

No. 9025

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
CEYLON**

Technical assistance Agreement — *Highway Study* (with annexed schedules). Signed at Washington, on 24 August 1967

Official text: English.

Registered by the International Bank for Reconstruction and Development on 14 March 1968.

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
CEYLAN**

Accord d'assistance technique — *Étude relative au réseau routier* (avec tableaux en annexe). Signé à Washington, le 24 août 1967

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 14 mars 1968.

No. 9025. TECHNICAL ASSISTANCE AGREEMENT¹ (*HIGHWAY STUDY*) BETWEEN THE GOVERNMENT OF CEYLON AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 24 AUGUST 1967

AGREEMENT, dated August 24, 1967, between the GOVERNMENT OF CEYLON (hereinafter called the Government) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

Article I

SPECIAL DEFINITIONS

Section 1.01. Except where the context otherwise requires, the following terms shall have the following meanings:

(a) "Study" means the study described in Section 2.01 of this Agreement, as the description thereof may be amended from time to time by agreement between the Government and the Bank.

(b) "Consultants" mean the consultants referred to in Section 4.02 of this Agreement.

(c) "Contract" means the contract or contracts between the Bank and the Consultants referred to in Section 3.03 of this Agreement.

(d) "foreign currency costs" means expenditures made in currencies other than that of the Government and does not include expenditures made for goods produced in (including services supplied from) the territories thereof.

(e) "local currency costs" means expenditures in the currency of the Government or for goods produced in (including services supplied from) the territories thereof.

Article II

THE STUDY

Section 2.01. The Project consists of the following:

(a) The preparation of a master plan for the rehabilitation and development of primary and secondary highways in Ceylon for the years 1968-1977.

(b) The preparation of a program for improvement of the organization, operations, equipment and research of the highway administration and in particular highway maintenance under the Ministry of Public Works.

¹ Came into force on 12 October 1967, in accordance with section 8.01.

(c) Providing assistance to the Ministry of Public Works in the implementation of the master plan and the maintenance program.

Section 2.02. The Study is expected to commence in September 1967 and, except as the Government and the Bank shall otherwise agree, it is expected to be completed within twelve months thereafter.

Article III

OBLIGATIONS OF THE BANK

Section 3.01. The Study will be carried out with financial assistance provided by the Bank in accordance with this Agreement.

Section 3.02. The Bank shall finance, on a non-reimbursable basis under its technical assistance program, the foreign currency costs of the Study, in an amount not to exceed the equivalent of two hundred thousand United States dollars (U.S. \$200,000).

Section 3.03. The Bank shall retain Consultants acceptable to the Government to carry out the Study. The terms of reference, the financial assistance and the provisions relating to equipment, services and facilities to be furnished by the Government pursuant to the contract or contracts between the Bank and such Consultants and any amendment thereof shall be subject to the prior approval of the Government.

Article IV

OBLIGATIONS OF THE GOVERNMENT

Section 4.01. The Government shall provide promptly as needed all local currency costs of the Study. The current estimate of the local currency costs is Ceylon Rupees 176,000.

Section 4.02. (a) Promptly upon the signing of this Agreement, the Government shall deposit into an account in the name of and subject to the order of the Consultants the sum of Rupees 64,880, representing the estimate of three months' requirements, as set forth in the Schedule 1 to this Agreement.

(b) On the 10th day of the calendar month subsequent to the date on which this Agreement shall have become effective pursuant to Section 8.01 of this Agreement, and for the next nine months, the Government shall deposit into such account the amount next set forth in such Schedule 1 adjusted in accordance with sub-paragraph *(c)* below.

(c) The Consultants may make withdrawals from such account as necessary to cover the local currency costs of the Study. Not later than 20 days after the end of the calendar month in which the Consultants commence work in Ceylon and of each calendar month thereafter until the month of termination of its services in Ceylon, the Consultants shall submit to the Government an itemized statement

of the charges in local currency incurred in the previous calendar month and, upon approval by the Government of the statement, the difference between such statement and the amount deposited in the Consultants' account for the same month shall be added to or deducted from the amount, if any, which shall be deposited in the subsequent month, in accordance with paragraph (b) above.

(d) Upon completion of the services in Ceylon, the Consultants shall promptly render a final accounting to the Government and upon settlement, including release by the Government from all tax liability, shall return the balance of such account to the Government.

(e) If at any time the amount credited to such account is insufficient for the efficient carrying out of the Consultants' services, the Government shall promptly make such additional deposit as shall be necessary for the purpose, and shall agree to any appropriate modification of the Schedule 1 resulting therefrom.

Section 4.03. The Government shall make available to the Consultants free of charge the equipment, services and facilities set forth in Schedule 2 to this Agreement.

Section 4.04. (a) The Government shall make available to the Consultants all information relevant to the Study.

(b) The Government shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Study or the carrying out thereof.

(c) The Government shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Government for purposes related to the Study.

Section 4.05. The Government shall not take any action or permit any of its agencies or instrumentalities to take any action which would prevent or interfere with the performance by the Bank or the Consultants of their functions and obligations in respect of the Study.

Section 4.06. The Government shall give full consideration to all recommendations contained in the final report of the Study prepared by the Consultants pursuant to the provisions of the Contract and shall exchange views with the Bank on the implementation thereof.

Section 4.07. The Government shall permit the Bank without charge to use any draft or final reports of the Study prepared by the Consultants pursuant to the provisions of the Contract for such purposes as the Bank shall reasonably determine.

Section 4.08. The Government shall permit the Bank to dispose, or to direct the Consultants to dispose, in such manner as the Bank shall determine, of any

vehicles or other equipment financed out of the proceeds of the Bank's financial assistance for the purposes of the Study and which shall become unnecessary for such purposes.

Section 4.09. The Government shall exempt the Consultants and their personnel from any taxes, duties, fees, levies and other impositions imposed under its laws and regulations or the laws and regulations in effect in its territories or of any political subdivision or agency thereof on the Consultants and their personnel (other than personnel who are citizens or permanent residents of the territories of the Government) in respect of:

(a) any payments made to the Consultants or their personnel in connection with the carrying out of the Study;

(b) any equipment, materials and supplies brought into the territories of the Government for the purpose of carrying out this agreement and which, after having been brought into such territories, will be subsequently withdrawn therefrom; and

(c) to the extent applicable to similar situations in Ceylon in respect of any property brought by the Consultants or their personnel, for their personal use and consumption or which, after having been brought into the territories of the Government, will subsequently be withdrawn therefrom upon departure of the Consultants and their personnel.

Section 4.10. The Government shall: (a) facilitate clearance through customs of any equipment, material and supplies required for the Study and of the personal effects of the Consultants' personnel;

(b) make arrangements for the Consultants' personnel and their families promptly to be provided with any necessary entry and exit visas, residence permits, exchange permits, travel documents required for their stay in Ceylon;

(c) issue all necessary permits and authorizations for the carrying out of the Study; and

(d) indemnify and hold harmless the Consultants and their personnel from any claims by third parties on account of acts or omissions related to the carrying out of the Study, except where resulting from gross negligence.

Section 4.11. The Government shall indemnify the Bank and members of its staff for any liability arising out of acts or omissions of such staff members in connection with this Agreement or the execution of the Study, except where resulting from willful misconduct. Such indemnification shall include, without limitation, attorneys' fees, court costs and other expenses incurred by the Bank or members of its staff in connection with the defense against, or settlement of, claims on account of such liability.

Article V

EXCHANGE OF VIEWS

Section 5.01. The Government and the Bank shall cooperate fully to assure that the purposes of the Study will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Study.

Article VI

SETTLEMENT OF DISPUTES

Section 6.01. (a) Any disputes between the parties to this Agreement and any claim by either such party against the other arising under this Agreement which shall not be determined by agreement of the parties shall be submitted to arbitration by an Arbitral Tribunal as provided in paragraphs (b) through (i) and paragraph (k) of Section 7.03 of the Bank's Loan Regulations No. 3 dated February 15, 1961 as amended February 9, 1967.¹ Any reference therein to the Borrower and to the Loan Agreement shall be deemed to be a reference to the Government and to this Agreement, respectively.

(b) The provisions for arbitration set forth in this Section shall be in lieu of any other procedure for the determination of controversies between the parties to this Agreement and any claims by either party against the other party arising thereunder.

(c) Service of any notice or process in connection with any proceeding under this Section or (to the extent that such remedy shall be available) in connection with any proceeding to enforce any award rendered pursuant to this Section may be made in the manner provided in Section 8.02. The parties to this Agreement waive any and all other requirements for the service of any such notice or process.

(d) Notwithstanding any termination of this Agreement pursuant to Section 7.02 hereof, the provisions of this Section shall continue in full force and effect in respect of any dispute arising either before or after termination, provided such dispute shall be submitted to arbitration within six months after the date of such termination.

Article VII

TERMINATION

Section 7.01. (a) The Bank shall be entitled by notice to the Government to terminate this Agreement if the Government shall have failed to carry out any obligation undertaken by it hereunder; and this Agreement shall terminate fourteen days after the giving of such notice.

¹ United Nations, *Treaty Series*, Vol. 615, p. 98.

(b) This Agreement may be terminated by the Government by notice to the Bank; and this Agreement shall terminate 60 days after the giving of such notice.

(c) Upon termination of this Agreement, except as provided in paragraph (d) of this Section, all obligations hereunder of the parties hereto shall forthwith terminate.

(d) The Government shall bear all local currency costs connected with the termination of the Contract between the Bank and the Consultants.

Article VIII

EFFECTIVENESS; MISCELLANEOUS

Section 8.01. This Agreement shall not become effective until:

(a) Evidence satisfactory to the Bank shall have been furnished to the Bank that this Agreement constitutes a valid and binding obligation of the Government in accordance with its terms; and

(b) The Government shall have established the account referred to in Section 4.02 (a) of this Agreement.

Section 8.02. Any notice or request required or permitted to be given or made under this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall have been delivered by hand, mail or cable to the party to which it is required to be given or made at such party's address specified below, or at such other address as the party shall have specified in writing to the party giving such notice or making such request.

For the Government:

Department of Foreign Aid
7, Prince Street
Colombo 1, Ceylon

Cable address:

Foraid
Colombo

For the Bank:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:

Intbafrad
Washington, D.C.

Section 8.03. Any action required or permitted to be taken under this Agreement on behalf of the Government may be taken by the Director of Foreign

Aid or any person thereunto duly authorized in writing by him.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Technical Assistance 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 Government of Ceylon:

By O. WEERASINGHE
Authorized Representative

International Bank for Reconstruction and Development:

By R. J. GOODMAN

SCHEDULE 1

DEPOSITS IN CEYLON CURRENCY (expressed in Ceylon Rupees)

Ref. Section 4.02

| <i>Monthly Deposit</i> | <i>Amount of Deposit</i> | <i>Monthly Deposit</i> | <i>Amount of Deposit</i> |
|------------------------|--------------------------|------------------------|--------------------------|
| 1 | 64,880 | 6 | 6,000 |
| 2 | 22,650 | 7 | 4,800 |
| 3 | 17,442 | 8 | 12,800 |
| 4 | 14,400 | 9 | 3,257 |
| 5 | 13,900 | 10 | 400 |

SCHEDULE 2

EQUIPMENT, SERVICES AND FACILITIES

Ref. Section 4.03

A. *Economic, Traffic and Technical Data*

(1) All available data on:

- (a) the economic development plans of Ceylon, including population, agriculture, mining and industry;
- (b) traffic by all modes of transport;
- (c) maps and aerial photographs of the country and its transport networks, including existing inventory data;
- (d) cost experience on recent construction projects;
- (e) proposed design standards for roads and bridges;
- (f) existing standard designs of pre-stressed reinforced concrete bridge beams of spans from 15 feet to 150 feet; and
- (g) lists of existing equipment including spare parts and of workshop machinery and tools.

- (2) All available information on transport costs and revenues and on the organization, operation and accounting system of the Government agencies and local authorities responsible for highway transport administration and maintenance.

B. Cooperation of Government Agencies and Counterparts

1. In connection with work by the Consultants that requires the cooperation of other Government agencies, the Government shall facilitate liaison and will ensure that the Consultants have access to all information required for the completion of the Services.

2. The Government shall assign qualified counterparts (who are included in the schedule under Section C below) to work with the key personnel of the Consultants. The counterparts will be assigned on a full-time or part-time basis, for the purpose of liaison, training, and review of the findings and recommendations of the Consultants.

C. Equipment, Services and Facilities

1. The following equipment, services and facilities for use by the Consultants in performing the Study:

(a) Ceylon Personnel (including counterparts)

| | <i>Calendar months</i> | | | | | | | | | | | |
|---------------------------|------------------------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|
| | <i>1</i> | <i>2</i> | <i>3</i> | <i>4</i> | <i>5</i> | <i>6</i> | <i>7</i> | <i>8</i> | <i>9</i> | <i>10</i> | <i>11</i> | <i>12</i> |
| Executive Engineer | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Assistant Engineers | 2 | 11 | 15 | 14 | 10 | 10 | 9 | 9 | 9 | 9 | 9 | 9 |
| Accountant | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Economist | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| Inspectors/Sub-Insp. | 5 | 17 | 17 | 18 | 10 | 10 | 8 | 7 | 7 | 7 | 7 | 7 |
| Overseers | 2 | 8 | 8 | 8 | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 4 |
| Draftsmen | 0 | 4 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 10 | 10 |
| Helpers | 5 | 70 | 70 | 70 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Clerical | 2 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 2 | 2 |

(b) Facilities and Equipment

Suitable office accommodation with usable floor area of approximately 3,700 square feet, with partitions as required and installation of air-conditioning equipment to be imported by the Consultants.

Suitable furniture and equipment for the offices, including utilities, telephone, supplies and normal office equipment.

Reasonable personal use of the vehicles imported by the Consultants for the purposes of the Study. The Consultants will reimburse the Government for the costs of fuel, maintenance, repair, insurance and drivers arising from personal use of the vehicles.

Use of available tabulating machines and computers.

Use of available soils and materials testing facilities.

Use of reproduction facilities.

Operating costs of vehicles used for purposes of the Study.

2. Vehicles for the transportation of Ceylonese inventory teams as may be required during peak periods of field activity. The anticipated requirements for vehicles additional to the six to be purchased out of the proceeds of the Bank's financial assistance as follows:

| <i>Month of Study</i> | <i>Number of Vehicles for Ceylonese Field Teams</i> | <i>Month of Study</i> | <i>Number of Vehicles for Ceylonese Field Teams</i> |
|---------------------------|---|---------------------------|---|
| 1 | 2 | 7 | 6 |
| 2 | 6 | 8 | 2 |
| 3 | 6 | 9 | 2 |
| 4 | 6 | 10 | 0 |
| 5 | 6 | 11 | 0 |
| 6 | 6 | 12 | 0 |

3. As may be required for the Services, transport drivers with a working knowledge of English.