

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
FRANCE**

Guarantee Agreement—Iron Ore Project (with related letters, annexed Loan Regulations No. 4 and Loan Agreement between the Bank and Société Anonyme des Mines de Fer de Mauritanie "Miferma"). Signed at Washington, on 17 March 1960

Official text: English (with the exception of two letters emanating from the Government of France and drawn up in French).

Registered by the International Bank for Reconstruction and Development on 25 January 1963.

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
FRANCE**

Contrat de garantie — Projet relatif à l'extraction de minerais de fer (avec lettres y relatives et, en annexe, le Règlement n° 4 sur les emprunts et le Contrat d'emprunt entre la Banque et la Société Anonyme des Mines de Fer de Mauritanie « Miferma »). Signé à Washington, le 17 mars 1960

Texte officiel anglais (à l'exception de deux lettres du Gouvernement français, lesquelles sont en français).

Enregistré par la Banque internationale pour la reconstruction et le développement le 25 janvier 1963.

No. 6508. GUARANTEE AGREEMENT¹ (*IRON ORE PROJECT*) BETWEEN THE REPUBLIC OF FRANCE AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 17 MARCH 1960

AGREEMENT, dated March 17, 1960, between REPUBLIC OF FRANCE (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by agreement of even date herewith between the Bank and Société Anonyme des Mines de Fer de Mauritanie, "Miferma" (hereinafter called the Borrower), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,² the Bank has agreed to make to the Borrower a loan in various currencies equivalent to sixty-six million dollars (\$66,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of the Borrower in respect of such loan as hereinafter provided ; and

WHEREAS Republic of Mauritania, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed to guarantee such loan as provided in the Republic of Mauritania Guarantee Agreement ;³ and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed to guarantee such loan as hereinafter provided ;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

Section 1.01. The parties to this Guarantee Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated June 15, 1956,⁴ subject, however, to the modifications thereof set forth in Schedule 3⁴ to the Loan Agreement (said

¹ Came into force on 4 October 1960, upon notification by the Bank to the Government of France.

² See p. 162 of this volume.

³ See p. 211 of this volume.

⁴ See p. 190 of this volume.

Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

Section 1.02. The terms defined in the Loan Agreement shall have the same meaning herein.

Article II

Section 2.01. Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and the interest and other charges on, the Loan, the principal of and interest on the Bonds, and the premium, if any, on the prepayment of the Loan or the redemption of the Bonds, all as set forth in the Loan Agreement and in the Bonds.

Article III

Section 3.01. It is the mutual understanding of the Guarantor and the Bank that, except as otherwise herein provided, the Guarantor will not grant in favor of any external debt any preference or priority over the Loan. To that end, the Guarantor undertakes that, except as otherwise herein provided or as shall be otherwise agreed between the Guarantor and the Bank, if any lien shall be created as security for any external debt of the Guarantor or if any lien shall be created by action of the Guarantor as security for any external debt, such lien shall equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision shall be made to that effect. This Section shall not apply to the following :

(a) the creation of any lien on any property purchased at the time of the purchase, solely as security for the payment of the purchase price of such property ;

(b) any pledge in the ordinary course of banking business to secure any indebtedness maturing not more than one year after its date.

For the purposes of this Section, the expression "debt of the Guarantor" shall include debt as to which the Guarantor has guaranteed payment and the term "Guarantor" as used in such expression shall include any territorial subdivision of the Republic of France which has power to raise revenues by taxation and to charge any of its assets as security for external debt.

Section 3.02. (a) The Guarantor and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard

to the general status of the Loan. On the part of the Guarantor, such information shall include information with respect to financial and economic conditions in the territories of the Guarantor and the international balance of payments position of the Guarantor.

(b) The Guarantor and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Guarantor shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(c) The Guarantor shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Guarantor for purposes related to the Loan.

Section 3.03. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes or fees imposed under the laws of the Guarantor or laws in effect in its territories ; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

Section 3.04. This Agreement, the Loan Agreement, the Republic of Mauritania Guarantee Agreement and the Bonds shall be free from any taxes or fees that shall be imposed under the laws of the Guarantor or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof.

Section 3.05. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Guarantor or laws in effect in its territories.

Article IV

Section 4.01. The Guarantor shall endorse, in accordance with the provisions of the Loan Regulations, its guarantee on the Bonds to be executed and delivered by the Borrower. The Minister of Finance of the Guarantor and such person or persons as he shall designate in writing are designated as the authorized representatives of the Guarantor for the purposes of Section 6.12 (b) of the Loan Regulations.

Article V

Section 5.01. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Guarantor :

Ministère des Finances
Paris 1^{er}
France

Alternative address for cablegrams and radiograms :

Ministère Finances
Paris, France

For the Bank :

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington 25, D.C.
United States of America

Alternative address for cablegrams and radiograms :

Intbafrad
Washington, D.C.

Section 5.02. The Ambassador of Republic of France and of the Community in Washington is designated for the purposes of Section 8.03 of the Loan Regulations.

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

Republic of France :

by Hervé ALPHAND

Authorized Representative

International Bank for Reconstruction and Development :

by J. Burke KNAPP

Vice President