

CONFORMED COPY

CREDIT NUMBER 2887-3 MAU
(Third Amendment)

Third Agreement Amending
Development Credit Agreement

(Public Resource Management Credit)

between

ISLAMIC REPUBLIC OF MAURITANIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated, March 1, 1999

CREDIT NUMBER 2887-3 MAU
(Third Amendment)

THIRD AGREEMENT AMENDING
DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated March 1, 1999, between ISLAMIC REPUBLIC OF MAURITANIA (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS: (A) the Borrower and the Association have entered into a Development Credit Agreement (Public Resource Management Credit), dated July 1, 1996, (the Development Credit Agreement) for the purpose of assisting in the implementation of the Borrower's Program to achieve improvement in the mobilization of domestic resources and public expenditure allocation and management referred to in Recital (A) of the Preamble to the Development Credit Agreement (the Program);

(B) the Borrower and the Association have entered into the Agreement Amending Development Credit Agreement (the First Amending Agreement) dated December 18, 1996, whereby additional assistance was made available to the Borrower for the purpose of providing support during the execution of the Program by an amount in various currencies equivalent to four hundred thousand Special Drawing Rights (SDR 400,000);

(C) the Borrower and the Association have entered into a further agreement, dated March 4, 1998 (the Second Amending Agreement), whereby the Association has agreed to increase the financing made available under the Development Credit Agreement by an amount in various currencies equivalent to three hundred thousand Special Drawing Rights (SDR 300,000); and

(D) the Borrower has requested the Association to provide further additional assistance towards the financing of the Program by increasing the amount made available under the foregoing Agreements by an amount in various currencies equivalent to one hundred thousand Special Drawing Rights (SDR 100,000);

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to provide such additional assistance to the Borrower upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Amendments of the Development Credit Agreement

Section 1.01. Section 1.02 of the Development Credit Agreement is amended by deleting the "and" at the end of Subsection (k) substituting "; and" for "." at the end of subsection (l) and adding a new Subsection (m) as follows:

"(m) 'Third Amending Agreement' means the Third Agreement Amending the Development Credit Agreement (Public Resource Management Credit) between the Borrower and the Association, dated March 1, 1999."

Section 1.02. Section 2.01 of the Development Credit Agreement is amended to read as follows:

"Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Development Credit Agreement as amended, an amount in various currencies equivalent to fourteen million seven hundred thousand Special Drawing Rights (SDR 14,700,000) (the Credit) which includes: (a) an original amount in various currencies equivalent to thirteen million nine hundred thousand Special Drawing Rights (SDR 13,900,000) (the Initial Financing); (b) an additional amount in various currencies equivalent to four hundred thousand Special Drawing Rights (SDR 400,000) (the First Additional Financing); (c) a second additional amount in various currencies equivalent to three hundred thousand Special Drawing Rights (SDR 300,000) (the Second Additional Financing); and (d) a third additional amount in various currencies equivalent to one hundred thousand Special Drawing Rights (SDR 100,000) (the Third Additional Financing)."

Section 1.03. The proviso at the end of Subsection (b) (i) of Section 2.04 of the Development Credit Agreement is amended to read as follows:

"; provided, however, that commitment charges on: (A) the First Additional Financing shall accrue from a date sixty days after the date of the First Amending Agreement; (B) the Second Additional Financing shall accrue from a date sixty days after the date of the Second Amending Agreement; and (C) the Third Additional Financing shall accrue from a date sixty days after the date of the Third Amending Agreement."

Section 1.04. Schedule 1 to the Development Credit Agreement is amended:

(1) under subparagraph (5) in the table set forth in paragraph (1) the amount of "SDR 2,500,000" is deleted and replaced by the amount of "SDR 2,600,000" and the "total" is adjusted accordingly to read "SDR 14,700,000" and

(2) by adding a new paragraph (9) to read as follows:

"9. After a date twelve months from the date of the Third Amending Agreement, (or such later date as the Association shall establish and promptly notify to the Borrower), no withdrawal shall be made from the Credit Account, and no commitment shall be entered into to pay amounts out of the Credit Account to or on the order of the Borrower in respect of expenditures to be financed out of the proceeds of the Third Additional Financing. At any time after such date, the Association may, by notice to the Borrower, cancel the unwithdrawn amount of the Additional Financing from the Credit Account or any part thereof."

ARTICLE II

Effective Date; Termination

Section 2.01. This Third Amending Agreement shall not become effective until evidence satisfactory to the Association shall have been furnished to the Association that the execution and delivery of this Third Amending Agreement on behalf of the Borrower have been duly authorized or ratified by all necessary governmental action.

Section 2.02. As part of the evidence to be furnished pursuant to Section 2.01 of this Third Amending Agreement, there shall be furnished to the Association an opinion or opinions satisfactory to the Association of counsel acceptable to the Association showing, on behalf of the Borrower, that this Third Amending Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and is legally binding upon the Borrower in accordance with its terms.

Section 2.03. This Third Amending Agreement shall come into force and effect on the date upon which the Association dispatches to the Borrower notice of its acceptance of the evidence required by Section 2.01 of this Third Amending Agreement.

Section 2.04. If this Third Amending Agreement shall not have come into force and effect by a date ninety (90) days after the date of this Third Amending Agreement, this Third Amending Agreement and all obligations of the parties hereunder shall terminate, unless the Association establishes a later date for the purposes of this Section. If this Third Amending Agreement shall terminate under the provisions of this Section, the Development Credit Agreement shall continue in full force and effect, as if this Third Amending Agreement had not been executed.

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

ISLAMIC REPUBLIC OF MAURITANIA

By /s/ Abdallahi Ould Kebd
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Jean-Louis Sarbib
Regional Vice President
Africa

