

No. 11996

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
MALI**

**Development Credit Agreement—*Mopti Rice Project* (with
schedules and General Conditions Applicable to De-
velopment Credit Agreements). Signed at Washington
on 6 January 1972**

Authentic text: English.

*Registered by the International Development Association on 26 September
1972.*

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
MALI**

**Contrat de crédit de développement — *Projet relatif à la cul-
ture du riz dans la région de Mopti* (avec annexes et
Conditions générales applicables aux contrats de crédit
de développement). Signé à Washington le 6 janvier
1972**

Texte authentique : anglais.

*Enregistré par l'Association internationale de développement le 26 septem-
bre 1972.*

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated January 6, 1972, between REPUBLIC OF MALI (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

Article I

GENERAL CONDITIONS; DEFINITIONS

Section 1.01. The parties to this Agreement accept all the provisions of the General Conditions Applicable to Development Credit Agreements of the Association, dated January 31, 1969,² with the same force and effect as if they were fully set forth herein, subject, however, to the deletion of Sections 5.01 and 6.02 (h) thereof and to the renumbering of Section 6.02 (i) into 6.02 (h) thereof (said General Conditions Applicable to Development Credit Agreements of the Association, as so modified, being hereinafter called the General Conditions).

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 and the following additional terms have the following meanings:

(a) "Project Area" means the following polders: Dia, Diambakourou, Ibetimi, Karbaye, North Mopti, Sarantomo-Sine, Sofara, Soufouroulaye, South Mopti and Tenenkou.

(b) "ORM" means Opération Riz Mopti to be established in accordance with Section 3.04 (a) of this Agreement; and

(c) "SCAER" means the Société de Crédit Agricole et d'Équipement Rural established by the Borrower by Executive Decree of the Borrower dated April 14, 1971.

Article II

THE CREDIT

Section 2.01. The Association agrees to lend to the Borrower on the terms and conditions in the Development Credit Agreement set forth or

¹ Came into force on 26 June 1972, upon notification by the Association to the Government of Mali.

² See p. 28 of this volume.

referred to, an amount in various currencies equivalent to six million nine hundred thousand dollars (\$6,900,000).

Section 2.02. The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement, as such Schedule shall be amended from time to time, for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project described in Schedule 2 to this Agreement and to be financed under the Development Credit Agreement; provided, however, that, except as the Association shall otherwise agree, no withdrawal shall be made on account of expenditures in the territories of any country which is not a member of the Bank (other than Switzerland) or for goods produced in, or services supplied from, such territories.

Section 2.03. Except as the Association shall otherwise agree, the goods and services (other than services of consultants and other personnel) required for the Project and to be financed out of the proceeds of the Credit, shall be procured on the basis of international competition under procedures consistent with the *Guidelines for Procurement under World Bank Loans and IDA Credits*, published by the Bank in August, 1969 as amended in May, 1971 and in accordance with, and subject to, the provisions set forth in Schedule 3 to this Agreement.

Section 2.04. The Closing Date shall be May 31, 1978 or such other date as shall be agreed between the Borrower and the Association.

Section 2.05. 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 2.06. Service charges shall be payable semi-annually on June 1 and December 1 in each year.

Section 2.07. The Borrower shall repay the principal amount of the Credit in semi-annual installments payable on each June 1 and December 1 commencing June 1, 1982, and ending December 1, 2021, each installment to and including the installment payable on December 1, 1991 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.

Section 2.08. The currency of the French Republic is hereby specified for the purposes of Section 4.02 of the General Conditions.

Article III

EXECUTION OF THE PROJECT

Section 3.01. The Borrower shall carry out the Project through its Ministry of Production with due diligence and efficiency and in conformity with sound agricultural, engineering, economic and administrative practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

Section 3.02. In order to assist the Borrower in carrying out the Project, the Borrower shall employ engineering, management and other appropriate consultants and experts acceptable to the Association and upon terms and conditions satisfactory to the Association.

Section 3.03. In carrying out Parts A and B of the Project, the Borrower shall employ contractors acceptable to the Association upon terms and conditions satisfactory to the Association.

Section 3.04. Except as the Association shall otherwise agree, the Borrower shall:

- (a) establish, and maintain during not less than 10 years after the date of this Agreement, in its Ministry of Production, an organization (ORM) with powers and authority, including the provision of extension services, and with a level of management, satisfactory to the Association;
- (b) ensure that ORM be managed by a competent and experienced director satisfactory to the Association;
- (c) cause ORM to employ management consultants to furnish the services of five qualified and experienced experts, on terms and conditions satisfactory to the Association, namely, a financial officer, a training officer, a supply officer, a specialist in agricultural equipment and in the maintenance of polders and a maintenance shop foreman; and
- (d) cause ORM within one year following the appointment of any non-Malian personnel to the staff of ORM, to appoint qualified and experienced counterpart staff to work with such personnel, with a view to their replacement when such personnel are no longer required.

Section 3.05. Without restriction or limitation upon the provisions of Section 3.01 of this Agreement, the Borrower shall (a) open and maintain for at least seven years a special account for ORM's personnel expenditures; (b) make an initial deposit in said account in an amount sufficient to cover three months' requirement for the payment of the salaries of the

Malian personnel of ORM; and (c) make further monthly deposits in such account in such amounts as shall be required to maintain a balance adequate to cover such estimated salary requirements for three months.

Section 3.06. The Borrower shall cause effective pay scales to ORM's staff to be not lower than those effective in similar organizations maintained by the Borrower.

Section 3.07. Without restriction or limitation upon the provisions of Section 3.01 of this Agreement, the Borrower shall cause SCAER to make available to ORM fertilizers and farm implements, as and when required for the purposes of the Project.

Section 3.08. The Borrower shall impose such levies as shall be necessary to cover the annual operation and maintenance costs, and to recover, over 35 years, all direct investments, without interest, of the facilities in the Project Area.

Section 3.09. (a) The Borrower undertakes to insure, or make adequate provision for the insurance of, the imported goods to be financed out of the proceeds of the Credit against hazards incident to the 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.

(b) Except as the Association shall otherwise agree, the Borrower shall cause all goods and services financed out of the proceeds of the Credit to be used exclusively for the Project.

Section 3.10. (a) The Borrower shall furnish to the Association, promptly upon their preparation, the plans, specifications, reports, contract documents and construction and procurement schedules, for the Project, and any material modifications thereof or additions thereto, in such detail as the Association shall reasonably request.

(b) The Borrower: (i) shall maintain records adequate to record the progress of the Project (including the cost thereof), to identify the goods and services financed out of the proceeds of the Credit and to disclose the use thereof in the Project; (ii) 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 (iii) shall furnish to the Association all such information as the Association shall reasonably request concerning the Project, the expenditure of the proceeds of the Credit and the goods and services financed out of such proceeds.

Article IV

OTHER COVENANTS

Section 4.01. (a) The Borrower shall maintain or cause to be maintained, records, including separate accounts, adequate to reflect in accordance with consistently maintained sound accounting practices the operations, resources and expenditures, in respect of the Project, of the departments or agencies of the Borrower, including ORM and SCAER, responsible for carrying out the Project or any part thereof.

(b) The Borrower shall: (i) cause ORM to have its accounts and financial statements (balance sheets, statements of income and expenses and related statements) for each fiscal year audited, in accordance with sound auditing principles consistently applied by independent auditors acceptable to the Association; (ii) cause the Association to be furnished as soon as available, but in any case not later than four months after the end of each such year, (A) certified copies of ORM's accounts and financial statements for such year as so audited and (B) the report of such audits by said auditors, of such scope and in such detail as the Association shall have reasonably requested; and (iii) cause the Association to be furnished such other information concerning said accounts and financial statements and the audits thereof as the Association shall from time to time request.

(c) The Borrower shall cause ORM to retain the independent auditors referred to in paragraph (b) above within nine months following the date of this Agreement.

Section 4.02. Before undertaking any development in the Niger River basin upstream of Mopti, or allowing any such development to be undertaken, the Borrower shall take all measures necessary to ensure that such development will take into account the water requirements of the Project Area.

Section 4.03. The Borrower shall carry out a study in the Project Area on the cost of filling in marshy edges around large ponds and steepening their banks, in order to reduce snail survival, and shall furnish to the Association the conclusions of such study.

Section 4.04. The Borrower shall fix the purchase price of paddy in the Project Area with due regard to farmers' incentives to increase production for the market and utilize the facilities to be constructed or improved under the Project.

Section 4.05. The Borrower shall operate and maintain, or cause to be operated and maintained, the facilities included in the Project in accord-

ance with sound technical and agricultural standards and practices and shall furnish as and when needed the funds, facilities and other resources required for the purpose.

Article V

CONSULTATION, INFORMATION AND INSPECTION

Section 5.01. The Borrower and the Association shall cooperate fully to assure that the purposes of the Credit will be accomplished. To that end, the Borrower and the Association shall from time to time, at the request of either party:

- (a) exchange views through their representatives with regard to the performance of their respective obligations under the Development Credit Agreement, the administration, operations, resources and expenditures, in respect of the Project, of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof, and other matters relating to the purposes of the Credit; and
- (b) 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, including its balance of payments, and the external debt of the Borrower, of any of its political subdivisions and of any agency of the Borrower or of any such political subdivision.

Section 5.02. (a) The Borrower shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the operations, resources and expenditures, in respect of the Project, of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

(b) The Borrower and the Association shall promptly inform each other of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit, the maintenance of the services thereof or the performance by either of them of its obligations under the Development Credit Agreement.

Section 5.03. 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.

Article VI

TAXES AND RESTRICTIONS

Section 6.01. The principal of, and service charges on, the Credit shall be paid without deduction for, and free from, any taxes imposed under the laws of the Borrower or laws in effect in its territories.

Section 6.02. The Development Credit Agreement shall be free from any taxes on or in connection with the execution, delivery or registration thereof, imposed under the laws of the Borrower or laws in effect in its territories.

Section 6.03. The payment of the principal of, and service charges on, the Credit shall be free from all restrictions, regulations, controls and moratoria of any nature imposed under the laws of the Borrower or laws in effect in its territories.

Article VII

REMEDIES OF THE ASSOCIATION

Section 7.01. 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 and service charges shall become due and payable immediately, anything to the contrary in the Development Credit Agreement notwithstanding.

Article VIII

EFFECTIVE DATE; TERMINATION

Section 8.01. The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement within the meaning of Section 10.01 (b) of the General Conditions:

- (a) the Borrower has opened the special account referred to in Section 3.05 (a) of this Agreement and has made the initial deposit therein;
- (b) the engineering consultants referred to in Section 3.02 of this Agreement have been employed; and

(c) ORM has been established as provided for in Section 3.04 (a) and (b) of this Agreement.

Section 8.02. The date April 17, 1972 is hereby specified for the purposes of Section 10.04 of the General Conditions.

Section 8.03. The obligations of the Borrower under Sections 3.08, 4.01 (a), 4.02 and 4.04 of this Agreement shall cease and terminate on the date on which the Development Credit Agreement shall terminate or on a date twenty-five years after the date of this Agreement, whichever shall be the earlier.

Article IX

REPRESENTATIVE OF THE BORROWER; ADDRESSES

Section 9.01. The Minister of Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 9.03 of the General Conditions.

Section 9.02. The following addresses are specified for the purposes of Section 9.01 of the General Conditions.

For the Borrower:

Ministry of Finance
Bamako, Koulouba
Republic of Mali

Cable address:

Minifinances
Bamako

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 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.

Republic of Mali:

By SEYDOU TRAORÉ
Authorized Representative

International Development Association:

By J. BURKE KNAPP
Vice President

SCHEDULE 1

WITHDRAWAL OF THE PROCEEDS OF THE CREDIT

1. The table below sets forth the categories of items to be financed out of the proceeds of the Credit, the allocation of amounts of the Credit to each category and the percentage of eligible expenditures so to be financed in each category:

<i>Category</i>	<i>Amount of the Credit Allocated (Expressed in Dollar Equivalent)</i>	<i>Percentage of Expenditures to be Financed</i>
I. Equipment, and vehicles	700,000	100% of foreign expenditures
II. Civil Works	3,100,000	80% of total expenditures
III. Services of Engineering Consultants	200,000	100% of total expenditures
IV. Operating expenses of ORM, including salaries	800,000	45% of total expenditures
V. Operating expenses of ag- ricultural research station, including salaries	300,000	95% of total expenditures
VI. Consultants services for Part F of the Project	600,000	95% of total expenditures
VII. Unallocated	<u>1,200,000</u>	
TOTAL	<u>6,900,000</u>	

2. For the purposes of this Schedule:

(a) The term “foreign expenditures” means expenditures for goods produced in, or services supplied from, the territories, and in the currency, of any country other than the Borrower;

(b) The term “total expenditures” means the aggregate of foreign expenditures and of expenditures for goods produced in, or services supplied from, the territories of the Borrower.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawal shall be made in respect of:

(a) expenditures prior to the date of this Agreement; or

(b) payments for taxes imposed under the laws of the Borrower or laws in effect in its territories on goods or services, or on the importation, manufacture, procurement or supply thereof. To the extent that the amount represented by any percentage set forth in the third column of the table in paragraph 1 above in respect of any Category would exceed the amount payable net of all such taxes, such percentage shall be reduced to ensure that no proceeds of the Credit will be withdrawn on account of payments for such taxes.

4. Notwithstanding the allocation of an amount of the Credit set forth in the second column of the table in paragraph 1 above:

(a) If the estimate of the expenditures under any Category shall decrease, the amount of the Credit then allocated to such Category and no longer required therefor will be reallocated by the Association by increasing correspondingly the unallocated amount of the Credit;

(b) If the estimate of the expenditures under any Category shall increase, the percentage set forth in the third column of the table in paragraph 1 above in respect of such expenditures shall be applied to the amount of such increase, and a corresponding amount will be allocated by the Association, at the request of the Borrower, to such Category from the unallocated amount of the Credit, subject, however, to the requirements for contingencies, as determined by the Association, in respect of any other expenditures; and

(c) If the Association shall have reasonably determined that the procurement of any item in any Category is inconsistent with the procedures set forth or referred to in Section 2.03 of this Agreement, no expenditures for such item shall be financed out of the proceeds of the Credit and the Association may, without in any way restricting or limiting any other right, power or remedy of the Association under the Development Credit Agreement, by notice to the Borrower, cancel such amount of the Credit as in the Association’s reasonable opinion, represents the amount of such expenditures which would otherwise have been eligible for financing out of the proceeds of the Credit.

5. Notwithstanding the percentages set forth in the third column of the table in paragraph 1 above, if the estimate of total expenditures under Category II, III, IV, V or VI shall increase and no proceeds of the Credit are available for reallocation to such Category, the Association may, by notice to the Borrower, adjust the

percentage then applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made.

SCHEDULE 2

DESCRIPTION OF THE PROJECT

The Project, which forms part of the Borrower's efforts to improve conditions for rice cultivation, concerns about 31,000 ha and consists in:

Part A. (i) Construction of the North Mopti, Soufouroulaye and Sofara polders, including land preparation, with a cultivated area of about 13,300 ha; (ii) Rehabilitation of the Dia, Ibetemi, Karbaye, South Mopti and Tenenkou polders, including land preparation, with a rice cultivated area of about 13,000 ha; (iii) Land preparation on about 2,000 ha in the Sarantomo-Sine polder.

Part B. Construction of office and storage buildings for ORM and housing for its staff.

Part C. The allocation of land in the new polders; the implementation of a program for the production and distribution of selected seeds and the provision of credit and extension services on all polders under Part A of the project, the Diambakourou polder with a cultivated area of about 700 ha and about 2,000 ha in the Sarantomo-Sine polder, all by ORM.

Part D. The procurement of farm machinery, vehicles and equipment for use in the Project Area.

Part E. The establishment of an agricultural research station.

Part F. The carrying out, with the assistance of consultants, of a feasibility study for a second agricultural project in the Mopti region, covering topography, soils, hydrology, and hydraulics; it would also include detailed engineering of an all-weather road between Ke-Macina and Tenenkou, a health survey of the project area and an analysis of markets, prices and economic benefits.

The Project is expected to be completed by July 1, 1978.

SCHEDULE 3

PROCUREMENT

1. With respect to any contract for civil works estimated to cost the equivalent of \$30,000 or more, or for the procurement of goods estimated to cost the equivalent of \$10,000 or more:

(a) If bidders are required to prequalify, the Borrower shall, before qualification is invited, inform the Association in detail of the procedure to be followed and shall introduce such modifications in said procedure as the Association shall reasonably request. The list of prequalified bidders, together with a statement of their qualifications and of the reasons for the exclusion of any applicant for prequalification, shall be furnished by the Borrower to the Association for its comments before the applicants are notified and the Borrower shall make such additions or deletions from the said list as the Association shall reasonably request.

(b) Before bids are invited, the Borrower shall furnish to the Association, for its comments, the text of the invitations to bid and the specifications and other bidding documents, together with a description of the advertising procedures to be followed for the bidding, and shall make such modifications in the said documents or procedure as the Association shall reasonably request. Any further modification to the bidding documents shall require the Association's concurrence before it is issued to the prospective bidders.

(c) After bids have been received and evaluated, the Borrower shall, before a final decision on the award is made, inform the Association of the name of the bidder to whom it intends to award the contract and shall furnish to the Association, in sufficient time for its review, a detailed report on the evaluation and comparison of the bids received, together with the reasons for the intended award. The Association shall, if it determines that the intended award would be inconsistent with the procedures set forth or referred to in Section 2.03 of this Agreement, promptly inform the Borrower and state the reasons for such determination.

(d) The terms and conditions of the contract shall not, without the Association's concurrence, materially differ from those on which bids were asked.

(e) Two conformed copies of the contract shall be furnished to the Association promptly after its execution and prior to the submission to the Association of the first application for withdrawal of funds from the Credit Account in respect of any such contract.

2. With respect to any contract valued at an amount below the respective limit stated in paragraph 1 above for such contract, the Borrower shall furnish to the Association, promptly after its execution and prior to the submission to the Association of the first application for withdrawal of funds from the Credit Account in respect of any such contract, two conformed copies of such contract; provided, however, that the aggregate value of all contracts for the procurements of goods submitted to the Association pursuant to this paragraph 2 shall not exceed the

equivalent of \$200,000. The Association shall, if it determines that the award of the contract is not consistent with the procedures set forth or referred to in Section 2.03 of this Agreement, promptly inform the Borrower and state the reasons for such determination.

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.*]
