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CREDIT NO. 50 PAK

# Project Agreement

(West Pakistan Education Project)

BETWEEN

PROVINCE OF WEST PAKISTAN

AND

INTERNATIONAL DEVELOPMENT ASSOCIATION

DATED MARCH 25, 1964

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## Project Agreement

**AGREEMENT**, dated March 25, 1964, between the PROVINCE OF WEST PAKISTAN, acting by its Governor (hereinafter called the Province), and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS by a Development Credit Agreement of even date herewith (hereinafter called the Development Credit Agreement) between the Islamic Republic of Pakistan (hereinafter called the Borrower) and the Association, the Association has agreed to assist in the financing of a project in the Province of West Pakistan to improve and to expand facilities at West Pakistan Agricultural University at Lyallpur (hereinafter called Lyallpur University); to equip six technical institutes; and to further technical teacher training at Karachi and Rawalpindi Technical Teacher Training Colleges; and to make available to the Borrower a development credit in various currencies equivalent to eight million five hundred thousand dollars (\$8,500,000), on the terms and conditions set forth in the Development Credit Agreement but only on condition that the Province agree to undertake certain obligations to the Association as hereinafter in this Project Agreement set forth; and

WHEREAS the Province in consideration of the Association's entering into the Development Credit Agreement with the Borrower, has agreed to undertake the obligations hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows:

**ARTICLE I****Definitions**

SECTION 1.01. Wherever used in this Project Agreement, unless the context shall otherwise require, the several terms defined in the Development Credit Agreement and in the Regulations (as so defined) shall have the respective meanings therein set forth.

**ARTICLE II****Particular Covenants of the Province**

SECTION 2.01. (a) The Province shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound technical standards and with due regard to economy and shall cause the educational institutions included in the Project to be operated in accordance with sound educational practices.

(b) The Province shall cause the physical plant and equipment of the institutions mentioned in Parts (A) and (B) of the Schedule to the Development Credit Agreement to be adequately maintained and shall cause from time to time all necessary renewals and repairs to be made thereto.

(c) The Province shall employ, or cause to be employed, qualified and experienced architects, engineers, consultants and specialists satisfactory to, and upon terms and conditions agreed between, the Borrower and the Association to assist in the carrying out of the Project.

(d) The Province shall cause to be furnished to the Association promptly upon their preparation, the architects' briefs, designs, specifications, contracts and work schedules for the construction referred to in Parts (A) and (B) of the Schedule to the Development Credit Agreement and any material modifications subsequently made therein, in such detail as the Association shall request; said data to be satisfactory to the Association.

(e) Except as the Association shall otherwise agree, the Province shall cause construction referred to in Part (A) of the Schedule to the Development Credit Agreement to be carried out by contractors satisfactory to the Association and employed under contracts satisfactory to the Association.

(f) The Province shall maintain or cause to be maintained records adequate to identify the goods financed out of the proceeds of the Credit, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of Lyallpur University and of the Directorate of Technical Education in the Education Department of the Province responsible for the carrying out of the Project or any part thereof; shall enable the Association's representatives to inspect the Project, the goods and any relevant records and documents; and shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the expenditure of the proceeds of the Credit, the Project, the goods and the operations and financial condition with respect to the Project of Lyallpur University and of the Directorate of Technical Education in the Education Department of the Province responsible for the carrying out of the Project or any part thereof.

SECTION 2.02. The Province shall at all times make or cause to be made available, promptly as needed, all funds and other resources required for the carrying out of the Project and for the operation of the educational institutions mentioned in Parts (A) and (B) of the Schedule to the Development Credit Agreement.

SECTION 2.03. (a) The Province shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request with regard to

its programs for educational development and with regard to the operation of the educational institutions mentioned in Parts (A) and (B) of the Schedule to the Development Credit Agreement.

(b) Upon request the Province shall furnish or cause to be furnished to the Association, from time to time upon their preparation, its general programs for the construction of new, and the expansion of existing, educational institutions and shall afford the Association an opportunity to exchange views with respect thereto.

SECTION 2.04. (a) The Province and the Association shall cooperate fully to assure that the purposes of the Credit will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Credit.

(b) The Province and the Association shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Credit and the maintenance of the service thereof. The Province shall promptly inform the Association of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit or the maintenance of the service thereof, or the performance by the Province of its obligations under this Agreement or which shall increase or threaten to increase materially the estimated cost of the Project.

SECTION 2.05. Except as shall be otherwise agreed between the Province and the Association, the Province shall insure or cause to be insured with responsible insurers all goods financed out of the proceeds of the Credit which are to be imported into its territory. Such insurance shall cover such marine, transit and other hazards incident to purchase and importation of the goods to the site of the Project and shall be for such amounts, as is consistent

with sound commercial practices. Such insurance shall be payable in the currency in which the cost of the goods insured thereunder shall be payable or in dollars.

SECTION 2.06. Except as shall be otherwise agreed by the Province and the Association:

(a) the Province shall cause all goods purchased in whole or in part with the proceeds of the Credit to be used in the territories of the Borrower exclusively in the carrying out of the Project; and

(b) the Province shall cause title to all such goods to be obtained free and clear of all encumbrances. Goods, the cost of which are financed out of the proceeds of the Credit, shall not be sold or otherwise disposed of without the prior consent of the Association.

SECTION 2.07. The Province shall pay or cause to be paid all taxes, if any, imposed under the laws of the Borrower or laws in effect in the territories of the Borrower on or in connection with the execution, delivery or registration of this Agreement or the Development Credit Agreement or the payment of principal and service charges thereunder.

### **ARTICLE III**

#### **Effective Date; Termination**

SECTION 3.01. This Agreement shall come into force and effect on the date when the Development Credit Agreement shall become effective as provided therein.

SECTION 3.02. This Agreement shall terminate and the obligations of the parties hereunder shall cease and determine if and when the entire principal amount of the Credit shall have been repaid by the Province to the Borrower in accordance with the agreement entered into between them pursuant to Section 4.02 (a) of the Development Credit Agreement.

**ARTICLE IV****Miscellaneous Provisions**

SECTION 4.01. Any notice or request required or permitted to be given or made under this Project Agreement and any agreement between the parties contemplated by this Project 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, telegram, cable or radiogram to the party to which it is required or permitted to be given or made at its address hereinafter specified, or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For the Province:

Chief Secretary  
Government of West Pakistan  
Lahore, Pakistan

Alternative address for cablegrams and radiograms:

West Pakistan  
Lahore

For the Association:

International Development Association  
1818 H Street, N.W.  
Washington, D. C. 20433  
United States of America

Alternative address for cablegrams and radiograms:

Indevas  
Washington, D. C.

SECTION 4.02. Any action required or permitted to be taken, and any documents required or permitted to be



executed, under this Project Agreement on behalf of the Province may be taken or executed by the Chief Secretary to the Government of West Pakistan or such other person or persons as the Province shall designate in writing.

SECTION 4.03. The Province shall furnish to the Association sufficient evidence of the authority of the person or persons who will, on behalf of the Province, take any action or execute any documents required or permitted to be taken or executed by the Province pursuant to any of the provisions of this Project Agreement and the authenticated specimen signature of each such person.

IN WITNESS WHEREOF, the parties hereto have caused this Project Agreement to be signed in their respective names by their representatives thereunto duly authorized and delivered in the District of Columbia, United States of America, as of the day and year first above written.

PROVINCE OF WEST PAKISTAN

By /s/ A. G. N. KAZI  
*Authorized Representative*

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ J. BURKE KNAPP  
*Vice President*