

No. 12562

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

**Administration Letter—*Fourth Highway Project*. Dated at  
Washington on 15 January 1968**

*Authentic text: English.*

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

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**BANQUE INTERNATIONALE POUR  
LA RECONSTRUCTION ET LE DÉVELOPPEMENT,  
ASSOCIATION INTERNATIONALE  
DE DÉVELOPPEMENT et SUÈDE**

**Lettre d'administration — *Quatrième projet relatif au ré-  
seau routier*. En date à Washington du 15 janvier  
1968**

*Texte authentique : anglais.*

*Enregistrée par la Banque internationale pour la reconstruction et le déve-  
loppement et l'Association internationale de développement le 14 juin  
1973.*

ADMINISTRATION LETTER<sup>1</sup>

INTERNATIONAL DEVELOPMENT ASSOCIATION  
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

January 15, 1968

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

Ethiopia: *Fourth Highway Project*  
Administration Letter

Sir:

1. We refer to the Development Credit Agreement<sup>2</sup> (hereinafter called the Association Agreement) between the Empire of Ethiopia (hereinafter called the Borrower) and the International Development Association (hereinafter called the Association), the Loan Agreement<sup>3</sup> (hereinafter called the Bank Agreement) between the Borrower and the International Bank for Reconstruction and Development (hereinafter called the Bank), the Development Credit Agreement<sup>4</sup> (hereinafter called the Swedish Agreement) between the Kingdom of Sweden (hereinafter called Sweden) and the Borrower, and the Project Agreement<sup>5</sup> between the Bank and the Association on the one hand and the Imperial Highway Authority (hereinafter called the Authority) on the other hand, all of even date herewith. Pursuant to the said Agreements:

- (a) Sweden has agreed to make available to the Borrower a Credit equivalent at present parity rate as near as possible to U.S. \$5,800,000 (SKr 30,000,000);
- (b) The Association has agreed to make available to the Borrower a Credit of U.S. \$7,700,000 equivalent;
- (c) The Bank has agreed to make available to the Borrower a Loan of U.S. \$13,500,000 equivalent;

all to assist the Borrower in financing the Project described in the Bank and the Swedish Agreements. The purpose of this Administration Letter is to set forth the bases for the withdrawal of the funds made available by Sweden, the Association and the Bank and to provide for other matters of mutual concern to the Association, the Bank and Sweden.

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

3. *Application for Withdrawals*

A. Whenever the Borrower shall desire to withdraw any amount from the accounts established under the Association Agreement, the Bank Agreement and the Swedish Agreement, it shall deliver to the Bank a written application in such form, and containing such statements and agreements, as the Bank shall reasonably request.

<sup>1</sup> Came into force on 15 January 1968, the date of signature by the Bank and the Association and confirmation on behalf of the Government of Sweden.

<sup>2</sup> See p. 39 of this volume.

<sup>3</sup> See p. 15 of this volume.

<sup>4</sup> See p. 49 of this volume.

<sup>5</sup> See p. 279 of this volume.

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

#### 4. *Withdrawals*

A. If the Bank determines that the Borrower's application is satisfactory (and such determination shall be deemed to constitute acceptance of the application by the Association also) there shall be disbursed from the Credit Account and the Loan Account the amounts to which the Borrower is entitled pursuant to the Association Agreement and the Bank Agreement.

B. When the Bank has approved disbursement in accordance with the foregoing, it shall notify the Sveriges Riksbank, acting as agent for Sweden, that it has received from the Borrower a satisfactory application to withdraw, and has approved disbursement of specified amounts from the Credit Account and 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 the Association, the Bank 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. In accordance with the foregoing and with the Association Agreement, the Bank Agreement and the Swedish Agreement the amount to be disbursed by the Association, the Bank and Sweden in respect of each of the applications for withdrawal submitted by the Borrower 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 Association Agreement, the Bank Agreement and the Swedish Agreement in the respective proportions of Association 28.5%; Bank 50%; Sweden 21.5% (or in such other respective proportions as may from time to time be agreed upon by the Association, the Bank and Sweden).

5. *Sufficiency of Applications and Documents.* Each application and the accompanying documents must be sufficient in form and substance to satisfy the Bank that the Borrower is entitled to withdraw from the Credit Account established by the Association Agreement and the Loan Account established by the Bank Agreement the amount applied for and that the amount to be so withdrawn from the said accounts is to be used only for the purpose specified in the Association Agreement and the Bank 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, including supervision of the Project, and on other matters of common interest to us in the administration of the Association Agreement, the Bank 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 Association Agreement, the Bank Agreement and the Swedish Agreement, including the right of the Association, the Bank and Sweden to permit continued disbursements under its respective Agreements with the Borrower in case of suspension or cancellation under the other Agreements.

B. The Association and the Bank will inform Sweden and correspondingly Sweden will inform the Association and 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 the Association, the Bank and Sweden shall consult each other concerning the action which each proposes to take in respect thereof.

C. The Bank will promptly inform Sweden if the cumulative withdrawals from the accounts established under the respective Agreements are likely to exceed four million dollars equivalent before June 30, 1968, fourteen million dollars equivalent before June 30, 1969, and twenty-three million dollars equivalent before June 30, 1970, and Sweden will promptly inform the Bank whenever it appears possible that appropriated funds will not be sufficient to cover the percentage assigned to Sweden under paragraph 4 D above. Should any of the events specified above occur the Association, the Bank and Sweden will consult with each other as to what action should be taken in respect thereto.

D. The Association, the Bank and Sweden shall promptly inform each other whenever one of them proposes:

- (i) to modify materially its 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 the Association, the Bank and Sweden shall afford each other all reasonable opportunity, in advance of taking the proposed action, to exchange views with respect thereto.

E. The Association, the Bank and Sweden shall exchange information on the progress of the Project on the basis of the findings of any inspection by their representatives.

F. Unless otherwise notified by Sweden the Bank shall represent Sweden with respect to supplementary agreements or arrangements with the Borrower regarding changes in the supplemental letter on Allocation of Loan/Credits Proceeds and Disbursement Percentages (*Fourth Highway Project*) of even date herewith. Before agreeing to any such change which is not of a purely formal nature the Bank shall consult with Sweden and, in the case of a change in the allocation of proceeds of the respective Agreements, other than that specified in paragraph 5 of the said supplemental letter on Allocation of Loan/Credits Proceeds and Disbursement Percentages (*Fourth Highway Project*), obtain the concurrence of Sweden.

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

7. *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.

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

Alternative address for cables and radiograms

Indevas  
Washington, D.C.

For the Bank:

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

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 three counterparts of this Letter retaining one for your records and returning the other two to us.

Very truly yours,

International Development Association:

International Bank for Reconstruction  
and Development:

By: GEORGE D. WOODS  
President

*Confirmed:*

Kingdom of Sweden:

By: HUBERT DE BESCHE  
Authorized Representative

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