

CONFORMED COPY

AGREEMENT RELATED TO CREDIT NUMBER 2351 ETH

Agreement

between

THE KINGDOM OF SWEDEN

(Emergency Recovery and Reconstruction Project - Ethiopia)

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

for

the Administration of Certain Funds  
to be made available by

THE KINGDOM OF SWEDEN

Dated November 23, 1992

AGREEMENT RELATED TO CREDIT NUMBER 2351 ETH

AGREEMENT

AGREEMENT dated as of November 23, 1992, between the KINGDOM OF SWEDEN (hereinafter referred to as Sweden) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter referred to as the Association) for the administration by the Association of certain funds to be made available by SIDA to Ethiopia (hereinafter referred to as Ethiopia).

WHEREAS: (A) Sweden wishes to make available to Ethiopia a grant (hereinafter referred to as the Grant) in an aggregate amount equivalent to thirty-one million eight hundred thousand Swedish Kronor (SEK 31,800,000) to assist Ethiopia in the financing of goods and services in conjunction with the Emergency Rehabilitation and Reconstruction Project (the Project) referred to in the Development Credit Agreement (Credit Number 2351-ETH) dated April 24, 1992, between Ethiopia and the Association (the Development Credit Agreement);

(B) Sweden wishes that the proceeds of the Grant should be incremental to the Development Credit and extended for the same purposes by the Association pursuant to the Development Credit Agreement; and

(C) the Association has agreed to administer the Grant upon the terms and conditions hereinafter set forth and in a grant agreement (the Grant Agreement) to be subsequently entered into by the Association and Ethiopia;

NOW THEREFORE the parties hereto hereby agree as follows:

#### ARTICLE I

##### Administration of the Funds

Section 1.01. For the purpose of this Agreement Sweden shall deposit an amount of Swedish Kronor thirty-one million eight hundred thousand (SEK 31,800,000) into Account "T" maintained by the Association with the Sveriges Riskbank (hereinafter referred to as the Trust Account). The Grant funds in the Trust Account will be kept separate and apart from the funds of the Association and the International Bank for Reconstruction and Development. The Grant funds may be commingled with other trust fund assets maintained in the Trust Account.

Section 1.02. Sweden hereby appoints the Association as administrator of the Grant and authorizes the Association to: (a) disburse the proceeds of the Grant to Ethiopia to finance goods and services for the Project in accordance with the provisions hereof and the Grant Agreement; and (b) do any and all such acts and things as may be necessary or appropriate to fully accomplish the foregoing. Disbursements of funds from the Trust Account attributable to the Grant shall be effected on the basis of withdrawal applications for expenditures submitted by Ethiopia to the Association in accordance with the Association's applicable procedures for withdrawal of proceeds of credits made by the Association.

Section 1.03. The Association shall exercise the same care in the discharge of its functions hereunder as it exercises with respect to the administration and management of its own affairs and shall have no further responsibility to Sweden in respect thereof.

Section 1.04. In order to assist in the defrayment of the costs of the administration and other expenses incurred by the Association under this Agreement, the Association may invest the Grant funds held in the Trust Account and retain for its own account the income from any such investment.

Section 1.05. The administration and enforcement of any provisions of any agreement entered into between the Association and Ethiopia will be the responsibility solely of the Association and will be carried out in accordance with the Association's normal procedures.

Section 1.06. The Closing Date shall be March 31, 1995, or such later date as the Association shall establish. The Association shall promptly notify Sweden of such later date.

#### ARTICLE II

##### Records and Accounts

Section 2.01. The Association shall maintain separate records and ledger accounts of the proceeds of the Grant withdrawn from the Trust Account, and of interest and any other income that may be attributable to the Grant under Section 1.04 above, and furnish Sweden quarterly statements thereon. The Association shall cause the records for the preceding twelve months with respect to the Grant to be audited by the external auditors of the Association and provide Sweden with a copy of the report of such audit. The cost of such external audit shall be deducted from the income of any investment or reinvestment of the Grant funds.

#### ARTICLE III

#### Consultation

Section 3.01. The Association will keep Sweden informed of the progress of activities funded under this Agreement by providing copies of any monitoring reports and studies. Opportunity to participate in discussions or workshops arising from the above activities will be provided in a timely manner to representatives of Sweden, subject to the consent of Ethiopia.

#### ARTICLE IV

##### Effectiveness, Termination

Section 4.01. This Agreement shall become effective upon signature by the parties and, subject to the provisions of this Article, shall continue in effect until March 31, 1995, or until all funds made available under this Agreement have been disbursed from the T-Account to Ethiopia and all other formalities incidental thereto have been completed.

Section 4.02. The arrangement covered by this Agreement may be terminated by either party upon three (3) months prior notice thereof in writing. Upon such termination, unless the parties hereto agree on another course of action: (a) any agreement entered into between the Association, consultants, and/or third parties shall not be affected by the termination and the Association shall be entitled to continue withdrawals from the T-Account in respect of such agreements as if this arrangement had not been so terminated; and (b) any balance in the T-Account shall be returned to Sweden and the Association's functions pursuant hereto shall be considered terminated. Promptly after termination, the Association shall furnish to Sweden a final report and a financial statement of the T-Account.

#### ARTICLE V

##### Miscellaneous

Section 5.01. Any notice or request required or permitted to be given or made hereunder 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 mail, telephone, telex or rapifax to the party to which it is required or permitted to be given or made at such party's address, hereinafter specified or at such other address as such party shall have designated by notice to the party giving notice or making such request. The addresses so specified are:

For Sweden:

Swedish International Development Authority  
S-105-25 Stockholm  
Sweden

For IDA:

Agriculture and Environment Division  
Country Department 2  
Africa Region  
International Development Association  
1818 H Street N.W.  
Washington, D.C. 20433

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names as of the day and year first above written.

KINGDOM OF SWEDEN

By /s/ Carin Norberg  
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Olivier Lafourcade  
Acting Regional Vice President  
Africa

