

CANADIAN CONTRIBUTION RELATED TO LOAN NUMBER 3176 AL

Contribution Agreement

between

GOVERNMENT OF CANADA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

(Relating to the Administration of a Canadian
Contribution for the financing of the
Technical Assistance Project in the
Democratic and Popular Republic of Algeria)

Dated December 10, 1990

CANADIAN CONTRIBUTION RELATED TO LOAN NUMBER 3176 AL

CONTRIBUTION AGREEMENT

This Contribution Agreement made in duplicate on this day of December 10, 1990.

BETWEEN: The Government of Canada, herein represented by the Secretary of State for External Affairs, acting through the Canadian International Development Agency (hereinafter referred to as "CIDA");

AND: The International Bank for Reconstruction and Development (hereinafter referred to as the "Bank").

WHEREAS by an agreement dated September 26, 1990 (hereinafter referred to as the "Loan Agreement"), between the Democratic and Popular Republic of Algeria (hereinafter referred to as the "Beneficiary") and the Bank, the Bank has agreed to make a loan to the Beneficiary in an amount equivalent to US\$26,000,000 to assist in the financing of a Technical Assistance Project designed to strengthen the capabilities of the Beneficiary's Ministry of Economy, Central Bank and of selected financial institutions, to strengthen the auditing capabilities of the Beneficiary and to improve its international finance management capabilities;

WHEREAS CIDA has informed the Bank that it desires to participate in the

financing of part of said project by providing funds to be administered by the Bank, to finance the carrying out of a training program relating to external debt management activities described in Appendix "A" hereto (hereinafter referred to as the "Project");

AND WHEREAS the purpose of this Contribution Agreement (hereinafter called the "Agreement") between the Bank and CIDA is to set out the terms and conditions concerning the administration of such contribution and the implementation of the Project;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Section 1.01. The Project shall consist of the component of the Technical Assistance Project described in Annex A to this Agreement (said component being hereinafter also referred to as the "Project").

Section 1.02. The Project shall not be modified without the written consent of CIDA.

Section 1.03. CIDA hereby appoints the Bank as Administrator of a contribution of funds in an amount of two hundred fifty-five thousand Canadian dollars (Can\$255,000) (hereinafter referred to as the "Contribution") in the following manner:

(a) Upon the entry into force of this Agreement, CIDA shall deposit an initial advance amount of two hundred forty-two thousand two hundred and fifty Canadian dollars (Can\$242,250) into the The Account of the International Development Association maintained with the Bank of Canada (hereinafter referred to as the "Account").

(b) A second advance of up to twelve thousand seven hundred and fifty Canadian dollars (Can\$12,750) will be made by CIDA not later than April 30, 1991 conditional upon receipt of a cash forecast statement estimating funds required for the following three months period and receipt of the statement of account for the preceding advance in accordance with Section 3.01 (a) of this Agreement.

(c) The Bank shall indicate clearly on its request for funds to CIDA the following information:

Commitment No. 110412

Supplier Code S15041

(d) The funds will be kept separate and apart from the funds of the Bank. The funds may be commingled with other trust fund assets maintained in the Account.

(e) The Bank may invest the funds pending their disbursement. The income therefrom shall be added to the Account and thereafter be available for the same purpose as said funds. The Bank will disburse or arrange for the disbursement of such funds to pay for the reasonable costs of services and other expenses eligible for financing and, for this purpose, the Bank may exchange the funds in the Account for other currencies.

Section 1.04. It is understood between CIDA and the Bank that a portion of the Contribution in an amount equivalent to two percent (2%) of the amount of the Contribution will be utilized to defray the administrative and other expenses of the Bank in administering the Project as well as a lump sum of one thousand five hundred Canadian dollars (Can\$1,500) to cover the cost of an external audit of the Account, all as specified in the budget set forth in Annex 3 to this Agreement. CIDA hereby authorizes the Bank to transfer to itself, the 2% fee upon effectiveness of the Contribution and the appropriate amount for audit when it is due.

Section 1.05. If unforeseen increases in expenditures or commitments are expected or realized (whether due to inflationary factors, fluctuation in exchange rates or unforeseen contingencies) the Bank shall notify CIDA, in writing, of this fact, and of the estimated amount of the increases in expenditures or commitments, as soon as possible. CIDA will consider whether it will agree to increase the amount of the Contribution to cover said increases in expenditures or commitments.

Section 1.06. Whenever the events described in Section 1.05 of this Agreement occur, and an additional contribution is not forthcoming, CIDA and the Bank may agree to reduce the scope of the Project or suspend or terminate this Agreement.

ARTICLE II

Section 2.01. The Contribution shall be administered by the Bank solely for the purpose of paying the fees of consultants, cost of services and other related expenses required for the Project, as more fully described in Annex B and the expenses described in Sections 1.04, 3.01 and 4.05 of this Agreement.

Section 2.02. The Bank shall disburse from the Account such amounts as from time to time shall be needed to meet the reasonable costs of services and other expenses financed or to be financed for the purposes of the Project, and as more fully described in Annex B. Such disbursements shall be effected in accordance with the Bank's normal procedures.

Section 2.03. The Bank, as Administrator on behalf of CIDA, shall have the sole responsibility for the administration of the Contribution and for the supervision of the Project, and shall keep CIDA informed of the progress of the Project.

Section 2.04. The Bank shall exercise the same care in the discharge of its functions under this Agreement as it exercises with respect to the administration and management of its own affairs, and shall have no further responsibility to CIDA in respect thereof.

Section 2.05. The Bank shall enter into such arrangements with the Beneficiary as is necessary to ensure the successful implementation of the Project.

Section 2.06. The Bank and CIDA shall consult from time to time at the request of each other on all matters arising out of this Agreement.

ARTICLE III

Section 3.01. The Bank shall:

(a) maintain separate records and accounts in respect of the funds in the Account and those disbursed by the Bank pursuant to the provisions of this Agreement, and the Bank shall furnish at least quarterly to CIDA a statement of account on such records and accounts;

(b) cause such accounts and records to be audited and certified by the Bank's external auditors on project completion and furnish the report of such audit by said auditors to CIDA. The cost of such external audit will be paid out from the Contribution; and

(c) provide to CIDA, at the end of the Project, an evaluation of the Project.

ARTICLE IV

Section 4.01. This Agreement shall become effective as of the date first above written and, subject to the provisions of this Article, shall continue in effect until all disbursements have been made from the Account.

Section 4.02. If at any time it appears to either party that the purpose of this Agreement can no longer effectively or appropriately be carried out, this Agreement may be terminated at the initiative of such party ninety (90) days after giving notice in writing to that effect.

Section 4.03. If at any time it appears that funds of the Contribution were not used for the purposes of the Project in accordance with this Agreement, CIDA may suspend further payments and cancel an equivalent amount from the Contribution.

Section 4.04. Notwithstanding the termination, completion or suspension of this Agreement, the Bank shall continue to hold, and draw from unutilized funds of the Contribution until the earlier of: the satisfaction of all commitments incurred for the Project prior to the date of termination, completion or suspension of this Agreement; or the filing of the report required under Section 4.05 of this Agreement.

Section 4.05. Promptly after termination or expiry of this Agreement, the Bank shall furnish to CIDA a final financial report and a financial statement on the Account, together with an opinion of the Bank's external auditors on such statement.

The cost of obtaining such opinion from the external auditors shall be paid out from the Contribution.

Section 4.06. All unutilized funds of the Contribution shall be returned by the Bank, through CIDA, to the Receiver General of Canada.

ARTICLE V

Section 5.01. This Agreement may be amended only by written agreement of the parties hereto.

Section 5.02. Any notice or request required or permitted to be given or made under this Agreement and any agreement between the parties contemplated by this Agreement 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, telegraph cable or telex 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 addresses as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For CIDA H.Q.:

Canadian International Development Agency
200 Promenade d Portage
Hull, Quebec
K1A 0G4
Canada

Telex:

053-4140

Fax:

(891) 953-9453

For the Bank:

International Bank for Reconstruction
and Development
Attn: Task Manager (EM2IE)
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:

INTBAFRAD
Washington, D.C.

Telex:

197688 (TRT)
248423 (RCA)
64145 (WUI) or
82987 (FTCC)

ARTICLE VI

Section 6.01. This Agreement, together with Annexes A and B which form an integral part hereof, constitute the entire Agreement between CIDA and the Bank with respect to the Project.

ARTICLE VII

Section 7.01. No member of the Canadian House of Commons shall be admitted to any share or part of this Agreement or to any benefit to arise therefrom.

Section 7.02. Any payment to be made by CIDA under this Agreement is subject to there being an appropriation by the Canadian Parliament for the fiscal year in which the payment is to be made.

IN WITNESS WHEREOF, the undersigned being duly authorized thereto, have signed the present Agreement in duplicate.

FOR THE GOVERNMENT OF CANADA

Bruno Hebert
Canadian International Development Agency

Name: Bruno Hebert
Title: Director General
Title:

Date: December 10, 1990

FOR THE INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Kemal Dervis

Name: Kemal Dervis
Title: Director, Maghreb Department

Date: December 10, 1990

ANNEX A

Description of the Project

The Project will last a maximum of one (1) year, and will make resources of the Centre for International Business Studies available to the Central Bank of Algeria so that a brief project can be conducted offering adapted training. The main activities planned are participant selection, training and follow-up.

The Project's objective is to train individuals so that they will be able to take charge of the Beneficiary's interventions on international capital markets.

(I) Selection of Participants

The Project will train about twenty (20) participants from the Central Bank of Algeria, other banks, the ministry and a number of Algerian companies. The Beneficiary's authorities will pre-select the participants, and then two (2) members of the training team will travel to Algiers to make the final selection.

(II) Training

The training will last five (5) to six (6) weeks, and will take place in Montreal, Canada. The three (3) objectives of the training are

(a) to help participants acquire an understanding of various inter-national financial instruments;

(b) to expand the participants' knowledge of the principles of financial management of companies and institutions; and

(c) to develop the participants' ability to manage the risks inherent to interventions in international capital markets.

(III) Follow-up

This phase is intended to round out the training received in Canada, and will take place in Algeria.

Trainers will travel to Algeria for a final seminar, which will be designed to:

(a) answer questions raised by the Participants; and

(b) report on changes in the markets over the previous two (2) months.

* * *

The Project is expected to be completed by October 31, 1991.

ANNEX B

Proceeds of the Contribution shall be allocated as set forth hereinbelow:

Category	Amount of the Contribution Allocated (Expressed in CDN\$ Equivalent)	% of Expenditures to be Financed
(1) Consultants services, including supervision, transportation and accommoda- tions of trainees	248,400	100% of the amount due pursuant to Section 2.01 of this Agreement
(2) Administration fee	5,100	100% of the amount due pursuant to Section 1.04 of this Agreement
(3) Auditing	1,500	100% of the amount due pursuant to Section 1.04 of this Agreement
TOTAL	255,000	

