

No. 13125

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
NORWAY**

**Letter Agreement concerning Norway's participation in the
Loan made by the Bank to the Republic of Zambia under
the Loan Agreement (*Third Education Project*) of 6 June
1973. Dated at Washington on 20 December 1973**

Authentic text: English.

*Registered by the International Bank for Reconstruction and Development on 28
February 1974.*

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
NORVÈGE**

**Accord par lettre concernant la participation de la Norvège au
prêt accordé par la Banque à la République de Zambie en
vertu du Contrat d'emprunt (*Troisième projet relatif à
l'enseignement*) du 6 juin 1973. En date à Washington le
20 décembre 1973**

Texte authentique : anglais.

*Enregistré par la Banque internationale pour la reconstruction et le développement le 28
février 1974.*

LETTER AGREEMENT¹ BETWEEN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND NORWAY CONCERNING NORWAY'S PARTICIPATION IN THE LOAN MADE BY THE BANK TO THE REPUBLIC OF ZAMBIA UNDER THE LOAN AGREEMENT (*THIRD EDUCATION PROJECT*) OF 6 JUNE 1973²

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C.

Norwegian Aid Participation Agreement

Loan No. 900 ZA

December 20, 1973

Excellency:

This letter confirms our agreement on Norway's participation in the above Loan (the Loan) made to the Republic of Zambia (the Borrower) for an education project under Loan Agreement dated June 6, 1973² between the Republic of Zambia and the Bank.

Copies of such document and of the General Conditions Applicable to Loan and Guarantee Agreements, dated January 31, 1969, mentioned therein (hereinafter collectively called the Loan Documents) have been supplied to you.

1. Subject to appropriation by the Norwegian Parliament, Norway's participation will be an aggregate amount equivalent to eleven million United States dollars (U.S. \$11,000,000) to be remitted by you, as provided in paragraph 2 below, in each of the calendar years set forth below in the following amounts or such other amounts as shall be agreed from time to time between Norway and the Bank:

<i>Amount in United States dollar equivalent</i>	<i>Calendar Year</i>
\$1,000,000	1973
\$ 500,000	1974
\$2,000,000	1975
\$3,500,000	1976
\$3,000,000	1977
\$1,000,000	1978

2. The amount of your participation specified in paragraph 1 for each calendar year will be deposited by you in Norwegian Kroner, at the beginning of such calendar year (or promptly after confirmation of this letter by you, for the amount specified for the year 1973), in a special non-interest bearing account opened with the Bank of Norway in the name of the bank.

¹ Came into force on 20 December 1973, upon signature by the Bank and confirmation on the same date on behalf of the Government of Norway.

² United Nations, *Treaty Series*, vol. 887, No. I-12718.

3. The Bank shall withdraw from such special account with the Bank of Norway such amounts as shall from time to time be needed to meet, or to reimburse the Bank for, withdrawals by the Borrower from the Loan Account under the Loan Documents; provided, however, that if, at the end of any calendar year, the aggregate amount of the Loan withdrawn by the Borrower from the Loan Account — expressed in US dollars equivalent as for purposes of withdrawal — shall have been less than three times the portion of such amount financed out of your participation, no further withdrawals from the said special account shall be made by the Bank until the aggregate amount of the Loan withdrawn by the Borrower shall equal or exceed three times such portion.

4. Any amount withdrawn by the Bank from the aforesaid special account with the Bank of Norway in accordance with the foregoing shall be deemed to have been applied, *pro rata*, as of the date of such withdrawal, towards discharging the liability of the Borrower to the Bank for repayment of one-third of each outstanding maturity of the Loan; consequently interest on amounts of the Loan financed out of any such withdrawal shall cease to accrue from such date.

5. The Bank will waive, from the date of confirmation of this letter by you, its commitment charge on the portion of the principal amount of the Loan corresponding to the principal amount of your participation. Such a waiver shall not include any commitment charge on any irrevocable commitment to make payments out of the Loan Account, entered into by the Bank at the request of the Borrower.

6. The administration and enforcement of the Loan, including withdrawals from the Loan Account and all other matters provided for and contemplated by any of the Loan Documents will be handled solely by the Bank and the Bank specifically reserves the right, in its discretion and without notice to you, to exercise, refrain from exercising or waive any rights under the Loan Documents, or to modify any provisions thereof; provided, however, that before suspending the right of the Borrower to make withdrawals under the Loan Agreement or cancelling any amount of the Loan or declaring any portion of the Loan due and payable before its agreed maturity, the Bank will inform you and afford you a reasonable opportunity for consultation with the Bank. The Bank will exercise the same care in the administration and enforcement of the Loan as it exercises with respect to loans and part of loans which are for its own account, and the Bank shall have no further responsibility to you in respect thereof. The Bank will furnish to you all such other information concerning the Loan and the progress of the project financed therewith as you shall from time to time reasonably request including an annual statement of withdrawals from the special account referred to in paragraph 2 above, certified by the Bank Group's external auditors, in such detail as you shall reasonably request.

7. The Bank will promptly inform you of any cancellation of any amount of the Loan. Unless otherwise agreed with you, any such cancellation of an amount of the Loan shall be applied *pro rata* to the undisbursed amount of your participation and to the undisbursed amount of the remaining portion of the Loan. Any balance remaining in the special account referred to in paragraph 2 above after disbursement or cancellation of the total amount of your participation shall be returned to you.

8. Any notice hereunder may be sent to your address or the Bank's address set forth above, as the case may be. Any such notice shall be effective upon receipt.

Please confirm your agreement with the foregoing by signing and returning the enclosed copy of this letter.

Yours very truly,

International Bank for Reconstruction
and Development:

[Signed]

By: J. BURKE KNAPP
Senior Vice President

His Excellency Søren Chr. Sommerfelt
The Ambassador of Norway
Embassy of Norway
Washington, D.C.

Confirmed:

For the Government
of the Kingdom of Norway

By [Signed — Signé]¹

Date: December 20, 1973

¹Signed by Søren Chr. Sommerfelt — Signé par Søren Chr. Sommerfelt.