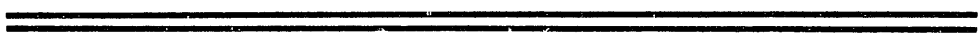


Public Disclosure Authorized



CREDIT NUMBER 273 MAU

# Development Credit Agreement

(Livestock Development Project)

BETWEEN

ISLAMIC REPUBLIC OF MAURITANIA

AND

INTERNATIONAL DEVELOPMENT ASSOCIATION

DATED DECEMBER 17, 1971



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## DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated December 17, 1971, between ISLAMIC REPUBLIC OF MAURITANIA (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS the Borrower has requested the Association to assist in the financing of the foreign exchange cost of the Project described in Schedule 2 to this Agreement by extending the Credit as hereinafter provided;

WHEREAS the Association has agreed, on the basis *inter alia* of the foregoing, to extend the Credit to the Borrower upon the terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows:

### 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, 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 4th administrative region of the Borrower, the 5th administrative region with the exception of the department of Tichitt and the part of the 6th administrative region which is included between the southern limit of such region and, in the north, the 19th parallel; and

(b) "Project Coordinating Commission" means a commission established by the Borrower in accordance to Section 3.09 of this Agreement.

**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 referred to, an amount in various currencies equivalent to four million one hundred fifty thousand dollars (\$4,150,000).

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) 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 revised 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 December 31, 1976 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 ( $3/4$  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 December 1, 1981 and ending June 1, 2021, each installment to and including the installment payable on June 1, 1991 to be one-half of one per cent ( $1/2$  of

1%) of such principal amount, and each installment thereafter to be one and one-half per cent (1-1/2%) 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 Ministries of Rural Development and its Ministry of Equipment with due diligence and efficiency and in conformity with sound administrative, financial and agricultural practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

Section 3.02. The Borrower shall employ engineering consultants acceptable to the Association upon terms and conditions satisfactory to the Association in order to assist the Borrower in:

(a) conducting all detailed surveys required for the carrying out of Part A of the Project, in the preparation of bidding documents, including plans and specifications, in the evaluation of the bids received and in the supervision of the execution of the work included in such Part; and

(b) making recommendations regarding the extent to which the Borrower should employ contractors pursuant to the provision of Section 3.04 of this Agreement.

Section 3.03. (a) The Borrower shall promptly furnish upon its preparation the report concerning exploratory drillings included in Part A (3) of the Project and the recommendations relating thereto of the engineering consultants referred to in Section 3.02 of this Agreement.

(b) The Borrower shall not carry out Part A (4) of the Project without the prior approval of the Association.

Section 3.04. In carrying out the Project, the Borrower shall employ contractors acceptable to the Association to an extent and upon terms and conditions satisfactory to the Association.

Section 3.05. (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, all goods and services financed out of the proceeds of the Credit shall be used exclusively for the Project until its completion.

Section 3.06. (a) The Borrower shall furnish to the Association, promptly upon their preparation, the plans, specifications, contract documents and work 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) and 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.

Section 3.07. In order to assist the Borrower in carrying out Part B of the Project, the Borrower shall employ a qualified and experienced veterinary officer satisfactory to the Association, on terms and conditions satisfactory to the Association, who shall be stationed in the Project area.

Section 3.08. The Borrower shall: (i) establish procedures satisfactory to the Association for the carrying out of Part C of the Project; and (ii) cause the annual maintenance to be carried out in accordance with a timetable drawn up by the Service for Waters and Forests within the Ministry of Rural Development and approved by the Project Coordinating Commission.

Section 3.09. The Borrower shall establish a Project Coordinating Commission to advise the Borrower on the following matters:

(a) terms of reference and conditions of employment of the engineering consultants referred to in Section 3.02 of this Agreement;

(b) selection of the pastoral wells to be included in Part A (1) of the Project; and

(c) drafting of bidding documents and formulation of recommendations relating to the award of tenders.

Section 3.10. The Project Coordinating Commission shall comprise the following members:

(a) the Minister of Planification, who shall be the President of such Commission, or his representative;

(b) the Director of Livestock, who shall be the Secretary of such Commission;

(c) the Head of the Service of Waters and Forests;

(d) the Director of Hydraulics and Energy;

(e) the Head of the Department of Infrastructure; and

(f) the Director of Budget or his representative.

Section 3.11. The Borrower shall: (i) maintain separate accounts for the Project; (ii) have such accounts audited by auditors satisfactory to the Association at the end of each fiscal year, in accordance with sound auditing principles consistently applied; (iii) furnish to the Association, as soon as available, but in any case not later than four months after the end of each such year, certified copies of its financial statements for such year relating to such accounts and the report of such audit by such auditors, of such scope and in such detail as the Association shall reasonably request; and (iv) furnish to the Association such other information concerning such accounts and the audit thereof as the Association shall from time to time reasonably request.

#### ARTICLE IV

##### Other Covenants

Section 4.01. The Borrower shall maintain or cause to be maintained records 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 responsible for carrying out any part of the Project.

Section 4.02. The Borrower shall: (i) cause a manual and a schedule for the maintenance and repairs of the pastoral wells included in Part A of the Project to be prepared and furnished to the Association before Part A (1) of the Project is completed; (ii) cause such pastoral wells to be adequately maintained and all necessary repairs to be made thereto; and (iii) provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

Section 4.03. After completion of Part C of the Project, the Borrower shall: (i) cause the firebreaks included therein to be adequately maintained; and (ii) provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

Section 4.04. The Borrower: (i) shall carry on the animal health campaign described in Schedule 4 to this Agreement for a period of ten years from the date of this Agreement; (ii) shall cause satisfactory measures for the control of the major infectious diseases and for the treatment of internal and external parasites of livestock to be maintained thereafter; and (iii) provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

Section 4.05. After completion of Part B of the Project, and except as the Association shall otherwise agree, the Borrower shall continue, for a period of 6 years, to employ a qualified and experienced veterinary officer in the Project area.

## 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 and with regard to the administration and operations of the departments or agencies of the Borrower responsible for carrying out any part of the Project, 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 administration and operations of the departments or agencies of the Borrower responsible for carrying out any part of the Project.

(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 service 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 event is specified as an additional condition to the effectiveness of the Development Credit Agreement within the meaning of Section 10.01 (b) of the General Conditions, namely that the Project Coordinating Commission has been established with composition and terms of reference satisfactory to the Association.

Section 8.02. The date April 1, 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 4.02 (ii) and (iii), 4.03 and 4.04 (ii) and (iii) of this Agreement shall cease and determine on the date on which the Development Credit Agreement shall terminate or on a date 20 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 Planification 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:

Ministère du Plan et de la Recherche  
Nouakchott  
République Islamique de Mauritanie

Cable address:

Miniplan  
Nouakchott

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.

ISLAMIC REPUBLIC OF MAURITANIA

By /s/ Moulaye El Hassen

*Authorized Representative*

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ 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 the 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. Repair and Recon- struction of Pastoral Wells	1,400,000	80% of total ex- penditures
II. Exploratory Drilling for Underground Water	100,000	80% of total ex- penditures
III. Construction of New Wells	180,000	80% of total ex- penditures
IV. Engineering Consultants' Services	225,000	100% of foreign expenditures
V. Equipment, Structures, Vehicles, Graders and Bulldozers:	615,000	
(a) Imported Items		100% of foreign expenditures
(b) Structures		70% of total ex- penditures
VI. Operating Costs of Main- taining Pastoral Wells and Firebreaks and Carrying out Vaccination of Livestock	930,000	80% of total ex- penditures in Project year 1;  60% of total ex- penditures in Project year 2;  40% of total ex- penditures in Project year 3; and  20% of total ex- penditures in Project year 4
VII. Unallocated	700,000	
TOTAL	4,150,000	

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; provided, however, that if the currency of the Borrower is also that of another country in the territories of which goods are produced or from the territories of which services are supplied, expenditures in such currency for such goods or services shall be deemed to be "foreign expenditures"; and

(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 withdrawals shall be made in respect of:

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

(b) expenditures under Category VI, until the veterinary officer referred to in Section 3.07 of this Agreement has been appointed; and

(c) 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 the 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 any contract for the procurement of any item included in any Category shall have been awarded according to procedures inconsistent with those set forth or referred to in Section 2.03 of this Agreement, or if the Association shall have reasonably objected to any such contract on the ground that the procurement procedure followed is inconsistent with the procedures set forth or referred to in such Section 2.03, or if the terms and conditions of any such contract shall, without the Association's prior concurrence materially differ from those on the basis of which bids were asked, 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 allocated to the relevant Category, as the Association shall reasonably determine to represent the portion of total expenditures under such contract 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 Categories I, II, III, V (b) and 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 is included in the Borrower's program for development of the livestock industry and consists of the following Parts, to be carried out within the Project area:

*Part A:* A program to improve pastoral wells, including:

- (1) reconstruction and repair of approximately 300 pastoral wells;
- (2) training and equipment of three pastoral well maintenance teams and establishment of a program for regular maintenance of pastoral wells;
- (3) exploratory drilling for underground water at 10 sites; and
- (4) construction of a maximum of 15 new pastoral wells.

*Part B:* Program of regular vaccination of cattle against the endemic diseases, rinderpest, contagious bovine pleuropneumonia, anthrax, blackleg and botulism, and of periodic treatment of cattle against internal and external parasites.

*Part C:* Establishment and annual maintenance of a protective system of approximately 6,500 km of firebreaks of minimum width of 6 meters.

The Project is expected to be completed by March 31, 1976.

**SCHEDULE 3****Procurement**

1. With respect to any contract for civil works under Categories I and II, or equipment under Category IV, estimated to cost the equivalent of \$20,000 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 by the engineering consultants referred to in Section 3.02 of this Agreement, on the evaluation and comparison of the bids received, together with the recommendations for award of the said engineering consultants, and the reasons for the intended award. The Association shall promptly inform the Borrower whether it has any objection to the intended award on the ground that it would be inconsistent with the Guidelines for Procurement under World Bank Loans and IDA Credits referred to in Section 2.03 of this Agreement or with the Development Credit Agreement, and shall state the reasons for any objections it may have.

(d) If the contract shall be awarded over the Association's reasonable objection, or if its terms and conditions shall, without the Association's concurrence, materially differ from those on which bids were asked, no expenditure thereunder shall be financed out of the proceeds of the Credit.



(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 for civil works or equipment estimated to cost less than the equivalent of \$20,000 and estimated to cost the equivalent of \$4,000 or more, 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. The Association shall promptly inform the Borrower if it finds that the award of the contract is not consistent with the Guidelines for Procurement under World Bank Loans and IDA Credits referred to in Section 2.03 of this Agreement or with the Development Credit Agreement and, in such event, no expenditure under such contract shall be financed out of the proceeds of the Credit.

3. Items or groups of items estimated to cost less than the equivalent of \$4,000 shall not be subject to international competitive bidding and shall be procured in accordance with the procedures of the Borrower, who shall furnish to the Association copy of the orders made for such items or groups of items.

**SCHEDULE 4****Operating Procedure for Animal Health Campaign**

The animal health campaign covers the following treatments:

- (a) vaccination annually of all cattle against rinderpest in years 1 and 2 of the Project;
- (b) vaccination annually of all cattle under 1 year of age against rinderpest;
- (c) vaccination annually of all cattle against contagious bovine pleuropneumonia;
- (d) vaccination annually against botulism, anthrax and blackleg of all cattle in zones where outbreaks of such diseases occur; and
- (e) periodic treatment of all cattle against internal and external parasites.