

No. 9634

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
SOMALIA**

**Development Credit Agreement—*Road Project (Supplementary)*
(with annexed Credit Regulations No. 1, as amended). Signed
at Washington on 26 June 1968**

Authentic text: English.

Registered by the International Development Association on 17 June 1969.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
SOMALIE**

**Contrat de crédit de développement — *Projet supplémentaire
relatif à la construction de routes* (avec, en annexe, le Règle-
ment n° 1 sur les crédits de développement, tel qu'il a été
modifié). Signé à Washington le 26 juin 1968**

Texte authentique: anglais.

Enregistré par l'Association internationale pour le développement le 17 juin 1969.

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated June 26, 1968 between THE SOMALI REPUBLIC (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS the Association has provided, under an Agreement with the Borrower dated March 29, 1965² (hereinafter called the First Credit Agreement), a development credit to the Borrower in an aggregate principal amount equivalent to \$6,200,000 to assist the Borrower in financing the construction of a road project;

WHEREAS the European Economic Community through its Commission as Administrator of the European Development Fund (hereinafter called FED) has agreed to assist in such financing and in the financing of the engineering and supervision of construction required therefor and of further programs relating to the roads of the Borrower and to the maintenance thereof and for that purpose has entered into an agreement with the Borrower dated March 29, 1965, providing for a grant in an amount equivalent to \$4,850,000;

WHEREAS the Borrower, FED and the Association have entered into an Administration Agreement dated as of March 29, 1965³ (the Administration Agreement) providing for the processing by the Association of applications for withdrawal of certain of the proceeds of the financing to be provided by FED and by the Association under the First Credit Agreement and regulating certain other matters of common interest;

WHEREAS the estimated cost of such road project is likely to exceed the original estimates;

WHEREAS the Borrower has requested the Association to assist in financing a portion of such increased cost;

¹ Came into force on 25 February 1969, upon notification by the Association to the Government of Somalia.

² United Nations, *Treaty Series*, vol. 586, p. 101.

³ *Ibid.*, p. 123.

WHEREAS the Association has agreed, upon the basis of the foregoing, to provide an additional development credit to the Borrower upon the terms and conditions hereinafter set forth:

NOW THEREFORE, it is hereby agreed as follows:

Article I

CREDIT REGULATIONS; SPECIAL DEFINITIONS

Section 1.01. The parties to this Agreement accept all the provisions of Development Credit Regulations No. 1 of the Association dated June 1, 1961, as amended February 7, 1967,¹ with the same force and effect as if they were fully set forth herein.

Article II

THE CREDIT

Section 2.01. The Association agrees to make available to the Borrower, on the terms and conditions in this Development Credit Agreement and in the Administration Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to two million three hundred thousand dollars (\$2,300,000).

Section 2.02. The Association shall open a Credit Account on its books in the name of the Borrower and shall credit to such Credit Account the amount of the Credit. The amount of the Credit may be withdrawn from the Credit Account, subject to the rights of cancellation and suspension set forth in, this Agreement and the Regulations, but only after the amount of the development credit under the First Credit Agreement shall have been fully withdrawn by the Borrower.

Section 2.03. (a) The Borrower shall be entitled to withdraw from the Credit Account the equivalent of eighty-two per cent (82%) or such other percentage as shall be agreed from time to time between the Borrower and the Association of such amounts as shall have been paid or, if the Association shall so agree, as shall be required to meet payments for the reasonable cost of

¹ See p. 200 of this volume.