per cent ($\frac{1}{2}$ 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.

Section 2.08. 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 2.09. The Reconstruction Program Administrator and any person designated by him is designated as representative of the Borrower for the purposes of taking any action required or permitted to be taken under the provisions of Section 2.02 of this Agreement and Article V of the General Conditions.

Article III

PARTICULAR COVENANTS

Section 3.01. (a) The Borrower shall cause each Sub-project to be carried out, under the supervision of the Reconstruction Board, in the manner agreed between the Province and the Association pursuant to Section 2.01 of the Project Agreement, with due diligence and efficiency, and in conformity with sound agricultural, engineering, administrative and financial practices, and the Borrower shall provide, promptly as needed, the funds, facilities, services, authorizations, licenses and other resources required for the purpose.

(b) Without restriction or limitation upon the provisions of paragraph (a) of this Section or of Section 2.03 of this Agreement, the Borrower shall deposit or cause to be deposited in the revolving fund part of the Reconstruction Fund referred to in Section 2.02 of the Project Agreement all amounts required to enable the Province to make, promptly as needed, all payments for the cost of goods and services required to carry out the Project and all Sub-projects. Notwithstanding the foregoing, the Borrower shall make or cause to be made an initial deposit in such revolving fund in the amount of twenty million Rupees (Rs. 20,000,000) and thereafter shall make or cause to be made deposits in such revolving fund in such amounts as shall be required to ensure that an amount of twenty million Rupees shall be available to the Province in such revolving fund at the beginning of each month after the initial deposit, for the purposes of making the payments heretofore referred to.

Section 3.02. The Borrower shall take, and shall cause all its agencies to take, all action which shall be necessary on their part to enable the Province to perform all its obligations under the Project Agreement and shall not take, nor permit any of its agencies to take, any action that would interfere with the performance of such obligations by the Province.

Article IV

CONSULTATION, INFORMATION AND INSPECTION

Section 4.01. The Borrower and the Association shall cooperate fully to assure that the purposes of the Credit will be accomplished. To that end, the Borrower and the Association shall from time to time, at the request of either party :

- (a) exchange views through their representatives with regard to the performance of their respective obligations under the Development Credit Agreement, the administration and operations (including revenues and expenditures) of the departments or agencies of the Borrower or of the Province responsible for carrying out any Sub-project or part thereof, and other matters relating to the purposes of the Credit and the maintenance of the service thereof; and
- (b) 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, including its balance of payments, and the external debt of the Borrower, of any of its political subdivisions and of any agency of the Borrower or of any such political subdivision

Section 4.02. (a) The Borrower shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the administration and operations (including revenues and expenditures) of the departments or agencies of the Borrower or of the Province responsible for carrying out any Sub-project or part thereof.

(b) 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, the maintenance of the service thereof, the performance by the Borrower of its other obligations under the Development Credit Agreement or the performance by the Province of its obligations under the Project Agreement.

Section 4.03. 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.

Article V

TAXES AND RESTRICTIONS

Section 5.01. The principal of, and service charges on, the Credit shall be

paid without deduction for, and free from, any taxes imposed under the laws of the Borrower or laws in effect in its territories.

Section 5.02. The Development Credit Agreement and the Project Agreement shall be free from any taxes on or in connection with the execution, delivery or registration thereof, imposed under the laws of the Borrower or laws in effect in its territories.

Section 5.03. The payment of the principal of, and service charges on, the Credit shall be free from all restrictions, regulations, controls and moratoria of any nature imposed under the laws of the Borrower or laws in effect in its territories.

Article VI

REMEDIES OF THE ASSOCIATION

Section 6.01. If any event specified in Section 7.01 of the General Conditions shall occur and shall continue for the period, if any, therein set forth, if the event specified in Section 6.02 (a) of this Agreement shall occur, or if the event specified in Section 6.02 (b) of this Agreement shall occur and such event shall continue for a period of sixty days after notice thereof shall have been given by the Association to the Borrower and to the Province, 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 and service charges shall become due and payable immediately, anything to the contrary in the Development Credit Agreement notwithstanding.

Section 6.02. For the purposes of Section 6.02 of the General Conditions, the following additional events are specified :

- (a) before completion of the Project, the Reconstruction Board shall have been dissolved or disestablished, its functions and responsibilities shall have been modified, the Reconstruction Fund shall have been dissolved, or its conditions of operation shall have been modified, so as adversely to affect the carrying out of the Project or any Sub-project; and
- (b) a default shall have occurred in the performance by the Province of any of its obligations under the Project Agreement.

Article VII

EFFECTIVE DATE; TERMINATION

Section 7.01. The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement within the meaning of Section 10.01 (b) of the General Conditions :

- (a) the Project Agreement shall have been duly executed and delivered on behalf of the Province and such execution and delivery on such behalf shall have

been duly authorized or ratified by all necessary governmental action; and

- (b) the initial deposit of twenty million Rupees (Rs. 20,000,000) into the revolving fund, part of the Reconstruction Fund required under Section 3.01 (b) of this Agreement, shall have been made by the Borrower.

Section 7.02. 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 execution and delivery of the Project Agreement on behalf of the Province have been duly authorized or ratified by all necessary governmental action, and that the Project Agreement constitutes a valid and binding obligation of the Province in accordance with its terms; and
- (b) that the Reconstruction Board and the Reconstruction Fund (including the revolving fund part thereof referred to in Section 2.02 of the Project Agreement) have been duly established in conformity with all applicable legislation and regulations of the Borrower and of the Province.

Section 7.03. The date February 15, 1971 is hereby specified for the purposes of Section 10.04 of the General Conditions.

Article VIII

MISCELLANEOUS

Section 8.01. The Secretary to the Government of Pakistan, Economic Coordination and External Assistance Division, is designated as representative of the Borrower for the purposes of Section 9.03 of the General Conditions.

Section 8.02. 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 Coordination and External Assistance Division
Islamabad, Pakistan

With copy to :

The Reconstruction Program Administrator
Reconstruction Board for Cyclone Affected Areas
East Pakistan Secretariat
Dacca, East Pakistan

Cable address :

Economic
Islamabad

With copy to :

Development
Dacca

For the Association :

International Development Association

1818 H Street, N.W.

Washington, D.C. 20433

United States of America

With copy to :

International Development Association

G.P.O. Box 97

Dacca, East Pakistan

Cable address :

Indevas

Washington, D.C.

With copy to :

Intbafrad

Dacca

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 A. R. BASHIR

Authorized Representative, for and on behalf of the President

International Development Association

By J. BURKE KNAPP

Vice President

SCHEDULE 1

DESCRIPTION OF THE PROJECT

The Project is part of the Reconstruction Program to be carried out in East Pakistan under the supervision of the Reconstruction Board, and consists of :

- (i) a detailed field assessment of cyclone damage, the preparation and supervision (including auditing) of specific reconstruction schemes and the overall planning and supervision of the Project;
- (ii) the installation and equipment of shallow tubewells and deep tubewells and water storage tanks for community centers; and the purchase of related equipment, supplies and vehicles;

- (iii) the reconstruction of coastal embankments, the replacement of sluices, and related works and equipment;
 - (iv) the rehabilitation of rural infrastructure by means of the reconstruction and improvement of the road network, the construction of drainage and irrigation channels, the repair of local embankments to protect settlements from minor flooding, and the construction of multipurpose rural development centers to serve as storm shelters;
 - (v) the reconstruction and improvement of the marine and inland fishing industry by providing marine fishing boats, small inland fishing craft and complementary fishing equipment and diesel engines;
 - (vi) the reconstruction and improvement of water transport facilities by installing terminal facilities and related installations and providing related floating equipment;
 - (vii) the rehabilitation of agriculture by providing farmers or their cooperatives with agricultural equipment and livestock;
 - (viii) the improvement of the meteorological early warning system, the provision of telecommunication equipment, and related works; and
 - (ix) such other studies, surveys and investments in buildings, works, equipment and machinery required for the Reconstruction Program as shall be included in the Project by agreement between the Borrower, the Province and the Association.
- The Project is expected to be completed by June 30, 1972.

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 January 13, 1971, between PROVINCE OF EAST PAKISTAN, acting by its Governor (hereinafter called the Province), and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS (A) By a development credit agreement of even date herewith¹ between the Islamic Republic of Pakistan (hereinafter called the Borrower) and the Association, the Association has agreed to assist in the financing of the part of the Reconstruction Program (as defined in such agreement) described as the Project in Schedule 1 to such

¹ See p. 232 of this volume.

agreement and to make available to the Borrower a development credit in various currencies equivalent to twenty-five million dollars (\$25,000,000), on the terms and conditions set forth or referred to in such agreement, but only on condition that the Province agree to undertake certain obligations to the Association as hereinafter in in the Project Agreement set forth; and

(B) The Province, in consideration of the Association's entering into such development credit agreement with the Borrower, and of the relending of the proceeds of such development credit to the Province as provided in such agreement, 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 the Project Agreement, unless the context shall otherwise require, the several terms defined in the Development Credit Agreement and in the General Conditions¹ (as so defined) shall have the respective meanings therein set forth.

Article II

PARTICULAR COVENANTS OF THE PROVINCE

Section 2.01. (a) Each Sub-project to be carried out as part of the Project described in Schedule 1 to the Development Credit Agreement, the manner in which such Sub-project shall be carried out, the allocation of the proceeds of the Credit to expenditures on such Sub-project, the portion of expenditures for goods and services for such Sub-project to be financed out of the proceeds of the Credit relent to the Province pursuant to Section 2.03 of the Development Credit Agreement and the method and procedures for the procurement of such goods and services shall be agreed from time to time between the Province and the Association in a Sub-project Agreement, a conformed copy of which shall, promptly upon its execution, be transmitted to the Borrower by the Province.

(b) To that end, the Province shall promptly submit to the Association for its review a description of each proposed Sub-project, including a description of the costs thereof and the proposed sources of financing, an assessment of the benefits expected therefrom, and such other information as the Association shall have reasonably requested, such description to be prepared by the agency responsible for its execution and to be approved by the Reconstruction Board.

Section 2.02. (a) The Province shall cause a part of the Reconstruction Fund to be established in the form of a revolving fund to be used exclusively to make payments for the cost of goods and services required to carry out the Project and all Sub-projects.

¹ See p. 248 of this volume.

(b) The amounts relented by the Borrower to the Province pursuant to Section 2.03 of the Development Credit Agreement shall be promptly deposited in the Reconstruction Fund and the amounts to be made available to the Province by the Borrower pursuant to Section 3.01 (b) of the Development Credit Agreement shall be promptly deposited in such revolving fund for the purposes of making the payments heretofore referred to.

Section 2.03. The Province shall cause each Sub-project to be carried out, under the supervision of the Reconstruction Board, in the manner agreed between the Province and the Association in the Sub-project Agreement relating thereto, with due diligence and efficiency, and in conformity with sound agricultural, engineering, administrative and financial practices.

Section 2.04. (a) At the request of the Province or of the Association, consultants acceptable to the Association shall be employed to an extent and upon terms and conditions satisfactory to the Association, in order to assist the Reconstruction Board in the planning and supervision of the Project.

(b) At the request of the Province or of the Association, consultants acceptable to the Association shall be employed to an extent and upon terms and conditions satisfactory to the Association, for the purpose of assisting in the carrying out of one or more Sub-projects.

Section 2.05. The Province shall apply the proceeds of the Credit relented to it pursuant to Section 2.03 of the Development Credit Agreement and allocated to each Sub-project exclusively to expenditures on such Sub-project in accordance with the provisions of this Agreement and of the Sub-project Agreement relating to such Sub-project.

Section 2.06. Except as the Province and the Association shall otherwise agree, the Province shall cause all goods and services financed out of the proceeds of the Credit relented to it pursuant to Section 2.03 of the Development Credit Agreement (i) to be procured in accordance with the methods and procedures set forth in the Sub-project Agreement relating to each Sub-project, and (ii) to be used exclusively in the carrying out of the Sub-projects to which such proceeds have been allocated pursuant to Section 2.01 of this Agreement.

Section 2.07. The Province undertakes to insure or make adequate provision for the insurance of the imported goods to be financed out of the proceeds of the Credit relented to it pursuant to Section 2.03 of the Development Credit Agreement against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable by the Province to replace or repair such goods.

Section 2.08. (a) The Province shall furnish to the Association, promptly upon their preparation, the plans, reports, specifications and progress and procurement schedules for the Project and each Sub-project, and any material modifications thereof or additions thereto, in such detail as the Association shall reasonably request.

(b) The Province : (i) shall maintain or cause to be maintained records adequate to record the progress of the Reconstruction Program, the Project and each Sub-

project (including the cost thereof), to identify the goods and services financed out of the proceeds of the Credit relent to it pursuant to Section 2.03 of the Development Credit Agreement, to disclose the use thereof in the Project and in each Sub-project and to reflect, in accordance with consistently maintained sound accounting practices, the operations and financial condition of the Reconstruction Fund; (ii) shall enable the Association's representatives to inspect each Sub-project, the goods financed out of the proceeds of the Credit so relent to the Province, the financial records of the Reconstruction Fund and any relevant records and documents; and (iii) shall furnish to the Association all such information as the Association shall reasonably request concerning the Reconstruction Fund, the Reconstruction Program, the Project and each Sub-project, the expenditure of the proceeds of the Credit so relent to it and the goods and services financed out of such proceeds.

Section 2.09. (a) The Province shall employ or cause to be employed independent auditors acceptable to the Association, upon terms and conditions satisfactory to the Association : (i) to audit the records and financial transactions of the Reconstruction Fund (including those relating to the Project and all Sub-projects), and of any department or agency of the Borrower or of the Province responsible for carrying out any part of the Reconstruction Program, in respect of the carrying out of such part of the Reconstruction Program; and (ii) to certify the application of the proceeds of the Credit relent to it pursuant to Section 2.03 of the Development Credit Agreement, to expenditures in Rupees on each Sub-project in accordance with the provisions of the Development Credit Agreement and of the Sub-project Agreement relating to such Sub-project.

(b) The Province shall furnish or cause to be furnished to the Association, promptly upon their preparation, all certificates of such auditors under sub-paragraph (a) (ii) of this Section and, not later than six months after the close of the fiscal year to which they apply, all reports of such auditors under sub-paragraph (a) (i) of this Section, as well as any such other information concerning such audits or certifications as the Association shall reasonably request.

Section 2.10. The Province shall take or cause to be taken all measures reasonably required to ensure the adequate maintenance and repair of works, buildings, installations and equipment included in the Project in accordance with sound engineering and financial practices, for a period of at least ten years from the date of this Agreement.

Article III

CONSULTATION, INFORMATION AND INSPECTION

Section 3.01. The Province and the Association shall cooperate fully to assure that the purposes of the Credit will be accomplished. To that end, the Province and the Association shall from time to time, at the request of either party, exchange views through their representatives with regard to the performance by the Province of its obligations under the Project Agreement, the progress of the Reconstruction Program

and the Project, the administration and operations (including revenues and expenditures) of the Reconstruction Fund and of the departments or agencies of the Borrower or of the Province responsible for carrying out the Reconstruction Program, the Project or any Sub-project, and other matters relating to the purposes of the Credit.

Section 3.02. (a) The Province shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the Reconstruction Program, the Project, any Sub-project, and the administration and operations (including revenues and expenditures) of the Reconstruction Fund and of the departments or agencies of the Borrower or of the Province responsible for carrying out the Project or any Sub-project.

(b) The Province shall promptly inform the Association of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit, the performance by the Province of its obligations under the Project Agreement or the progress of the Reconstruction Program, the Project or any Sub-project.

Article IV

EFFECTIVE DATE; TERMINATION

Section 4.01. This Agreement shall come into force and effect on the date on which the Development Credit Agreement shall become effective in accordance with the provisions thereof.

Section 4.02. This Agreement and the obligations of the parties hereunder shall terminate : (i) on the date on which the Development Credit Agreement shall terminate in accordance with its terms; or (ii) on the date on which the Province shall have repaid to the Borrower the full amount of the proceeds of the Credit relented to the Province pursuant to Section 2.03 of the Development Credit Agreement, whichever of these two dates shall be the earlier.

Section 4.03. Notwithstanding any partial cancellation of the amount of the Credit or any suspension of the right of the Borrower to make withdrawals from the Credit Account, all the provisions of the Project Agreement shall continue in full force and effect except as in Section 4.02 of this Agreement specifically provided.

Article V

MISCELLANEOUS PROVISIONS

Section 5.01. Any notice or request required or permitted to be given or made under the Project Agreement and any agreement between the parties contemplated by the 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, radiogram or telex 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 Province :

Chairman, Planning & Development Board
Government of East Pakistan
Dacca, East Pakistan

With copy to :

The Reconstruction Program Administrator
Reconstruction Board for Cyclone Affected Areas
East Pakistan Secretariat
Dacca, East Pakistan

Cable address :

Development
Dacca

With copy to :

Reconstruction Program Administrator
Development
Dacca

For the Association :

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

With copy to :

International Development Association
G.P.O. Box 97
Dacca, East Pakistan

Cable address :

Indevas
Washington, D.C.

With copy to :

Intbafrad
Dacca

Section 5.02. No delay in exercising, or omission to exercise, any right, power or remedy accruing to either party under the 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 of any other or subsequent default.

Section 5.03. Any action required or permitted to be taken, and any documents required or permitted to be executed, under the Project Agreement on behalf of the Province, may be taken or executed by the Chairman of the Planning & Development Board of the Government of East Pakistan or such other person or persons as the Province shall designate in writing.

Section 5.04. 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 the Project Agreement and the authenticated specimen signature of each such person.

Section 5.05. The 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, 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.

Province of East Pakistan :

By A. R. BASHIR

Authorized Representative

International Development Association :

By J. BURKE KNAPP

Vice President
