

AGREEMENT RELATED TO CREDIT NUMBER 2314 UG

Agreement

between

THE GOVERNMENT OF SWEDEN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

for

the Administration of Certain Funds
to be made available by

THE SWEDISH INTERNATIONAL DEVELOPMENT AUTHORITY

in conjunction with
Special Program of Assistance for Low Income,
Debt-Distressed Countries
(The Republic of Uganda)

Dated May 21, 1993

AGREEMENT RELATED TO CREDIT NUMBER 2314 UG

AGREEMENT

AGREEMENT between THE GOVERNMENT OF SWEDEN (Sweden) represented by the Swedish International Development Authority (SIDA) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter referred to as the Association).

WHEREAS: (A) the Association has made available to the Republic of Uganda (hereinafter referred to as Uganda) a credit for a structural adjustment program (hereinafter referred to as the Program) pursuant to a Development Credit Agreement, dated December 12, 1991, between Uganda and the Association (hereinafter referred to as the Development Credit Agreement);

(B) the Agreement, dated May 18, 1989, between Sweden and the Association provides the framework for cofinancing of development projects by the parties hereto;

(C) SIDA wishes to make available a grant of twenty million Swedish kroner (SEK 20,000,000) to assist Uganda in its debt service to the International Bank for Reconstruction and Development (hereinafter referred to as the Bank); and

(D) SIDA further wishes the Association to administer said funds until the debt service payments concerned have become due and payable by Uganda, and the Association has agreed to administer them upon the terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as

follows:

ARTICLE I

Administration of the Funds

Section 1.01. (a) For the purpose of this Agreement, SIDA shall deposit twenty million Swedish kroner (SEK 20,000,000) (the Grant) into the International Development Association's Cash Account "T" (No. 89501-00225) which is maintained with Sveriges Riksbank (the T-Account).

(b) The Grant shall be deposited into the T-Account promptly after the effectiveness of this Agreement. To facilitate the administration of trust fund assets, the Association may deposit other trust fund assets in the T-Account.

Section 1.02. SIDA hereby appoints the Association as administrator of the Grant and authorizes the Association to: (a) hold and disburse the proceeds thereof towards making the payments of principal and interest due and payable by Uganda to the Bank; and (b) do any and all such acts and things as may be necessary or appropriate to fully accomplish the foregoing; provided, however, that in the event the Association shall have suspended Uganda's right to make withdrawals under the Development Credit Agreement, the Association may withhold disbursements of the Grant until such right of Uganda has been restored.

Section 1.03. 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 and shall have no further responsibility to Sweden in respect thereof.

Section 1.04. In order to assist in the defrayal of the costs of administration and other expenses incurred by the Association under this Agreement, the Association may invest and reinvest the Grant funds pending their disbursement and may retain for its own account the income from any such investment or reinvestment.

ARTICLE II

Records, Accounts

Section 2.01. The Association shall: (a) maintain separate records and ledger accounts of the Grant withdrawn from the T-Account; and (b) shortly after the Grant has been withdrawn in full, as expected on or about April 30, 1994: (i) prepare a financial statement; (ii) cause the Association's external auditors to prepare an audit of the financial statement; and (iii) forward a copy to SIDA. The cost of such audit shall be met by the Association out of the investment income earnings.

ARTICLE III

Consultation

Section 3.01. SIDA and the Association shall consult from time to time, at the request of each other, on all matters arising from this Agreement and in particular in case the Association suspends Uganda's right to make withdrawals under the Development Credit Agreement as provided in Section 1.02 above.

ARTICLE IV

Effectiveness, Termination

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

Section 4.02. If at any time it appears to either party that the purposes of this Agreement cannot effectively or appropriately be carried out, the arrangements set forth herein may be terminated at the initiative of such party on thirty days' notice in writing to the other. Upon such termination, unless SIDA and the Association otherwise agree, any of the Grant funds held hereunder by the Association shall be returned to SIDA and the Association's administration shall be considered terminated.

Section 4.03. This Agreement shall terminate when the Grant has been withdrawn and applied by the Association as provided in Section 1.02 of this Agreement.

ARTICLE V

Miscellaneous

Section 5.01. The Swedish International Development Authority, SIDA, shall be competent to represent Sweden for the application of this Agreement.

Section 5.02. This Agreement may be amended only by written agreement of the parties hereto.

Section 5.03. 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 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 such notice or making such request. The addresses so specified are:

For Sweden:

Swedish International Development Authority
S-105 25 Stockholm
Sweden

Telex:

SIDA 11450

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.
(RCA),

197688 (TRT),
248423

64145 (WUI) or
82987 (FTCC)

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have signed this Agreement.

GOVERNMENT OF SWEDEN

By /s/ Carin Norberg
Authorized Representative

Date May 10, 1993

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Edward V.K. Jaycox
Authorized Representative

Date May 21, 1993

