

No. 12566

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
SWEDEN**

**Administration Letter—*Second Agricultural Development
Bank Project*. Dated at Washington on 13 June 1968**

Authentic text: English.

Registered by the International Development Association on 14 June 1973.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
SUÈDE**

**Lettre d'administration — *Deuxième projet relatif à la
Banque de développement agricole*. En date à Wash-
ington du 13 juin 1968**

Texte authentique : anglais.

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

ADMINISTRATION LETTER¹

INTERNATIONAL DEVELOPMENT ASSOCIATION

June 13, 1968

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

Pakistan: *Second Agricultural Development Bank Project*
Administration Letter

Sir:

1. We refer to the Development Credit Agreement² (hereinafter called the Association Agreement) between the Islamic Republic of Pakistan (hereinafter called the Borrower) and the International Development Association (hereinafter called the Association), the Development Credit Agreement³ (hereinafter called the Swedish Agreement) between the Kingdom of Sweden (hereinafter called Sweden) and the Borrower, and the Project Agreement⁴ between the Association on the one hand and the Agricultural Development Bank of Pakistan (hereinafter called the Agricultural Bank) 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. \$5,000,000 (SKr 26,000,000);
- (b) The Association has agreed to make available to the Borrower a Credit of U.S. \$10,000,000 equivalent;

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

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

3. *Application for Withdrawals*

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

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

4. *Withdrawals*

A. If the Association has approved disbursement from the Credit Account (established by the Association Agreement) of the amounts to which the Borrower is entitled pursuant to the Association Agreement, it shall notify the Sveriges Riksbank, acting as

¹ Came into force on 13 June 1968, the date of signature by the Association and confirmation on behalf of the Government of Sweden.

² See p. 77 of this volume.

³ See p. 91 of this volume.

⁴ See foot-note 3, p. 78 of this volume.

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. 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 Sweden and the Association shall from time to time determine.

B. 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.

C. In accordance with the foregoing and with the Association Agreement and the Swedish Agreement the amount to be disbursed by Sweden and the Association in respect of each of the applications for withdrawal submitted by the Borrower shall be reasonably determined by the Association by apportioning as nearly as is practicable in the circumstances the amount requested in such application to the accounts established under the Association Agreement and the Swedish Agreement in the respective proportions of Association $66\frac{2}{3}\%$; Sweden $33\frac{1}{3}\%$ (or in such other respective proportions as may from time to time be agreed upon by Sweden and the Association).

5. *Special Commitments.* The Association and Sweden shall consult with each other regarding the methods and procedures to be used for the special commitments provided respectively under Section 4.02 of the Association's Regulations and Article IV :2 of the Swedish Agreement.

6. *Sufficiency of Applications and Documents.* Each application and the accompanying documents must be sufficient in form and substance to satisfy the Association that the Borrower is entitled to withdraw from the Credit Account the amount applied for and that the amount to be so withdrawn from the said Account is to be used only for the purpose specified in the Association Agreement.

7. *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 the matters of common interest to us in the administration of the Association 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 and the Swedish Agreement, including the right of the Association and Sweden to permit continued disbursements under its respective Agreements with the Borrower in case of suspension or cancellation under the other Agreement.

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

C. Sweden and the Association shall promptly inform each other whenever one of them proposes:

- (i) to materially modify, or allow modification of, its agreement or other agreements relating to the credits or the Project (including Swedish Agreement, Association Agreement, Project Agreement, and Supplementary Letters¹);
- (ii) to suspend or terminate, in whole or in part, withdrawals under such agreements; or
- (iii) to declare the indebtedness of the Borrower under such agreements to be due and payable in advance of the agreed maturity thereof.

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

D. Sweden and the Association shall exchange information on the progress of the Project on the basis of the findings of any inspection by their representatives.

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

8. *Authority of the Association to Act on Behalf of Sweden.* Unless otherwise notified by Sweden, the Association shall represent Sweden with respect to supplementary agreements, approvals or arrangements with the Borrower regarding (a) matters arising under Article IV :1 of the Swedish Agreement, (b) the closing date under Article IV :3 of the Swedish Agreement, and (c) the Supplementary Letter on Allocation of the Proceeds of the Credits and Withdrawal Procedures. Before any such agreement, approval or arrangement, which is not of a purely formal nature, the Association shall obtain the concurrence of Sweden.

9. *Exercise of Functions by the 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.

10. *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

¹ See p. 91 of this volume.

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.

Please indicate your agreement with the foregoing by signing the form of confirmation on the two counterparts of this Letter, retaining one for your records, and returning the other to us.

Very truly yours,

International Development Association:

By J. BURKE KNAPP
Vice President

Confirmed:

Kingdom of Sweden:

By HUBERT DE BESCHE
Authorized Representative