GRANT NUMBER H965-MR

Financing Agreement

(Additional Financing for the Skills Development Support Project)

between

ISLAMIC REPUBLIC OF MAURITANIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated October 1st, 2014
AGREEMENT dated 02 Jun 2014, entered into between ISLAMIC REPUBLIC OF MAURITANIA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I -- GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Original Financing, the General Conditions, or in the Appendix to this Agreement. In case of contradiction between the provisions of the Original Financing Agreement and the provisions of this Agreement, the provisions of this Agreement shall prevail.

ARTICLE II -- FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to seven million and four hundred thousand Special Drawing Rights (SDR 7,400,000) ("Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Payment Dates are April 15 and October 15 in each year.

2.05. The Payment Currency is the Dollar.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out Part 2 of the Project as well as the Permitted Works under Part 1 of the Project through MEFPTIC and cause Part 1 of the Project (except the Permitted Works) to be carried out by INAP-FTP in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Condition of Effectiveness consists of the following, namely, that the Recipient and INAP-FTP have executed an amendment to the Subsidiary Agreement in accordance with Section 1.1(b) of Schedule 2 to this Agreement.

4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

4.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is the Recipient's Minister responsible for economy.

5.02. The Recipient’s Address is:

Ministère des Affaires Économiques et du Développement
BP 238
Nouakchott
Mauritania

Facsimile: 222-45-23-33-35
5.03. The Association's Address is:

International Development Association
1818 H Street, N.W
Washington, D.C. 20433
United States of America

Cable: INDEVAS
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391

Washington, D.C.

AGREED at Nouakchott, Mauritania, as of the day and
year first above written.

ISLAMIC REPUBLIC OF MAURITANIA

By

[Signature]

Authorized Representative

Name: SIDY FAIY

Title: Minister of Economic Affairs

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: Vera Songwe

Title: Country Director for Mauritania
SCHEDULE 1

Project Description

The objectives of the Project are identical to those of the Original Project.

The Project consists of Parts 1 and 2.1 of the Original Project, together with the following revision of Part 1. (a) of the Original Project:

“(a) the provision of goods and technical assistance to eligible TVET Institutions Beneficiaries for the preparation and implementation of their respective School Program Implementation Agreement with INAP-FTP and DFTP as well as Permitted Works.”
SCHEDULE 2

Project Execution

Section I. Institutional and Other Implementation Arrangements.

1. The institutional and other arrangements for the implementation of the Project are identical to the implementation arrangements for the Original Project set forth in Section I of Schedule 2 to the Original Financing Agreement, which are incorporated herein by reference and shall apply to this Agreement, together with the following modifications thereto:

(a) Recruitment

A new Section I.A.3 is introduced and shall read as follows:

"Without limitation to the generality of the provision of Section I.A.2 above, no later than one (1) month after the Effective Date, the Recipient shall have recruited, in accordance with the provisions of Section III of Schedule 2 to this Agreement and on the basis of terms of reference, qualifications and experience satisfactory to the Association:

(i) An environmental and social safeguard specialist, to work at least part time for the Project; and

(ii) procurement experts to support DPEF."

(b) Amendment to the Subsidiary Agreement

A new Section I.B.3 is introduced and shall read as follows:

"The Recipient and INAP-FTP shall execute an amendment, in form and substance acceptable to the Association, to the Subsidiary Agreement in order to provide for the making of the proceeds of the Financing allocated from time to time to Categories 1 and 2 of the disbursement table set in Section IV.A.2 of this Schedule available by the Recipient to INAP-FTP. All other provisions of the Subsidiary Agreement shall remain unchanged."

(c) Counterpart funds

Two new paragraphs 3 and 4 are added in Section I.G and shall read as follows:

"3. Without limitation to the provisions of Section 4.03 of the General Conditions, the Recipient shall provide, as counterpart funds for the Project, an amount of not less than eight hundred thousand Dollars ($800,000) equivalent to be allocated to the financing of Operating Costs and Sub-grants under Part 1.2(c) of"
the Project ("Additional Counterpart Funds"). These Additional Counterpart Funds shall be disbursed quarterly, no later than March 31, June 30, September 30 and December 31 of the corresponding calendar year, on the basis of the Annual Work Plan and Budget for the corresponding calendar year; except, however, that the first disbursement of the Additional Counterpart Funds shall be in an amount equivalent to one hundred thousand Dollars ($100,000) and shall be made no later than two (2) months after the Effective Date.

4. Except as the Recipient and the Association shall otherwise agree, the Recipient shall:

(a) establish or designate, and maintain throughout Project implementation, a second account in Ouguiyas, in a commercial bank acceptable to the Association, on terms and conditions satisfactory to the Association;

(b) starting from 2015, deposit into such account an aggregate amount equivalent to the amount of Operating Costs and 25% of the Sub-grants under Part 1.2(c) of the Project not financed from the funds of the Original Financing, as showed in the Annual Work Plan and Budget for the corresponding calendar year, as Additional Counterpart Funds; and

(c) ensure that the funds deposited into such account in accordance with the provisions of subparagraph (b) are used for their intended purposes.

(d) Safeguards

A new Section I.H is introduced and shall read as follows:

"H. Safeguards.

1. The Recipient shall ensure that all terms of reference for any technical assistance or studies carried out under the Project are consistent with, and pay due attention to, the Bank Policies, as well as the Recipient’s own laws relating to the environment and social aspects.

2. The Recipient shall ensure that the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Environmental and Social Management Plan."
3. Except as the Association shall otherwise agree in writing and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Recipient shall not abrogate, amend, repeal, suspend or waive any provisions of the Environmental and Social Management Plan.

4. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the Association, on a semi-annual basis, reports on the status of compliance with the Environmental and Social Management Plan, giving details of: (a) measures taken in furtherance of the Environmental and Social Management Plan; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Environmental and Social Management Plan; and (c) remedial measures taken or required to be taken to address such conditions.

5. In the event that any provision of the Environmental and Social Management Plan shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.”

Section II. **Project Monitoring, Reporting and Evaluation**

1. The Project monitoring, reporting and evaluation arrangements for the Project are identical to the monitoring, reporting and evaluation arrangements for the Original Project set forth in Section II of Schedule 2 to the Original Financing Agreement which are incorporated herein by reference and shall apply to this Agreement, together with the following modifications thereto:

(a) **Audit of the Financial Statements**

A new Section II.B.5 is introduced and shall read as follows:

“No later than one (1) month after the Effective Date, the Recipient shall have amended the terms of reference of the auditor referred to in Section II.B.4 of the Original Financing Agreement in order to include the annual audit of the Financial Statements prepared pursuant to the provisions of this Agreement”.
Section III. Procurement

A. General

1. Goods, Permitted Works and Non-consulting Services. All goods, Permitted Works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants' Services. All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Permitted Works and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, Permitted Works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Permitted Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, Permitted Works and non-consulting services for those contracts specified in the Procurement Plan:

(a) National Competitive Bidding, subject to the following additional provisions listed in (i) through (xii) below:

(i) Each bidding document and contract financed out of the proceeds of the Financing shall provide that: (a) the bidders, suppliers, contractors and their subcontractors, agents, personnel, consultants, service providers, or suppliers shall permit the Association, at its request, to inspect all accounts, records and other documents relating to the submission of bids and contract performance, and to have said accounts and records audited by auditors appointed by the Association; and (b) the deliberate and material violation of such provision may amount to an.
obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines.

(ii) Eligible bidders, including foreign bidders, shall be allowed to participate.

(iii) No domestic preference shall be given to domestic contractors and to domestically manufactured goods.

(iv) Bidders shall be given adequate response time (at least four weeks) to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later.

(v) If bidders are authorized to submit an alternative bid with or without a bid for the base case, the bids offered for alternatives meeting the specified requirements shall be evaluated on their own merits.

(vi) Bids are awarded to the bidder with the lowest bid evaluated proven this bidder is qualified.

(vii) If the bid resulting in the lowest evaluated bid price appears to be seriously unbalanced or front-loaded in the opinion of the Employer, the Employer may require that the amount of the performance security be increased at the expense of the Bidder at a level sufficient to protect the Employer against financial loss in the event of defaults of the successful Bidder under the Contract.

(viii) Provisions related to the use of merit point shall not apply.

(ix) Less than three bids submitted shall not be considered as a reason for re-bidding.

(x) The evaluated lowest Bidder shall be authorized to complete administrative statement proof.

(xi) The lack of anonymity of any offer shall not be a reason for rejection of the offer.

(xii) A newly created firm shall not qualify based on the experience of its management staff.

(b) Shopping; a nd

(c) Direct Cont acting.
C. Particular Method of Procurement of Consultants' Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. Other Methods of Procurement of Consultants' Services. The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan:

   (a) Quality Based Selection
   (b) Selection under a Fixed Budget
   (c) Selection Based on the Consultant's Qualifications
   (d) Least Cost Selection
   (e) Selection of Individual Consultants
   (f) Single Source Selection

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

E. Transitional Provisions in respect of Procurement

1. Notwithstanding the terms and conditions of the Original Financing Agreement and to the extent that the procurement of any goods, Permitted Works, non-consulting services or consultants' services to be financed, at least in part, out of the proceeds of the Original Financing was or will be initiated on or after March 30, 2014, the Recipient acknowledges and agrees that the provisions of this Agreement set forth or referred to in Section III (Procurement) of this Schedule (including the related provisions under the General Conditions) shall apply to the procurement of such goods or consultants' services.

2. Notwithstanding the provisions of Section III (Procurement) of this Schedule 2: (i) to the extent that the procurement of any goods, Permitted Works, non-consulting services or consultants’ services to be financed out of the proceeds of the Original Financing was initiated prior to March 30, 2014; and (ii) there are no proceeds remaining under the Original Financing to finance such goods, Permitted Works, non-consulting services or consultants’ services; then,
on an exceptional basis only and subject to the Association’s prior no-objection, Section III of this Schedule shall not apply to the procurement of such goods, Permitted Works, non-consulting services or consultants’ services; provided, however, that the provisions of Section III (Procurement) of Schedule 2 to the Original Financing Agreement shall apply to the proceeds of the Financing utilized to finance such goods, Permitted Works, non-consulting services or consultants’ services; and to the procurement of such goods, Permitted Works, non-consulting services and consultants’ services.

Section IV. **Withdrawal of the Proceeds of the Financing**

A. **General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods and consultants' services for Part 1 of the Project, including Training and audits, but expressly excluding Sub-grants and Operating Costs</td>
<td>1,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Sub-grants under the Project:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Sub-grants under the Project: Part 1.1(b)</td>
<td>1,050,000</td>
<td>100% of amount disbursed from Sub-grants for goods and services</td>
</tr>
<tr>
<td>(b) Part 1.2(c) of the Project</td>
<td>900,000</td>
<td>75% of amount disbursed from Sub-grants for goods and services</td>
</tr>
<tr>
<td>(3) Goods and consultants' services for Part 2 of the Project, including Training and audits, but expressly excluding Operating Costs</td>
<td>320,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Permitted Works for Part 1 of the Project, but expressly excluding Sub-grants</td>
<td>3,230,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>7,400,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, or under Categories 1, 2 and 3 until the amount allocated to the corresponding Category, set forth in the table of Section IV.A in the Original Financing Agreement has been disbursed in full.

2. The Closing Date is June 30, 2016.
APPENDIX

Section I. Definitions


3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


6. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modification set forth in Section II of this Appendix.

7. “MEFPTIC” means the Recipient’s ministry responsible for TVET (Ministère de l’Emploi, de la Formation Professionnelle, des Technologies de l’Information et de la Communication), which succeeded to MDEFPNT, as well as any successor to MEFPTIC.

8. “Original Financing” means the Credit No. 4921-MR extended by the Association to the Recipient pursuant to the Original Financing Agreement.


10. “Original Project” means the Project described in the Original Financing Agreement.

11. “Permitted Works” means civil works which do not trigger the application of the Bank Policy.

13. "Procurement Plan" means the Recipient's procurement plan for the Project, dated March 26, 2014 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

Section II. Modification to the General Conditions

The modification to the General Conditions is as follows:

In section 6.02(1), the term "Project Implementing Entity" includes INAP-FTP.