

GRANT NUMBER D039-M. E.
GEF GRANT NUMBER TF0190 E.

Financing Agreement

**(MAURITANIA West Africa Regional Fisheries Project
under the West Africa Regional Fisheries Program)**

between

ISLAMIC REPUBLIC OF MAURITANIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 17, 2015

GRANT NUMBER D039-M 13
GEF GRANT NUMBER TF0190 09

FINANCING AGREEMENT

AGREEMENT dated April 17, 2015, entered into between the ISLAMIC REPUBLIC OF MAURITANIA ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

WHEREAS (A): the Recipient and the Republic of GUINEA have agreed to participate in the first phase of a program designed under series of projects ("Program", as further defined in the Appendix to this Agreement) to sustainably increase the overall wealth generated by the exploitation of the marine fisheries resources of West Africa and the proportion of that wealth captured by West African countries, by: (i) strengthening their respective capacity to sustainably govern and manage their fisheries; (ii) reducing illegal fishing; (iii) increasing the value and profitability generated by fish resources and the proportion of that value captured by the respective countries; and (iv) ensuring the redistribution of the benefits derived from fishery resources to the national economy.

(B) the Recipient, having satisfied itself as to the feasibility and priority of the project ("Project", as described in Schedule 1 hereto), has requested the Association to assist in the financing of the Project;

(C) the International Bank for Reconstruction and Development ("Bank", acting as Implementing Agency of the Global Environment Facility ("GEF")), shall extend to the Recipient a grant in an amount not to exceed seven million United States Dollars (USD 7,000,000) ("GEF Grant") to assist the Recipient in financing part of the cost of the Project on the terms and conditions set forth in the grant agreement of even date herewith entered into between the Recipient and the Bank, acting as Implementing Agency of the GEF ("GEF Trust Fund Grant Agreement");

(D) Parts A.1(b) and C.2 of the Project will be carried out by the *Commission Sous-Régionale des Pêches* ("CSRP"), with the Recipient's assistance and, as part of such assistance, the Recipient will make a portion of the proceeds of the Credit provided for in Article II of this Agreement available to CSRP as set forth in this Agreement; and

(E) WHEREAS the Association has also agreed, on the basis, *inter alia*, of the foregoing, to extend the credit provided for in Article II of this Agreement to the Recipient upon the terms and conditions set forth in this Agreement and in the Project Agreement of even date herewith between the Association and CSRP ("Project Agreement");

NOW THEREFORE 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 General Conditions or in the Appendix to this Agreement.

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 eight million six hundred thousand Special Drawing Rights (SDR 8,500,000) ("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 August 1 and March 1 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project and the Program. To this end, the Recipient shall: (i) carry out Parts A (except A.1(b)), B, and C.1 of the Project through the *Ministère des Pêches et de l'Économie Maritime*; and (ii) pursuant to the Subsidiary Grant Agreement, cause Parts A.1(b) and C.2 of the Project to be carried out by CSRP, all in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.

- 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 — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The CSRP Treaty has been amended, suspended, abrogated, supplemented, replaced or waived so as to affect materially and adversely the ability of CSRP to perform any of its obligations under the Project Agreement or to achieve the objective of the Project.
 - (b) The Fisheries Legislation has been amended, suspended, abrogated, repealed, supplemented, replaced or waived so as to render it in contradiction with the Recipient's applicable international obligations or so as to otherwise affect materially and adversely the ability of the Recipient or CSRP to perform any of its obligations under this Agreement or the Project Agreement, as the case may be, or to achieve the objective of the Project.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Subsidiary Grant Agreement, in form and substance satisfactory to the Association, has been executed on behalf of the Recipient and CSRP.
 - (b) The Recipient has adopted the Project Implementation Manual, in form and substance satisfactory to the Association.
- 5.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.
- 5.03. The Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.
- 5.04. 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 (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Minister responsible for finance.

6.02. The Recipient's Address is:

Minister of Economic Affairs and Development
Ministry of Economic Affairs and Development
BP 238
Nouakchott
Mauritania

Facsimile:

222-45-25-33-35

6.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

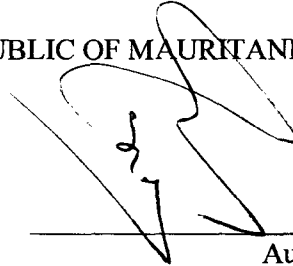
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AGREED at *Washington DC, USA*, as of the day and year first above written.

ISLAMIC REPUBLIC OF MAURITANIA

By



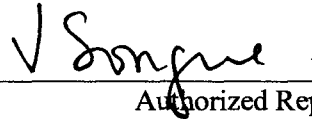
Authorized Representative

Name: H.E. Sidi Ould TA

Title: Minister of Economic Affairs and Development

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Vera Songwa

Title: Country Director for Mauritania

SCHEDULE 1

Project Description

The objective of the Project is to strengthen the governance and management of targeted fisheries and improve the handling of landed catch at selected sites.

The Project consists of the following parts:

Part A: Strengthening Good Governance and Sustainable Management of the Fisheries

Building the institutional and human capacity to develop and implement policies and systems for environmentally sustainable, socially equitable and economically profitable use of fishery resources, in particular:

1. Developing the legal and operational policy framework, and strengthening the institutional capacity for sustainable management of fisheries resources, including: (a) review of relevant national legal and regulatory framework; (b) SRP led monitoring of initial activities to ensure harmonization of fisheries policies and regulatory frameworks with those of other countries under the Program, including the recruitment and the coordination of the Independent Verifiers; (c) carrying out institutional reforms of the Ministry of Fisheries and Aquaculture and other relevant ministries, departments and agencies responsible for fisheries management policies and functions; and (d) coordinating the implementation the fisheries strategic vision.
2. Strengthening the vessel registration systems for accurate assessment and effective control of fishing capacity, including: (a) strengthening of the registration systems for vessels and boats in all segments, to allow for accurate assessment of the fishing capacity within the EEZ; and (b) introducing access management through tight control over the fishing capacity.
3. Introducing new fisheries management schemes in target fisheries, segments, or communities to align fishing capacity and effort to sustainable catch levels, including, implementing measures to regulate access to fish resources in the artisanal and coastal segment as envisaged in the pertinent management plan of the segment.
4. Strengthening the system of fisheries-related data collection, compilation and management, including transparency in dissemination and communication, including: (a) establishing and operationalization of an economic planning unit for the fisheries sector; and (b) strengthening the integration of the fisheries sector in the Extractive Industries Transparency Initiative.

5. Carrying out a program of activities to promote result-based approach in fisheries management, including a system of incentives for identified institutions, units and individuals for achievement of results under Parts A.2, A.3 and A.4 of the Project, through an eligible expenditure program (Eligible Expenditure Program).

Part B: Increasing the Contribution of the Fish Resources to the Local Economy

1. Improving physical infrastructure to facilitate proper fish handling, including: (a) carrying out a resettlement action plan for the fish market site; (b) fencing the perimeter of the proposed fish market site for security purposes; (c) carrying out construction and sanitation works for the fish market; and (d) carrying out construction of warehouses and administrative buildings associated with the fish market.
2. Carrying out management plans and strengthening the capacity for fish handling, including the developing a management plan and land use plan for landing sites (*Tanit PK 93m, PK '14 and N'Diago*), and demarcation of boundaries of said sites.

Part C: Project Management, Monitoring and Evaluation, and Regional Coordination

1. Strengthening the capacity of the Project Implementation Unit for management and coordination of project activities, monitoring and evaluation of the project, communication of project activities, and fiduciary (procurement and financial) management, and management of the social and environmental aspects of the Project.
2. Strengthening the CSR Regional Coordination Unit for effective coordination of the Project activities at the regional level.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

I. At the National Level

1. The Project Implementation Unit

- (a) The Recipient, through the *Ministère des Pêches et de l'Économie Maritime* (Ministry of Fisheries and Maritime Economy), shall establish not later than one (1) month after Effective Date and maintain, throughout Project implementation the Project Implementation Unit (PIU) and within its structure, under terms of reference satisfactory to the Association. The PIU shall be headed by the Project Coordinator and shall be composed of, *inter alia*: (i) an environmental and social safeguard specialist; (ii) a monitoring and evaluation expert; (iii) a procurement specialist; (iv) an administrative and financial management specialist; and (v) an internal auditor, all with terms of reference, experience and qualifications satisfactory to the Association. The Recipient shall, not later than four (4) months after Effective Date, recruit the environmental and social safeguard specialist referred to in paragraph (a)(i), in accordance with Section III.C of Schedule 2 to this Agreement.
- (b) The PIU shall be responsible for day-to-day Project coordination and implementation, including:
- (i) preparing proposed Annual Work Plans for inclusion in the Project, and updating the Procurement Plan and related budgets and consolidated Project Reports;
 - (ii) developing a communication and outreach strategy;
 - (iii) establishing and maintaining of the Project management information system;
 - (iv) carrying out Project financial management; and
 - (v) monitoring and evaluating the Project and preparing Project progress reports and monitoring and evaluation reports for the meetings of the National Steering Committee.

2. National Steering Committee

- (a) The Recipient shall maintain throughout Project implementation, the National Steering Committee with a composition, mandate, functions and resources satisfactory to the Association, as set forth in the Project Implementation Manual.
- (b) Without limitation to Section I.A. 2(a) of immediately above, the National Project Steering Committee shall be responsible for, *inter alia*:
 - (i) reviewing the proposed Annual Work Plans for the Project, as well as related budgets prepared by the PIU;
 - (ii) overseeing overall performance of the Project and providing policy guidance; and
 - (iii) identifying necessary Project adjustments based on monitoring and evaluation results.

II. At the Regional Level

1. Regional Steering Committee

- (a) The Recipient shall:
 - (i) at all times during the implementation of the Project, maintain high level representation and active participation in the Regional Steering Committee; and
 - (ii) appoint to the Regional Project Steering Committee, and maintain, a representative at the level of the Permanent Secretary responsible for fisheries or other senior official with sufficient decision making authority from its designated Ministry responsible for fisheries.
- (b) Without limitation upon the provisions of Section I.A.1(a) immediately above, the Regional Steering Committee shall be responsible for, *inter alia*:
 - (i) reviewing activities proposed to be carried out by CSRP, and the related budgets;
 - (ii) providing overall policy guidance on the Program;

- (iii) developing mechanisms designed to strengthen the collaboration of the Participating Countries in respect of the Program; and
- (iv) identifying necessary Program adjustments based on monitoring and evaluation results.

2. Regional Coordination Unit

The RCU shall be responsible for coordinating the implementation of CSRP's and the Participating Countries' activities, including facilitating the Participating Countries to: (a) access to high level expertise to support fisheries policy, legal and regulatory and institutional reform process; (b) linkages to a regional fishing vessel register and dashboard; (c) exchange visits and study tours with other countries under the Program; and (d) ongoing fiduciary and monitoring and evaluation.

B. Project Implementation Manual

1. The Recipient shall carry out Parts A (except A.1(b)), B and C.1 of the Project in accordance with the provisions of the Project Implementation Manual, containing, *inter alia*, detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of A (except A.1(b)), B and C.1 the Project; (b) procedures and guidelines for budgeting, disbursement and financial management; (c) procurement; (d) environmental and social safeguards requirements; (e) monitoring, evaluation, reporting and communication; and (f) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for A (except A.1(b)), B and C.1 of the Project.
2. The Recipient shall not amend, abrogate, waive or fail to enforce any provision of the Project Implementation Manual, without the prior written agreement of the Association; provided, however, that in case of any conflict between the arrangements and procedures set out in any of said manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

C. Subsidiary Agreement

- (a) For the purposes of carrying out Parts A.1 (b) and C.2 of the Project, the Recipient shall make the proceeds of the Financing allocated from time to time to Category (3) available to CSRP on a grant basis under a subsidiary grant agreement to be entered into between the Recipient and CSRP, under terms and conditions approved by the Association ("Subsidiary Agreement").
- (b) The Recipient shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the

Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

E. Annual Work Plan:

1. The Recipient shall prepare, under terms of reference satisfactory to the Association, and furnish to the Association not later than November 30 in each calendar year, for the Association's consideration, a proposed work plan of activities to be included in the Project for the following calendar year, such plan to include an implementation schedule and budget and financing plan therefor.
2. The Recipient shall afford the Association a reasonable opportunity to review and exchange views with the Recipient on such proposed plan.

3. Specific Allocation of Fishing Rights Covenant

The Recipient shall, in a manner satisfactory to the Association, within thirty six (36) months after the Effective Date, ensure equitable allocation of fishing rights in the octopus industry to respective qualified applicants.

For the purpose of this Section I.E.3, the term "equitable allocation of fishing rights" refers to the allocation of fishing rights that ensures the inclusion of existing participants and protects the interests of vulnerable population in the fishing industry, in particular smaller players in the artisanal segment.

F. Environmental and Social Safeguards

1. The Recipient shall ensure that Part B of the Project is implemented in accordance with the Environmental and Social Impact Assessment (ESIA) and the Resettlement Action Plan (RAP), in a manner satisfactory to the Association, and the Recipient shall not amend or waive any provision of the aforementioned documents without the prior written agreement of the Association.
2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall collect, compile and furnish to the Association on a quarterly basis reports on the status of compliance with the ESIA and the RAP, giving details of:
 - (a) measures taken in furtherance of the ESIA and the RAP;

- (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the ESIA and the RAP; and
 - (c) remedial measures taken or required to be taken to address such conditions.
3. The Recipient shall promptly take all remedial measures referred to in paragraph 2 of this Section as shall have been agreed by the Association.
4. The Recipient shall: (i) implement measures satisfactory to the Association to minimize and mitigate adverse social impacts, if any, especially those affecting poor and vulnerable groups, in accordance with the social assessment of the impact of the Project on the management of its fisheries resources, and (ii) adequately monitor and evaluate the carrying out of said measures in the implementation of the Project and maintain the Association suitably and timely informed of the progress thereon, including by means of information to be included in the quarterly reports referred to in paragraph 2 of this Section E.
5. **Specific Covenants for Implementation of the RAP**

Without limitation to the provisions of Section I.E.1 and 2 above, the Recipient shall:

- (a) ensure appropriate compensation, and other compensatory measures as may be necessary, resettlement and rehabilitation of such Affected Persons in accordance with the RAP;
- (b) not later than one year after completion of the implementation of the RAP, conduct and submit an audit by an independent qualified resettlement expert to monitor the outcomes of the RAP, including a survey and consultation with Affected Persons, and which audit shall also recommend necessary actions to address shortcomings in the implementation of said RAP;
- (c) not later than six months prior to commencement of any works at the *Marché aux Poissons de Nouakchott*: (a) open and maintain a Project account (Resettlement Project Account) in a commercial bank on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure or attachment; (b) make payments for the implementation of the RAP, out of the Resettlement Project Account in accordance with the format and modality agreed upon with the Association, and in accordance with the guidelines established in the RAP; and (c) ensure that funds deposited into the Resettlement Project Account shall be exclusively used to finance payments of compensation made, or

to be made to the Affected Persons, or resettlement assistance to said Affected Persons; and

- (d) ensure effective and adequate oversight of the day-to-day implementation of the RAP, adequate staffing and resources to ensure effective implementation, monitoring and supervision of the RAP.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

- 1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the acceptable to the Association. Each Project Report shall cover the period of six calendar months, and shall be furnished to the Association not later than forty five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

- 1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
- 2. The Recipient shall prepare and furnish to the Association not later than forty five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
- 3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

4. Specific Financial Management Covenants

The Recipient shall, not later than four (4) months after the Effective Date:
(a) appoint an internal auditor in accordance with Section III.C of Schedule 2 to this Agreement, to carry out ex post reviews of the Project transactions; and
(b) appoint an external auditor for the Project in accordance with Section III.C of Schedule to this Agreement.

C. External Controls for Part A.5 of the Project

1. Independent Verification

- (a) The Recipient shall, not later than three (3) months after the Effective Date, cause CSRP to appoint external monitoring and evaluation experts (“Independent Verifiers”), to act as third-party verifiers of the proper fulfillment of the DLIs set forth in Schedule 3 to this Agreement.
- (b) The Recipient shall cause the Independent Verifiers to carry out, prior to each Withdrawal, an assessment of the level of fulfillment of DLIs set forth in Schedule 3 to this Agreement, and provide to the Recipient and the Association, an Independent Verification Report containing, *inter alia*, said assessment on the fulfillment of the pertinent DLIs and a proposal for disbursement under each Withdrawal.

2. Independent Verification Reports

- (a) The Recipient shall cause the Independent Verifiers to furnish to the Association every calendar year starting ten months after the Effective Date, regular reports (“Independent Verification Reports”) prepared in accordance with the provisions of the Project Implementation Manual.
- (b) The Recipient shall furnish to the Association every calendar year starting ten months after the Effective Date, report describing the status of all procurement activities under Part A.5 of the Project as described in the Procurement Plan, as well as expected changes to the Procurement Plan.
- (c) The EEPs shall comply with the eligibility criteria and procedures set forth in the Project Implementation Manual.
- (d) If, at any time, the Association determines that any portion of the financing under the Project: (i) was used for items improperly procured in violation of Section III of this Schedule; (ii) was not used for Eligible Expenditures; or, (iii) in case of the EEPs for Part A.5 of the Project, was not supported by evidence of actual spending by the Recipient under said EEPs and/or by evidence of satisfaction of other criteria set forth in this Agreement or in the Project Implementation Manual, the Recipient shall refund any such portion to the Association as the Association shall specify by notice to the Recipient.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, 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, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, 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, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the procedures set forth under paragraph 3 immediately below; (b) Shopping; and (c) Direct Contracting.
3. National Competitive Bidding may be used as set forth in paragraph 2(a) immediately above, subject to the following provisions:
 - (a) Each bidding document and contract financed out of the proceeds of the Financing or funded from the funds pooled in Project Account A 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.

- (b) Eligible bidders, including foreign bidders, shall be allowed to participate.
- (c) No domestic preference shall be given to domestic contractors and to domestically manufactured goods.
- (d) 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 the availability of bidding documents, whichever is later.
- (e) 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.
- (f) Bids are awarded to the bidder with the lowest bid evaluated provided this bidder is qualified.
- (g) 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.
- (h) Provisions related to the use of merit point shall not apply.
- (i) Less than three bids submitted shall not be considered as a reason for re-bidding.
- (j) The evaluated lowest Bidder shall be authorized to complete administrative statement proof.
- (k) The lack of anonymity of any offer shall not be a reason for rejection of the offer.
- (l) A newly created firm shall not qualify based on the experience of its management staff.
- (m) The evaluation committee should not include any Tender Committee Member.

C. Particular Methods 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) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

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.

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 Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants' services, Operating Costs and Training for Parts A (except A.1(b)) and A.5) of the Project	500,000	10%
(2) Goods, works, non-consulting services, consultants' services, Operating Costs and Training for Parts B and C.1 Project	6,570,000	99%
(3) Goods, works, non-consulting services, consultants' services, Operating Costs and Training for Parts A.1(b) and C.2 of the Project	450,000	75%
(4) Eligible Expenditure Program under Part A.5 of the Project for scheduled DLI disbursement set forth in the DLI Table	230,000	32% of DLI values for the pertinent Project Year
(5) Refund of Preparation Advance	850,000	Amount payable pursuant to Section 2.07 of the General Conditions
TOTAL AMOUNT	8,600,000	

For the purpose of the table set forth immediately above, the term "Operating Costs" means the incremental expenses incurred on account of Project implementation, based on the Annual Work Plans approved by the Association pursuant to Section I.E.2 of Schedule 2 to this Agreement, including office equipment and supplies, vehicle operation

and maintenance, communication costs, office administration costs, utilities, travel and *per diem*, excluding the salaries of the Recipient's civil servants.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement; or
 - (b) for any scheduled DLI payment under Category 4 unless the Recipient shall have:
 - i. submitted to the Association, in form and substance satisfactory to the Association, the applicable Customized Statement of Expenditure, and an Independent Verification Report for the pertinent Project Year, detailing the expenditures incurred under the EEP up to the date on which the withdrawal application shall be submitted; and
 - ii. by no later than forty-five (45) days after the end of the pertinent Project Year, furnished evidence satisfactory to the Association of the achievement of all five (5) DLIs for the actions to be achieved in the third Project Year, which actions are set forth in the DLI Table.
2. Notwithstanding the provisions of Section IV.B.1(b) of this Schedule 2, no installment payments shall be made under Category 4 unless, evidence satisfactory to the Association has been furnished to the Association that the Recipient has achieved all but one DLI under the preceding Project Year, and that due to unavoidable circumstance beyond the control of the Recipient, the pending DLI was/were no longer achievable by its/their due date(s) and/or by the Closing Date.
3. In the event that the Association has withheld, or is entitled to withhold, part of the Financing pursuant to paragraph 2 of this Section IV.B.2, the Association may, at its sole discretion, authorize, at a later date, the full release of the amount(s) so withheld, if and when the Association is satisfied that the respective target DLI(s) has/have been achieved.
4. The Closing Date is December 15, 2020.

**SCHEDULE 3
Disbursement Linked Indicators (DLIs)**

DLI 1: Number of Reliable fisheries management data regularly available (IR Indicator 1.1)						
	Year 1	Year 2	Year 3	Year 4	Year 5	Total (SDR)
Target	6 out of 13 variables are made available	7 out of 13 variables are made available	10 out of 13 variables are made available	12 out of 13 variables are made available	13 out of 13 variables are made available	N/A
DLI Value (SDR)	3,750	3,750	11,250	7,500	3,750	30,000
Description of Achievement	<p>The achievement of the DLI target will be measured by assessing the degree of reliable fisheries data that are made available.</p> <p>The fisheries variables that will be made available include:</p> <ol style="list-style-type: none"> 1. List of valid fishing licenses from all segments (monthly) 2. List of infractions in artisanal and coastal segments (annually) 3. List of infractions in industrial segment (monthly) 4. Fees from licenses (every trimester) 5. Fees collected under fishing agreements (annually) 6. Fees from infractions (annually) 7. Estimate of octopus catch potential in the EEZ (metric ton estimate) (annual) 8. Fishing effort, in thousands of hours of industrial fleets (by category of vessels) (annual) 9. Volume in tons of fish production (pelagic, demersal cephalopods and crustaceans) (annual) 10. FOB value of frozen fish exports in thousands of US dollars (current prices), by segment (artisanal and coastal) (annual) 11. FOB price of octopus exports in US dollars per ton (monthly) 12. Value of public and private investments made in the fisheries sector (in US dollars) (annual) 13. Number of shipyard approved by the State serving fisheries units (annual) <p>The DLI is not scalable.</p>					

Verification Protocol	<p>Verification Entity: The achievement of DLIs will be verified on an annual basis by the Independent Verifiers referred to in Section II.C.1 of Schedule 2 to this Agreement.</p> <p>Data source: The independent entity will verify the achievement of this DLI by reviewing the annual report of the <i>Comité Restreint sur les Statistiques de Pêche</i> (CRSP) to assess whether the fisheries data was made available.</p> <p>Procedure: The methodology used to assess the data availability is a simple count of the number of the 13 variables that are made available.</p>
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DLI 2: Share of fisheries management data published regularly and made publicly accessible (PDO Indicator 1)						
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total (SDR)
Target	16% of fisheries management data published regularly and made publicly accessible	33% of fisheries management data published regularly and made publicly accessible	50% of fisheries management data published regularly and made publicly accessible	66% of fisheries management data published regularly and made publicly accessible	83% of fisheries management data published regularly and made publicly accessible	N/A
DLI Value (SDR)	10,000	10,000	10,000	10,000	10,000	50,000
Description of Achievement	<p>The achievement of the DLI target will be measured by the degree of fisheries management data that are made publicly accessible so as to improve transparency in the governance of fisheries.</p> <p>Six variables constitute the fisheries management data that are expected to be made publicly accessible:</p> <ol style="list-style-type: none"> 1. List of valid fishing licenses from all segments (monthly) 2. List of infractions in artisanal and coastal segments (annually) 3. List of infractions in industrial segment (monthly) 4. Fees from licenses (every trimester) 5. Fees collected under fishing agreements (annually) 6. Fees from infractions (annually) <p>The DLI is not scalable.</p>					

Verification Protocol	<p>Verification Entity: The achievement of DLIs will be verified on an annual basis by the Independent Verifiers referred to in Section II.C.1 of Schedule 2 to this Agreement.</p> <p>Data source: The website of the government agency responsible for fisheries management.</p> <p>Procedure: The methodology to compute the target value is as follows: Calculation by division of number of accessible fisheries management variables in annual equivalent by defined total number of variables (6) x 100. For example, each monthly rate will be recorded by 1/12. If this variable is published monthly during the year, its value will be 1. If this variable is published regularly for 6 months, its value will be 0.5</p>
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DLI 3: Number of fishing vessels operating in the exclusive economic zones should not exceed the ceiling established for each segment (PDO Indicator 3)							
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total (SDR)	
Target	“Yes”: number does not exceed ceiling of 7,661 artisanal vessels, 261 coastal vessels, and 245 industrial vessels	“Yes”: number does not exceed ceiling of 7,661 artisanal vessels, 261 coastal vessels, and 245 industrial vessels	“Yes”: number does not exceed ceiling of 7,661 artisanal vessels, 261 coastal vessels, and 245 industrial vessels	“Yes”: number does not exceed ceiling of 7,661 artisanal vessels, 261 coastal vessels, and 245 industrial vessels	“Yes”: number does not exceed ceiling of 7,661 artisanal vessels, 261 coastal vessels, and 245 industrial vessels	“Yes”: number does not exceed ceiling of 7,661 artisanal vessels, 261 coastal vessels, and 245 industrial vessels	N/A
DLI Value (SDR)	12,000	12,000	12,000	12,000	12,000	12,000	60,000
Description of Achievement	<p>This is a proxy measure of the fishing capacity with the intent that the number of vessels should not increase so as to curb the trend of resource degradation.</p> <p>In the industrial segment, the number of vessel is measured with reference to the number of fishing licenses in annual equivalent. In the artisanal segment, the number of vessels will be calculated based on the number of registered boats and it includes the dormant capacity.</p> <p>The number of fishing vessels includes foreign vessels.</p>						

	<p>The indicator will be considered achieved (= “Yes”) if the fleet size is at or below the following values:</p> <ul style="list-style-type: none"> • 7 661 artisanal vessels and 261 coastal vessels as indicated in the registry of the <i>Direction de la Pêche Artisanale et Côtière</i> (DPAC), and • 245 industrial vessels as indicated in the registry of the <i>Direction de la Pêche Industrielle</i> (DPI). <p>The DLI is not scalable.</p>
Verification Protocol	<p>Verification Entity: The achievement of DLIs will be verified on an annual basis by the Independent Verifiers referred to in Section II.C.1 of Schedule 2 to this Agreement.</p> <p>Data source: For artisanal vessels and coastal vessels, the information can be verified in the registry of the <i>Direction de la Pêche Artisanale et Côtière</i> (DPAC), and for industrial vessels, the information can be verified in the registry of the <i>Direction de la Pêche Industrielle</i> (DPI).</p> <p>Procedure: The indicator will be considered achieved (= “Yes”) if the fleet capacity is at or below 7,661 artisanal vessels, 261 coastal vessels, and 245 industrial vessels.</p>

DLI 4: Share of fishing vessels registered (IR Indicator 1.2)						
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total (SDR)
Target	100% of Industrial, 60 % of Coastal, and 0% of Artisanal fleet is registered	100% of Industrial, 70 % of Coastal, and 0% of Artisanal fleet is registered	100% of Industrial, 80 % of Coastal, and 25% of Artisanal fleet is registered	100% of Industrial, 85 % of Coastal, and 50% of Artisanal fleet is registered	100% of Industrial, 90 % of Coastal, and 90% of Artisanal fleet is registered	N/A
DLI Value (SDR)	6,000	6,000	6,000	6,000	6,000	30,000
Description of Achievement	<p>The achievement of the DLI target will be measured by verifying the percentage of registered vessels in industrial, coastal and artisanal segments of the fishing fleet.</p> <p>Although the artisanal and coastal vessels are already registered, Mauritania will develop a new secured registration system with an unforgeable identification device.</p> <p>The DLI is not scalable.</p>					

Verification Protocol	<p>Verification Entity: The achievement of DLIs will be verified on an annual basis by the Independent Verifiers referred to in Section II.C.1 of Schedule 2 to this Agreement.</p> <p>Data source: There are two sources for data verification. The first is located at the <i>Direction de l'Aménagement et de la Recherche Océanographique</i> (DARO) which manages the registry information for both DPI (for the industrial segment) and DPAC (for the coastal and artisanal segments). The second is located at the <i>Direction de la Marine Marchande</i> (DMM) which keeps track of the registration of the country's fishing fleet.</p> <p>Procedure: The DLI will be considered achieved if the percentage of registered vessels is at or above the targeted percentage values.</p>
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DLI 5: Annual total allowable catch (TAC) in the octopus fishery is distributed in percentage to artisanal, coastal and industrial segments in a “participatory”, “transparent”, and “scientific manner” (IR Indicator 1.7)						
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total (SDR)
Target	0	0	1	2	3	N/A
DLI Value (SDR)	0	0	20,000	20,000	20,000	60,000
Description of Achievement	<p>This indicator is based on the observation of the process leading to the distribution of the shares of total annual catch (TAC) in the octopus fishery. Total allowable catch measure is used to ensure stock sustainability without undermining the renewal potential of the stock.</p> <p>The target value of “0”, “1”, “2”, or “3” will be established in the following way:</p> <ul style="list-style-type: none"> • Target value “0” means that the total allowable catch is distributed in non-participatory, non-transparent, and non-scientific manner. • Target value “1”, “2”, or “3” is achieved by the cumulative value of one point each earned if the total allowable catch is distributed in a participatory, transparent, or scientific manner, respectively. • The maximum score is “3” which is earned if the total allowable catch is distributed in a participatory, transparent, and scientific manner. <p>The following definitions apply:</p> <ul style="list-style-type: none"> • Participatory: Annual publication of results of consultations that include a large number of players and vulnerable populations leading to the distribution of TAC • Transparent: Publication of allocation criteria and data based on which TAC distribution will be made. • Scientific: The distribution should be consistent with biological and economic sustainability adjusted depending on resource availability. <p>The DLI is not scalable.</p>					

Verification Protocol	<p>Verification Entity: The achievement of DLIs will be verified on an annual basis by the Independent Verifiers referred to in Section II.C.1 of Schedule 2 to this Agreement.</p> <p>Data source: The value will be assessed by examining the annual report of the <i>Institut Mauritanien de Recherche Océanographique et sur les Pêches</i> (IMROI), and for which conclusions are validated by the <i>Conseil Consultatif National pour l'Aménagement et le Développement des Pêcheries</i> (CCNAD), as documented the minutes of their annual meeting.</p> <p>Procedure: the total annual catch distribution will be assessed against the three parameters of Participatory, Transparent, and Scientific, as per the definitions provided above.</p>
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APPENDIX

Definitions

1. “Annual Work Plans” means the annual work plans for the Project approved by the Association in accordance with the provisions of Section I.E of Schedule 2 to this Agreement; and “Annual Work Plan” means any of the Annual Work Plans.
2. “Affected Persons” means persons who, on account of the execution of the Project had or would have their: (i) standard of living adversely affected; or (ii) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habit of life adversely affected.
3. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Currency” means US Dollars.
6. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
7. “CSRP” means the *Commission Sous-Régionale des Pêches*, the sub-regional fisheries commission established and operating pursuant to the CSRP Treaty.
8. “CSRP Treaty” means the inter-governmental convention *Convention portant Création de la Commission Sous-Régionale des Pêches*, dated March 29, 1985 entered into among the member states of the CSRP (Mauritania, Senegal, the Gambia, Guinea-Bissau, Guinea, Cape Verde and Sierra Leone), as amended.
9. “Disbursement-Linked Indicator” or “DLI” means a set of indicators as specified in Schedule 3 to this Agreement; and “Disbursement-Linked Indicators” or “DLIs” means more than one Disbursement-Linked Indicator or DLI.
10. “DLI Table” means the table set forth in Schedule 3 to this Agreement.

11. “EEPs” or “Eligible Expenditure Programs” means a set of defined expenditures for goods, non-consulting services, consultants’ services, training and operating costs made by the Recipient under Part A.5 of the Project.
12. “Exclusive Economic Zone” or “EEZ” means the Recipient’s maritime area beyond and adjacent to the territorial sea and extending up to 200 nautical miles from the baselines from which breadth of the territorial sea is measured, subject to the specific legal regime established in Part V of the UNCLOS.
13. “Environmental and Social Impact Assessment” or “ESIA” means the report for Part B of the Project dated November 2014, and disclosed in country on December 8, 2014, and in the Association’s Infoshop on December 4, 2014 respectively describing the set of avoidance, mitigation, enhancement, monitoring, and institutional measures to be taken during construction of the *Marché aux Poissons de Nouakchott* to avoid, mitigate, offset, or reduce adverse environmental and social impacts to acceptable levels, or to enhance positive impacts.
14. “Fisheries Legislation” means the Fisheries Code (Law No. 2005-25, adopted on January 24, 2000, as amended in 2007) and Merchant navy Code (Law No. 2013-29, adopted on July 10, 2013) together with the relevant implementing decrees and orders, in particular, Decree No. 2002-073, adopted on October 1, 2002 and amended in 2010, and Ministerial Order No. 2012-1808, as amended by Ministerial Order No. 2012-1390, adopted in August 2012.
15. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
16. “Independent Verifiers” means the independent verifiers referred to in Section II.C of Schedule 2 to this Agreement, recruited by the Recipient in order to prepare the Independent Verification Reports.
17. “Independent Verification Report” means the report prepared by the Independent Verifiers in accordance with the details provided in the Project Implementation Manual and, referred to in Section II.C.2 of Schedule 2 to this Agreement, to make disbursement recommendation for each Withdrawal based on the spending status of the Eligible Expenditure Programs under Part A.5 of the Project and the compliance with the DLIs.
18. *Ministère des Pêches et de l’Economie Maritime* means the Recipient’s ministry responsible for fisheries and maritime economy, or any successor thereto.
19. “Preparation Advances” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to: (i) the letter agreement signed on behalf of the Association on December 27, 2011 and on behalf of the Recipient on May 13, 2012; (ii) the letter agreement signed on behalf

of the Association on May 22, 2014 and on behalf of the Recipient on June 22, 2014; and (ii) the letter agreement signed on behalf of the Association on February 6, 2015 and on behalf of the Recipient on February 10, 2015.

20. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
21. "Procurement Plan" means the Recipient's procurement plan for the Project dated February 6, 2015 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.
22. "Program" means the West Africa Regional Fisheries Program of the CSRP member countries endorsed by the Conference of Ministers of Fisheries of the member states of the CSRP, the Republic of Ghana and the Republic of Liberia, on October 25 – 27, 2007 and December 5, 2008, and set forth in the minutes of the respective meetings of said Conference.
23. "Project Implementing Entity" means the CSRP.
24. "Project Implementation Manual" or "PIM" means the manual adopted by the Recipient pursuant to Section 5.01 (b) to this Agreement and referred to in Section I.B.1 of Schedule 2 to this Agreement.
25. "Project Implementing Unit" or "PIU" means the implementing unit established within the Recipient's *Ministère des Pêches et de l'Economie Maritime* and referred to in Section I.A.I.1 in Schedule 2 to this Agreement.
26. "Project Year" means a period of twelve (12) calendar months, the first such Project Year commencing on the Effective Date and ending twelve calendar months after such date.
27. "Resettlement Action Plan" or "RAP" means the resettlement plan dated November 2014, and disclosed in country on December 8, 2014, and at the Association's InfoShop on December 4, 2014, for the resettlement of Affected Persons in the area around the *Marché aux Poissons de Nouakchott* in the territory of the Recipient.
28. "Regional Coordination Unit" means the unit referred to in Section I.A.III of Schedule 2 to this Agreement.
29. "Regional Operational Manual" means the "CSRP" manual for Parts A.1(b) and C.2 of the Project referred to in Section I.C of the Schedule 2 to the Project

Agreement, as the same may be amended from time to time with prior written agreement of the Association.

30. "Regional Annual Work Plans and Budgets" means the CSRP annual work plans for Parts A.1(b) and C.2 of the Project approved by the Association in accordance with the provisions of Section I.D of the Schedule to the Project Agreement; and "Regional Annual Work Plan" means any of the Regional Annual Work Plans.
31. "Subsidiary Agreement" means the agreement referred to in Section 5.01(a) and Section I.C of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to the Project Implementing Entity.
32. "UNCLOS" means the United Nations Convention on the Law of the Sea, United Nations Convention on the Law of the Sea, December 10, 1982 as ratified by the Recipient.