

## II

### *Treaties and international agreements*

*filed and recorded*

*from 21 October 1983 to 22 November 1983*

*No. 920*

---

### *Traités et accords internationaux*

*classés et inscrits au répertoire*

*du 21 octobre 1983 au 22 novembre 1983*

*N° 920*

No. 920

---

**UNITED NATIONS  
(UNITED NATIONS DEVELOPMENT PROGRAMME)  
and  
INTERNATIONAL FINANCE CORPORATION**

**Agreement for Mesurado Fishing Rehabilitation Project (with  
attachments). Signed at New York on 17 November 1983**

*Authentic text: English.*

*Filed and recorded by the Secretariat on 17 November 1983.*

---

**ORGANISATION DES NATIONS UNIES  
(PROGRAMME DES NATIONS UNIES  
POUR LE DÉVELOPPEMENT)  
et  
SOCIÉTÉ FINANCIÈRE INTERNATIONALE**

**Accord relatif au Projet de relance de Mesurado Fishing  
(avec pièces jointes). Signé à New York le 17 novem-  
bre 1983**

*Texte authentique : anglais.*

*Classé et inscrit au répertoire par le Secrétariat le 17 novembre 1983.*

## AGREEMENT<sup>1</sup> BETWEEN UNITED NATIONS DEVELOPMENT PROGRAMME AND INTERNATIONAL FINANCE CORPORATION FOR MESURADO FISHING REHABILITATION PROJECT

November 17, 1983

Agreement Number UNDP 2 (Liberia)

This Agreement, entered into by and between the UNITED NATIONS DEVELOPMENT PROGRAMME (hereinafter called "UNDP") and INTERNATIONAL FINANCE CORPORATION, an affiliate of the World Bank, (hereinafter called "IFC");

### WITNESSETH

WHEREAS, at its twenty-ninth session, the Governing Council of UNDP, under its Decision 82/9, established a Facility to assist the governments of its member recipient countries to finance pre-investment feasibility studies, primarily in the least-developed countries, and at the same time approved the establishment of a special account of \$1 million from UNDP's Special Programme Resources for this purpose for the third programming cycle (1982-1986);

WHEREAS, the Facility is to be used only where the cost of such studies cannot be met out of a country's UNDP Indicative Planning Figure;

WHEREAS, a condition of UNDP's provision of such financing is that the cost of each study is to be reimbursed to UNDP's account for the Facility upon an investment having been made in the project for which the study was made; and

WHEREAS, UNDP and the Government of Liberia have signed a Project Document whereby the Government has requested that certain funds from the Facility be used to finance the particular study referred to herein;

NOW, THEREFORE, UNDP and IFC agree as follows:

1. IFC, in connection with its consideration of financing the Mesurado Fishing Rehabilitation Project in Liberia (hereinafter referred to as the "Investment Project"), will undertake the investment feasibility study (hereinafter referred to as the "Study") which is described in Attachment A. The purpose of the Study is to provide data necessary to assist IFC in making a prompt decision on whether or not to finance the Investment Project.

2. UNDP will make available an amount of up to sixty-six thousand U.S. dollars (US\$66,000) from the Facility for the purpose of providing financing of the costs of the Study incurred by IFC. UNDP's liability to finance the costs of the Study is limited to the dollar amount referred to in this paragraph.

3. The Study will be conducted by IFC or by consultants engaged by IFC, which will be solely responsible as an independent contractor for all aspects of the Study. Consultants will be engaged in accordance with IFC's financial regulations, rules, practices and procedures, to the extent they are appropriate. Where such sources do not provide the required guidance, UNDP regulations, rules and directives shall apply. If requested by IFC, other arrangements for engaging con-

<sup>1</sup> Came into force on 17 November 1983 by signature, in accordance with paragraph 9 (a).

sultants by UNDP's Office for Projects Execution will be as agreed between UNDP and IFC.

4. The Study is expected to be completed within three (3) months of its commencement. If the Study does not commence within ninety (90) days of the date of this Agreement, UNDP may, after consultation with IFC, terminate or suspend its commitment to finance the Study without any financial liability on the part of UNDP.

5. In order to facilitate UNDP's administration of the financing of the Study, IFC will provide the following information to UNDP:

- (a) Written notice of the date and manner of commencement of the Study, including a copy of any consultant's agreement;
- (b) Relevant information on the status and progress of the Study, as requested by UNDP;
- (c) Written notice of the date of completion of the Study;
- (d) A copy of the final report resulting from the Study;
- (e) Written notice of IFC's decision whether or not to proceed with the Investment Project; and
- (f) If IFC proceeds to finance the Investment Project, written notice of IFC's receipt from the proposed borrower of the first request for disbursement of funds with respect to the Investment Project, and the anticipated date of such disbursement.

6. (a) UNDP will account separately for the amount referred to in paragraph 2 required to finance the Study and will make disbursements to IFC in accordance with the following schedule:

- (i) Fifty per cent (50%) upon receipt of notice from IFC that the Study has commenced, as contemplated by paragraph 5 (a); and
- (ii) Fifty per cent (50%) within one month after the submission of the Study's final report and evidence satisfactory to UNDP of expenditures incurred and duly certified by IFC.

(b) Disbursement to IFC by UNDP will be made into an account designated by IFC.

7. (a) If IFC notifies UNDP, pursuant to paragraph 5 (e), that it intends to proceed with financing the Investment Project, IFC will reimburse UNDP, in U.S. dollars, the total amount disbursed by UNDP pursuant to paragraph 6 concurrently with IFC's first disbursement of funds for the Investment Project. However, if such disbursement of funds shall not have occurred within twenty-four (24) months from the date of this Agreement, IFC will consult with UNDP from time to time as necessary to keep UNDP fully informed of the reasons for the delay in disbursement and the efforts being made to resolve any existing problems.

(b) If IFC notifies UNDP that it does not intend to proceed with financing the Investment Project, whether pursuant to paragraph 5 (e) or, after an initial positive notification, upon the failure to implement an appropriate agreement, IFC will specify, to the extent requested by UNDP, the reasons for IFC's adverse decision. In any such case, IFC shall have no obligation to reimburse the costs of the Study to UNDP, unless IFC subsequently finances the Investment Project. Should any other financial institution or agency subsequently use the Study in

deciding to finance the Investment Project, IFC will endeavour to assist UNDP in recovering the costs of the Study from such institution or agency.

(c) If IFC does not elect to finance the Investment Project, IFC will not take any action that will interfere with UNDP's further use of the Study.

8. In no event will IFC charge any party interest in respect of the financing UNDP has provided for the Study.

9. (a) This Agreement shall enter into force upon signature by the Parties hereto and shall continue in force until UNDP receives full reimbursement of the sums disbursed by UNDP pursuant to paragraph 6, unless sooner terminated under sub-paragraph (d) below.

(b) This Agreement or any date referred to herein may be modified only by written agreement between the Parties hereto. Any relevant matter for which no provision is made in this Agreement, or any controversy between the Parties hereto, shall be settled in keeping with the relevant agreement between IFC and UNDP or the relevant resolutions and decisions of the appropriate organs of the United Nations, as may be necessary in the particular case. Each Party will also give full and sympathetic consideration to any proposal advanced by the other under this sub-paragraph.

(c) Nothing in or relating to this Agreement or the Study shall be deemed a waiver of any of the privileges and immunities of the UNDP, the United Nations (including its subsidiary organs), or IFC. It is understood that performance hereunder shall be subject to the confidentiality requirements of all Parties.

(d) This Agreement may be terminated by either Party by written notice to the other, provided that such termination shall become effective with respect to on-going activities only with the concurrence of both Parties.

(e) This Agreement shall survive its expiration or termination to the extent necessary to permit an orderly settlement of accounts between the Parties.

IN WITNESS WHEREOF the authorized representatives of the Parties hereto have signed this Agreement on the dates indicated beneath their respective signatures.

International Finance  
Corporation:

United Nations Development  
Programme:

*By:* [Signed]  
*Name:* MAKARAND V. DEHEJIA  
*Title:* Vice President, Engineering and  
Technical Assistance, Interna-  
tional Finance Corporation  
*Date:* 17 November 1983

*By:* [Signed]  
*Name:* G. ARTHUR BROWN  
*Title:* Deputy Administrator, United  
Nations Development Pro-  
gramme  
*Date:* 17 November 1983

## ATTACHMENT A

LIBERIA: MESURADO FISHING REHABILITATION\* PROJECT  
PROJECT PROFILE*Background*

Prior to the coup in April 1980, Mesurado's fishing, processing, cold storage, and distribution activities are reported to have produced revenues of over US\$ 25 million per annum (including an annual shrimp catch of 1,200 tons of shrimp tail with estimated value of US\$ 12 million) and to have operated profitably.

*Description*

The project is likely to involve rehabilitation or replacement of the enterprises' existing fleet, rehabilitation of fishing equipment, onshore processing facilities, cold stores, vehicles (including refrigerated trucks) and maintenance facilities, as well as replenishment of working capital. The preliminary cost of this rehabilitation project is estimated in the range of US\$ 5-10 million, depending in part on whether the implementation plan calls for chartering and/or purchasing of fishing vessels.

*Local Sponsors*

The local sponsors of the project are expected to be (i) the Government which owns 50% equity of the Mesurado Group of Companies, and (ii) private shareholders, namely, Mrs. C. Tolbert-Doe (20%) and the heirs of S. A. Tolbert (30%), who own the other 50% equity, and who are being jointly supervised by Villancy Estate, a private business.

*IFC's Role*

IFC expects to play an important role in implementing the rehabilitation programme, introducing, if needed, foreign technical assistance, establishing the financial plan, and providing, if its subsequent appraisal of the project leads to a positive investment decision, part of the funds required.

*Developmental Merits*

Rehabilitation of the Mesurado Fishing activities would serve to increase Liberia's current low level of foreign exchange earnings; in addition local sales would substitute imports and increase the supply of protein food to the population. Successful rehabilitation of the operation could also have a favourable effect on revitalizing private investment in Liberia. Furthermore, the project will make better use of national resources, provide jobs to many low income groups (especially women) to reduce urban unemployment, training local people in new technologies, and help increase income of local fishermen by buying part of their fish catch.

*Pre-Investment Feasibility Study: Scope*

The proposed study (terms of reference and work plan annexed) is designed to determine the expected profitability of the operation, and the financial, technical and managerial requirements for successful rehabilitation. It should provide the basis for an appraisal of a potential investment by IFC and other financiers.

The field work will be undertaken by a consulting team selected by IFC, comprised of qualified experts on the resource, technical, market, financial and management aspects of the proposed rehabilitation.

IFC has selected Burgess Management Associates (BMA) of New York to undertake this study. Accordingly, Mr. T. Peter Burgess of BMA will lead a team of five consultants

---

\* This includes rehabilitation of the companies known as Mesurado Fishing Company, Mesurado Shrimp Export Company, and Mesurado Cold Stores, Inc.

comprising, besides himself, (i) Mr. R. Rackowe (market); (ii) Mr. M. Strocchi (technical); (iii) Mr. R. Schotten (resources), and (iv) Ms. Vic Renner (personnel), to conduct this pre-investment feasibility study.

The study will commence in 1-2 weeks from date of authorization of funds from the UNDP (first week of November 1983). BMA is expected to complete the study and submit its final report to IFC in six weeks from this date of commencement (by third week of December 1983); this includes debriefing and a review of the draft report with IFC staff in Washington. The feasibility study report will be submitted to the UNDP within three months of the commencement date of the study; the report will contain appropriate sections on economic, organizational and social policy aspects, to be prepared by the IFC staff based on relevant data provided by BMA.

### ATTACHMENT 1

INTERNATIONAL FINANCE CORPORATION  
WASHINGTON D.C.

October 28, 1983

Attention: Mr. T. Peter Burgess

Gentlemen,

Re: *Liberia: Feasibility Study for Mesurado Fishing Rehabilitation Project—Terms of Reference*

The Government of Liberia has issued a decree rescinding earlier confiscation of most private interests following the coup of 1980. They recognize the shareholding of the owners and are prepared to negotiate the restructuring of the Mesurado Group as a private sector operation in the form of a joint venture with the government. IFC has been asked to assist with this restructuring and has agreed to explore the feasibility and cost of rehabilitation of the Group's fishing and related activities.

The objective of this consulting assignment is to examine and evaluate the past and present activities of the three companies comprising the fishing activities, the Mesurado Fishing Company, Ltd., Mesurado Shrimp Export Company, and Mesurado Cold Stores, Inc. The consultants are to review the current status of operations, assess the requirements to bring the enterprises up to optimal conditions and the commercial potential under such conditions.

The scope of this assignment will include but not necessarily be limited to the following:

1. *Assessment of the Present Status of Mesurado Fishing*

The study should provide information on the following:

- (a) Current activities including: the size and nature of the catch and their subsequent processing; number and type of boats operating, tons of product stored/handled; size of labour force; consumption of major inputs, such as fuel; and any ancillary activity that Mesurado Fishing currently undertakes.
- (b) The condition of the enterprises' assets including: boats, fishing equipment, onshore facilities, other buildings and vehicles, and the preventive maintenance program undertaken.
- (c) Mesurado Fisheries' current marketing activities including: volume of sales, qualities, prices, distribution channels, location, and type of customers.
- (d) The financial condition of the Company; the extent of its liabilities, the value (book value) of its assets, the level of its working capital, the value of its equity, and the profits (losses)/cash flow derived from current operations. Since no audited statements are available for the recent past, estimated balance sheets and income statements should be based

on the best accounting information available within the Company. Financial information of the Mesurado Group as a whole will only be required in so far as it impinges on the assessment of Mesurado Fishing operations.

- (e) The key facts concerning the legal status of Mesurado Fishing: the legal status of the Mesurado Group as a whole should only be considered in so far as it may affect the ownership of Mesurado Fishing, its assets, its liabilities, and the ability of the fishing venture to operate. In particular, the study should provide information on the enterprises' fishing concession, the government regulations and requirements, and the extent to which Mesurado has exclusive rights to the Liberian shrimp/fishing grounds. The study should provide a brief history of the incorporation of the Mesurado Group as well as any changes in share ownership. Where possible, copies of key documents on contracts affecting Mesurado Fishing should be provided.
- (f) The quality of management and any important problem they have encountered that may not be brought out in the sections (a) and (e).

In each instance and where appropriate, the study should compare the current situation with what existed prior to the change of management in 1980, thereby giving some perspective to the current situation.

## 2. *Evaluation of the Potential for Mesurado Fishing*

The study should provide an assessment of the following:

- (a) The size and quality of the shrimp/fishing resources; the catch rate(s) appropriate for sustainable yields; the annual/seasonal variations that are associated with this type of fishing.
- (b) Sources of potential competition, either foreign or local.
- (c) The catch that can be achieved by the enterprise using properly managed and operated boats and onshore facilities, taking into account any re-equipment that may be necessary.
- (d) The potential profitability/cash flow of Mesurado Fishing when operations may reach optimum levels.

## 3. *The Requirements for Optimal Operations*

In order to achieve the potential volume and profitability of operations outlined in Section 2, the study should identify:

- (a) The extent to which operational management requires strengthening and a realistic plan of action to achieve this speedily.
- (b) The costs of rehabilitating/replacing the Company's boats, fishing equipment, processing facilities, cold stores and other facilities, clearly specifying the type of boats and other equipment required. Consideration should be given to chartering some of the boats, particularly if fishing is seasonal.
- (c) The requirements for new working capital.
- (d) Changes, if any, in current marketing practices that may be required to achieve optimum operations.
- (e) Relevant government initiatives/policies required to support the rehabilitation programme.

The study should include detailed cost estimates and other information on the technical, commercial, financial, organizational, and managerial aspects of the proposed project. The study should also include recommendations for the proposed rehabilitation in sufficient detail to form the basis for a subsequent appraisal by IFC, together with a plan for implementation.

You should also provide relevant data on the following: artisanal fisherman's access to (i) fishing water, (ii) market, and (iii) storage facilities; price and employment effects arising out of implementation of this project; and other developmental aspects as covered under the section "Developmental Merits" in the attached "Project Profile", which also



covers some background information on the Mesurado Fishing Rehabilitation Project. From this data, IFC will prepare the socio-economic and policy implications of the rehabilitation programme and, in particular, the impact of the programme on the development priorities of the Government.

Except for collecting relevant information/data pertaining to this assignment, you are not to take position on policy issues nor to initiate negotiations with the Liberian authorities without the participation or consent of an authorized IFC official.

During the field mission, you should work closely with the office of the UNDP Resident Representative (Mr. Hugh Greenidge, LBDI Building, Tubman Boulevard, P.O. Box 274, Monrovia, Telephone: 261032, Telex: 4334 UNDP LI) for any assistance that you may need for completing this assignment; for instance, certain field trips may have to be authorized by the Bureau of Fisheries, Ministry of Agriculture, and the local UNDP office may be able to assist you in making necessary arrangements.

Based on your proposal dated October 23, 1983, and as will be confirmed shortly in a separate letter of appointment, your Mr. T. Peter Burgess will lead a team of five consultants to conduct this feasibility study. As per our agreement during Mr. Burgess's visit to IFC on October 25, 1983, Messrs. Burgess and Rackowe are expected to arrive in Monrovia on November 4, 1983. They will work together for about a week to review the critical project issues as well as to make detailed arrangements for the team to complete the field work expeditiously once the remaining two members (Messrs. Strocchi and Schotten) arrive in Monrovia on or about November 13, 1983, to be joined by Ms. Vic Renner, a local resident.

You are expected to complete the study and submit the final report to IFC in six weeks from the date of commencement of this study, i.e., by December 16, 1983; this should include debriefing and a detailed review of your draft report with the IFC staff in Washington. We rely on your ability to contain, without sacrificing quality, the total cost of this consulting assignment within an upper limit of \$65,000, to be consistent with the cost budget proposed by you and also our funding constraint. During our discussions, you confirmed that this basis was reasonable and that it was acceptable to you.

In the unlikely event that during the first week (and prior to departure from USA of the other two members) the findings of Messrs. Burgess and Rackowe on the key project issues might raise serious doubts on the viability of rehabilitation or a new fishing project (and/or for any other guidance), you should contact the undersigned for necessary instructions including the possibility of discontinuing the mission at such an intermediate stage to limit the cost of this mission.

We are glad to have the assistance of Burgess Management Associates in this consulting assignment.

Sincerely yours,

Burgess Management Associates  
New York Office  
New York, N.Y.

[Signed]  
Robert D. King  
Deputy Director  
Engineering Department

Attachments

## ATTACHMENT 2

LIBERIA: FEASIBILITY STUDY FOR MESURADO FISHING  
REHABILITATION PROJECT*Work Plan*

<i>Sr. No.</i>	<i>Activities</i>	<i>Estimated dates</i>
1.	Approval of fund from the UNDP .....	November 1983
2.	Formal signing of Agreement between IFC and UNDP .....	November 1983
3.	Commencement of field work by Burgess Management Associates (BMA), the Consulting Group selected by IFC .....	November 1983
	Mr. P. Burgess starting on November 4, 1983	
	Mr. R. Rackowe starting on November 4, 1983	
	Mr. R. Schotten starting on November 11, 1983	
	Mr. M. Strocchi starting on November 14, 1983	
	Ms. Vic Renner starting on November 14, 1983	
4.	Completion of field work by BMA .....	November 1983
5.	Submission of Draft Feasibility Study Report to IFC .....	December 1983
6.	Review of Draft Feasibility Study with IFC .....	December 1983
7.	Submission of Feasibility Study (final form) to IFC .....	December 1983
8.	Copy of Feasibility Study sent to the UNDP .....	January 1984

---