

No. 10572

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
MAURITANIA**

**Development Credit Agreement—*Highway Maintenance Project*
(with annexed General Conditions Applicable to Development
Credit Agreements). Signed at Washington on 26 June 1969**

Authentic text: English.

Registered by the International Development Association on 1 July 1970.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
MAURITANIE**

**Contrat de crédit de développement — *Projet relatif à l'entretien
du réseau routier* (avec, en annexe, les Conditions générales
applicables aux contrats de crédit de développement). Signé à
Washington le 26 juin 1969**

Texte authentique: anglais.

Enregistré par l'Association internationale de développement le 1^{er} juillet 1970.

DEVELOPMENT CREDIT AGREEMENT ¹

AGREEMENT, dated June 26, 1969, between the ISLAMIC REPUBLIC OF MAURITANIA (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

Article I

GENERAL CONDITIONS

Section 1.01. The parties to this Development Credit Agreement accept all the provisions of the General Conditions Applicable to Development Credit Agreements of the Association dated January 31, 1969² (said General Conditions Applicable to Development Credit Agreements being hereinafter called the General Conditions), with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth.

Article II

THE CREDIT

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions in this Development Credit Agreement set forth or referred to, an amount in various currencies equivalent to three million dollars (\$3,000,000).

Section 2.02. (a) 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.

¹ Came into force on 3 December 1969, upon notification by the Association to the Government of Mauritania.

² See p. 294 of this volume.

(b) The amount of the Credit may be withdrawn from the Credit Account as provided in and subject to the rights of cancellation and suspension set forth in, this Development Credit Agreement and in accordance with the allocation of the proceeds of the Credit set forth in Schedule 1 to this Agreement, as such allocations shall be modified from time to time pursuant to the provisions of such Schedule 1 or by further agreement between the Borrower and the Association.

Section 2.03. The Borrower shall be entitled to withdraw from the Credit Account such amounts as shall have been paid (or, if the Association shall so agree, shall be required to meet payments to be made) in respect of the reasonable cost of goods or services required for the Project and to be financed under this Development Credit Agreement.

Section 2.04. No withdrawals from the Credit Account shall be made on account of expenditures for: (i) goods produced in, or services supplied from the territories of the Borrower and to be financed under Categories I and II of the allocation of the proceeds of the Credit set forth in Schedule 1 to this Agreement; or (ii) taxes imposed by the Borrower or any of its political subdivisions on or in connection with the importation or supply of, goods or services required for the Project and to be financed under this Development Credit Agreement.

Section 2.05. The currency of the French Republic is hereby specified for the purposes of Section 4.02 of the General Conditions.

Section 2.06. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.07. Service charges shall be payable semi-annually on June 1 and December 1 in each year.

Section 2.08. The Borrower shall repay the principal amount of the Credit withdrawn from the Credit Account in semi-annual installments payable on each June 1 and December 1 commencing December 1, 1979 and ending June 1, 2019, each installment to and including the installment payable on June 1, 1989 to be one-half of one per cent ($\frac{1}{2}$ of 1%) of such principal amount, and each installment thereafter to be one and one-half per cent ($1\frac{1}{2}$ %) of such principal amount.

Article III

USE OF PROCEEDS OF THE CREDIT

Section 3.01. The Borrower shall apply the proceeds of the Credit in accordance with the provisions of this Development Credit Agreement to expenditures on the Project, described in Schedule 2 to this Agreement.

Section 3.02. Except as the Association shall otherwise agree, the goods and services to be financed out of the proceeds of the Credit shall be procured on the basis of international competitive bidding in accordance with the *Guidelines for Procurement under World Bank Loans and IDA Credits*, published by the Bank in February 1968, and in accordance with such other procedures supplementary thereto as shall be agreed between the Borrower and the Association.

Section 3.03. Except as the Association may otherwise agree, the Borrower shall cause all goods and services financed out of the proceeds of the Credit to be used exclusively in carrying out the Project, and thereafter for road maintenance works in its territories.

Article IV

PARTICULAR COVENANTS

Section 4.01. (a) The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound engineering, administrative and financial practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(b) In carrying out the Project, the Borrower: (i) shall employ competent and experienced Consultants acceptable to the Association to an extent, and under such contracts and terms of reference, as shall be satisfactory to the Association; and (ii) shall not amend, assign, waive, suspend or terminate any contract entered into pursuant to this paragraph so as to substantially affect the carrying out of the Project, without the prior agreement of the Association.

Section 4.02. The Borrower shall maintain or cause to be maintained records adequate to identify the goods and services financed out of the proceeds of the Credit, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and

financial conditions, in respect of the Project, of the ministries or departments of the Borrower, including the Direction des Travaux Publics, responsible for the carrying out of the Project or any part thereof; shall enable the Association's representatives to inspect the Project, the goods financed out of the proceeds of the Credit and any relevant records and documents; and shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the expenditure of the proceeds of the Credit, the Project, the goods and services, and the operations and financial condition, in respect of the Project, of the ministries or departments of the Borrower, including the Direction des Travaux Publics, responsible for the carrying out of the Project or any part thereof.

Section 4.03 (a) The Borrower and the Association shall cooperate fully to ensure that the purposes of the Credit 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 Credit. On the part of the Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments position of the Borrower.

(b) The Borrower and the Association shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Credit and the maintenance of the service thereof. The Borrower shall promptly inform the Association of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit or the maintenance of the service thereof.

(c) The Borrower shall afford all reasonable opportunity for accredited representatives of the Association to visit any part of the territories of the Borrower for purposes related to the Credit.

Section 4.04. The Borrower undertakes to insure the imported goods to be financed out of the proceeds of the Credit against marine, transit and other hazards incident to acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable by the Borrower to replace or repair such goods.

Section 4.05. (a) The Borrower shall cause all its equipment for road maintenance to be adequately maintained and repaired and shall maintain sufficient and adequate workshops in suitable places for the purpose.

(b) The Borrower shall cause the primary highways included in its highway system and such other roads as are included in the Project to be adequately maintained in accordance with sound engineering practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

Section 4.06. The Borrower shall establish and maintain facilities adequate to collect and record, in accordance with appropriate statistical methods and procedures, such information concerning road traffic, road construction and maintenance costs as shall be reasonably required for proper planning of maintenance, improvements and extensions of its public roads system.

Section 4.07. The principal of, and service charges on, the Credit shall be paid without deduction for, and free from, any taxes, and free from all restrictions, imposed under the laws of the Borrower or laws in effect in its territories.

Section 4.08. The Development Credit Agreement shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, delivery or registration thereof.

Article V

REMEDIES OF THE ASSOCIATION

Section 5.01. If any event specified in Section 7.01 of the General Conditions shall occur and shall continue for the period, if any, therein set forth, then at any subsequent time during the continuance thereof, the Association, at its option, may by notice to the Borrower, declare the principal of the Credit then outstanding to be due and payable immediately, together with the service charges thereon, and upon any such declaration such principal, together with such charges, shall become due and payable immediately, anything in this Development Credit Agreement to the contrary notwithstanding.

Article VI

EFFECTIVE DATE; TERMINATION

Section 6.01. The following event is specified as an additional condition to the effectiveness of this Development Credit Agreement within the meaning of Section 10.01 (b) of the General Conditions, namely, that the consultants referred to in paragraph (b) of Section 4.01 of this Development Credit Agreement have been retained.

Section 6.02. The date October 1, 1969 is hereby specified for the purposes of Section 10.04 of the General Conditions.

Section 6.03. The *Ministre des Finances* of the Borrower is designated as representative of the Borrower for the purposes of Section 9.03 of the General Conditions.

Section 6.04. The obligations of the Borrower under Sections 4.05 and 4.06 of this Agreement shall terminate on the date on which this Development Credit Agreement shall terminate or on a date 10 years after the date of this Development Credit Agreement, whichever shall be the earlier.

Article VII

MISCELLANEOUS

Section 7.01. The Closing Date shall be March 31, 1974 or such other date as shall be agreed between the Borrower and the Association.

Section 7.02. The following addresses are specified for the purposes of Section 9.01 of the General Conditions:

For the Borrower:

Le Ministre de l'Équipement
Ministère chargé de l'Équipement
Nouakchott
Islamic Republic of Mauritania

Cable address:

Miniequipement
Nouakchott

For the Association:

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

Cable address:

Indevas
Washington, D.C.

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

Islamic Republic of Mauritania:

By ABDALLAHI OULD DADDAH
Authorized Representative

International Development Association:

By J. BURKE KNAPP
Vice President

SCHEDULE I

ALLOCATION OF PROCEEDS OF CREDIT

<i>Category</i>	<i>Amounts Expressed in Dollar Equivalent</i>
I. Procurement of maintenance and shop equipment	1,800,000
II. Consultants' advisory services: salaries, air fares, transport, office furnishings, reports and bidding documents.	640,000
III. Subsistence allowances for Consultants	160,000
IV. Unallocated.	400,000
	<u>TOTAL 3,000,000</u>

REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the items included in the Categories I, II and III shall decrease, the amount of the Credit then allocated to, and no longer required for, such Category will be reallocated by the Association to Category IV.

2. If the estimate of the cost of the items included in the Categories I, II and III shall increase, an amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Credit will be allocated by the Association, at the request of the Borrower, to such Category from Category IV, subject, however, to the requirements for contingencies, as determined by the Association, in respect of the cost of the items in the other Categories.

SCHEDULE 2

DESCRIPTION OF PROJECT

The Project consists of a Four-Year Road Improvement and Maintenance Program, to be implemented with the assistance of consultants, providing for:

- (a) the purchase of maintenance and shop equipment;
- (b) the improvement of the efficiency of maintenance operations; and
- (c) the training of personnel at all levels.

The Project is expected to be completed by September 30, 1973.

SCHEDULE 3

PROCUREMENT OF GOODS

1. With respect to goods included in Category I of the allocation of proceeds of the Credit set out in Schedule 1 to this Development Credit Agreement, the time interval referred to in Section 3.1. of the *Guidelines for Procurement under World Bank Loans and IDA Credits* dated February 1968 (hereinafter referred to as the Guidelines), between the invitations to bid and bid opening, shall be no less than sixty days.

2. Prior to inviting bids with respect to items or groups of items expected to cost the equivalent of \$10,000 or more, information concerning the advertising coverage, as well as the bidding documents and the draft contracts shall be submitted to the Association for its approval. Such bidding documents shall state that the bidder must submit separately one schedule of unit prices excluding duties and taxes levied on the import of goods into the territory of the Borrower, and another schedule of unit prices including duties and taxes levied on the import of such goods.

3. Before awards of contracts are made with respect to items or groups of items expected to cost the equivalent of \$10,000 or more, the Borrower shall send to the Association for its approval an evaluation of the bids received and the Borrower's proposals concerning the contract and the award. The evaluation of bids shall be made on the basis of c.i.f. landed cost plus all payable duties levied on the import of goods. All bids must indicate separately the c.i.f. landed cost and the amount of duties payable. If the Borrower proposes to award the contract to other than the bidder offering the lowest evaluated bid, the reasons for such an exception to Section 3.9 of the Guidelines shall be stated. One conformed copy of the contract for such goods, items, or groups of items, shall promptly be sent to the Association.

4. Before placing orders for items or groups of items expected to cost less than the equivalent of \$10,000, the Borrower shall periodically send to the Association, for its approval, lists of such items intended to be procured without resort to competitive bidding, indicating the expected price of such goods and the intended suppliers thereof. One conformed copy of the contract for such goods, items, or groups of items, shall promptly be sent to the Association.

5. Whenever a contract under the Project is awarded to a supplier not registered in the Islamic Republic of Mauritania, the Borrower shall facilitate the accomplishment by such supplier of all regulatory formalities which may be required to enable it to carry out such contract.

INTERNATIONAL DEVELOPMENT ASSOCIATION

GENERAL CONDITIONS, DATED 31 JANUARY 1969

GENERAL CONDITIONS APPLICABLE TO DEVELOPMENT CREDIT AGREEMENTS

[*Not published herein. See United Nations, Treaty Series, Vol. 703, p. 244.*]