

No. 12572

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
SWEDEN**

**Administration Letter—*Tunisia Water Supply Project.*
Dated at Washington on 16 January 1969**

Authentic text: English.

*Registered by the International Bank for Reconstruction and Development on
14 June 1973.*

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
SUÈDE**

**Lettre d'administration — *Projet d'adduction d'eau pour
la Tunisie.* En date à Washington du 16 janvier 1969**

Texte authentique : anglais.

Enregistrée par la Banque internationale pour la reconstruction et le développement le 14 juin 1973.

ADMINISTRATION LETTER¹

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

January 16, 1969

His Excellency Hubert de Besche
Ambassador of Sweden
Embassy of Sweden
Washington, D.C. 20008

Tunisia: *Water Supply Project*
Administration Letter

Sir:

1. We refer to the Loan Agreement² (hereinafter called the Bank Agreement) between the Société Nationale d'Exploitation et de Distribution des Eaux (hereinafter called SONEDE) and the International Bank for Reconstruction and Development (hereinafter called the Bank), the Development Credit Agreement³ (hereinafter called the Swedish Agreement) between the Kingdom of Sweden (hereinafter called Sweden) and the Republic of Tunisia (hereinafter called Tunisia), and the Guarantee Agreement⁴ between Tunisia on the one hand and the Bank on the other hand, all of even date herewith. Pursuant to the said Agreements:

(a) Sweden has agreed to make available to Tunisia for relending to SONEDE a Credit equivalent at present parity rate as near as possible to U.S. \$5,000,000 (SKr 26,000,000);

(b) The Bank has agreed to make available to SONEDE a Loan of U.S. \$15,000,000 equivalent;

all to assist SONEDE in financing the Project described in the Loan Agreement and the Swedish Agreement. The purpose of this Administration Letter is to set forth the basis for the withdrawal of the funds made available by Sweden and the Bank and to provide for other matters of mutual concern to Sweden and the Bank.

2. The withdrawal procedures set forth below are agreed to be subject to change by further agreement between Sweden and the Bank.

3. *Application for Withdrawals*

A. Whenever SONEDE shall desire to withdraw any amount from the respective accounts established under the Loan Agreement and the Swedish Agreement, it shall deliver to the Bank a written application in such form, and containing such statements and supported by such documents as the Bank shall reasonably request.

B. The Bank may deal with each withdrawal application as a request to withdraw amounts pursuant to the said two Agreements.

¹ Came into force on 16 January 1969, the date of signature by the Bank and confirmation on behalf of the Government of Sweden.

² See foot-note 2, p. 166 of this volume.

³ See p. 175 of this volume.

⁴ See p. 165 of this volume.

4. *Withdrawals*

A. If the Bank has approved disbursement from the Loan Account (established by the Loan Agreement) of the amounts to which SONEDE is entitled pursuant to the Loan Agreement, it shall notify the Sveriges Riksbank, acting as agent for Sweden, that it has received from SONEDE a satisfactory application to withdraw, and has approved disbursement of specified amounts from the Loan Account. The notice shall be in such form and contain such other information including the currency or currencies in which disbursement is to be made, and to whom and to the credit of whom payment is to be made, as Sweden and the Bank 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 thereof), promptly disburse the amount to which SONEDE is entitled pursuant to the Swedish Agreement.

C. In accordance with the foregoing and with the Loan Agreement and the Swedish Agreement, the amount to be disbursed by Sweden and the Bank in respect of each of the applications for withdrawal submitted by SONEDE shall be reasonably determined by the Bank by apportioning as nearly as is practicable in the circumstances the amount requested in such application to the accounts established under the Loan Agreement and the Swedish Agreement in the respective proportions of Bank 75%: Sweden 25% (or in such other respective proportions as may from time to time be agreed upon by Sweden and the Bank).

5. *Special Commitments.* The Bank and Sweden shall consult with each other regarding the methods and procedures to be used for the special commitments provided respectively under Section 4.02 of the Bank's Loan Regulations No. 4¹ and Article IV:4 of the Swedish Agreement.

6. *Sufficiency of Applications and Documents.* Each application and the accompanying documents must be sufficient in form and substance to satisfy the Bank that SONEDE is entitled to withdraw from the Loan Account the amount applied for and that the amount to be so withdrawn from the said Account is to be used only for the purpose specified in the Loan Agreement.

7. *Exchange of Information and Consultation*

A. It is our intention that there shall be close collaboration between us on matters relating to the execution, including supervision, of the Project and on the matters of common interest to us in the administration of the Loan Agreement and the Swedish Agreement. To this end we shall keep each other currently informed of the progress of the Project and consult with each other before taking any action with respect to it which is outside the normal course of administration. We shall each retain, however, our respective independent rights of decision and action under the Loan Agreement and the Swedish Agreement, including the right of the Bank and Sweden to permit continued disbursements under its respective Agreement in case of suspension or cancellation under the other Agreement.

B. The Bank will inform Sweden and correspondingly Sweden will inform the Bank if any event comes to their knowledge which threatens to increase materially the estimated cost of the Project or which materially affects the progress of the Project or which threatens to impede it substantially, and Sweden and the Bank shall consult each other concerning the action which each proposes to take in respect thereof.

¹ United Nations, *Treaty Series*, vol. 598, p. 270.

C. Sweden and the Bank shall promptly inform each other whenever one of them proposes:

- i) to modify materially, or allow material modification of, its Agreement or other agreements relating to the Loan and Credit or the Project (including the Swedish Agreement, the Loan Agreement, the Guarantee Agreement, the Subsidiary Loan Agreement relating to the relending of the proceeds of the Credit, the *Accord Relatif à l'Apport du Gouvernement de la République Tunisienne au Capital de la Société Nationale d'Exploitation et de Distribution des Eaux* and the Supplementary Letters, if any);
- ii) to suspend or terminate, in whole or in part, withdrawals under such agreements; or
- (iii) to declare the indebtedness of Tunisia or SONEDE under such agreements to be due and payable in advance of the agreed maturity thereof.

In each case Sweden and the Bank shall afford each other all reasonable opportunity, in advance of taking the proposed action, to exchange views with respect thereto.

D. Sweden and the Bank shall exchange information on the progress of the Project on the basis of the findings of any inspection by their representatives.

E. The Bank shall give Sweden by cablegram or radiogram three days' advance notice of their intention of declaring the Loan Agreement in force and effect. Notice shall similarly be transmitted to Sweden as soon as the Loan Agreement has come into force and effect.

8. *Authority of the Bank to Act on Behalf of Sweden.* Unless otherwise notified by Sweden, the Bank shall represent Sweden with respect to supplementary agreements, approvals or arrangements with SONEDE or Tunisia regarding (a) matters arising under Article IV:2 and 4 of the Swedish Agreement, (b) the closing date under Article IV:5 of the Swedish Agreement, (c) Schedule 1 to the Loan Agreement (Allocation of the Proceeds of the Loan) and Schedule 2 to the Swedish Agreement (Allocation of the Proceeds of the Credit), and (d) the provisions on withdrawal procedures as set forth in a Supplementary Letter. Before any such agreement, approval or arrangement, which is not of a purely formal nature, the Bank shall obtain the concurrence of Sweden.

9. *Exercise of Functions by the Bank.* The Bank shall exercise the same care in the discharge of its functions under this Letter as it exercises in respect of the administration and management of its own affairs.

10. *Miscellaneous.* Any notice or request required or permitted to be given or made under this Letter and any agreement contemplated by this Letter 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 Sweden:

(a) for the purposes of paragraph 4:

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:

SIDA
Stockholm

For the Bank:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D. C. 20433
United States of America

Alternative address for cables and radiograms:

Intbafrad
Washington, D. C.

Please indicate your agreement with the foregoing by signing the form of confirmation on the two counterparts of this Letter, retaining one for your records, and returning the other to us.

Very truly yours,

International Bank for Reconstruction and Development:

By J. BURKE KNAPP
Vice President

Confirmed:

Kingdom of Sweden:

By HUBERT DE BESCHE
Authorized Representative