

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
SOMALIA
and
EUROPEAN ECONOMIC COMMUNITY**

Administration Agreement—*Road Project* (with related letter) relating to the Development Credit Agreement of 29 March 1965 between the Somali Republic and the International Development Association, and the Agreement of 25 March 1965 between the Somali Republic and the European Economic Community. Signed at Washington, on 29 March 1965

Official text: English.

Registered by the International Development Association on 30 December 1966.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT**

et

SOMALIE

et

COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE

Contrat de gestion—*Projet relatif à la construction de routes* (avec lettre y relative) concernant le Contrat de crédit de développement du 29 mars 1965 entre la République somalie et l'Association internationale de développement, et l'Accord du 25 mars 1965 entre la République somalie et la Communauté économique européenne. Signé à Washington, le 29 mars 1965

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 30 décembre 1966.

No. 8500. ADMINISTRATION AGREEMENT¹ (*ROAD PROJECT*) BETWEEN THE SOMALI REPUBLIC, THE EUROPEAN ECONOMIC COMMUNITY AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION RELATING TO THE DEVELOPMENT CREDIT AGREEMENT OF 29 MARCH 1965 BETWEEN THE SOMALI REPUBLIC AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION, AND THE AGREEMENT OF 25 MARCH 1965 BETWEEN THE SOMALI REPUBLIC AND THE EUROPEAN ECONOMIC COMMUNITY. SIGNED AT WASHINGTON, ON 29 MARCH 1965

AGREEMENT, dated as of March 29, 1965 between THE SOMALI REPUBLIC (hereinafter called Somalia), the EUROPEAN ECONOMIC COMMUNITY represented by its Commission (hereinafter called the Commission) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association) :

WHEREAS (1) by an agreement with Somalia dated March 29, 1965² the Association has agreed to provide a credit to Somalia in an amount equivalent to U.S. \$6,200,000, for the purpose of assisting Somalia in financing the construction of a road project the engineering of which is being financed by the Commission with the technical cooperation of the Association ;

(2) by an agreement dated March 25, 1965 between the Commission and Somalia, the Commission has agreed to make available to Somalia a grant in an amount equivalent to U.S. \$4,850,000 for such construction, for the supervision thereof and for other programs related to the roads of Somalia and the maintenance and administration thereof as set forth in Parts A and B of the schedule hereto ; and

(3) the Parties hereto deem it to be in their mutual interest that withdrawals of certain of the proceeds of such financing and certain other matters of common interest be regulated as hereinafter provided ;

NOW THEREFORE, the Parties hereto agree as follows :

¹ Came into force on 16 September 1966, upon notification by the Association to the Government of the Somali Republic.

² See p. 101 of this volume.

Article I

DEFINITIONS

Section 1.01. Except where the context otherwise requires, the following terms have the following meanings wherever used in this Agreement :

(a) The terms "Association Agreement" and "Commission Agreement" mean the respective agreements between the Association and Somalia and the Commission and Somalia referred to respectively in recital (1) and recital (2) of the preamble to this Agreement, as from time to time amended.

(b) The term "the Agreements" means such Agreements, collectively.

(c) The term "Project" means the project described in the Schedule to this Agreement, as such description may from time to time be amended by agreement between Somalia, the Commission and the Association.

(d) The term "goods" means equipment, supplies and services which are required for the Project ; and wherever reference is made to the cost of any goods, such cost shall be deemed to include the cost of importing such goods into the territories of Somalia.

(e) The term "Proceeds" means the proceeds of the financing provided for in the Agreements.

Article II

USE OF PROCEEDS AND APPLICATIONS FOR WITHDRAWAL FOR PART A 1 OF PROJECT

Section 2.01. Except as the Parties hereto shall otherwise agree, (i) the Proceeds shall be applied by Somalia in accordance with the provisions of the Agreements exclusively to financing the cost of goods required to carry out Parts A and B of the Project, and (ii) withdrawals of the Proceeds for Part A 1 of the Project shall be made and processed as in this Article provided.

Section 2.02. The specific goods to be financed for Parts A and B of the Project and the methods and procedures for procurement of such goods as shall be required to carry out Part A of the Project shall be determined by agreement between Somalia, the Commission and the Association, subject to modification by further agreement between Somalia and the Association after concurrence of the Commission pursuant to Section 2.04 below. The methods and procedures for the procurement of goods for Part B of the Project shall be as determined by agreement between Somalia and the Commission.

Section 2.03. Somalia shall be entitled, subject to the provisions of this Agreement and of the Agreements, and in particular to Article XIII of the *Clauses Générales*

of the Commission Agreement, to withdraw Proceeds for Part A 1 of the Project in amounts equal to such amounts as shall have been paid for, or if the Association shall agree, shall be required to meet payments for, the reasonable cost of goods to be financed out of such Proceeds. No such withdrawals shall be made on account of expenditures for customs duties or other taxes on the importation of such goods, and, except as shall be otherwise agreed between Somalia and the Association, no such withdrawals shall be made on account of (a) expenditures prior to the effective date of the Association Agreement or (b) expenditures in the territories of any country (other than Switzerland) which is not a member of the International Bank for Reconstruction and Development or for goods produced in (including services supplied from) such territories.

Section 2.04. Before making any agreement pursuant to Section 2.02 or 2.03 hereof, the Association shall obtain the concurrence of the Commission, but Somalia shall be under no obligation to ascertain whether such concurrence has been obtained and may rely upon the Association's agreement as conclusive evidence thereof.

Section 2.05. When Somalia shall desire to withdraw any of the Proceeds for Part A 1 of the Project, it shall deliver to the Association a written application in such form, and containing such statements and agreements, as the Association shall reasonably request. Such applications, with the necessary documentation as hereinafter in this Article provided, shall, except as the Association and Somalia shall otherwise agree, be made promptly in relation to expenditures for the Project.

Section 2.06. Each such application shall constitute a request to withdraw funds under each of the Agreements and the amount so requested under each Agreement shall be reasonably determined by the Association by apportioning, as nearly as is practicable in the circumstances, the amount of Proceeds requested in such application to the Association Agreement and the Commission Agreement in such respective proportions as may from time to time be agreed upon by the Association and the Commission.

Section 2.07. Each withdrawal application and the accompanying documents and other evidence must be sufficient in form and substance to satisfy the Association that Somalia is entitled to withdraw under the Association Agreement the amount of the Proceeds applied for which has been apportioned thereto in accordance with Section 2.06 hereof.

Section 2.08. Somalia shall furnish to the Association such documents and other evidence in support of each withdrawal application as the Association shall reasonably request, whether before or after withdrawal of any of the Proceeds requested in the application shall have been permitted.

Section 2.09. (a) When the Association has approved withdrawal of such amount under the Association Agreement, it shall promptly notify the Commission

that it has received an application by Somalia to withdraw Proceeds in an aggregate amount to be set forth in such notice, the amount thereof apportioned to each of the Agreements pursuant to Section 2.06 hereof, and that the Association has approved withdrawal of its share of such Proceeds. Such notice shall be in such form as the Association and the Commission shall from time to time determine.

(b) Upon receipt of such notice, the Commission shall, subject to the provisions of the Commission Agreement (including any rights of suspension or termination of withdrawals thereunder), promptly disburse the amount specified in such notice as having been apportioned to the Commission Agreement pursuant to Section 2.06 hereof.

(c) The currency or currencies of any such withdrawal, and the value thereof in terms of the currency in which the amount so apportioned to the appropriate Agreement is expressed, shall be determined in accordance with such Agreement.

Article III

EXERCISE OF FUNCTIONS BY ASSOCIATION

Section 3.01. The Association shall exercise the same care in the discharge of its functions under this Agreement as it exercises in respect of the administration and management of its own affairs.

Article IV

EXCHANGE OF INFORMATION AND CONSULTATION

Section 4.01. The Parties to this Agreement shall cooperate fully to ensure that the purposes thereof will be accomplished. To that end, the Parties shall from time to time exchange views through their representatives with regard to matters relating to the purposes of this Agreement, and each of them shall furnish to any of the others such information as such other shall reasonably request with regard to the operation thereof.

Section 4.02. Somalia shall promptly inform the Association and the Commission of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of this Agreement and shall afford all reasonable opportunity for accredited representatives of the Association and of the Commission, including any local representative of the Commission, to visit any part of Somalia for purposes related to this Agreement.

Section 4.03. (a) It is the intention of the Association and the Commission that there be close collaboration between them on matters relating to the execution of the Project and on other matters of common interest to them in the administration of the Agreements. To that end, they propose, as hereinafter provided, to keep each other currently informed of the progress of the Project and to consult with each other before taking important actions bearing on it. To avoid duplication of effort, the