

No. 12607

---

**INTERNATIONAL DEVELOPMENT ASSOCIATION  
and  
INDIA**

**Development Credit Agreement—*Population Project* (with  
schedule and General Conditions Applicable to Development  
Credit Agreements). Signed at Washington  
on 14 June 1972**

*Authentic text: English.*

*Registered by the International Development Association on 14 June 1973.*

---

**ASSOCIATION INTERNATIONALE DE  
DÉVELOPPEMENT  
et  
INDE**

**Contrat de crédit de développement — *Projet démographique*  
(avec annexe et Conditions générales applicables  
aux contrats de crédit de développement). Signé à  
Washington le 14 juin 1972**

*Texte authentique : anglais.*

*Enregistré par l'Association internationale de développement le 14 juin 1973.*

## DEVELOPMENT CREDIT AGREEMENT<sup>1</sup>

AGREEMENT, dated June 14, 1972, between INDIA acting by its President (hereinafter called India) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS (A) India has requested the Association to assist in the financing of a population project described in Schedule 1 to the Agreement referred to in Whereas (C) hereto (hereinafter called the Project), by extending the credit (hereinafter called the Association Credit) as hereinafter provided;

(B) India has requested a grant from the Kingdom of Sweden (hereinafter called Sweden) to assist in the financing of the Project and Sweden has agreed, by an agreement of even date herewith<sup>2</sup> (hereinafter called the Swedish Grant Agreement) to make available to India for such Project a grant (hereinafter called the Swedish Grant) in a principal amount of fifty-one million Swedish Kronor (SKr 51,000,000), equivalent at the rate of exchange between the Swedish Kronor and the US Dollar of 4.81:1, to approximately ten million six hundred thousand dollars (\$10,600,000) upon terms and conditions set forth in the Swedish Grant Agreement;

(C) By an agreement of even date herewith<sup>3</sup> (said agreement, as amended from time to time, hereinafter called the Joint Financing Agreement), India, Sweden and the Association have agreed on the description of the Project to be financed out of the proceeds of the Swedish Grant and the Association Credit, and on the allocation, withdrawal and use of such proceeds, as well as on other matters;

(D) Parts 2.1 and 2.2 of the Project will be carried out by The State of Mysore (hereinafter called Mysore) and The State of Uttar Pradesh (hereinafter called Uttar Pradesh), respectively, with India's assistance and, as part of such assistance, India will make available to the said States part of the proceeds of the Swedish Grant and the Association Credit as provided in the Swedish Grant Agreement and hereinafter; and

(E) The Association is willing to make the Association Credit available upon the terms and conditions set forth hereinafter and in the agreements of even date herewith between Mysore and Uttar Pradesh, respectively, 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,<sup>4</sup> with the same force and effect as if they were fully set forth herein, subject, however, to the modifications thereof set forth in Schedule 1 to this Agreement (said General Conditions Applicable to Development Credit Agreements of the Association, as so modified, being hereinafter called the General Conditions).

*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:

<sup>1</sup> Came into force on 9 May 1973, upon notification by the Association to the Government of India.

<sup>2</sup> United Nations, *Treaty Series*, vol. 879, p. 51.

<sup>3</sup> See p. 207 of this volume.

<sup>4</sup> See p. 198 of this volume.

(a) "Mysore Agreement" means the agreement between the Kingdom of Sweden, The State of Mysore and the Association, of even date herewith,<sup>1</sup> as the same may be amended from time to time, and such term includes all schedules to said Agreement;

(b) "Uttar Pradesh Agreement" means the agreement between the Kingdom of Sweden, The State of Uttar Pradesh and the Association, of even date herewith,<sup>2</sup> as the same may be amended from time to time, and such term includes all schedules to said Agreement;

(c) "Project Area" means (i) the following five districts in Mysore, including Bangalore City: Bangalore, Chitradurga, Kolar, Shimoga, and Tumkur, and (ii) the following six districts in Uttar Pradesh, including Lucknow City: Lucknow, Muzaffarnagar, Pratapgarh, Rae Bareli, Saharanpur, and Sultanpur;

(d) "Program" means the family planning program of India, and includes its organizational structure; and

(e) "ANM" means Auxiliary Nurse-Midwife.

## Article II. THE ASSOCIATION CREDIT

*Section 2.01.* The Association agrees to lend to India, on the terms and conditions in this Agreement set forth or referred to an amount in various currencies equivalent to twenty-one million two hundred thousand dollars (\$21,200,000).

*Section 2.02.* The amount of the Association Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Agreement and in accordance with Article II of the Joint Financing Agreement; provided, however, that, except as the Association shall otherwise agree, no withdrawal shall be made on account of expenditures in the territories of any country which is not a member of the Bank (other than Switzerland) or for goods produced in, or services supplied from, such territories.

*Section 2.03.* The Closing Date shall be June 30, 1978 or such other date as shall be agreed between India and the Association.

*Section 2.04.* India 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 Association Credit withdrawn and outstanding from time to time.

*Section 2.05.* Service charges shall be payable semi-annually on May 15 and November 15 in each year.

*Section 2.06.* India shall repay the principal amount of the Association Credit in semi-annual installments payable on each May 15 and November 15 commencing November 15, 1982 and ending May 15, 2022, each installment to and including the installment payable on May 15, 1992 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 2.07.* 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.

## Article III. EXECUTION OF THE PROJECT

*Section 3.01.* (a) Without any limitation or restriction upon any of its other obligations under this Agreement, India shall: (i) carry out Part K of the Project and cause

<sup>1</sup> United Nations, *Treaty Series*, vol. 879, p. 3.

<sup>2</sup> *Ibid.*, p. 27.

the rest of the Project to be carried out with due diligence and efficiency and in conformity with sound administrative, financial, and technical practices; (ii) provide, promptly as needed, the funds, facilities, services and other resources required for the purpose; and (iii) take and cause to be taken all action necessary or appropriate to enable Mysore and Uttar Pradesh to perform all their respective obligations under the Mysore and the Uttar Pradesh Agreements, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(b) India shall make available to Mysore and Uttar Pradesh the equivalent of \$10,080,000 and \$10,580,000, respectively, out of the proceeds of the Association Credit.

*Section 3.02.* Within sixty days after this Agreement becomes effective with respect to each of the Parts of the Project described in paragraphs 2.1 and 2.2 of Schedule 1 to the Joint Financing Agreement, India shall make contractual arrangements on terms and conditions which shall include, *inter alia*, those set forth in Schedule 3 to the Mysore and Uttar Pradesh Agreements, respectively, and after consultation with the Association, with the institutions that Mysore and Uttar Pradesh shall employ pursuant to Sections 2.04 of the Mysore and Uttar Pradesh Agreements, respectively, to provide said institutions assistance necessary to develop adequate capabilities in the field of population planning.

*Section 3.03.* India shall cause a study to be carried out of the functional, anthropometric and environmental conditions necessary to ensure the satisfactory performance of the types of buildings to be constructed under the Project, in consultation with the National Buildings Organization of India and the Building Research Institute of the CSIR, in accordance with the provisions set forth in Schedule 4 to the Mysore and Uttar Pradesh Agreements.

#### *Article IV.* CONSULTATION, INFORMATION AND EXAMINATION

*Section 4.01.* India and the Association shall cooperate fully to assure that the purposes of the Association Credit will be accomplished. To that end, India 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 this Agreement, the performance by Mysore and Uttar Pradesh of their respective obligations under the Mysore and the Uttar Pradesh Agreements, the administration, operations, resources and expenditures, in respect of the Project, of the departments or agencies of India responsible for carrying out any part of the Project, and other matters relating to the purposes of the Association Credit; and
- (b) furnish to the other all such information as it shall reasonably request with regard to the general status of the Association Credit. On the part of India, such information shall include information with respect to financial and economic conditions in the territories of India, including its balance of payments, and the external debt of India, of any of its political subdivisions and of any agency of India or of any such political subdivision.

*Section 4.02.* (a) India shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the administration, operations, resources and expenditures, in respect of the Project, of the departments or agencies of India responsible for carrying out any part of the Project.

(b) India and the Association shall promptly inform each other 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 either of them of its obligations under this Agreement or the performance by Mysore and Uttar Pradesh of their respective obligations under the Mysore and the Uttar Pradesh Agreements.

*Section 4.03.* India shall afford all reasonable opportunity for accredited representatives of the Association to visit any part of the territories of India for purposes related to the Association Credit.

#### *Article V.* TAXES AND RESTRICTIONS

*Section 5.01.* The principal of, and service charges on, the Association Credit shall be paid without deduction for, and free from, any taxes imposed under the laws of India or laws in effect in its territories.

*Section 5.02.* The Development Credit Agreement, the Joint Financing Agreement, the Mysore Agreement, and the Uttar Pradesh Agreement shall be free from any taxes on or in connection with the execution, delivery or registration thereof, imposed under the laws of India or laws in effect in its territories.

*Section 5.03.* The payment of the principal of, and service charges on, the Association Credit shall be free from all restrictions, regulations, controls and moratoria of any nature imposed under the laws of India 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 or in Section 6.03 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 India declare the principal of the Association 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 this Agreement notwithstanding.

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

- (a) the right of India to withdraw the proceeds of the Swedish Grant shall have been suspended, or India shall have been unable to withdraw such proceeds, in whole or in part;
- (b) any amount of the Swedish Grant shall have been cancelled under paragraph 1.4 (a) of the Annex to the Development Grant Agreement;
- (c) a default shall have occurred in the performance of any covenant or agreement on the part of India under the Joint Financing Agreement; and
- (d) a default shall have occurred in the performance of any covenant or agreement on the part of Mysore or Uttar Pradesh under the Mysore Agreement or the Uttar Pradesh Agreement, respectively.

*Section 6.03.* For the purposes of Section 7.01 of the General Conditions, the following additional events are specified:

- (a) the event specified in paragraphs (a) and (b) of Section 6.02 of this Agreement shall occur and shall continue for a period of 60 days after notice thereof shall have been

given by the Association to India, and India shall have failed to obtain funds for the Project from other sources in substitution therefor, on terms and conditions satisfactory to the Association; and

- (b) any event specified in paragraphs (c) and (d) of Section 6.02 of this Agreement shall occur.

*Article VII. EFFECTIVE DATE; TERMINATION*

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

- (a) the execution and delivery of the Swedish Grant Agreement and the Joint Financing Agreement, on behalf of India, have been duly authorized or ratified by all necessary governmental action;
- (b) the execution and delivery of the Mysore Agreement and the Uttar Pradesh Agreement by Mysore and Uttar Pradesh, respectively, have been duly authorized or ratified by all necessary governmental action;
- (c) the Governing Boards referred to in Sections 2.02 (a) of the Mysore and the Uttar Pradesh Agreements have been established;
- (d) the Directors of the Population Centers referred to in Sections 2.03 of the Mysore and the Uttar Pradesh Agreements have been appointed in accordance with the provisions of paragraph 2 of Schedule 1 to said Agreements; and
- (e) the Project Coordinators, the Project Family Planning Officers, and the Project Nutrition Officers referred to in Sections 2.02 (b) of the Mysore and the Uttar Pradesh Agreements have been appointed.

*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 Swedish Grant Agreement and the Joint Financing Agreement have been duly authorized or ratified by, and executed and delivered on behalf of, India, and constitute valid and binding obligations of India in accordance with their terms; and
- (b) that the Mysore Agreement and the Uttar Pradesh Agreement have been duly authorized by, and executed and delivered on behalf of, Mysore and Uttar Pradesh, respectively, and constitute valid and binding obligations of Mysore and Uttar Pradesh, respectively, in accordance with their terms.

*Section 7.03.* Except as India and the Association shall otherwise agree, if all the conditions precedent to the effectiveness of this Agreement other than those relating to only the Parts of the Project described either in paragraph 2.1 or 2.2 of Schedule 1 to the Joint Financing Agreement shall have been fulfilled, this Agreement shall come into force and effect in respect of the part of the Credit allocated to financing the Parts of the Project described in paragraph 2.2 or 2.1 of said Schedule, respectively.

*Section 7.04.* The date October 17, 1972 is hereby specified for the purposes of Section 10.04 of the General Conditions.

*Article VIII. REPRESENTATIVE OF INDIA; ADDRESSES*

*Section 8.01.* Any Secretary, Additional Secretary or Joint Secretary to the Government of India in the Ministry of Finance of the Borrower or the Director/Deputy

Secretary of the Department of Economic Affairs in the Ministry of Finance of India, acting singly, is designated as representative of India 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 India:

The Secretary to the Government of India  
Ministry of Finance  
Department of Economic Affairs  
New Delhi, India

Cable address:

Ecofairs  
New Delhi

For the Association:

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

Cable address:

Indevas  
Washington, D.C.

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.

India:

By L. K. JHA  
Authorized Representative

International Development Association:

By J. BURKE KNAPP  
Vice President

## SCHEDULE 1

### MODIFICATIONS OF GENERAL CONDITIONS

For the purposes of this Development Credit Agreement, the provisions of the General Conditions are modified as follows:

(a) By the deletion of the words "Development Credit Agreement" and the substitution therefor of the words "Joint Financing Agreement" in paragraph 9 of Section 2.01 of Article II.

(b) By the addition of the word "Association" after the word "term" in paragraph 4 of Section 2.01 and the substitution of the words "Association Credit" for the word "Credit" wherever the latter appear indicating the term defined in said paragraph.

(c) By the deletion of paragraph 5 of Section 2.01 and the substitution thereof of the following:

“5. The term ‘India’ means India, acting by its President.”

(d) By the addition of the following paragraph in Section 2.01:

“13. The term ‘State’ means one of the two States of India where the Project is to be carried out.”

(e) By the addition of the following paragraph in Section 2.01:

“14. The terms defined in the Development Credit Agreement have the meanings therein set forth.”

(f) By the deletion of Sections 5.01, 5.03, 5.04, 5.05, 5.06 and 5.07.

(g) By the deletion of Section 6.02 (h), so that Section 6.02 (i) becomes 6.02 (h).

(h) By the addition of the words “the Mysore Agreement and the Uttar Pradesh Agreement” after the words “the Development Credit Agreement” in Section 6.06.

(i) By the addition of the words “and the Joint Financing Agreement” after the words “the Development Credit Agreement” wherever they appear in Sections 8.01 and 8.02.

(j) By the deletion of the last full period and the addition of the following paragraph to Section 10.01:

“; provided, however, that the Development Credit Agreement may become effective in respect of the part of the Project to be carried out in only one State.”

(k) By the deletion of the full period and the addition of the following words to Section 10.03:

“; provided, however, that the Development Credit Agreement shall come into force and effect only in respect of the part of the Project to be carried out in one State if the Association so states in said notice.”

(l) By the addition of the following words to Section 10.04:

“Provided, however, that the Association may establish different dates for the purposes of this Section, in respect of the part of the Project to be carried out in each State; and provided further that if the Development Credit Agreement shall have become effective in respect of the part of the Project to be carried out in one State, the termination of the Development Credit Agreement and of all obligations of the parties thereunder shall take place only in respect of the part of the Project to be carried out in the other State.”

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.*]