

No. 12559

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
SWEDEN**

**Administration Letter—Lahore Water Supply, Sewerage
and Drainage Project. Dated at Washington on 12 May
1967**

Authentic text: English.

Registered by the International Development Association on 14 June 1973.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
SUÈDE**

**Lettre d'administration—Projet de Lahore relatif à
l'adduction d'eau, à la construction d'égouts et à
l'assèchement. En date à Washington du 12 mai 1967**

Texte authentique: anglais.

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

ADMINISTRATION LETTER¹

INTERNATIONAL DEVELOPMENT ASSOCIATION

May 12, 1967

H. E. Hubert de Besche
Ambassador
Embassy of Sweden
Washington, D.C.

Lahore Water Supply, Sewerage and Drainage Project
Administration Letter

Sir:

1. We refer to the Development Credit Agreement² (hereinafter called the IDA Agreement) between the Islamic Republic of Pakistan (hereinafter called the Borrower) and the International Development Association (hereinafter called the Association), the Project Agreement³ between the Province of West Pakistan (hereinafter called the Province) and the Association, and to the Development Credit Agreement⁴ (hereinafter called the Swedish Agreement) between the Kingdom of Sweden (hereinafter called Sweden) and the Borrower for the Lahore Water Supply, Sewerage and Drainage Project, all of even date herewith. Pursuant to said Agreements, the Association and Sweden have each agreed to make available to the Borrower a development credit equivalent as near as possible to \$1,750,000 to assist the Borrower in financing the Project described in said Agreements. The purpose of this Administration Letter is to set forth the bases for withdrawal of the funds made available by said credits and to provide for other matters of mutual concern to the Association and Sweden.

2. The withdrawal procedures set forth below are agreed to be subject to change by further agreement between the Association and Sweden. It is, however, presently intended that withdrawals from the two credits shall, as nearly as possible, be simultaneous and in equal amounts.

3. *Applications for Withdrawals*

A. When the Borrower shall desire to withdraw any amount from the credits, the Borrower shall deliver to the Association a written application in such form, and containing such statements and agreements, as the Association shall reasonably request.

B. The Association may deal with each withdrawal application as a request to withdraw amounts pursuant to the IDA Credit and the Swedish Credit.

¹ Came into force on 12 May 1967, upon signature by the Association and confirmation on the same date on behalf of the Government of Sweden.

² See p. 117 of this volume.

³ See foot-note 3, p. 118 of this volume.

⁴ See p. 137 of this volume.

4. *Withdrawals*

A. If the Association determines that the Borrower's application is satisfactory, it shall disburse from its Credit Account the amount to which the Borrower is entitled pursuant to the IDA Agreement.

B. When the Association has approved disbursement under the IDA Agreement, it shall promptly notify the Sveriges Riksbank, acting as agent for Sweden, that it has received a satisfactory application from the Borrower to withdraw, and has approved disbursement from the Credit Account of, a specified amount. 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 the Association and Sweden shall from time to time determine.

C. 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 withdrawal thereof), promptly disburse the amount to which the Borrower is entitled pursuant to the Swedish Agreement.

D. As a consequence of the procedures set forth herein, in the IDA Agreement, in the List of Goods Letter supplemental thereto, in the Swedish Agreement, and in the Exchange of Letters No. 1 thereto, the Association and Sweden are each expected to disburse 50% of the total amount to be disbursed by them in respect of each of the applications for withdrawal submitted by the Borrower. The portions of amounts applied for by the Borrower to be disbursed by the Association and Sweden may be varied by agreement between them.

5. *Sufficiency of Applications and Documents.* Each application and the accompanying documents and other evidence must be sufficient in form and substance to satisfy the Association that the Borrower is entitled to withdraw from the Credit Account established by the IDA Agreement the amount applied for and that the amount to be withdrawn from said Credit Account is to be used only for the purposes specified in the IDA Agreement.

6. *Exchange of Information and Consultation*

A. It is our intention that there shall be close collaboration between us on matters relating to the execution of the Project and on other matters of common interest to us in the administration of the IDA Agreement and the Swedish Agreement. To that 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 IDA Agreement and the Swedish Agreement, including the right of the Association, or Sweden, to permit continued disbursements under its agreement with the Borrower in case of suspension or cancellation under the other agreement.

B. We shall inform each other if any event comes to the knowledge of either which threatens to increase materially the estimated cost of the Project or which materially affects the progress of the Project or which threatens

substantially to impede it, and we shall consult with each other concerning the action which each of us proposes to take in respect thereof.

C. We shall promptly inform each other whenever it is proposed:

- (i) to modify materially our agreement with the Borrower;
- (ii) to suspend or terminate, in whole or in part, withdrawals under such agreement; or
- (iii) to declare the indebtedness of the Borrower under such agreement to be due and payable in advance of the agreed maturity thereof.

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

D. We shall keep each other informed on the progress of the Project on the basis of the findings of any inspections by our representatives.

E. In accordance with subparagraph 5 of the Exchange of Letters No. 1 to the Swedish Agreement of even date, the Association may represent Sweden with respect to supplementary agreements or arrangements with the Borrower regarding List of Goods, Share of the Swedish Credit in eligible cost and Withdrawals Procedure related to the Swedish Credit. Before entering into any such agreement or arrangement, which is not of a purely formal nature, the Association shall consult with Sweden and, in the case of changes in the List of Goods, obtain the concurrence of Sweden.

F. The Association shall transmit to Sweden by cablegram or radiogram three days' advance notice of its intention of declaring the IDA Agreement in force and effect, thereby automatically setting the Swedish Agreement into force and effect. Notice shall similarly be transmitted to Sweden as soon as the IDA Agreement has come into force and effect.

7. *Exercise of Functions by Association*

The Association 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.

8. *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 Association:

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

Alternative address for cables and radiograms:

Indevas
Washington, D.C.

Please indicate your agreement with the foregoing by signing the form of confirmation on this Letter, retaining a copy for your records, and returning another to us.

Very truly yours,

International Development Association:

By A. BROCHES
General Counsel

Confirmed:
Kingdom of Sweden:
By HUBERT DE BESCHE
Authorized Representative
