



CREDIT NUMBER 2021 MOZ

# Agreement

for

the Administration of Certain Funds  
to be made available by the

GOVERNMENT OF THE KINGDOM OF DENMARK

in conjunction with the  
Third Rehabilitation Credit in

THE REPUBLIC OF MOZAMBIQUE

Dated *February 4*, 1993

## AGREEMENT

AGREEMENT, dated *February 4*, 1993, between THE GOVERNMENT OF THE KINGDOM OF DENMARK (hereinafter referred to as the Government) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter referred to as the Association) to provide for the administration, by the Association, of certain funds to be made available by the Government to the REPUBLIC OF MOZAMBIQUE (hereinafter referred to as Mozambique).

WHEREAS (A) the Government wishes to make available to Mozambique a grant in an aggregate amount equivalent to United States dollars five hundred forty five thousand five hundred forty-five and thirty-seven cents (\$ 545,545.37), to be payable in one tranche (hereinafter referred to as the Grant) to assist Mozambique in financing part of the cost of goods related to the Third Rehabilitation Credit (the Program);

WHEREAS (B) the Government has requested, and the Association has agreed, to administer the Grant in conjunction with the Credit made by the Association to Mozambique under the Third Rehabilitation Credit Agreement entered into between Mozambique and the Association on June 12, 1989 (hereinafter referred to as the Development Credit Agreement);

NOW THEREFORE the parties hereto hereby agree as follows:

### ARTICLE I

Section 1.01. The Association, as administrator on behalf of the Government, shall enter into such agreements with Mozambique as it may deem appropriate but consistent with the terms and conditions of the Development Credit Agreement (excluding the debt service provisions thereof) for the purpose of assisting in the financing of the Program.

Section 1.02. The Association, as administrator on behalf of the Government, shall have the sole responsibility for the supervision of the Program and shall keep the Government informed of the progress of the Program. Before sending missions to review the progress of the Program, the Association shall inform the Government on the timing of such missions so as to enable the Government to participate and to exchange views on the results of such missions.

Section 1.03. The administration and enforcement of any provisions of any agreement entered into between Mozambique and the Association for the purposes of this Agreement shall be handled solely by the Association, and the Association specifically reserves

the right, at its discretion and without notice to the Government, to exercise, refrain from exercising or waive any rights under such agreement or to modify any provision thereof, provided, however, that before suspending the right of Mozambique to make withdrawals of funds under such agreement, the Association shall inform the Government and afford the Government a reasonable opportunity for consultation with the Association.

Section 1.04. The Association 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.

## ARTICLE II

Section 2.01. For the purpose of this Agreement, the Government has deposited an aggregate amount equivalent to five hundred forty-five thousand five hundred and forty-five dollars and thirty-seven cents (\$545,545.37) into a trust account maintained with the Federal Reserve Bank of New York, in the name of the Association (hereinafter called the T-Account). The funds in the T-Account shall be freely exchangeable by the Association with other currencies as may facilitate its administration.

Section 2.02. The Association shall withdraw from the T-Account such amounts as, from time to time, shall be needed to meet the reasonable cost of goods financed or to be financed pursuant to Section 1.01 of this Agreement, such withdrawals to be effected through the normal disbursement procedures of the Association.

Section 2.03. Except as the Association shall otherwise agree, procurement contracts financed from the proceeds of the Grant shall be awarded in accordance with procedures consistent with those set forth in Sections I and II of the "Guidelines for Procurement under IBRD Loans and IDA Credits", published by the International Bank for Reconstruction and Development (hereinafter called IBRD) in May 1992.

## ARTICLE III

Section 3.01. The Association shall:

(a) maintain separate records and accounts in respect of the funds in the T-Account and disbursed by the Association pursuant to the provisions of this Agreement;

(b) cause such accounts and records to be audited and certified by the Association's external auditors at completion of disbursements;

(c) ensure that the costs of the external audit are paid from the income earned from the investments;

(d) furnish the report of such audit by said auditors to the Government immediately after the completion of the Program;

(e) maintain an updated record of procurement contracts financed from the proceeds of the Grant; and

(f) furnish to the Government, upon its request, the following information:

- (i) overall description of goods procured in accordance with the provisions of Section 2.03 of this Agreement;
- (ii) list of enterprises having received assistance from the proceeds of the Grant;
- (iii) total amount of contracts procured; and
- (iv) suppliers' country of origin.

#### ARTICLE IV

Section 4.01. The Government and the Association shall consult, from time to time, at the request of either party, on all matters arising out of this Agreement and on other matters of common interest to them in the administration of the T-Account or the carrying out of the Program.

#### ARTICLE V

Section 5.01. 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 the entire proceeds of the Grant have been withdrawn.

Section 5.02. If at any time it appears to either party that the purposes of this Agreement cannot effectively or appropriately be carried out, this Agreement may be terminated at the initiative

of such party on ninety (90) days' notice in writing to the other party.

Section 5.03. Upon termination of the Agreement, unless the parties agree on another course of action, any funds including any accrued interest on such funds or other property of the Government held hereunder by the Association shall be returned to the Government and the Association's administration shall be considered terminated.

Section 5.04. Promptly after termination of the Agreement, the Association shall furnish to the Government a final report and a financial statement on the T-Account, together with an opinion of the Association's external auditors on such statement.

#### ARTICLE VI

Section 6.01. This Agreement may be amended only by written agreement of the parties hereto.

Section 6.02. 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, telegram, cable, 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 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 The Government:

Ministry of Foreign Affairs, S.7  
Asiatisk Plads 2,  
1448 Kobenhavn K  
Denmark

Cable address:

ETRANGERES  
Kobenhavn

Telex:

31292

For the Association:

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

Cable address:

Telex:

INDEVAS  
Washington, D.C.

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

IN WITNESS WHEREOF, the undersigned duly authorized thereto  
have signed this Agreement.

GOVERNMENT OF THE KINGDOM OF DENMARK

By *Is/ Torben Brylle.*

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By *Is/ Francisco Aguirre Sacasa.*

*Acting* Regional Vice President  
Africa

INTERNATIONAL DEVELOPMENT ASSOCIATION

CERTIFICATE

I hereby certify that the foregoing is a true copy  
of the original in the archives of the International  
Development Association.

S. N. Chis  
FOR SECRETARY