

**No. 12611**

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**SWEDEN  
and  
INDIA**

**Development Grant Agreement—*Population Project* (with  
annex). Signed at Washington on 14 June 1972**

*Authentic text: English.*

*Registered by Sweden on 14 June 1973.*

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**SUÈDE  
et  
INDE**

**Contrat de don aux fins du développement — *Projet  
démographique* (avec annexe). Signé à Washington  
le 14 juin 1972**

*Texte authentique : anglais.*

*Enregistré par la Suède le 14 juin 1973.*

## DEVELOPMENT GRANT AGREEMENT<sup>1</sup> (POPULATION PROJECT)

BETWEEN THE KINGDOM OF SWEDEN, ON THE ONE HAND  
AND INDIA, ACTING BY ITS PRESIDENT, ON THE OTHER HAND  
(HEREINAFTER CALLED THE AGREEMENT)

WHEREAS the Kingdom of Sweden and India, acting by its President, desiring to strengthen the cooperation and cordial relations between them, have agreed that as a contribution to the economic and social development of the Republic of India, the Kingdom of Sweden (hereinafter called Sweden), shall extend to India, acting by its President (hereinafter called India), a development grant (hereinafter called the Swedish Grant), to assist in the financing of a population project (hereinafter called the Project), to be carried out by The State of Mysore (hereinafter called Mysore) and The State of Uttar Pradesh (hereinafter called Uttar Pradesh);

WHEREAS India has entered into a development credit agreement of even date herewith<sup>2</sup> (hereinafter called the Association Credit Agreement) with the International Development Association (hereinafter called the Association) with regard to further assistance towards the financing of the Project; and

WHEREAS Sweden, India and the Association have also entered into an agreement of even date herewith<sup>3</sup> (hereinafter called the Joint Financing Agreement) in respect of the allocation, withdrawal and use of the proceeds of financing under the aforementioned agreements and the execution of the Project, as well as other matters;

NOW THEREFORE Sweden and India agree as follows:

### *Article I. THE SWEDISH GRANT*

1. Sweden shall make available to India a development grant in an amount of fifty-one million Swedish Kronor (SKr 51,000,000) subject to the provisions of the Agreement, of which the attached annex forms an integral part, and to such other provisions as may be agreed upon between the Parties.

2. Unless otherwise agreed India shall be entitled to withdraw an amount of SKr 5,000,000 during the Swedish fiscal year 1972/73. Without limitation or restriction upon the provisions of article II of the Joint Financing Agreement the procedure for phasing the Swedish Grant over the following Swedish fiscal years until the closing date shall be agreed upon between India and Sweden prior to the beginning of the Swedish fiscal year 1973/74.

### *Article II. USE OF THE PROCEEDS OF THE SWEDISH GRANT*

India shall cause the proceeds of the Swedish Grant to be used in accordance with the Agreement and the Joint Financing Agreement to assist, concurrently with the credit provided for under the Association Credit Agreement (hereinafter called the Association Credit), in financing the Project. To that end, India shall make available to Mysore and

<sup>1</sup> Came into force on 14 June 1972 by signature, with effect from 9 May 1973, the date when the related Development Credit Agreement between the Association and India (see foot-note 2 below) became effective, in accordance with article VI (1).

<sup>2</sup> United Nations, *Treaty Series*, vol. 878, p. 191.

<sup>3</sup> *Ibid.*, p. 207.

Uttar Pradesh the equivalent of SKr 24,247,000 and SKr 25,469,000 respectively out of the proceeds of the Swedish Grant.

*Article III. THE SPECIAL ACCOUNT*

The amount to be made available in accordance with article I shall be paid by Sweden, as required to meet requests for withdrawals, to the credit of an account in Swedish Kronor opened in the books of the Sveriges Riksbank, Stockholm, acting as agent for Sweden. The account shall be held in favor of India by the Chief Accounting Officer, High Commission of India, London, and shall be denominated "Government of India, Special Account No. 7" (hereinafter called the Special Account).

*Article IV. WITHDRAWAL FROM THE SPECIAL ACCOUNT*

1. India shall be entitled, subject to the provisions of the Agreement and the Joint Financing Agreement, to withdraw from the Special Account such proportion of the reasonable cost of goods and services required for the Project and to be financed by Sweden and the Association, as agreed in accordance with the terms of the Joint Financing Agreement.

2. The closing date for withdrawals shall be June 30, 1978 or such other date as may be agreed upon between the Parties hereto.

*Article V. MISCELLANEOUS*

1. India shall furnish to Sweden evidence of the authority of the person or persons who will, on behalf of India, take any action or execute any document under the Agreement.

2. Any notice or request under the Agreement and any agreement between the Parties contemplated by the Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when delivered through diplomatic channels.

3. The Swedish International Development Authority (SIDA) shall represent Sweden in (i) the implementation of the Agreement (ii) amendments to the Agreement which do not significantly affect the objectives and scope of the Agreement.

*Article VI. EFFECTIVE DATE; TERMINATION*

1. The Agreement shall become effective after it has been signed by duly authorized representatives of the Parties and concurrently with the Association Credit Agreement becoming effective provided, however, that if said Agreement becomes effective in respect of part of the Project to be carried out in only one State, this Agreement shall become effective only in respect of that part of the Project.

2. The Agreement and all obligations of the Parties hereunder, shall terminate on June 15, 1987 or the date upon which the Parties shall have fulfilled all obligations arising from the Agreement, whichever shall be the earlier.

IN WITNESS WHEREOF, the Parties hereto, acting through their representatives thereunto duly authorized, have caused the Agreement to be signed.

DONE in the District of Columbia, United States of America, on the 14<sup>th</sup> day of June 1972 in two original copies in English.

For the Kingdom of Sweden:

[Signed]

By HUBERT DE BESCHE  
Authorized Representative

For India:

[Signed]

By L. K. JHA  
Authorized Representative

#### ANNEX

The following provisions shall govern the rights and obligations under the Agreement, of which they are considered an integral part with the same force and effect as if they were fully set forth therein.

##### *Paragraph 1. Cancellation and Suspension*

1.1. India may by notice to Sweden cancel any amount of the Swedish Grant which India shall not have withdrawn, or with respect to which Sweden shall not be bound through a special commitment entered into by the Association pursuant to the Joint Financing Agreement, prior to the giving of such notice.

1.2. If any of the following events shall have happened and be continuing, Sweden may by notice to India suspend, in whole or in part, the right of India to make withdrawals from the Special Account.

- (a) India shall have failed to meet an obligation under the Agreement or the Joint Financing Agreement and shall not have rectified such failure after notice by Sweden.
- (b) Mysore or Uttar Pradesh shall have failed to meet an obligation under the Mysore Agreement or the Uttar Pradesh Agreement respectively and shall not have rectified such failure after notice by Sweden.
- (c) An extraordinary situation shall have arisen which shall make it improbable that India or Mysore or Uttar Pradesh will be able to perform its obligations under the Joint Financing Agreement or the Mysore Agreement or the Uttar Pradesh Agreement respectively.
- (d) The right of India to withdraw the proceeds of the Association Credit shall have been suspended or terminated, in whole or in part.
- (e) The outstanding principal of the Association Credit shall have been declared, or become, due and payable in advance of the agreed maturity thereof.
- (f) India shall have cancelled any part of the Association Credit without having cancelled, at the same time, a corresponding proportion of the Swedish Grant.

1.3. The right of India to make withdrawals from the Special Account shall continue to be suspended in whole or in part, as the case may be, until the event or events which gave rise to such suspension shall have ceased to exist or until Sweden shall have notified India that the right to make withdrawals has been restored, whichever is the earlier; provided, however, that in the case of any such notice of restoration, the right to make withdrawals shall be restored only to the extent and subject to the conditions specified in such notice, and no such notice shall affect or impair any rights, power or remedy of Sweden in respect of any other or subsequent event described in this paragraph.

1.4. If (a) the right of India to make withdrawals from the Special Account shall have been suspended with respect to any amount of the Swedish Grant for a continuous period of sixty days, or (b) by the date specified in article IV, section 2, of the Agreement as the closing date an amount of the Swedish Grant shall remain unwithdrawn from the Special Account, Sweden may by notice to India terminate the right of India to make withdrawals with respect to such amount. Upon the giving of such notice such amount of the Swedish Grant shall be cancelled.

1.5. No cancellation or suspension by Sweden shall apply to amounts with respect to which Sweden shall be bound through a special commitment entered into by the Association pursuant to the Joint Financing Agreement.

1.6. Notwithstanding any cancellation or suspension all the provisions of the Agreement shall continue in full force and effect except as in this paragraph specifically provided.

#### *Paragraph 2. Failure to Exercise Rights*

No delay in exercising, or omission to exercise any right, power or remedy accruing to either Party under the 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.

#### *Paragraph 3. Arbitration*

(a) Any controversy between the Parties to the Agreement and any claim by either Party against the other arising under the Agreement which cannot be settled in a satisfactory manner through diplomatic channels, within six months, will at the request of either Party be submitted to arbitration by an Arbitral Tribunal as hereinafter provided.

(b) The Parties to such arbitration shall be Sweden and India.

(c) The Arbitral Tribunal shall consist of three arbitrators appointed as follows: one arbitrator shall be appointed by Sweden; a second arbitrator shall be appointed by India; and the third arbitrator (hereinafter called the presiding arbitrator) shall be appointed by agreement of the Parties or, if they shall not agree, by the President of the International Court of Justice or failing appointment by him, by the Secretary-General of the United Nations. If either of the Parties shall fail to appoint an arbitrator, such arbitrator shall be appointed by the presiding arbitrator. In case any arbitrator appointed in accordance with this paragraph shall resign, die or become unable to act, a successor arbitrator shall be appointed in the same manner as hereinafter prescribed for the appointment of the original arbitrator and such successor shall have all the powers and duties of such original arbitrator.

(d) Arbitration proceedings may be instituted under this paragraph upon notice by the Party instituting such proceeding to the other Party. Such notice shall contain a statement setting forth the nature of the controversy or claim to be submitted to arbitration, the nature of the relief sought, and the name of the arbitrator appointed by the Party instituting such proceedings. Within thirty days after the giving of such notice, the adverse Party shall notify the Party instituting the proceeding of the name of the arbitrator appointed by such adverse Party.

(e) If, within sixty days after the giving of such notice instituting the arbitration proceeding, the Parties shall not have agreed upon a presiding arbitrator, either Party may request the appointment of a presiding arbitrator as provided in sub-paragraph (c) of this paragraph.

(f) The Arbitral Tribunal shall convene at such time and place as shall be fixed by the presiding arbitrator. Thereafter, the Arbitral Tribunal shall determine where and when it shall sit.

(g) Subject to the provisions of this paragraph and except as the Parties shall otherwise agree, the Arbitral Tribunal shall decide all questions relating to its competence and shall determine its procedure. All decisions of the Arbitral Tribunal shall be by a majority vote.

(h) The Arbitral Tribunal shall afford to the Parties a fair hearing and shall render its award in writing. Such award may be rendered by default. An award signed by a majority of the Arbitral

Tribunal shall constitute the award of such Tribunal. A signed counterpart of the award shall be transmitted to each Party. Any such award rendered in accordance with the provisions of this paragraph shall be final and binding upon the Parties to the Agreement. Each Party shall abide by and comply with such award rendered by the Arbitral Tribunal in accordance with the provisions of this paragraph.

(i) The provisions for arbitration set forth in this paragraph shall be in lieu of any other procedure for the determination of controversies between the Parties to the Agreement and any claims by either Party against the other Party arising thereunder.

(j) Service of any notice or process in connection with any proceeding under this paragraph or in connection with any proceeding to enforce any award rendered pursuant to this paragraph shall be made through diplomatic channels.

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