No. 6509

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
and
MAURITANIA

Guarantee Agreement—*Iron Ore Project* (with 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.

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

BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
MAURITANIE

Contrat de garantie — *Projet relatif à l'extraction de minerai de fer* (avec, 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.

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

No. 6509. GUARANTEE AGREEMENT[1] (*IRON ORE PROJECT*) BETWEEN THE ISLAMIC REPUBLIC OF MAURITANIA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 17 MARCH 1960

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

WHEREAS by an 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 France, 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 France 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,[2] subject, however, to the modifications thereof set forth in Schedule 3[4] to the Loan Agreement (said Loan

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

[2] See p. 220 of this volume.

[3] See p. 147 of this volume.

[4] See p. 190 of this volume.

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 intention of the Guarantor and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Guarantor undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Guarantor as security for any external debt, such lien will *ipso facto* 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 will be made to that effect ; provided, however, that the foregoing provisions of this Section shall not apply to : (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property ; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

The term "assets of the Guarantor" as used in this Section includes assets of the Guarantor or of any of its political subdivisions or of any agency of the Guarantor or of any such political subdivision, including assets of any institution fulfilling the functions of a central bank or of a central bank if hereafter created.

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.