

No. 13420

**FRANCE
and
MAURITANIA**

**Agreement on co-operation in economic, monetary and
financial matters (with procès-verbal of understanding).
Signed at Paris on 19 June 1961**

Termination of the above-mentioned Agreement

Authentic text of the Agreement: French.

*The Agreement and certified statement were registered by France on 9 July
1974.*

**FRANCE
et
MAURITANIE**

**Accord de coopération en matière économique, monétaire et
financière (avec procès-verbal interprétatif). Signé à
Paris le 19 juin 1961**

Abrogation de l'Accord susmentionné

Texte authentique de l'Accord: français.

*L'Accord et la déclaration certifiée ont été enregistrés par la France le 9 juillet
1974.*

[TRANSLATION — TRADUCTION]

AGREEMENT¹ ON CO-OPERATION IN ECONOMIC,
MONETARY AND FINANCIAL MATTERS BETWEEN
THE FRENCH REPUBLIC AND THE ISLAMIC
REPUBLIC OF MAURITANIA

The Government of the French Republic, on the one hand, and

The Government of the Islamic Republic of Mauritania, on the other
hand,

Being resolved to maintain their relations in a spirit of mutual
understanding, reciprocal trust and co-operation, particularly in economic,
monetary and financial matters,

Have agreed on the following provisions:

PRELIMINARY TITLE

Article 1. The Islamic Republic of Mauritania declares that it wishes to continue its development in close association with the French Republic and the other countries in the franc zone, while at the same time taking advantage of opportunities for trade and co-operation offered to it in other countries of the world.

Article 2. The contractual association between the Islamic Republic of Mauritania and the French Republic shall be based on two fundamental principles:

- Each State shall retain all the economic, monetary and financial powers recognized as belonging to sovereign States.
- The Parties shall agree to co-ordinate their external trade, monetary and financial policies as between themselves and with the other States of the franc zone, so as to assist each other and to promote the most rapid possible economic development of each of them.

Article 3. The French Republic shall continue to provide the Islamic Republic of Mauritania with the material and technical assistance it requires to attain the economic and social objectives which it has set for itself.

Article 4. This Agreement has been freely discussed and concluded with the intention of establishing friendly and close co-operation between the French Republic and the Islamic Republic of Mauritania, taking into account their different structures and the disparity in their level of development, in order to enable them to normalize relations between them and to make those relations more beneficial to both Parties.

¹ Came into force on 14 November 1961, the date of entry into force of the Treaty on co-operation between the French Republic and the Islamic Republic of Mauritania of 19 June 1961 (see p. 3 of this volume), in accordance with article 38.

TITLE I

THE FRANCO-MAURITANIAN COMMISSION

Article 5. A Franco-Mauritanian Commission, of equal membership, shall be established to supervise the implementation of this Agreement, with the exception of the provisions in title II.

Article 6. The Franco-Mauritanian Commission shall meet once every three months, as a general rule. In the intervals between such meetings it may be convened at the request of either Party.

Article 7. The Franco-Mauritanian Commission shall establish the conditions governing the organization and preparation of its meetings.

TITLE II

AID FROM THE FRENCH REPUBLIC
TO THE ISLAMIC REPUBLIC OF MAURITANIA

Article 8. In accordance with the wish expressed by the Islamic Republic of Mauritania, the French Republic shall continue, for a period of five years which may be renewed, to provide aid and assistance to the Islamic Republic of Mauritania for its economic and social development and the operation of its public services.

Aid from the French Republic shall consist, *inter alia*, of assistance each year in the carrying out of studies and research, the supply of equipment, the secondment of experts and technicians, the granting of financial support and the training of professional staff.

The arrangements for such aid shall be so designed as to permit, *inter alia*, the implementation of single or multiple operations included in the programmes adopted by the Islamic Republic of Mauritania.

Aid from the French Republic shall not exclude aid which the Islamic Republic of Mauritania may receive from other States or international bodies.

Article 9. The portion of financial assistance for economic and social development allocated for studies, the purchase of equipment or supplies and the execution of works shall be the subject of contracts which shall normally be reserved for enterprises of the franc zone.

TITLE III

TRADE

Article 10. The Islamic Republic of Mauritania shall have the sovereign right to determine its external trade and financial policies. In particular, it shall have the right to negotiate and sign trade agreements or trade treaties, customs conventions and financial agreements with all countries, whether or not they are members of the franc zone, and with all international bodies.

Under the same conditions, the Islamic Republic of Mauritania shall freely determine its quota and tariff policy.

Article 11. The Islamic Republic of Mauritania and the French Republic agree to maintain their trade relations, for a period of five years which may be renewed, within the framework of a reciprocal preferential system based on the following principles:

- Freedom of movement and exemption from customs duty, subject to the laws and regulations relating to health, security and public morality, in respect of State monopolies and marketing organizations;
- Privileged markets mutually agreed upon for the principal products and goods, notably by means of tariff and quota protection or by marketing organizations;
- Co-ordination of trade policies with respect to third parties;
- Protection of Mauritanian industries.

The quantities and prices of products imported into the territories of the French Republic and the Islamic Republic of Mauritania, for which marketing organizations exist, shall be established each year in sufficient time to enable the budget estimates and marketing schedules to be drawn up.

Article 12. The schedules in effect as of 1 January 1961 shall be maintained pending the entry into force of a protocol of application of the provisions of article 11 above.

Article 13. The Islamic Republic of Mauritania intends to maintain its association with the European Economic Community in a form to be agreed upon with the competent authorities of the Community.

Article 14. All receipts and expenditures of the Islamic Republic of Mauritania involving countries outside the franc zone shall take the form of the sale or purchase of foreign exchange on the central currency market of the franc zone.

Article 15. A “dollar account” entitled “Mauritania - drawing rights” shall be opened with the Exchange Stabilization Fund of the franc zone.

This account shall be credited, *inter alia*, with the equivalent of settlements in foreign currency corresponding to exports and of any gifts and loans in foreign currency which the Islamic Republic of Mauritania obtains from countries outside the franc zone or from international bodies. The account may, if necessary, be granted supplementary drawing rights on the general reserves of the franc zone, whose amount shall be determined by the Joint Commission provided for in article 5 above.

The account shall be debited, *inter alia*, with the equivalent of settlements in foreign currency corresponding to imports from countries outside the franc zone, participations in or contributions to international bodies and repayment of loans granted by such countries or bodies.

Article 16. The Islamic Republic of Mauritania shall apply within its territory the general exchange regulations for the franc zone.

It may make such adjustments to those regulations as may be required by local conditions, but must bring before the Joint Commission any adjustments

which substantially affect the interests of the other States of the franc zone. In all cases, it shall inform these States of any adjustments.

The competent authorities of the French Republic and the Islamic Republic of Mauritania shall co-operate in seeking out and taking action against violations of the aforementioned regulations.

Article 17. The Mauritanian agency responsible for the regulation and control of foreign exchange shall maintain contact with the central foreign exchange organs of the franc zone for the purpose of maintaining the desirable solidarity and ensuring the necessary co-ordination through the exchange of information and data on, *inter alia*, operations, the position of the account and any violations which have been noted.

The Islamic Republic of Mauritania may, for this purpose, request that the services of an official of the said central organs should be made available to it.

Article 18. Within the limits of its international commitments and subject to the provisions of this title, the Islamic Republic of Mauritania shall have free use of the foreign exchange resources credited to the account referred to in article 15.

TITLE IV

CURRENCY

Article 19. The Islamic Republic of Mauritania affirms its intention to remain a member of the West African Monetary Union.

The currency which shall be legal tender throughout the territory of the Islamic Republic of Mauritania shall be the CFA franc issued by the Joint Bank of Issue of the States of the Monetary Union.

Article 20. Convertibility between the CFA franc and the French franc shall be unrestricted and guaranteed by the opening of a working account in the name of the Bank of Issue to be registered with the French Treasury. This account shall be the subject of an appropriate agreement.

There shall be free transfer of funds between the two States.

Article 21. The nature and par value of the monetary unit shall be maintained. They may be changed only by agreement between all member States of the Monetary Union and the French Republic.

Article 22. The monetary tokens issued in each State shall be identified by a special marking.

Article 23. The Bank of Issue shall maintain, for each member State of the West African Monetary Union, separate accounts for the issue of currency and for its backing.

Article 24. The Bank of Issue shall be a multinational institution whose Board of Directors shall comprise representatives of the member States of the West African Monetary Union and of the French Republic; the member States

of the Union shall hold approximately three fifths of the seats, distributed evenly among them.

The Board of Directors shall have sole competence to deal with any problems affecting the value of the currency and to determine the general rules applicable to the distribution of credit, decisions being taken by a two-thirds majority.

There shall be established in the territory of each member State of the West African Monetary Union a currency committee.

Article 25. The Contracting Parties agree to pursue the negotiations undertaken with the member States of the West African Monetary Union with a view to confirming that Union by an international instrument and carrying out a reform respecting the principles set out above.

Pending the entry into force of that instrument, no change shall be made in the monetary relations existing between the French Republic and the Islamic Republic of Mauritania.

Article 26. The Islamic Republic of Mauritania may, if it deems fit, become a member of any international monetary body as a sovereign and independent State.

TITLE V

MISCELLANEOUS PROVISIONS

Article 27. The Islamic Republic of Mauritania or its public corporations shall have access to the French capital market. Accordingly, they may, within the framework of the laws and regulations in force, take out loans on the capital market or from French credit institutions. They may also, subject to the applicable exchange regulations, take out loans in third countries and from international finance agencies.

Article 28. In the case of operations included in the economic and social development programmes adopted by the Islamic Republic of Mauritania, medium-term rediscounting may be supplemented by non-monetary assistance from French specialized institutions, where such assistance cannot be provided by national institutions.

Article 29. The French Republic declares its willingness to assist the Banque mauritanienne de développement, within the framework of the provisions of this Agreement.

Article 30. At the highest level, the French Republic and the Islamic Republic of Mauritania shall consult together on questions relating to economic, monetary and financial policy and on development problems. Such consultations may extend to other States in the franc zone.

Article 31. The Islamic Republic of Mauritania shall be represented in the Monetary Committee of the franc zone. It shall, at its request, participate in any other joint organizations of the States of the franc zone and, where necessary, in any economic and financial multilateral grouping.

Article 32. Relations between the French Treasury and the Mauritanian Treasury shall continue to be governed by a special agreement.

Article 33. The Islamic Republic of Mauritania shall unreservedly exercise in the public and private domains in Mauritania all rights of all kinds formerly exercised by the French Republic, which expressly renounces them.

Article 34. The French Republic and the Islamic Republic of Mauritania agree to entrust the settlement of any problems relating to State property which might arise between them to a Franco-Mauritanian Commission, of equal membership, which shall draw up a special convention on the basis of the following principles:

1. The French Republic shall receive ownership, on a permanent basis, of such property in the private domain as it requires for the operation of any civil services which it may establish in Mauritania.
2. The Islamic Republic of Mauritania shall grant to the French Republic the use of the installations it requires to carry out the defence mission entrusted to the French military forces under defence agreements.
3. Any such military installations which are destined solely for use as housing shall be returned to the ownership of the French Republic.

Article 35. The Joint State Property Commission shall, where necessary, recommend the exchange of property between the Contracting Parties.

Article 36. The Joint State Property Commission shall draw up a list of the administratively and financially autonomous French public organizations whose property is private property.

Article 37. The Islamic Republic of Mauritania declares that it confirms concessions granted prior to the date on which this Agreement enters into force.

The right of concession shall be exercised by the authorities of the Islamic Republic of Mauritania as from the entry into force of this Agreement.

Article 38. This Agreement shall enter into force at the same time as the Treaty on co-operation signed on today's date.¹

DONE at Paris on 19 June 1961.

For the Government
of the French Republic:

[Signed]
M. DEBRÉ

For the Government
of the Islamic Republic
of Mauritania:

[Signed]
OULD DADDAH

¹ See p. 3 of this volume.

PROCÈS-VERBAL OF UNDERSTANDING
concerning the Agreement on co-operation in economic, monetary
and financial matters

1. *Products included in the system of privileges*

With regard to article 11 of the Agreement on co-operation in economic, monetary and financial matters, the two delegations have agreed that the principles which govern trade relations between the two countries, in particular the principle of a reciprocal preferential system, imply privileged markets mutually reserved for products originating in the territory of either of the Parties.

In this connexion, the list of modalities for ensuring such privileged markets (tariff and quota protection and marketing organizations) is not limitative. The Mauritanian products concerned are, at present, gum arabic and, later, fisheries products.

The Mauritanian delegation stressed the great importance for Mauritania's economy of the early establishment at Port-Étienne of a fish industry, the only local food industry the development of which is, moreover, dependent on the acquisition of adequate foreign outlets, particularly on the French market.

The French delegation took note of these statements. It stressed, however, the complexity of the problem posed by the fisheries and fish industry sector in France itself. Nevertheless, it undertook to take Mauritanian interests into account within the framework of the provisions of article 11 referred to above and of article 11 of the Agreement on co-operation in matters concerning the merchant marine.¹

2. *Joint Franco-Mauritanian Commission*

At the request of the Mauritanian delegation, the French delegation explained the reasons why it could not recognize the competence of that Commission in questions relating to aid (title II).

In accordance with a consistent practice with regard to all beneficiary States, aid granted by the French Republic cannot be the subject of negotiations.

3. *Problem of State property*

With regard to buildings in the military private domain used for individual housing, the French delegation expressed the wish that, when the

¹ See p. 33 of this volume.

military personnel departed, some of those buildings might be assigned to the French consular services. The Mauritanian delegation took note of that wish and stated that the problem would be resolved automatically as a result of the application of article 34, paragraph 1.

4. *Drawing rights account*

With regard to article 15, which opens a “dollar account” entitled “Mauritania drawing rights” with the Exchange Stabilization Fund of the franc zone, the French delegation specified that the purpose of that essentially statistical account was to assess the situation of that balance at fixed intervals, without, however, setting quantitative limits for the transactions surveyed; this would make it possible, *inter alia*, to maintain the automatic nature of intervention on the central currency market of the franc zone with a view to enabling transactions involving Mauritania to proceed.

Under those conditions, there may temporarily appear to be a debit in the “Mauritania - drawing rights” account.

In that connexion, the Mauritanian delegation asked whether the credit balance of the account could be used only with the agreement of the Government of the Islamic Republic of Mauritania.

The French delegation replied in the affirmative, stating that the operation of the account must make it possible to cover all transactions with countries outside the franc zone involving Mauritania, but only such transactions. There could be no question therefore of decreasing any balance of the account by covering transactions not involving Mauritania. Furthermore, the foreign currency resources standing to the credit of the account may be freely used by the Islamic Republic of Mauritania, due regard being paid to the rules of the currency market and the provisions of the agreement on co-operation, in particular article 18.

In addition, the two delegations agreed that the principle of the solidarity of the franc zone would be invoked if, at any time, the general reserves of the franc zone were going through a difficult period.

5. *Currency*

With regard to article 21, the French delegation explained the meaning of the terms “nature” and “par value” of a monetary unit.

The *nature* of a currency is determined in relation to gold or in relation to a currency of reference. It may be only indirect. It may also be direct and explicit; thus, the nature of the CFA franc is at present determined in relation to the French franc.

The *par value* is the relationship between the monetary unit and such other currency.

According to the meaning attached to it by the International Monetary Fund, par value is, for each of the members, the declared nature in so far as

the latter is expressed in accordance with article 4 of the statutes of that organization. In that regard, the par value of the new franc is \$US 4.93706.

DONE at Paris on 20 June 1961.

For the Government
of the French Republic:

[J. FOYER]

For the Government
of the Islamic Republic
of Mauritania:

[*Illegible*]

TERMINATION OF THE AGREEMENT ON CO-OPERATION IN ECONOMIC,
MONETARY AND FINANCIAL MATTERS BETWEEN THE FRENCH REPUBLIC
AND THE ISLAMIC REPUBLIC OF MAURITANIA OF 19 JUNE 1961¹

The above-mentioned Agreement ceased to have effect as of 31 December 1972, as specified in the Exchange of letters constituting an Agreement between France and Mauritania relating to the list of Agreements which ceased to have effect as of 31 December 1972 and to the confirmation of other Agreements, dated at Nouakchott on 15 February 1973.²

¹ See p. 51 of this volume.

² See p. 125 of this volume.