

CONFORMED COPY

SIDA GRANT RELATED TO CREDIT NUMBER 2310-KE

Agreement

between

THE SWEDISH INTERNATIONAL DEVELOPMENT AUTHORITY

(Health Rehabilitation Project)

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

for

the Administration of Certain Funds
to be made available by

THE SWEDISH INTERNATIONAL DEVELOPMENT AUTHORITY

Dated June 30, 1992

AGREEMENT

AGREEMENT dated as of June 30, 1992, between the SWEDISH INTERNATIONAL DEVELOPMENT AUTHORITY (hereinafter referred to as SIDA) 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 the Republic of Kenya (hereinafter referred to as Kenya).

WHEREAS (A) SIDA wishes to make available to Kenya a grant (hereinafter referred to as the Grant) in an aggregate amount equivalent to two million four hundred and fifty-six thousand Swedish Kronor (SEK 2,456,000) to assist Kenya in the financing of the Health Rehabilitation Project; and

(B) 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 Kenya;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Administration of the Funds

Section 1.01. For the purpose of this Agreement SIDA shall deposit an amount of Swedish Kronor two million four hundred and fifty-six (SEK 2,456,000) into a "T" Account maintained by the Association with the Sveriges Riksbank (hereinafter referred to as the Trust Account). The Grant funds in the Trust Account shall be kept separate and apart from the funds of the Association and the International Bank for Reconstruction and Development. The Grant funds may be comingled with other trust fund assets maintained in the Trust Account.

Section 1.02. SIDA hereby appoints the Association as administrator of the Grant and authorizes the Association to:

(a) disburse the proceeds of the Grant to Kenya to finance consultants' services for the development of health personnel planning and of a long-term strategy for education and training of health personnel under the Health Rehabilitation 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 Kenya 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 SIDA 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 such investment.

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

ARTICLE II

Records, Accounts

Section 2.01. The Association shall maintain separate records and ledger accounts of the Grant withdrawn from the Trust Account, and furnish SIDA quarterly statements thereon.

ARTICLE III

Consultation

Section 3.01. The Association will keep SIDA 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 SIDA, subject to the consent of Kenya.

ARTICLE IV

Effectiveness, Termination

Section 4.01. This Agreement shall become effective upon signature by the parties.

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 SIDA and the Association's functions pursuant hereto shall be considered terminated. Promptly after termination, the Association shall furnish to SIDA 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 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 mail, telephone, cable, telex or rapidfax 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 SIDA:

Swedish International Development Authority
S-105-25 Stockholm
Sweden

For IDA:

Population and Human Resources Division
Country Department 2
Africa Region
International Development Association
1818 H Street N.W.
Washington, D.C. 20433
United States of America

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.

SWEDISH INTERNATIONAL DEVELOPMENT AUTHORITY

By /s/ C. B. Lostelius
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Stephen O'Brien
Authorized Representative

