

in the amounts to be paid into the Fund by such Parties pursuant to this Article, provided that the aggregate amounts to be paid by them for such period or periods remain substantially unchanged and that appropriate compensating adjustments are made in respect of later periods.

ARTICLE IV

Special Provisions Relating to the United States and the Bank

SECTION 4.01. The respective contributions of the United States and the Bank are included only for the purpose of covering any excess of the non-rupee costs of the Project over the amounts available therefor from all other sources, provided, however, that the contribution of the United States shall be subject to the last sentence of Section 2.05. Consequently, if the Administrator shall at any time or times determine that any part of those contributions will not be or would not have been required for such purpose, it shall so notify the Parties to this Agreement and shall, for all the purposes of this Agreement, reduce the nominal amounts of the respective contributions of the United States and the Bank. Such reduction shall be prorated between them and shall be accomplished by either or both of the following methods, as determined by the Administrator, in consultation with the United States and the Bank:

- (i) by reducing amounts to be contributed, or
- (ii) by prepaying from the Fund, on Pakistan's behalf, amounts owed by Pakistan in respect of previous contributions

all in such manner that the ultimate net amounts, if any, actually contributed by each and not prepaid from the Fund shall not exceed the ratio of United States 2: Bank 1. Amounts required for any such prepayment shall be treated as non-rupee costs of the Project.

ARTICLE V

Disbursements from Fund

SECTION 5.01. Subject to the provisions of Sections 4.01 and 8.04 of this Agreement, amounts in the Fund shall be used or disbursed by the Administrator exclusively to finance the cost of equipment, supplies, other property (but excluding any cost of acquiring land or interests in land) and services (hereinafter called "goods") required to construct the Project described in the Schedule to this Agreement (herein sometimes called the "Project"). Said description may be amended by agreement between Pakistan and the Administrator for reasons of economy or sound engineering practice. The specific items to be financed from the Fund shall from time to time be determined by agreement between Pakistan and the Administrator, and may be changed from time to time by agreement between them.

SECTION 5.02. Except as shall be otherwise agreed between Pakistan and the Administrator, no disbursement shall be made on account of: (i) expenditures prior to the date of this Agreement, or (ii) expenditures in the territories of any country which is not a member of the Bank (except Switzerland) or for goods produced in, or services supplied from, such territories.

SECTION 5.03. Disbursements from the Fund shall be in such currencies as the Administrator shall elect: Provided that disbursements on account of expenditures in rupees or for goods produced in, or services supplied from, Pakistan shall be in rupees, except as the Administrator may otherwise agree.