

No. 10217

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
FRANCE**

**Memorandum of understanding concerning the Hinvi Agricultural
Development Project. Signed at Washington on 5 March 1969**

Authentic texts: English and French.

Registered by the International Development Association on 20 January 1970.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
FRANCE**

**Protocole d'accord relatif au Projet de développement agricole du
Hinvi. Signé à Washington le 5 mars 1969**

Textes authentiques: anglais et français.

Enregistré par l'Association internationale de développement le 20 janvier 1970.

MEMORANDUM OF UNDERSTANDING ¹ BETWEEN THE
REPUBLIC OF FRANCE (REPRESENTED BY THE SECRE-
TARIAT OF STATE FOR FOREIGN AFFAIRS) AND
INTERNATIONAL DEVELOPMENT ASSOCIATION (THE
ASSOCIATION)

Subject: *Dahomey—Hinvi Agricultural Development Project*

WHEREAS the total cost of the Project of agricultural and industrial develop-
ment of the region Grand Hinvi (Dahomey) until mid 1977, the year expected
for its completion is estimated at CFAF 2,370,000,000, which amounts to
\$9,600,000 equivalent to FF 47,400,000;

WHEREAS the Association has accepted to make a development credit of
\$4,600,000, equivalent to CFAF 1,137,000,000, to the Republic of Dahomey,
the proceeds of which will be made available to the Société Nationale pour le
Développement Rural du Dahomey (SONADER), in order to contribute to the
financing of the above mentioned Project, as it is described in the Annex to
the Development Credit Agreement ² signed between the Republic of Dahomey
and the Association;

WHEREAS the French Government accepted in principle that the Fonds
d'Aide et de Coopération (hereinafter called FAC) participate in the financing
of the above mentioned Project in the form of grants (the French Grant), in
the amount of FF 22,740,000 (equivalent to CFAF 1,137,000,000) and incor-
porated in an agreement hereinafter called the French Financing Agreement;

WHEREAS at the end of 1968, the financial contribution previously com-
mitted by the Comité Directeur du FAC for the implementation of the Project,
and included in the cost estimates, with the agreement of the Association,
amounts to FF 10,660,000 (equivalent to CFAF 533,000,000) of which an
amount of FF 9,940,000 (equivalent to CFAF 497,000,000) is for the part of the
Project jointly financed by the Republic of France and the Association;

WHEREAS the French Government shall request the Comité Directeur du
FAC to provide when needed the credits necessary for the effective carrying out

¹ Came into force on 5 March 1969 by signature.

² See p. 182 of this volume.

of the Project to finance the remaining amounts of its participation, which amounts to FF 12,080,000 (equivalent to CFAF 604,000,000);

WHEREAS the Government of Dahomey has agreed to participate in the financing of the Project in an amount of CFAF 96,000,000 (FF 1,920,000) and the Government of France is guaranteeing the execution of this commitment;

The Government of France and the Association, referring to the modalities of financing of the Project as they have been defined in the documents of implementation which they have exchanged, confirm their will to closely cooperate in the administration of their respective contributions; to this end, and as long as any part of the loan made by the Republic of Dahomey to SONADER out of the proceeds of the Association's Credit remains outstanding, hereby agree as follows:

A. Coordination; Exchange of Information; Consultation

(a) The Government of France and the Association, without assuming any liability therefor, will:

- (i) keep each other currently informed of the progress of the works toward the financing of which the proceeds of the Credit and the French Grant shall be applied;
- (ii) exchange views from time to time with respect thereto; and
- (iii) provide each other with any information that may appear useful. In particular, they shall keep each other informed of each amount disbursed under the Credit and the French Grant or of any event which might prevent making disbursements.

(b) In view of the Association's predominant concern with the construction, management and operation of the palm oil factory and the construction of the maize storage silos, and of the French Government's predominant concern with the agricultural development aspect of the Project and the establishing of cooperatives, each party shall, in relation to the areas which are his particular concern:

- (i) follow up the various phases of the procedure relating to the placing of contracts and orders for works, materials and supplies and choice of management, in accordance with the arrangements between each of

the parties and the Borrower specified for the implementation of the Development Credit Agreement and the French Financing Agreement respectively;

- (ii) check that the implementation of the Project and its operation thereafter are carried out with due diligence and efficiency. Each party shall inform the other beforehand of any scheduled mission, afford the other the opportunity to participate therein, and shall exchange views with the other party on the result of visits to the sites, installations and works;
 - (iii) communicate to the other party any information that each may reasonably expect from the other; and
 - (iv) inform the other party of any event liable to interfere with the carrying out of the Project, or hinder its operation or such as to justify the prematuring of the Credit or the suspension of the French Grant and of any advance repayment or proposed repayment of the whole or any part of the Credit.
- (c) The parties shall inform, and to all extent possible consult, each other prior to:
- (i) demanding repayment in advance of maturity of the whole or any part of the Credit or the suspension of the French Grant;
 - (ii) taking any action which would or might result in the suspension, cancellation or termination of the Development Credit Agreement or the French Financing Agreement;
 - (iii) making amendments to the Credit Agreement or the French Financing Agreement;
 - (iv) agreeing to any important changes in the specifications, cost and nature of the construction work, in the work schedules for the Project as compared with the original forecasts, or the arrangements with Dahomey and SONADER with regard to technical assistance needed for the Project, with the object of finding jointly a suitable solution; and
 - (v) approving any amendment to the regulations concerning the establishing of selected palm oil plantations and the forming of cooperatives. In addition, the parties may, at any time, consult one another on any matter of common interest.

B. *Exchange of Consents*

The parties shall first consult with each other before giving their consent to any request of the Republic of Dahomey under the Credit Agreement between the Republic of Dahomey and the Association, the French Financing Agreement and the letters supplemental thereto respectively.

The provisions hereinabove set forth shall remain in force between the Republic of France and the Association until SONADER shall have complied in full with its obligations under the subsidiary loan agreement between the Republic of Dahomey and SONADER.

International Development
Association:

By Robert S. McNAMARA

The Republic of France:

By G. PLESCOFF

Washington, D.C., March 5, 1969.
