

CONFORMED COPY

between

NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

for

the Administration of Certain Funds  
to be made available by

NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION

for financing Economic Management  
(The Republic of Zambia)

Dated November 7, 1991

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**AGREEMENT**

AGREEMENT dated as of November 7, 1991, between the NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION (hereinafter referred to as NORAD) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (herein-after referred to as the Association).

WHEREAS: (A) the Association intends to enter into an agreement (hereinafter referred to as the Development Credit Agreement) with the Republic of Zambia (hereinafter referred to as Zambia) in which the Association will make available to Zambia a credit for an Economic Recovery Program (hereinafter referred to as the Program);

(B) NORAD wishes to make available a grant in an amount equivalent to one million two hundred thousand dollars (\$1,200,000) to assist Zambia finance the cost of consultants to advise the government of Zambia on economic management and will in the near future enter into an agreement with Zambia for this purpose; and

(C) the Association, at the request of NORAD, has agreed to administer the grant 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. For the purpose of this Agreement NORAD shall deposit an amount of US Dollars 1,200,000 (the Grant) in the "T" Account maintained in the name of the Association with the Federal Reserve Bank of New York (hereinafter referred to as the Trust Account). The funds in the Trust Account shall be freely exchange-able by the Association with other currencies as may facilitate their administration hereunder.

(b) The Grant shall be deposited into the Trust 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 Trust Account.

Section 1.02. NORAD hereby appoints the Association as administrator of the Grant and authorizes the Association to: (a) hold and disburse the proceeds of the Grant thereof towards meeting the costs of consultants to assist Zambia in economic management; and (b) do any and all such acts and things as may be necessary or appropriate to fully accomplish the foregoing.

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 NORAD in respect thereof.

Section 1.04. The Association may invest and reinvest the Grant in the Trust Account pending its withdrawal pursuant to Section 1.02 of this Agreement, and may retain for its own account the income from such investment or reinvestment to assist in the defrayal of the costs of administration of the Grant.

## **ARTICLE II**

### **Records, Accounts**

Section 2.01. The Association shall: (a) maintain separate records and ledger accounts of the Grant withdrawn from the Trust Account; and (b) when all the Grant has been withdrawn from the Trust Account, prepare a financial statement duly authorized by the Association's external auditors with respect to the Trust Account and forward a copy to NORAD.

## **ARTICLE III**

### **Consultation**

Section 3.01. NORAD and the Association shall consult from time to time at the request of each other on all matters arising from this Agreement and other matters of common interest to them in fulfilling the objectives of the Grant.

## **ARTICLE IV**

### **Effectiveness, Termination**

Section 4.01. This Agreement shall become effective upon signatures 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 NORAD and the Association otherwise agree, any of the Grant funds held hereunder by the Association shall be returned to NORAD and the Association's administration shall be considered terminated.

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

## ARTICLE V

### Miscellaneous

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 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 NORAD:

Norwegian Agency for Development  
Cooperation  
P.O. Box 8114, Dep. 0032  
Oslo 1  
Norway

Cable address:                      Telex:

NORAD-N

74256 NORAD-N

For the Association:

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

Cable address:

INDEVAS  
Washington, D.C.

Telex:

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

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.

NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION

By /s/ Lasse Aasland

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Ismail Serageldin

Acting Regional Vice President  
Africa

