

No. 12608

**INTERNATIONAL DEVELOPMENT ASSOCIATION,
INDIA and SWEDEN**

**Joint Financing Agreement—*Population Project* (with
schedules). Signed at Washington on 14 June 1972**

Authentic text: English.

Registered by the International Development Association on 14 June 1973.

**ASSOCIATION INTERNATIONALE DE
DÉVELOPPEMENT, INDE et SUÈDE**

**Contrat de financement conjoint — *Projet démographique*
(avec annexes). Signé à Washington le 14 juin 1972**

Texte authentique : anglais.

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

JOINT FINANCING AGREEMENT¹

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

WHEREAS by an agreement between India and Sweden of even date herewith,² (hereinafter called the Swedish Grant Agreement), Sweden has agreed to make available to India 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), for the purpose of assisting in the financing of the Project described in Schedule 1 to this Agreement (hereinafter called the Project);

WHEREAS by an agreement between India and the Association of even date herewith³ (hereinafter called the Association Credit Agreement), the Association has agreed to make available to India a credit (hereinafter called the Association Credit) in a principal amount in various currencies equivalent to twenty-one million two hundred thousand dollars (\$21,200,000) for the same purpose; and

WHEREAS the parties hereto have agreed on the allocation, withdrawal and use of the proceeds of such grant and credit and the execution of the Project to be financed thereby, as well as on other matters, as hereinafter provided;

NOW THEREFORE the parties hereto hereby agree as follows:

Article I. DEFINITIONS

Section 1.01. Unless the context otherwise requires, the terms "Swedish Grant Account" and "Association Credit Account", wherever used in this Agreement, mean the respective accounts established under the Swedish Grant Agreement and the Association Credit Agreement.

Article II. ALLOCATION AND WITHDRAWALS OF PROCEEDS OF THE SWEDISH GRANT AND THE ASSOCIATION CREDIT

Section 2.01. Subject to the rights of suspension and cancellation set forth in the Swedish Grant Agreement and the Association Credit Agreement and subject to the provisions of Section 2.02 of the Association Credit Agreement, the amount of the Swedish Grant and the Association Credit may be withdrawn from the Swedish Grant Account and the Association Credit Account, respectively, in accordance with the provisions of this Agreement and with the allocation of the proceeds of the Swedish Grant and the Association Credit set forth in Schedule 2 to this Agreement, as such allocation shall be modified from time to time pursuant to the provisions of such Schedule or by further agreement between India, Sweden and the Association. Except as India, Sweden and the Association shall otherwise agree, withdrawals shall be made simultaneously from the Swedish Grant Account and the Association Credit Account on a 1:2 ratio, and applications for withdrawals shall be deemed to be requests to withdraw funds from both said Accounts in the said ratio.

¹ Came into force on 9 May 1973, upon notification by the Association to the Parties concerned.

² United Nations, *Treaty Series*, vol. 879, p. 51.

³ See p. 191 of this volume.

Section 2.02. India shall be entitled to withdraw from the Swedish Grant Account and from the Association Credit Account such amounts as shall have been paid (or, if the Association shall so agree, as shall be required to meet payments to be made) for the reasonable cost of goods and services required for the Project.

Section 2.03. (a) When India shall desire to withdraw any amount of the Swedish Grant or the Association Credit, India shall deliver to the Association a written application in such form and containing such statements and agreements as the Association shall reasonably request. Applications for withdrawal, with the necessary documentation, as hereinafter provided shall, except as India and the Association shall otherwise agree, be made promptly in relation to expenditures for the Project.

(b) India shall furnish to the Association such documents and other evidence in support of the application as the Association shall reasonably request, whether before or after the Association shall have approved any withdrawal requested in the application.

(c) Each application and the accompanying documents and other evidence must be sufficient in form and substance to satisfy the Association that India is entitled to withdraw from the Swedish Grant Account and the Association Credit Account the amount applied for and that such amount is to be used only for the purposes specified in this Agreement.

Section 2.04. (a) When the Association shall have approved an application by India for withdrawal, the Association shall:

- (i) pay the amount which India is entitled to withdraw from the Association Credit Account to or on the order of India in accordance with the provisions of the Association Credit Agreement; and
- (ii) promptly notify the Sveriges Riksbank, acting as agent for Sweden, in the manner and to the extent set forth in this Agreement, that it has received an application for withdrawal and the amount set forth in such notice is eligible for payment by the Sveriges Riksbank. Upon receipt of such notice from the Association, the Sveriges Riksbank shall, subject to the rights of suspension and cancellation of the Swedish Grant set forth in the Swedish Grant Agreement, pay the amount so to be withdrawn from the Swedish Grant Account in the currency and to the payee stated in the notice.

Section 2.05. Upon India's request and upon such terms and conditions as shall be agreed upon between India and the Association, the Association may enter into special commitments in writing for payment in respect of the cost of goods and services to be financed out of the proceeds of the Swedish Grant and Association Credit. Any such special commitment by the Association shall, once it has been notified to Sweden and the Sveriges Riksbank, constitute an obligation on the part of Sweden to pay, notwithstanding any subsequent suspension or cancellation of the Swedish Grant, its part of the amount to be disbursed in fulfillment of such special commitment.

Section 2.06. If for purposes of this Agreement any proceeds of the Swedish Grant are to be withdrawn in a currency other than Swedish Kronor, the Sveriges Riksbank shall remit the requested foreign currency amount and shall debit the Swedish Grant Account with the Swedish Kronor equivalent of such amount calculated on the basis of the current market selling rate or, if no such rate applies, such rate as shall be reasonably determined by the Sveriges Riksbank.

*Article III. EXECUTION OF THE PROJECT; USE OF PROCEEDS
OF THE SWEDISH GRANT AND THE ASSOCIATION CREDIT*

Section 3.01. India shall carry out Part K of the Project and cause the rest of the Project to be carried out with due diligence and efficiency and in conformity with sound administrative, financial, and technical practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

Section 3.02. Except as India, Sweden and the Association shall otherwise agree, the goods and services (other than services of consultants) required for the Project and to be financed out of the proceeds of the Swedish Grant or the Association Credit or both, shall be procured on the basis of the procedures set forth in Schedule 3 to this Agreement.

Article IV. CONSULTATION; INFORMATION AND EXAMINATION

Section 4.01. India shall cooperate fully with Sweden and the Association to assure that the purposes of the Swedish Grant and the Association Credit will be accomplished. To that end, India, Sweden and the Association shall from time to time, at the request of any party, exchange views through their representatives with regard to the performance of their respective obligations under this Agreement as well as other matters relating to the purposes of the Swedish Grant and the Association Credit.

Section 4.02. India, Sweden 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 Swedish Grant and the Association Credit, the maintenance of the service thereof or the performance by any party of its obligations under this Agreement.

Section 4.03. India shall enable representatives of Sweden and the Association to examine all sites, works, properties, equipment, records and documents relevant to the Project.

Article V. MISCELLANEOUS

Section 5.01. Any notice or request required or permitted to be given or made under this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall have been 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 India:

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

Alternative address for cables:

Ecofairs
New Delhi

For Sweden:

(a) insofar as Sveriges Riksbank acts as agent for Sweden for purposes of this Agreement:

Sveriges Riksbank
Box 2119
S-10313 Stockholm 2
Sweden

Alternative address for cables:

Riksbanken
Stockholm

(b) for all other purposes:

Swedish International Development Authority
S-10525 Stockholm 1
Sweden

Alternative address for cables:

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:

Indevas
Washington, D.C.

Section 5.02. India shall furnish to the Association sufficient evidence of the authority of the person or persons who will sign the applications provided for under Article II of this Agreement or who will, on behalf of India, take any other action or execute any other action or execute any other documents required or permitted to be taken or executed by India under this Agreement, and the authenticated specimen signature of each such person.

Section 5.03. This Agreement may be executed in several counterparts, each of which shall be an original. All such counterparts shall collectively be but one instrument.

Section 5.04. (a) Except as shall be otherwise agreed by the parties hereto, this Agreement shall become effective on the date upon which the Swedish Grant Agreement and the Association Credit Agreement shall both be in effect, provided, however, that if said Agreements become effective in respect of the part of the Project to be carried out in only one State, this Agreement shall also become effective only in respect of that part of the Project.

(b) If the Association Credit Agreement terminates for failure to become effective in accordance with its terms, this Agreement shall forthwith terminate and the Association shall promptly notify the other parties of such termination; provided, however, that if the Association Credit Agreement terminates only in respect of the part of the Project to be carried out in one State, this Agreement shall only terminate in respect of that part of the Project.

Section 5.05. This Agreement and all obligations of the parties hereto hereunder shall terminate (i) on the date upon which both the Swedish Grant Agreement and the Association Credit Agreement shall have terminated or (ii) on a date 15 years after the date of this Agreement or (iii) on the date upon which the parties shall have fulfilled all obligations arising from this Agreement, whichever shall be the earlier.

Section 5.06. Upon termination of the Swedish Grant Agreement or the Association Credit Agreement only, Sweden or the Association, as the case may be, shall promptly notify the other parties hereto and, upon such notification, this Agreement shall continue to remain in force and effect only for the purpose of implementation of the Association Credit Agreement or the Swedish Grant Agreement and of orderly settlement of matters of mutual interest to the parties hereunder, subject to such modifications of this Agreement as shall be agreed among the parties thereto or as shall be reasonably requested by Sweden or the Association for such purposes.

Section 5.07. Unless otherwise notified to India and the Association, the Association shall represent Sweden in all matters relating to the implementation of, including amendments to, this Agreement.

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

Kingdom of Sweden:

By HUBERT DE BESCHE
Authorized Representative

International Development Association:

By J. BURKE KNAPP
Vice President

SCHEDULE 1

DESCRIPTION OF THE PROJECT

1. The objectives of the Project are to:
 - (a) complete the health infrastructure, training facilities and equipment to fully implement India's program of family planning services throughout the Project Area; and provide additional inputs in part of such Area to supplement and test alternatives to said program, in particular the establishment of a supplementary nutrition program; and
 - (b) create one Population Center each in Mysore and Uttar Pradesh to design a system to evaluate performance of the Project on a continuous basis and to recommend changes in India's family planning program.

2. The Project consists of:

2.1. MYSORE

Part A. The construction, equipping and furnishing of the following facilities:

- (i) one Population Center including a Project office, and about five residences in Bangalore;
- (ii) (a) six Urban Maternity Homes in Bangalore, each with about 30 beds and one Urban Family Welfare Center attached to each; and (b) eight Urban Family Welfare Planning Centers in Bangalore;
- (iii) five Auxiliary Nurse-Midwife Schools with hostel accommodation for 78 trainees each and five units of living quarters for about 10 students each, attached to Primary Health Centers;
- (iv) five buildings for Program Administration, one in each Project District;
- (v) five Sterilization Annexes with about 30 beds each, one in each Project District, and nine such annexes to sub-District-level hospitals with about 24 beds each;
- (vi) ten Primary Health Center Maternity-Sterilization Wings, with about 24 beds each, in the Kolar and Chitradurga Districts;
- (vii) six hundred and ninety-four sub-centers, consisting of clinics and living quarters for Auxiliary Nurse-Midwives; and
- (viii) extension of the Regional Family Planning Training Center to accommodate 48 students (present building provides for 30 students).

Part B. The procurement of the following vehicles:

- 57 jeeps for the Primary Health Centers;
- 6 jeeps for the Project office;
- 6 jeeps for the Population Center;
- 1 jeep for the Mobile Training Unit (RFPTC);
- 25 ambulances for Urban Maternity Homes, Primary Health Center maternity wings and Annexes to Taluk hospitals;
- 10 mini-buses for Auxiliary Nurse-Midwife schools;
- 2 mini-buses for the Population Center; and
- 4 mobile vans for service and motivation teams.

Part C. The provision of technical assistance for training abroad of staff of the Population Center and personnel working in program administration, and for advisory services to the Population Center.

Part D. The procurement of equipment and commodities, and the payment of salaries for a nutrition program for expectant mothers and their infants in the Chitradurga District.

Part E. The provision of staff salaries, maintenance and commodities that constitute the incremental operating costs of supplementing the family planning program of India for the:

- (i) operation of the Population Center;
- (ii) operation of Project Coordination office;
- (iii) operation of Project office;
- (iv) field personnel in intensive Districts;
- (v) operation of one mobile training team;
- (vi) Auxiliary Nurse-Midwife schools in the Project Area; and
- (vii) operation of sterilization ward in Urban maternity homes.

2.2. UTTAR PRADESH

Part F. The construction, equipping and furnishing of the following facilities:

- (i) one Population Center in Lucknow including Project office and about 5 staff residences;
- (ii) one Regional Family Planning Training Center in Lucknow with hostel accommodation for 48 students;
- (iii) (a) eight Urban Maternity Homes in Lucknow, each with about 30 beds and one Urban Family Welfare Center attached to each; and (b) 6 Urban Family Welfare Centers in Lucknow;
- (iv) eight Auxiliary Nurse-Midwife schools with hostel accommodation for 78 trainees each and eight units of living quarters for about 10 students each, attached to primary Health Centers;
- (v) five buildings for Program Administration, one in each Project District except Lucknow Rural and one in Lucknow City;
- (vi) five Sterilization Annexes with about 30 beds each, one in each Project District except Lucknow City;
- (vii) forty-one Primary Health Centers and forty-seven Family Planning Annexes;
- (viii) ten Primary Health Center Maternity-Sterilization Wings, with about 24 beds each, in the Rae Bareli and Saharanpur Districts; and
- (ix) six hundred and fifty-four Sub-centers, consisting of clinics and living quarters for Auxiliary Nurse-Midwives.

Part G. The procurement of the following vehicles:

- 1 jeep for the City Family Planning Bureau;
- 30 jeeps for the Primary Health Centers;
- 5 jeeps for the Project office;
- 6 jeeps for the Population Center;
- 1 jeep for the Mobile Training Team;
- 23 ambulances for Urban Maternity Homes and Primary Health Center maternity wings and for 5 Annexes of District Hospitals;
- 16 mini-buses for Auxiliary Nurse-Midwife schools;
- 2 mini-buses for the Population Center; and
- 4 mobile vans for service and motivation teams.

Part H. The provision of technical assistance for training abroad of staff of the Population Center and personnel working in program administration, and for advisory services to the Population Center.

Part I. The procurement of equipment and commodities and the payment of salaries for a nutrition program for expectant mothers and their infants in one block in the Rae Bareli District.

Part J. The provision of staff salaries, maintenance and commodities that constitute the incremental operating costs of supplementing the family planning program of India for the:

- (i) operation of the Population Center;
- (ii) operation of the Project Coordination office;
- (iii) operation of Project office;
- (iv) field personnel in intensive Districts;

- (v) operation of one mobile training team;
- (vi) Auxiliary Nurse-Midwife schools in the Project Area; and
- (vii) operation of Sterilization wards in urban maternity homes.

2.3 INDIA

Part K. The provision of assistance in the field of population planning to the institutions that will provide advisory services to the Population Centers.

SCHEDULE 2

ALLOCATION OF PROCEEDS OF THE SWEDISH GRANT AND THE ASSOCIATION CREDIT EQUIVALENT IN THE AGGREGATE TO APPROXIMATELY US \$31,800,000 ON THE BASIS OF A RATE OF EXCHANGE BETWEEN THE SWEDISH KRONOR AND THE US DOLLAR* OF 4.81:1

1. The table below sets forth the categories of goods and services to be financed out of the proceeds of the Swedish Grant and the Association Credit, the allocation of the amounts of the said grant and credit to each category and the percentage of eligible expenditures to be financed in each category:

Category	Allocation (expressed in US dollar equivalent)		% of Expenditures to be Financed
	Swedish Grant	Association Credit	
I. Civil works (excluding cost of sites and their de- velopment**)			100% of local expenditures
(a) Mysore	1,760,000	3,520,000	
(b) Uttar Pradesh	2,440,000	4,880,000	
II. Salaries of staff and main- tenance of facilities and vehicles			100% of local expenditures
(a) Mysore	935,000	1,870,000	
(b) Uttar Pradesh	615,000	1,230,000	
III. Vehicles			100% of total expenditures
(a) Mysore	150,000	300,000	
(b) Uttar Pradesh	130,000	260,000	
IV. Equipment and Furniture			100% of total expenditures
(a) Mysore	555,000	1,110,000	
(b) Uttar Pradesh	725,000	1,450,000	
V. Technical Assistance			100% of total expenditures
(a) India	270,000	540,000	
(b) Mysore	290,000	580,000	
(c) Uttar Pradesh	330,000	660,000	

Category	Allocation (expressed in US dollar equivalent)		% of Expenditures to be Financed
	Swedish Grant	Association Credit	
VI. Parts D and I of the Proj- ect (i.e., the nutrition component, including expenditures for food, salaries, vehicles and other costs)			100% of total expenditures
(a) Mysore	630,000	1,260,000	
(b) Uttar Pradesh	60,000	120,000	
VII. Unallocated			
(a) Mysore	720,000	1,440,000	
(b) Uttar Pradesh	990,000	1,980,000	
TOTAL	<u>10,600,000</u>	<u>21,200,000</u>	

* For purposes of this Schedule, the term "US Dollars" means dollars in the currency of the United States of America.

** For purposes of this Category, "site development" means such works as shall be necessary to extend public utilities, access, and so on to the site and excludes all works within the site.

2. For the purposes of this Schedule:

(a) The term "local expenditures" means expenditures in the currency of India, or for goods produced in, or services supplied from, the territories of India; and

(b) The term "total expenditures" means the aggregate of expenditures for goods produced in, or services supplied from, the territories, and in the currency, of any country other than India, and local expenditures.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of:

(a) expenditures prior to the date of this Agreement; and

(b) payments for taxes imposed under the laws of India or laws in effect in its territories on goods or services, or on the importation, manufacture, procurement or supply thereof. To the extent that the amount represented by the percentage set forth in the third column of the table in paragraph 1 above in respect of any Category would exceed the amount payable net of all such taxes, such percentage shall be reduced to ensure that no proceeds of either the Swedish Grant nor the Association Credit will be withdrawn on account of payments for such taxes.

4. The US dollar equivalent of the Swedish Grant is shown on the basis of a rate of exchange between the Swedish Kronor and the US dollar of 4.8:1. Should the market selling rate of the Swedish Kronor in terms of US dollars differ at any time from the above-stated rate, any increase of the US dollar equivalent of the Swedish Grant will be credited by the Association to the second column of Category VII of the table in paragraph 1 above and any decrease in such equivalent shall be charged against the second column of such Category.

5. Notwithstanding the allocation of an amount of the Swedish Grant and the Association Credit set forth in the second column of the table in paragraph 1 above:

(a) if the estimate of the expenditures under any Category shall decrease, the amount of said grant and credit then allocated to such Category and no longer required therefor will be reallocated by the Association by increasing correspondingly the unallocated amount of said grant and credit;

(b) if the estimate of the expenditures under any Category shall increase, the percentage set forth in the fourth column of the table in paragraph 1 above in respect of such expenditures shall be

- applied to the amount of such increase, and a corresponding amount will be allocated by the Association, at the request of India, to such Category from the unallocated amount of said grant and credit, subject, however, to the requirements for contingencies, as determined by the Association, in respect of any other expenditures;
- (c) notwithstanding the percentages set forth in the fourth column of the table on paragraph 1 above, if the estimate of local expenditures under Category I or II shall increase and no proceeds of the Swedish Grant of the Association Credit are available for reallocation to such Category, the Association may, by notice to India, adjust the percentage then applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and
- (d) if the Association shall have reasonably determined that the procurement of any item in any Category is inconsistent with the procedures set forth or referred to in Section 3.02 of this Agreement, no expenditures for such item shall be financed out of the proceeds of said grant and credit and Sweden and the Association may, without in any way restricting or limiting any of their other rights, powers or remedies under the Swedish Credit Agreement and the Association Credit Agreement, respectively, by notice to India, cancel such amount of their respective grant and credit as in their respective reasonable opinion represents the amount of such expenditures which would otherwise have been eligible for financing out of the proceeds of said grant and credit.

SCHEDULE 3

PROCUREMENT

1. Vehicles shall be procured through regular commercial channels, after obtaining several quotations from suppliers who offer assurances that they will provide adequate service, including availability of spare parts.

2. Furniture shall be procured through regular commercial channels in accordance with the ordinary procedures of the respective State.

3. Contracts for equipment estimated to cost the equivalent of \$100,000 or more shall be awarded on the basis of international competition under procedures consistent with the *Guidelines for Procurement under World Bank Loans and IDA Credits*, published by the Bank in April 1972; provided that for the purpose of evaluating bids, bid prices shall be determined and compared in accordance with the following rules:

- (a) The term "Local Bid" means a bid submitted by a manufacturer established in the territories of India for goods manufactured or processed to a substantial extent (as reasonably determined by the Association) in such territories; any other bid shall be deemed to be a "Foreign Bid";
- (b) The bid price under a Local Bid shall be the sum of the following amounts:
- (i) the ex-factory price of such goods; and
 - (ii) inland freight, insurance and other costs of delivery of such goods to the place of their use or installation;
- (c) For the purpose of comparing any Foreign Bid with any Local Bid, the bid price under a Foreign Bid shall be the sum of the following amounts:
- (i) the c.i.f. price of such goods;
 - (ii) the amount of any taxes on the importation of such goods into the territories of India which generally apply to non-exempt importers, or 15% of the amount specified in (i) above, whichever shall be the lower; and
 - (iii) handling charges, inland freight, insurance and other costs of delivery of such goods to the place of their use or installation.

4. Contracts for equipment estimated to cost less than the equivalent of \$100,000 shall be awarded under the ordinary procedures of the respective State.

5. Contracts for civil works shall be procured on the basis of local competitive bidding. To the extent it may be practicable to do so, such works shall be grouped and tenders shall be invited for every group and each work separately, at the bidders' option. If no approved contractor presents a bid for any such work, it shall be carried out by departmental construction (known also as force account).

6. Promptly after the execution of any contract for goods and services hereinabove referred to, India shall furnish to the Association, prior to the submission to the Association of the first application for withdrawal of funds from the Grant Account and the Credit Account in respect of any such contract, two conformed copies of such contract and such other information as the Association shall reasonably request. The Association shall, if it determines that the award of the contract is not consistent with the procedures hereinabove set forth or referred to, promptly inform India and state the reasons for such determination.
