

No. 8500

**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

Commission agrees to rely to the extent possible on the Association to review matters of common interest, to suggest to the Commission appropriate action in such matters as awards of contracts, forms of contracts, disbursement procedures, supervision of projects and any other matter of common interest with respect to carrying out the Project and, to the extent practicable, to act as coordinator in dealing with Somalia. The responsibility of the Association for technical supervision of the carrying out of the Project shall be exercised by the Association for the benefit of both the Commission and the Association.

(b) Each shall inform the other if any event comes to its knowledge which materially affects the progress of the Project or which threatens substantially to impede it and shall consult with the other concerning any action which it proposes to take in respect thereof.

(c) Each shall promptly inform the other whenever it proposes (i) materially to modify its agreement with Somalia or (ii) to suspend or terminate in whole or in part withdrawals of Proceeds under such agreement and shall, in either such case, afford the other all reasonable opportunity, in advance of taking the proposed action, to exchange views with respect thereto.

(d) In the event the Association, under Section 5.01 of the Association Agreement or under Section 5.02 of the Development Credit Regulations No. 1 applicable to such Agreement, proposes to suspend or terminate the right of Somalia to withdraw proceeds under the Association Agreement or to declare any indebtedness of Somalia under such Agreement due and payable in advance of the agreed maturity thereof, the Association shall notify the Commission of its proposal and of the reasons therefor and shall afford the Commission all reasonable opportunity, in advance of taking such proposed action, to exchange views with respect thereto.

(e) Each shall keep the other informed of the progress of the Project, on the basis of the findings of any inspections or studies made by its representatives under Section 4.02 hereof.

Section 4.04. To ensure the close cooperation between the Parties contemplated by Section 4.01 above, all communications on behalf of Somalia containing or requesting information, or requesting consultation or exchanges of views, on the matters referred to in said Section 4.01, shall be addressed by Somalia simultaneously to both the Commission and the Association. Copies of any replies to such communications shall be promptly exchanged between the Commission and the Association.

Article V

TERMINATION OF OBLIGATIONS

Section 5.01. All rights and obligations of the Commission and all obligations of the Association and of Somalia toward the Commission under this Agreement shall terminate upon any expiration, cancellation or termination of the Commission

Agreement, and the Commission shall thereafter no longer be deemed a party to this Administration Agreement.

Article VI

MISCELLANEOUS PROVISIONS

Section 6.01. Any notice or request required or permitted to be given or made under this Agreement and any agreement 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 by mail, telegram, cable or radiogram to the party to which it is required or permitted to be given or made at such party's address specified below, or at such other address as such party shall have designated by notice to the party giving such notice or making such request.

For Somalia :

Minister of Finance
Ministry of Finance
Government of The Somali Republic
Mogadiscio, Somalia

Alternative address for cablegrams and radiograms :

Minfin
Mogadiscio, Somalia

For the Commission :

European Development Fund
56, rue du Marais
Brussels, Belgium

Alternative address for cablegrams and radiograms :

Marcomfed
Brussels, Belgium

For the Association :

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

Alternative address for cablegrams and radiograms :

Indevas
Washington, D.C.

Section 6.02. Somalia shall furnish to the Association and to the Commission sufficient evidence of the authority of the person or persons who will sign the appli-

cations provided for in Article II of this Agreement or who will, on behalf of Somalia, take any other action or execute any other documents required or permitted to be taken or executed by Somalia under this Agreement, and the authenticated specimen signature of each such person.

Section 6.03. Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Agreement on behalf of Somalia may be taken or executed by the Minister of Finance of Somalia (who is hereby designated as the representative of Somalia for purposes of this Section) or by any person thereunto authorized in writing by him. Any modification or amplification of the provisions of this Agreement may be agreed to on behalf of Somalia by written instrument executed on behalf of Somalia by the representative so designated or any person thereunto authorized in writing by him ; provided that, in the opinion of such representative, such modification or amplification is reasonable in the circumstances and will not substantially increase the obligations of Somalia under this Agreement. The Association and the Commission may accept the execution by such representative or other person of any such instrument as conclusive evidence that in the opinion of such representative any modification or amplification of the provisions of this Agreement effected by such instrument is reasonable in the circumstances and will not substantially increase the obligations of Somalia thereunder.

Section 6.04. This Agreement may be executed in several counterparts, each of which shall be an original. All such counterparts shall collectively be but one instrument.

Section 6.05. Except as shall otherwise be agreed by the Parties hereto, this Agreement shall become effective on the earliest date upon which both the Agreements shall be in effect.

IN WITNESS WHEREOF, the Parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

The Somali Republic :

By Omar MOHALLIM
Authorized Representative

European Economic Community :

By Henri ROCHEREAU
Authorized Representative

International Development Association :

By George D. WOODS
President

SCHEDULE

DESCRIPTION OF PROJECT

The Project comprises the following :

Part A

1. The construction of a two-lane road approximately 200 km. long from Afgoi to Baidoa, with a 20 km. feeder road to Uanle Uen ;
2. The completion of the final design and preparation of bidding documents for such construction and the supervision of such construction by consulting engineers ;

Part B

The purchase of road maintenance and shop equipment, and the building of, and provision of complete equipment for, offices for the Highway Department of the Ministry of Public Works and Communications.

Part C

A program of technical assistance including :

1. the organization, staffing and operation of the Highway Department of the Ministry by a consulting engineering firm for a period of 4 to 5 years, with special emphasis on highway maintenance ;
2. a reconnaissance study to coordinate short-term transportation investment in Somalia ;
3. feasibility studies of two high-priority roads, Hargheisa-Berbera, 170 km., and Berbera-Burao, 135 km., in the northern part of Somalia ; and
4. a technical training program abroad for about 15 Somalis selected for future service in the Highway Department.

LETTER RELATING TO THE ADMINISTRATION AGREEMENT

REPUBBLICA SOMALIA
MINISTRY OF FINANCE

559528

Mogadiscio, 18th December, 1965

European Development Fund
Brussels, Belgium

Credit 74/SO

Dear Sirs,

We refer to the Administration Agreement (*Road Project*) dated March 29, 1965 between us and particularly to the Schedule thereto containing a description of the Project.

Following our recent consultations and correspondence, we hereby formally request your agreement to the amendment of said Schedule as follows : paragraph 1 of Part A is modified to read

“The construction of a two-lane road approximately 216 km. long from Afgoi to Baidoa, passing through Uanle Uen ;”.

Please confirm your agreement to such amendment by dating and signing the form of confirmation on each of the two enclosed copies of this letter and returning one such copy to us and sending the second copy to the other addressee. Upon such signature by both addressees, said schedule shall be deemed so amended as of the date of this request.

Very truly yours,

The Somali Republic :
Awil Haji ABDULLAH
Minister of Finance

Confirmed:

European Economic Community :

By H. HENDUS — 13/5/66
Director General

International Development
Association :

By A. G. EL EMARY — June 9, 1966